select
develop
lead

INTERNATIONAL
BUSINESS OUTCOME
HIGHLIGHTS

HOGAN

INTERNATIONAL
BUSINESS
OUTCOME
HIGHLIGHTS
2009 - 2010

HOGAN

Continuing the global tradition of accurate prediction of employee performance, and research-based selection systems that improve bottom-line business results.

Throughout the world, the highest-performing organizations create a competitive advantage by using personality assessments to select and develop talented employees. International companies turn to Hogan for our ability to predict employee performance and implement research-based selection systems that improve bottom-line business results.

This report provides business outcome evidence from recent studies conducted by members of the Hogan Research Division (HRD) in collaboration with our international partners. These studies illustrate the relationships between our assessments and various outcomes, demonstrating the impact of Hogan products on key performance indicators across geographic, industrial, and occupational boundaries.

WELCOME TO HOGAN

Savvy business leaders realize that an organization's most important assets are its people. Creating a competitive advantage begins with hiring the right candidates and developing the right leaders. Hogan's comprehensive suite of employee assessment, development and talent management products is grounded in decades of research, development, and scientific prediction to help clients accomplish these goals.

RESEARCH ACROSS THE GLOBE

Hogan's introduction to the global stage occurred in 1996 when we established a partnership with a psychological consulting firm in the United Kingdom. This collaboration led to the first culturally adapted version of the Hogan assessments and the development of our first local norm. We soon established additional partnerships in Scandinavia, Australia, Europe, and the Americas. Today, Hogan offers its assessments in over 40 languages, has developed local norms in over 20 countries, and works with a network of partners operating in over 40 countries worldwide.

ROI RESEARCH METHODOLOGY

HRD conducts numerous validation studies each year. Results from these studies confirm that Hogan tools predict job performance across occupations, job levels, and industry sectors. Because each assessment predicts unique aspects of job performance, these tools combine to form a highly accurate and comprehensive blueprint of the personal characteristics related to successful performance in a job.

Hogan partners with international clients and distributors to conduct validation research designed to demonstrate the ability of our assessment solutions to predict job performance. These studies illustrate the impact of Hogan tools using performance metrics that align with each organization's values and strategic goals. When conducting validation studies, we adhere to rigorous research standards, working primarily with sufficiently large, tenured samples and multiple subjective and objective performance metrics.

OVERALL FINDING:
HOGAN SHOWS STRONG UTILITY AFTER IMPLEMENTATION

Over 2009 and 2010, HRD conducted 26 validation research studies for international clients. These studies crossed several industry sectors, including transportation, finance, energy and utilities, and mining and production. HRD delivered results demonstrating strong and favorable impacts for recommended assessment solutions on performance metrics valued by the client. In the next section, we describe and present results from seven studies conducted with international partners.

Hogan Personality Inventory (HPI) - The measure of everyday personality characteristics needed for success in careers, relationships and life.

Hogan Development Survey (HDS) - The measure of counterproductive personality characteristics that derail otherwise successful managers and leaders.

Motives, Values, Preferences Inventory (MVPI) - The measure of core values that reflect job satisfaction, culture fit and things we value as leaders.

**Hogan Business Reasoning Inventory (HBRI) -** The measure of cognitive reasoning skills needed for making effective strategic and tactical business decisions.

Hogan continuously partners with clients to demonstrate the value of our assessment solutions.

Study 1 – Hiring Safer Drivers

An Australian consulting firm partnered with Hogan to improve selection of short-haul commercial goods drivers across multiple transportation companies. Hogan developed an HPI profile that identified successful drivers as resilient and self-confident (high HPI Adjustment), rule-abiding and conscientious (high HPI Prudence), and driven and goal-oriented (high HPI Ambition). Drivers meeting the profile not only received higher performance ratings, but also experienced fewer driving violations and accidents than drivers not meeting the recommended profile.
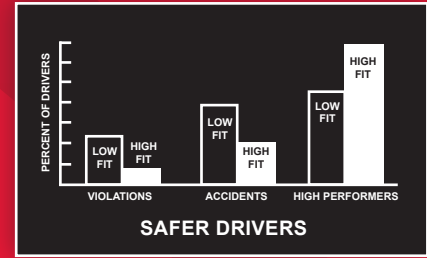
Study 2 – Finding High-Performing Consultants

An international consulting firm offering audit, insurance, HR and tax services approached Hogan to improve the process for hiring entry-level consultants in Brazil. Hogan used the HPI to develop a profile to select applicants identified as calm under pressure (high HPI Adjustment), naturally curious and investigative (high HPI Inquisitive), achievement-oriented (high HPI Ambition), detailed and dependable (high HPI Prudence), and interested in continuous learning (high HPI Learning Approach). Incumbent consultants who satisfied this profile were nearly two and a half times as likely to be identified as high performers by supervisors as employees who did not satisfy profile recommendations.

Study 3 – Selecting Better Service Technicians

A global provider of wind energy headquartered in Denmark wanted to improve its process for hiring service technicians. Hogan recommended using the HPI, HDS and MVPI to identify applicants who take initiative (high HPI Ambition), pay attention to details (high HPI Prudence), find innovative solutions (high HPI Inquisitive), avoid resistance to feedback (high HDS Bold) or becoming distracted (high HDS Imaginative), and value getting the job done (low MVPI Hedonistic) and solving problems (high MVPI Scientific). Employees who satisfied this profile received high performance ratings across all outcomes including personnel rankings, technical skills, and overall performance. In fact, technicians who met the profile were over three and a half times more likely to be identified as high performers by supervisors than technicians who did not meet profile recommendations.
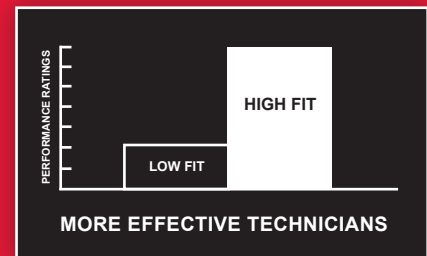
Study 4 – Improving Customer Service

A government-owned Australian utilities company wanted to enhance its process for hiring customer service representatives. Hogan recommended an HPI and MVPI profile to identify well-adjusted (high HPI Adjustment), tactful (high HPI Interpersonal Sensitivity), and detail-oriented (high HPI Prudence) applicants who valued collaboration (high MVPI Affiliation), helping others (high MVPI Altruistic), and having good work acknowledged (high MVPI Recognition). Employees meeting the profile received 20% higher call quality ratings, 18% higher customer satisfaction ratings, and 10% higher overall work performance ratings compared to employees who did not meet the profile.

SAFER DRIVERS

INCREASED PERFORMANCE

MORE EFFECTIVE TECHNICIANS


IMPROVED CUSTOMER SERVICE
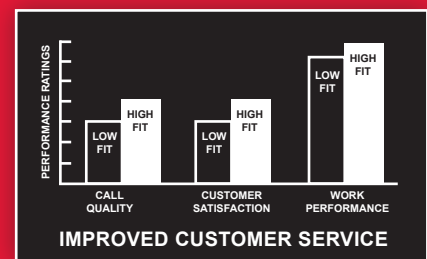
Study 5 – Identifying Top Managerial Talent

An energy and utilities company headquartered in Denmark approached Hogan to enhance its process for selecting managers and directors. We created a profile using the HPI, HDS, and MVPI to identify calm (high HPI Adjustment), goal-oriented (high HPI Ambition), tactful (high HPI Interpersonal Sensitivity), and dependable (high HPI Prudence) applicants who value working with others (high MVPI Affiliation) and avoid becoming resentful (high HDS Leisurely), cynical (high HDS Skeptical), or reluctant to act (high HDS Cautious) under stress. Managers and directors who met the profile received 40% higher behavior ratings and 36% higher overall performance scores than employees who did not meet the profile.


BETTER IDENTIFICATION OF TALENT
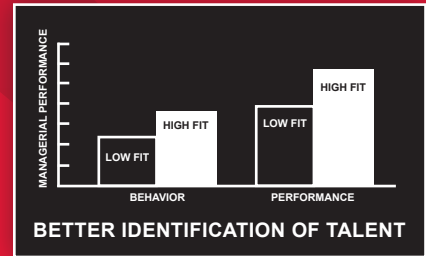
Study 6 – Enhancing Trainee Selection

A Brazilian steel production and mining company worked with Hogan to enhance its selection of trainee applicants. Employees who had previously participated in the training program completed the MVPI, and Hogan researchers compared results to supervisory ratings of employee engagement, attitude, fit, and performance. The resulting profile screened in applicants who valued achievement (high MVPI Power), analytical problem solving (high MVPI Scientific), working in a team environment (high MVPI Affiliation), business and financial issues (high MVPI Commercial), and maintaining established standards (high MVPI Tradition). Trainees who met the profile were eight times more likely to be rated as highly engaged at work and over three times more likely to be rated as highly consistent with the organization's culture than those not meeting the profile.

GREATER ENGAGMENT & FIT
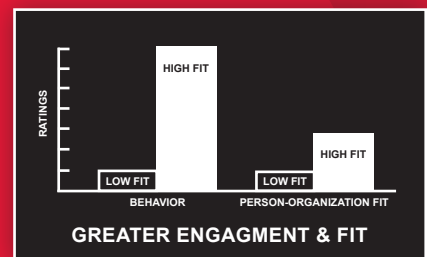
Study 7 – Reducing Accidents and Violations

An international consulting firm partnered with Hogan to improve selection of long-haul transport drivers across companies in Australia and New Zealand. Hogan developed an HPI profile to identify rule-abiding and dependable (high HPI Prudence), calm and even-tempered (high HPI Adjustment), goal-oriented (high HPI Ambition), perceptive (high HPI Interpersonal Sensitivity), and independent (low – moderate HPI Sociability) applicants. Organizations using the profile saw significant decreases in the occurrence of preventable or unreported accidents and driving violations. Overall, use of the recommended profile increased the percentage of drivers considered high performers by 30%.

REDUCING ACCIDENTS & VIOLATIONS
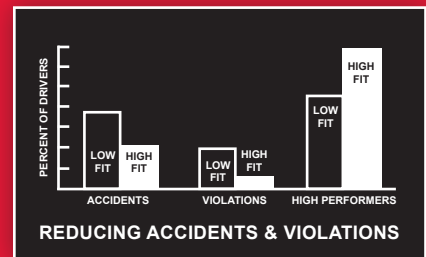
Additional Support: Validating Hogan Tools Without Job Performance Data

Although these types of validation studies offer a variety of benefits, they may not always be feasible or practical. In these cases, HRD can use a combination of personality-based job analysis and evidence across three different Validity Generalization (VG) techniques to develop selection profiles. The Hogan archive, a unique repository including data and materials for hundreds of validation studies conducted worldwide, provides the foundation for these analyses.

Validity Generalization studies can help clients select candidates based on unique combinations of personal characteristics shown by previous research to predict performance in a job. Over the past two years, HRD has conducted VG research for international clients across continents, including:

North America

- Sales Representatives for a food production company
- Customer Sales Representatives for a telecommunications provider
- Technical Support Representatives for a media firm

Europe

- Eleven different job families for a global provider of athletic equipment
- Area Sales Managers for a global leader in pharmaceutical manufacturing
- Station Managers for a provider of worldwide air and ground cargo services

Asia

- Consultants for a real estate development company
- Executive-level positions for a manufacturer of automotive parts
- Corporate job family employees for a global pharmaceutical firm
- Frontline job family employees for a global pharmaceutical firm
- People and General Management job family employees for a global pharmaceutical firm

Africa

- Direct Sales Representatives for a bank
- Management Trainees for a global provider of telecommunications equipment and services
- Staff Members for a bank

Australia/Pacific

- Concierges for an automotive distributor and retailer
- Sales Consultants for an automotive distributor and retailer
- Service Advisors for an automotive distributor and retailer
- Field Case Officers for a government agency
- Analysts for a government agency

THE BOTTOM LINE

Around the world, companies using assessment solutions want information showing how well these tools actually work. To provide this information, HRD works with distributors and clients from the earliest project design phases to develop strategies for demonstrating value and validity. These efforts ensure that key data points are available and evaluated. Demand for Hogan research among international clients has steadily increased over the past few years and we expect this trend to continue. As our research shows, Hogan's suite of assessments adds value and provides a significant, long-term utility regardless of geography, language, industry sector, or job type.

Hogan assessments provide a significant, long-term utility worldwide.

WE PREDICT PERFORMANCE

HOGAN

THE SCIENCE OF PERSONALITY