HOGAN
RESEARCH DIVISION

ROI Whitepaper

Banking & Financial Services Industry Summary

Key Insights

- Hogan demonstrates how competencies like Delivering Results and Courageous Integrity drive success across the banking and financial sectors.
- More than 45 Validity Generalization studies show Hogan's breadth of industry experience, from Call Center Employees to Vice Presidents.
- Over 40 ROI studies demonstrate the impact Hogan has on higher commissions, increased sales, and reduced turnover.

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About Hogan

Hogan has decades of experience providing cutting-edge assessment and consulting solutions. Our assessments can be used for a variety of talent management initiatives, from pre-hire selection to executive-level development. Our tools:

- Predict job performance – hire better people by measuring basic employability, work style, safety consciousness, and organizational fit.
- Evaluate career derailers – identify and mitigate performance risks that can degrade leadership success, erode relationships, and damage professional reputation.
- Identify potential – find and develop your organization's next generation of top talent.
- Develop leaders – leverage the strategic self-awareness gained through Hogan's assessment process with executive development and coaching.
- Pair with 360° data and other performance indices – reveal the underlying characteristics and values that drive the behaviors identified in the 360° process. In progressive development programs, 360s provide the what; Hogan provides the why.

Our Tools

Hogan's assessment offerings measure normal personality characteristics, career derailment risks, core value drivers, and cognitive style. Hogan's selection and development solutions are driven by a targeted mix of the following assessments:

- HPI – the Hogan Personality Inventory measures normal personality characteristics necessary for job fit, effective relationships, and career success.
- HDS – the Hogan Development Survey is the industry standard for measuring career-derailing personality characteristics.
- MVPI – the Motives, Values, Preferences Inventory reveals a person's core values, goals, and interests, which impact organizational fit and indicate environments in which individuals will be motivated and satisfied.
- HBRI – the Hogan Business Reasoning Inventory describes a person's ability to evaluate sets of data, make decisions, solve problems, and avoid repeating past mistakes.

The Hogan Archive

Hogan maintains the industry's largest and most well-developed archive of original research, affording access to hundreds of real-world validity studies demonstrating the extent to which our assessments predict performance.

- Our research department, composed of masters- and doctorate-level I-O psychologists, regularly conducts return-on-investment (ROI) studies establishing the impact of personality-based selection and development activities on real-world performance outcomes.
- The Hogan archive contains case studies demonstrating ROI across virtually every industry for nearly all job titles listed in the U.S. Department of Labor's Occupational Information Network (O*NET).
- Performance data are available for more than 375 jobs ranging from clerk to CEO, including financial-related jobs such as tellers, loan officers, and insurance agents.

Industry Background

Within the Hogan archive, we have categorized companies that share a common purpose (or similar business activities) into broad categories that allow us to summarize our assessment experience within a particular industry.

The Banking & Financial Services industry represents companies who provide financial services and support to clients. These organizations perform a wide range of activities, including (a) wealth management, (b) financial protection, (c) trading, and (d) accounting. Although the bulk of Hogan's work in the Banking & Financial Services industry focuses on finance professionals (e.g., account managers, brokers, analysts), our breadth in the field extends to tellers, loan officers, and call center employees. Furthermore, we can subdivide the Banking & Financial Services industry into the Financial Services, Insurance, and Banking sectors, as described in more detail by a sampling of our ROI white papers listed below:

Financial Services	Insurance	Banking
Finance Personnel	General Agents	Sales Professionals
Leaders	Financial Service Representatives	Bank Tellers

Hogan Job Families

Hogan's archive now contains over 1,000 research studies with over 100 studies focused on the Banking and Financial Services industry. We have categorized occupations that share common underlying characteristics into broad categories that allow us to examine the utility of our assessments in measuring these shared competencies. Hogan classified these Banking and Financial Services jobs into one of our seven job families, as described in the table below and also used later to classify our ROI studies.

Hogan Job Family	Definition
Managers & Executives	Employees assigned to positions of administrative or managerial authority over the human, physical, and financial resources of the organization.
Professionals	Employees with little legitimate authority, but high status within the organization because of the knowledge and/or skills they possess.
Technicians & Specialists	Employees who rely on the application of highly specific knowledge in skilled manipulation (e.g., operation, repair, cleaning, and/or preparation) of specialized technology, tools, and/or machinery.
Sales & Customer Support	Employees who use appropriate interpersonal style and communication techniques to establish relationships, sell products or services that fulfill customers' needs, and provide courteous and helpful service to customers after the sale.
Operations & Trades	Employees who are craft workers (skilled), operatives (semi-skilled), and laborers (unskilled) whose job knowledge and skills are primarily gained through on-the-job training and experience; little prerequisite knowledge or skill is needed.
Service & Support	Employees that perform protective services for individuals and communities (e.g., police, fire fighters, guards) and non-protective services for individuals that require little to no formal training but a high degree of personal interaction (e.g., food service, recreation).
Administrative & Clerical	Employees who plan, direct, or coordinate supportive services of an organization. These employees engage in variety of non-manual activities (e.g., recordkeeping, mail distribution, handling information requests, telephone operator/receptionist).

Competency Studies

Organizations often use competency models to provide a common framework for aligning human capital initiatives such as recruitment, selection, training, and promotion. Hogan offers a variety of competency - related solutions that allow organizations to incorporate personality assessments into these programs.

Each approach begins by mapping client competencies to those from the Hogan Competency Model (HCM). We then rely on synthetic and content validity evidence to align assessment scales from the HPI, HDS, and MVPI with each competency. This helps us determine which personality characteristics drive performance related to the specific competency. As seen in the following table, several clients have used our tools to predict key competencies specific to their organization:

Job Title (Study #)	Competency	Key Scales
Leaders (581)	Business Judgement	HPI Ambition & HDS Cautious
Senior Officers (692)	Delivers Results	HPI Ambition & HDS Leisurely
Bank Employees (833)	Flexible	HPI Adjustment & HPI Prudence
Portfolio Managers (913)	Discipline	HPI Ambition & HPI Prudence
Leaders (948)	Decision Making & Execution	HPI Adjustment, HDS Leisurely, & MVPI Science
Leaders (964)	Courageous Integrity	HPI Ambition, HPI Prudence, & HDS Mischievous
Executives (977)	Champions Progress	HPI Ambition & HDS Cautious

Validity Generalization Studies

Given the vast number of local validation studies stored in the Hogan archive, we can use these criterion-related validity studies as the foundation for generalizing validity. Validity generalization methods are supported by a large body of empirical literature: we use the following three methods in our research design:

- Meta-Analytic Validity Generalization – which uses meta-analytic procedures for determining the relationship between the Hogan scales and job performance at a broad, job family level.
- Transportability of Validity – which involves using validity evidence from one or more criterion-related validity studies found to be similar to the target job under study.
- Synthetic Validity – which establishes the validity of a set of measures for predicting specific job components (i.e., competencies) considered important for a job.

As seen in the following table, multiple clients have used our validity generalization approach to predict success in Banking and Financial Services jobs.

Job Type	Job Title (Study #)
Executives	Vice Presidents (424.3, 424.4, 982, 983, 984) Financial Executives (385) National Account Executives (335)
Management	Management Trainees (520) Operations Managers (518) Retail Managers (514) Directors (424.2) Managers (424.1) Supervisors (424) IT Managers (418)
Customer Service	Call Center Employees (1013) Field Collectors (866) Cashiers (820) Customer Service Officers (577) Customer Service Representatives (479) Tellers (406) Global Trade Services Employees (342) Customer Service Associates (197)
Professionals	Wealth and Private Advisors (958) Leadership Development Program (957) P&C Treaty Leaders (945) Development Program and Professional Individual Contributors (912) Commercial Lenders (905) Fraud Detection Staff (864) Credit Analysts (824) Decision Support Employees (459) Loan Officers (560, 400)
Sales	Brokers (1019) Business Bankers (823) Banking Consultants (578) Direst Sales Representatives (575) Personal Bankers (197)
Human Resources	Staff Members (625) HR Call Center/HR Administrators (354.1) HR Generalists (354)

ROI Studies

Hogan conducts criterion-related validity studies using a three-step process: (1) collecting Hogan assessment data, (2) collecting job performance data (i.e., supervisor performance ratings and objective performance metrics), and (3) conducting analyses examining the relationships between the assessment and performance data.

When conducting criterion-related validity research, we find it useful to demonstrate what a selection system based on the Hogan profile means in practical terms, or ROI. The following case studies were excerpted from the Hogan archive to show how using our assessments translates into measurable results when companies hire candidates into Banking and Financial Services jobs. More detailed information for each study can be found in the job title hyperlinks below.

Managers & Executives

- Branch Managers (301.1) – A regional bank used the HPI to hire Branch Managers.
  - Hogan found that Branch Managers who stay calm under stress and pressure (HPI Adjustment), delivers results (HPI Ambition), act responsible (HPI Prudence), and are resourceful problem-solvers (HPI Inquisitive) are the best performers.
  - Candidates who fit the Hogan profile had stronger relationships with supervisor ratings of leadership performance.

- General Agents (484) – A national insurance company used the HPI to select General Agents.
  - Hogan found that General Agents who stay calm under stress and pressure (HPI Adjustment), take initiative (HPI Ambition), appear outgoing and dynamic (HPI Sociability), are perceptive and cooperative (HPI Interpersonal Sensitivity), and remain detail-oriented (HPI Prudence) are the strongest performers.
  - Candidates who fit the Hogan profile had higher first year commissions and greater financial goal achievement (e.g., total policies).

- High Potential Leaders (777) – A national bank used the HPI, HDS, and MVPI to identify High Potential Leaders.
  - Hogan found that High Potential Leaders who are team-oriented (HPI Sociability), supportive (HDS Dutiful), open minded (MVPI Hedonism), easy going (HDS Bold), and more cooperative (MVPI Power) are better performers.
  - Candidates who fit the Hogan profile were more likely to be promoted and to fit with the company's culture.

- Leaders (1023) – A global investment company used the HPI, HDS, and MVPI to select Leaders.
  - Hogan revealed that Leaders who are skilled at making a good first impression (HPI Sociability), self-sufficient and loyal to staff (HDS Dutiful), cooperative (HDS Leisurely), driven to make an impact (MVPI Power), and willing to take risks (HDS Security) are better performers.
  - Candidates who fit the Hogan profile had higher supervisor ratings of performance, including higher scores on "Gets Results" and "People Results."

Professionals

- Business Bankers (101) – A national financial institution used the HPI and MVPI to select Business Bankers.
  - Hogan demonstrated that successful Business Bankers remain composed under stress (HPI Adjustment), are driven (HPI Ambition), value achievement (MVPI Power), and focus on the bottom line (MVPI Commercial).
  - Candidates who fit the profile made $308,000, on average, more in loan volume than those who did not fit the profile.
- Trading Assistants (539) – An international trading firm used the HPI to hire Trading Assistants.
  - Hogan found that high performing Trading Assistants take initiative (HPI Ambition), are outgoing (HPI Sociability), and think strategically (HPI Inquisitive).
  - Trading Assistants meeting the high fit profile were 3.5 times as likely to be rated as high performers compared to those not meeting the profile.
- Associates and Consultants (961) – A public accounting and advising firm used the HPI, HDS, and MVPI to hire Associates and Consultants.
  - Hogan showed that successful Associates and Consultants are driven (HPI Ambition), conscientious (HPI Prudence), supportive (HDS Dutiful), innovative (HDS Imaginative), value stability (MVPI Security), and focus on the bottom line (MVPI Commerce).
  - Candidates who fit the profile were 2 times more likely to be rated as strong performers.

Sales & Customer Support

- Sales Managers (361) – A national financial services company used the HPI and MVPI to select Sales Managers.
  - Hogan revealed that higher-performing Sales Managers are even-tempered (HPI Adjustment), goal-oriented (HPI Ambition), and enjoy serving others (MVPI Altruistic).
  - Candidates who fit the Hogan profile were 2.8 times more likely to be rated as a top 20 performer in the company.
- Financial Advisors (363) – A global financial institution used the HPI to hire Financial Advisors.
  - Hogan demonstrated that the best Financial Advisors are even tempered (HPI Adjustment), goal-driven (HPI Ambition), and outgoing (HPI Sociability).
  - Financial Advisors fitting the profile increased their total assets managed by $4.5 million compared to only $3.1 million for those not fitting the profile.
- Business Development Officers (457) – A national bank used the HPI and MVPI to identify successful Business Development Officers.
  - Hogan found that successful Business Development Officers are goal-oriented (HPI Ambition), rule-abiding (HPI Prudence), and remain up to date on business and technical trends (HPI Learning Approach).
  - Candidates who fit the profile averaged $313,000 in total contributions while those who did not meet the profile averaged $190,000.

- Client Managers (481) – A national bank used the HPI and MVPI to select Client Managers.
  - Hogan showed that higher-performing Client Managers are even-tempered (HPI Adjustment), goal-oriented (HPI Ambition), and enjoy social interaction (HPI Sociability). Additionally, the best Client Managers value developing relationships (MVPI Affiliation) and have an interest in business and financial activities (MVPI Commerce).
  - Candidates who met this profile were nearly 4 times more likely to be rated as high performers as compared to those not fitting the profile.
- Sales Representatives (490) – An international financial services provider used the MVPI to hire Sales Representatives.
  - Hogan revealed that the best Sales Representatives value social interaction (MVPI Affiliation), helping others (MVPI Altruism), and accomplishment (MVPI Power).
  - After implementing the profile, the company was able to reduce turnover by 30% and save an estimated $4.5 million in the process.

- Customer Service Advocates (786) – A national insurance company used the HPI and MVPI to select Customer Service Advocates.
  - Hogan found that higher-performing Customer Service Advocates are even-tempered (HPI Adjustment), energetic and goal-oriented (HPI Ambition), stay up to date on business and technology trends (HPI Learning Approach), and value predicable work environments (MVPI Security).
  - Performance metrics revealed that the Hogan profile predicted Customer Service Advocate performance 21% better than the original selection system.
- Sales Professionals (845) – An Indonesian bank used the HPI and MVPI to hire Sales Professionals.
  - Hogan demonstrated that the best Sales Professionals are calm under pressure (HPI Adjustment), driven and goal-oriented (HPI Ambition), value interaction (MVPI Affiliation), and predictable work environments (MVPI Security).
  - Sales Professionals fitting the profile averaged more sales per month and had higher supervisor ratings of overall job performance than those not fitting the profile.
- Financial Service Representatives (969) – A financial planning company used the HPI and MVPI to hire Financial Service Representatives.
  - Hogan revealed that the best Financial Service Representatives are driven and goal-oriented (HPI Ambition), build effective relationships (HPI Sociability), value accomplishment (MVPI Power), and are motivated by financial success (MVPI Commerce).
  - Candidates fitting the Hogan profile received higher supervisor ratings of performance and generated larger commissions.

- Insurance Broker (979) – A national insurance brokerage and risk management company used the HPI, HDS, and MVPI to select Brokers.
  - Hogan demonstrated that the best Brokers score highly on key competencies, such as Results Orientation, Relationship Building, Consultative Selling, Honestly and Integrity, and Technical Expertise.
  - Insurance Brokers classified as "High Fit" on the Hogan profile earned over $500,000 more on average than those classified as "Low Fit".

- [Call Center Employees (1022)](#) – A global investment management company used the HPI and MVPI to hire Call Center Employees.
    - Hogan found that the best Call Center Employees are calm under pressure (HPI Adjustment), goal-oriented (HPI Ambition), perceptive and tactful (HPI Interpersonal Sensitivity), value work quality (MVPI Aesthetics), and praise (MVPI Recognition).
    - Based on two years of performance data from the company, Call Center Employees who meet the Hogan profile were more likely to be rated as top performers.

Service & Support

- [Bank Tellers (213)](#) – A national bank used the HPI and the Hogan Advantage Report to select Bank Tellers.
    - Research showed that effective Bank Tellers handle stress without becoming moody (Composure), relate to customers in a friendly manner (Customer Focus), and are hard-working (Dependability).
    - Candidates who fit the profile had higher performance ratings across multiple dimensions.
- [Bank Tellers (926)](#) – A national financial institution used the HPI and MVPI to hire Bank Tellers.
    - Hogan revealed that successful Bank Tellers enjoy interacting with others (HPI Sociability) and value relationships and belonging to a group (MVPI Affiliation).
    - Bank Tellers who fit the Hogan profile had a better referral rate and a lower annual loss rate.

Administrative & Clerical

- [Debt Collectors (869)](#) – An international bank used the HPI and MVPI to hire Debt Collectors.
    - Hogan demonstrated that the best Debt Collectors set challenging goals (HPI Ambition), keep abreast of industry trends (HPI Learning Approach), value working with others (MVPI Affiliation), and focus on practical concerns (MVPI Aesthetics).
    - Incumbents who met the recommended profile were over 3 times more likely to be rated as dependable employees by their supervisors.
- [Finance Personnel (900)](#) – A global bank used the HPI, HDS, and MVPI to select Finance Personnel.
    - Hogan showed that high performing Finance Personnel are driven to succeed (HPI Ambition), remain up to date on industry trends (HPI Learning Approach), value interaction (MVPI Affiliation), and focus on practical concerns (MVPI Aesthetics).
    - Incumbents who met the recommended profile were over 5 times more likely to be rated as strong performing employees by their supervisors.

Additional Validity Studies

The Hogan Archive contains several additional criterion-related validity studies within the Banking and Financial Services industry. These jobs range from document processors to auditors to loan underwriters. This breadth of job titles demonstrates Hogan's history and experience with the Banking and Financial Services industry.

Job Title (Study #)	Job Family
Data Entry (138.1)	Administrative & Clerical
Document Processors (138.2)	Administrative & Clerical
Lockbox (Operations Employees) (327)	Administrative & Clerical
Encoder (Operations Employees) (327.1)	Administrative & Clerical
Loan Officers (301.1)	Managers & Executives
Micro Managers (846)	Managers & Executives
Clerical and Technical (4)	Professionals
Underwriters, Claim Examiners, Clerks (78)	Professionals
Trading Assistants (84)	Professionals
Auditors (172)	Professionals
Trading Assistants (174)	Professionals
Research Analysts (189)	Professionals
Financial Specialists (326)	Professionals
Financial Consultants (66)	Sales & Customer Support
Customer and Policy Service Representatives (138)	Sales & Customer Support
Client Development Group Client Managers (549)	Sales & Customer Support
Assistant Managers (99.1)	Service & Support
Customer Service Representatives (99)	Service & Support
Bank Tellers (80)	Service & Support
Technical Employees (199)	Technicians & Specialists