



Business Outcome Highlights

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



Report Overview

The best organizations create a competitive advantage by using personality assessments to select and develop talented employees. Companies often turn to Hogan for our ability to predict employee performance and implement research-based solutions that improve bottom-line business results. Every two years, we update the Hogan Business Outcomes report to share current return on investment (ROI) evidence for the Hogan assessments. This report for 2015 and 2016 includes 12 case studies that demonstrate the impact of an assessment driven solution on key performance indicators. These studies examine multiple outcomes and include a range of jobs, organizations, and industries.

Welcome to Hogan

People are an organization's most important asset. Creating a competitive advantage begins by assessing and hiring the right candidates, and then developing leaders across all organizational levels. Hogan's comprehensive suite of employee assessment, development, and talent management products are grounded in 40+ years of research. Our three key assessments provide insight into the personal characteristics related to job performance.

HPI

Hogan Personality Inventory

The measure of everyday personality characteristics needed for success in careers, relationships, and life.

HDS

Hogan Development Survey

The measure of counterproductive personality characteristics that derail otherwise successful employees.

MVPI

Motives, Values, Preferences Inventory

The measure of core values that reflect job satisfaction, culture fit, and things we value at work.

Hogan Research Through the Years



Drs. Robert and Joyce Hogan devoted more than 40 years to demonstrating how personality predicts job performance. He developed the HPI in the 1970s as the first measure of normal personality designed for business

applications. The next decade included further refinement of the tool and the commercial launch of the company in 1987. In the 1990's, the Hogans focused on growing one of the company's greatest assets - the Hogan archive. Our archive demonstrates the HPI's predictive validity across a range of jobs and industries. Also, during this period, the Hogans developed the HDS and MVPI, which launched a new stream of validity research centered on how derailers and culture fit impact overall job performance.

The Hogan archive now contains over 400 criterion-related validity studies, which we use to develop new job profiles that predict a variety of performance outcomes without adversely impacting candidates. As Dr. Robert Hogan points out, "There are 2,500 test publishers in the United States, and most of them ignore validity." Hogan has never wavered on the importance of validity or strong research methodology. We recommend ROI studies for all clients and use them to demonstrate the value of our assessment tools.

ROI Research Methodology

The Hogan Research Team adheres to rigorous standards when conducting ROI studies. Although each study is unique, the following recommendations provide a starting point during study planning.

- A sample size of 100 individuals to take the targeted assessment(s); smaller samples may work when the incumbent population does not lend itself to larger sampling designs
- Tenure of at least six months; jobs with a longer onboarding period may require more time
- Availability of both subjective (e.g., single- or multi- source behaviorally based performance ratings) and objective (e.g., turnover, sales revenue) performance measures
- Multiple performance data points matched to each individual, across 6 -12 months when available, that reflect a variety of key metrics and stable job performance data

01

Higher Commissions for Financial Services Representatives

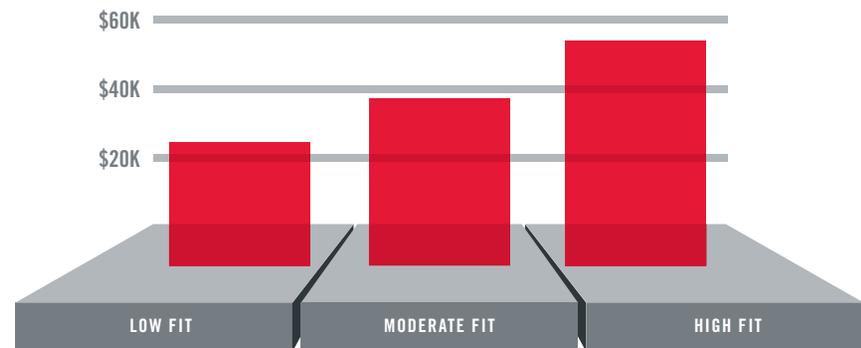
Hogan partnered with a Fortune 100 financial planning company to use personality to select successful Financial Service Representatives (Agents). Findings showed that individuals matching this profile, or High Fit Agents, were three times more likely to have their manager rate them as a strong overall performer and are 2.4 times more likely to have higher commission numbers. Agents who are driven to succeed, enjoy social interaction, are tactical and strong implementers, remain focused on the bottom line, and are risk-takers tend to receive higher performance ratings.

Performance Variables by Hogan Fit Level



By replacing Low Fit Agents with High Fit Agents, the financial planning company gains an additional \$63,000 per Agent each year.

Average Annual Commission

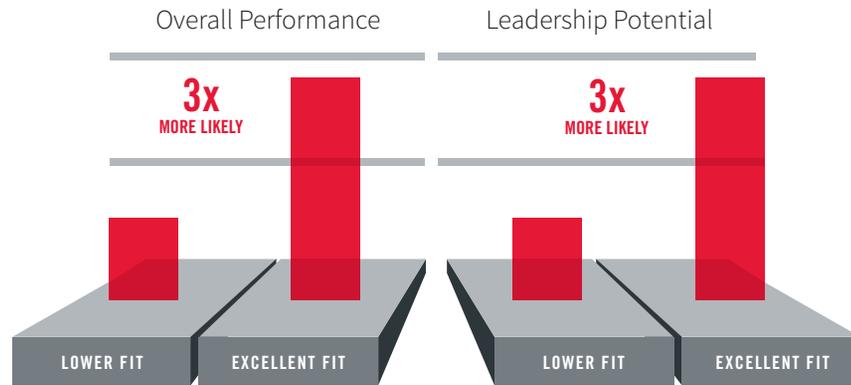


02

Beverage Executives with Leadership Potential

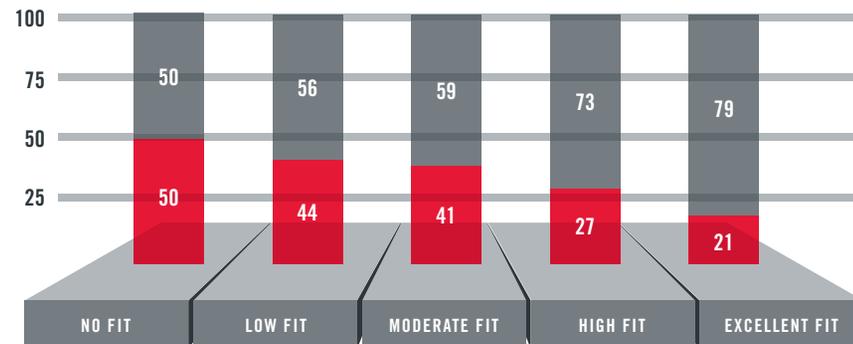
A global beverage company, who wanted to improve its practices for identifying and developing future leaders for their brand units, collaborated with Hogan to build a personality selection profile. The Hogan profile identified successful leaders who are (a) confident, competitive, and driven to produce high impact results, (b) socially engaging, relationship focused, cooperative and friendly, yet still able to voice opinions, (c) good organizational citizens that are careful, yet decisive when needed, and (d) motivated by commercial success, making a difference, and leaving behind a strong legacy. Nearly 80% of Excellent Fit candidates were rated as having potential to be a leader of the future.

Performance Variables by Hogan Fit Level



Research showed that current leaders identified as Excellent Fit candidates were three times more likely to be rated as strong overall performers, and were three times more likely to have Leadership Potential.

Exemplifies Organization Values by Hogan Fit Level

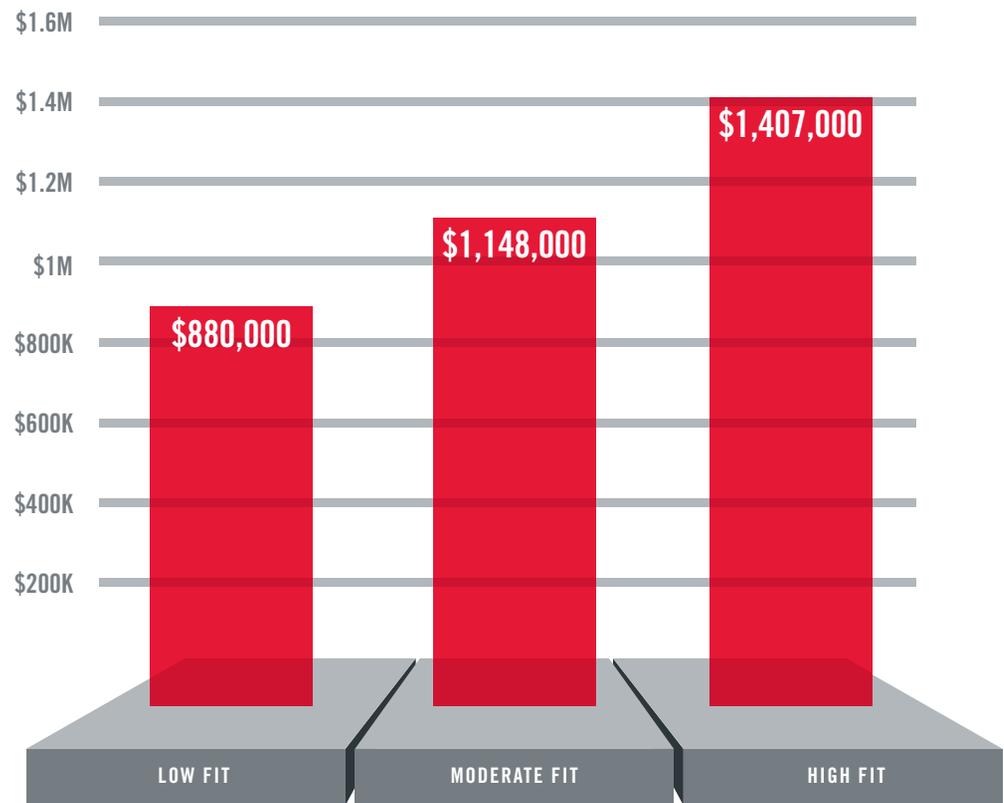


03

Increased Insurance Broker Earnings

Hogan collaborated with a global partner to identify characteristics associated with successful Insurance Broker performance at a U.S. risk management company. Our global partner and the client developed a competency model to link business strategy to talent management. Competencies included results orientation, relationship building, consultative selling, honesty and integrity, technical expertise, active listening, and teamwork. Based on the research findings, Hogan developed personality-based competency algorithms to select applicants into the Insurance Broker roles who were more likely to be high performers. We found Hogan's competency scoring effectively differentiated high and low performers by half a million dollars of annual revenue per Broker.

Annual Revenue by Hogan Fit Level



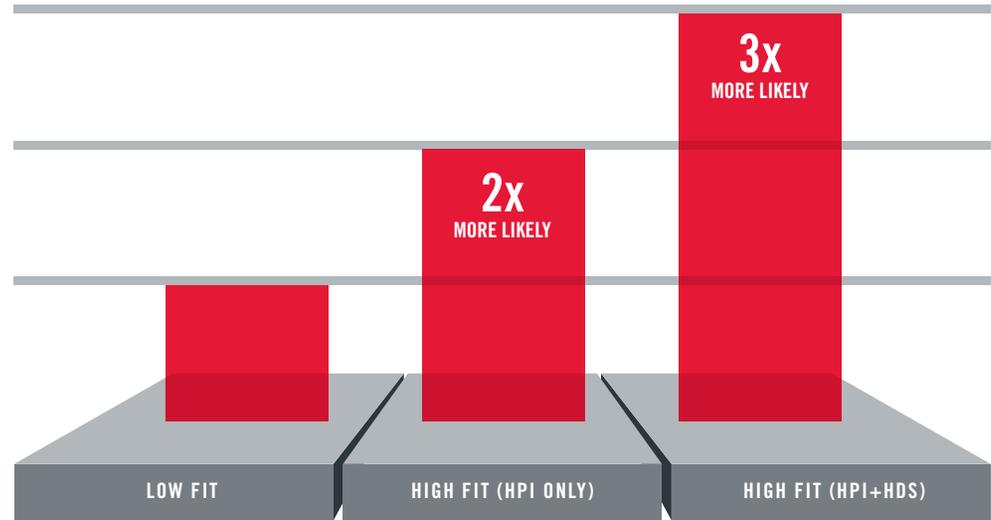
Insurance Brokers classified as High Fits earned over \$500,000 more annually, on average, compared to those classified as Low Fits.

04

Strong-Performing Business Systems Analysts

Hogan partnered with a leader in data-driven marketing who wanted to improve its practices for selecting and developing Business Systems Analysts. Business Systems Analysts who are (a) optimistic, resilient, and remain calm under pressure, (b) confident, competitive, and driven to produce high impact results, (c) diplomatic, warm, and great at building and maintaining relationships, and (d) process-focused tend to receive higher supervisor ratings of performance. Specifically, Business Systems Analysts meeting the Hogan profile achieved higher scores across all performance metrics. In addition, when using just the HPI profile, High Fits were twice as likely to be rated as strong performers.

Overall Performance by Hogan Fit Level



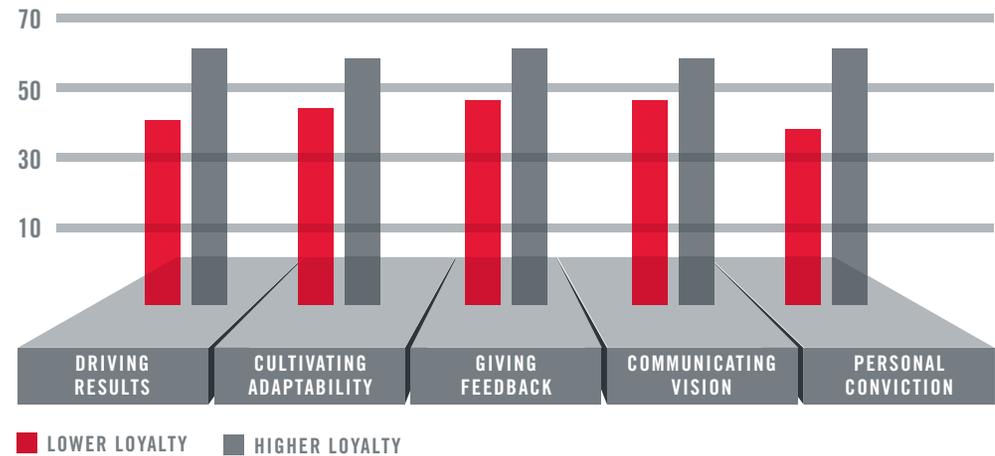
When using the combined HPI and HDS profile, High Fits were 3 times more likely to be rated as strong performers, providing incremental validity evidence for using both tools.

05

Characteristics of High-Performing Physician Executives

Hogan worked with a healthcare company to improve its practices for identifying and developing Physician Executives throughout the organization. We found that Physician Executives who scored higher on the competency algorithms were rated as stronger performers by their supervisors. Additionally, we examined performance from the perspective of patients. We focused on patient loyalty by collecting ratings on the likelihood of recommending the provider to others. Physician Executives who received higher patient loyalty ratings are persistent, self-confident, and willing to lead and mentor team members. They work toward building a health care environment focused on professionalism and providing high-quality patient care. Across all healthcare executive competencies, Physician Executives with higher competency scores received higher patient loyalty ratings on average.

▶ Patient Loyalty by Hogan Competency Scores



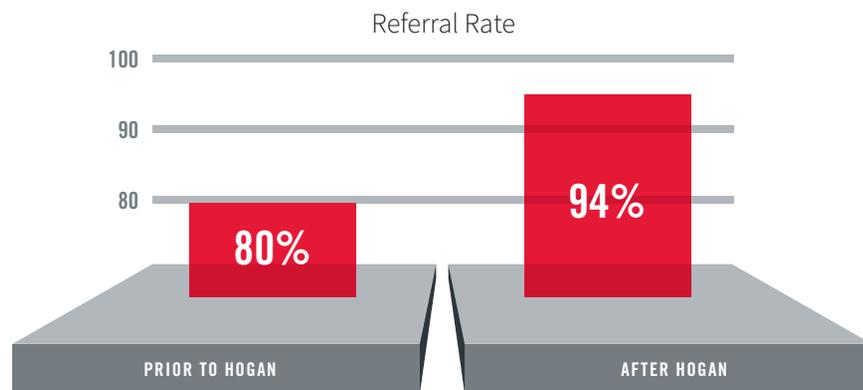
Improving patient loyalty is critical to the company's bottom line. Loyal patients become repeat customers and word of mouth helps drive new patient revenue.

06

Bank Tellers with Continued Job Success

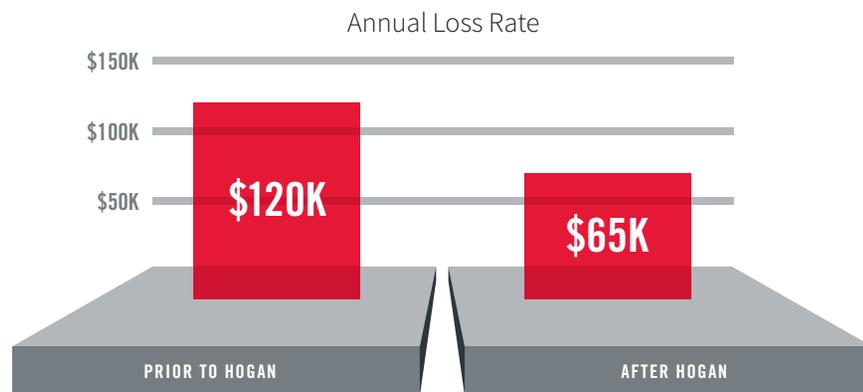
Hogan partnered with a banking and wealth management company to revalidate the Hogan selection profile for Tellers. Research showed that Tellers who are process- focused, enjoy interacting with others, and can balance customer relationships with the bottom line tended to be better performers. After implementing the Hogan tools, the company revealed that the customer referral rate grew from 80% pre-Hogan to 94% post-Hogan. More importantly, Tellers averaged \$120,000 in annual loss rate before Hogan was added to the selection process and the rate was cut almost in half to \$65,000 post-Hogan.

Customer Referrals by Hogan Implementation



Implementing Hogan grew referral rates and saved the company thousands of dollars due to fewer drawer losses.

Drawer Shortage by Hogan Implementation



07

Identifying Better Government Employees

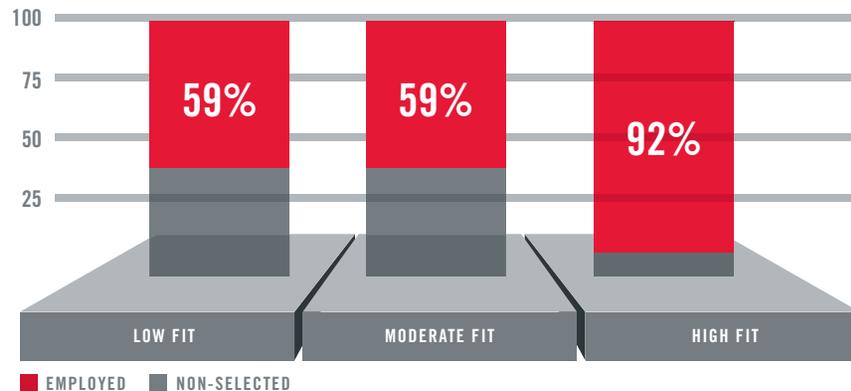
Hogan collaborated with a government agency to improve its practices for identifying employees to add to its workforce. Findings showed that employees who are stress-resistant, task-oriented, and mindful of details, yet willing to share credit with others, tend to be better performers. In fact, 92% of the High Fit candidates were eventually employed by the government agency.

Overall Performance by Hogan Fit Level



High Fit candidates were eight times more likely to be strong performers and have continued job success.

Employment Status by Hogan Fit Level

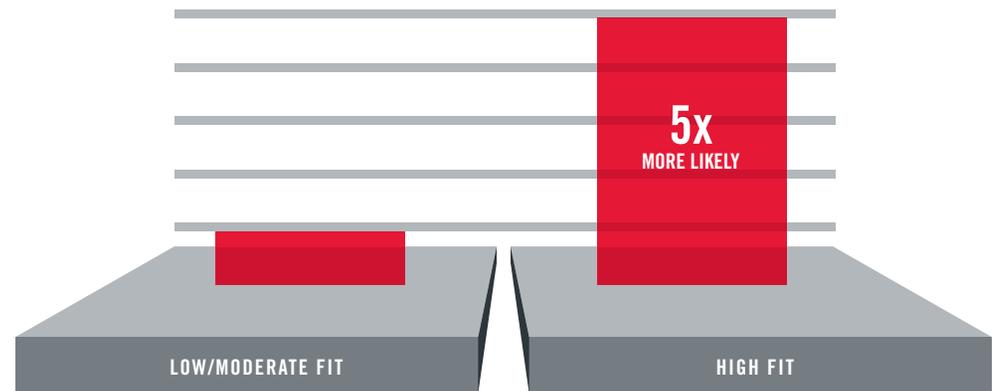


08

High-Performing Finance Personnel

Hogan collaborated with a large emerging-market bank to identify personality characteristics associated with successful performance for Finance Personnel. Research revealed that Finance Personnel with the following characteristics tended to receive higher performance ratings: (a) driven to achieve challenging performance goals, (b) stays up to date on business and technical issues, and (c) enjoys interacting with others.

Overall Performance by Hogan Fit Level



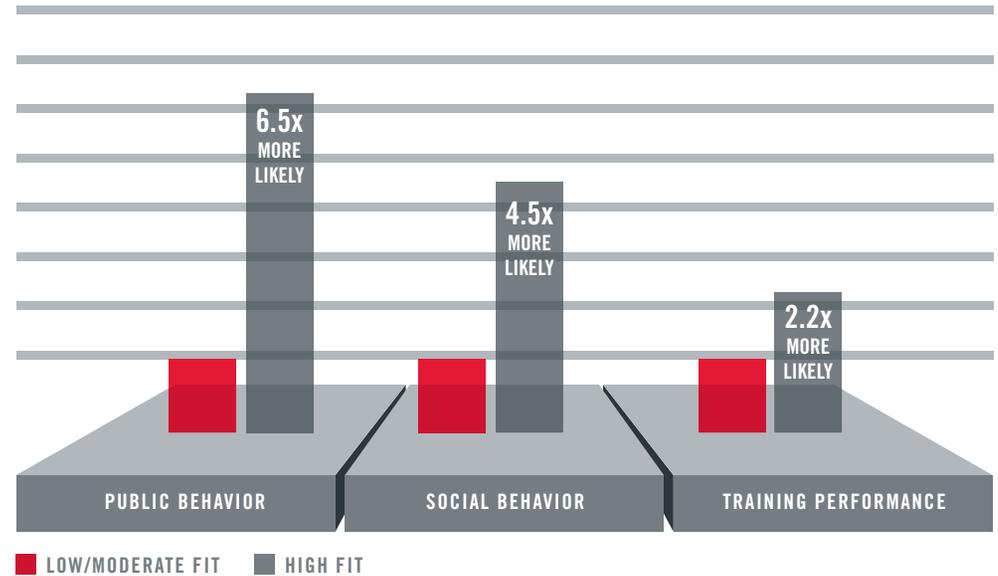
Research found that incumbents classified as High Fits were over five times as likely to achieve high ratings of overall performance.

09

Athletes Excelling On and Off the Field

Hogan teamed up with our global Australian partners to create an overall personality profile for predicting the success of professional athletes, both on and off the field. High-performing professional athletes are resilient, dependable, confident, achievement-oriented, self-disciplined, and modest. Specifically, professional athletes meeting the profile were 6.5 times more likely to be rated by their coaches' and support staff as demonstrating positive off field behavior publically, 4.5 times more likely to be rated as demonstrating positive off field behaviors socially, and 2.2 times more likely to be rated as demonstrating positive training performance, as compared to those not fitting the profile.

Athlete Performance by Hogan Fit Level



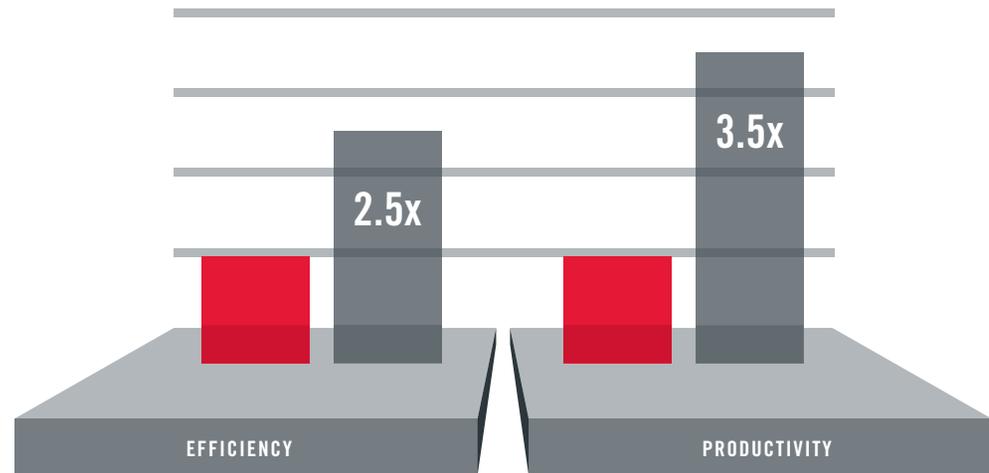
Research revealed that professional athletes who best fit the Hogan profile demonstrated higher game-related performance and behavior, better social and public off-field behavior, and improved training performance.

10

Improved Efficiency for Manufacturing Equipment Operators

Hogan worked with a personal goods manufacturer to improve its selection process for hiring Machine Operators. Machine Operators who fit the Hogan profile were 2.5 times more efficient and 3.5 times more productive than those not meeting the profile.

Efficiency and Productivity by Hogan Fit Level



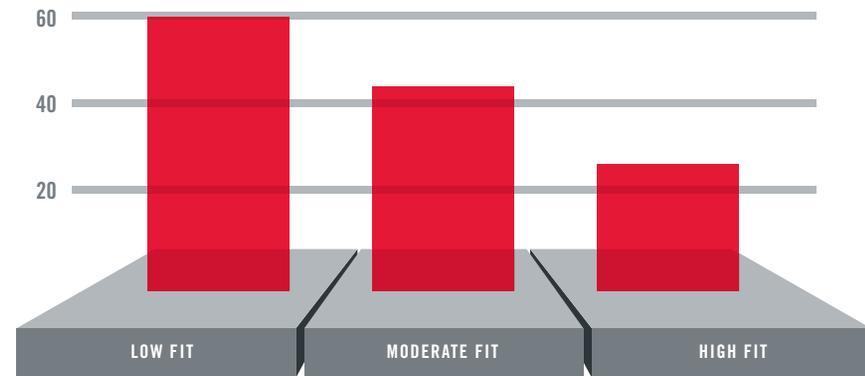
Research showed that Machine Operators who remain composed under pressure, push for learning opportunities, and work hard while focusing on the details tend to be more efficient performers.

11

Fewer Vehicle and Workplace Accidents Among Electrical Workers

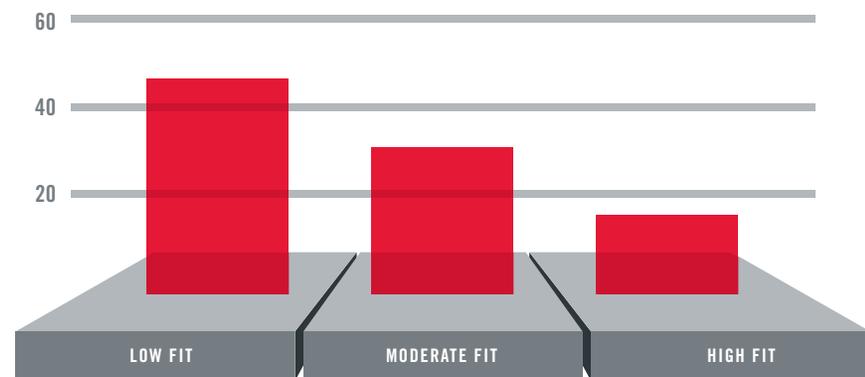
Hogan partnered with an energy producer to implement personality assessments into the selection process for Electrical Workers. Given their work environment, Electrical Workers need to remain calm under stress and follow rules in order to stay safe when repairing fallen electric lines.

Vehicle Accident Rates by Hogan Fit Level



Electrical Workers who fit the Hogan profile were involved in fewer vehicle accidents and had fewer workplace accidents compared to those not fitting the profile.

Workplace Accident Rates by Hogan Fit Level

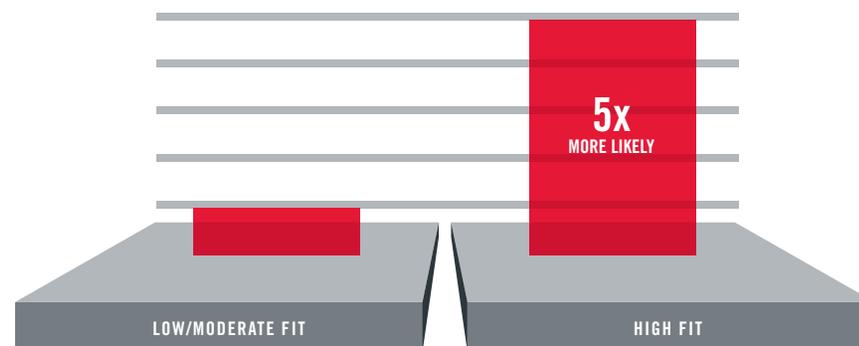


12

Higher Performance Ratings for Collections Agents

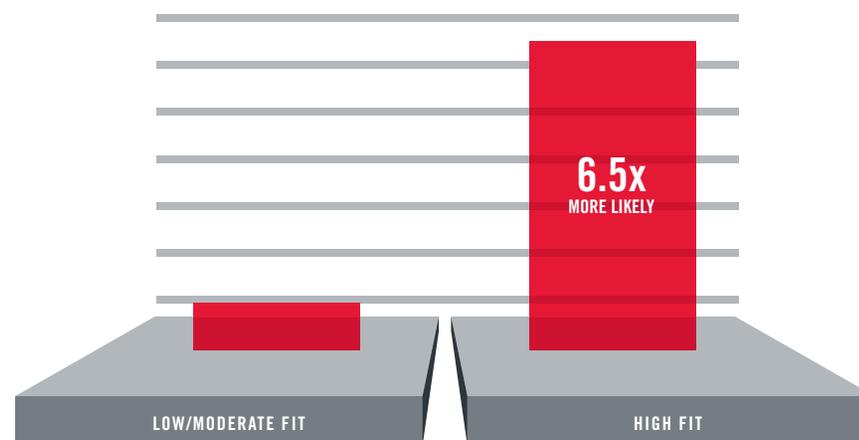
Hogan collaborated with an emerging-market bank to enhance the selection process for Collections Agents. Results revealed that the best Collections Agents are driven to achieve their performance targets, remain up to date with current job trends, value working with others, and stay focused on practical issues.

Overall Performance by Hogan Fit Level



Collections Agents classified as High Fits were five times more likely to be rated as a high performer and 6.5 times more likely to be rated as a strong negotiator.

Negotiating Skill by Hogan Fit Level





The Bottom Line

Hogan Shows Strong ROI

From insurance brokers to executive physicians, Hogan's ROI studies demonstrate the value of personality assessment to our clients. Year after year, Hogan provides empirical evidence, from increased sales to improved organizational safety, on how our assessments impact clients' bottom-lines. Regardless of industry sector or job type, Hogan assessments provide a significant, long-term return on investment.