HOGAN
RESEARCH DIVISION

ROI Whitepaper

Food and Beverage Industry Summary

Key Insights

- Hogan demonstrates how competencies like Self-Development and Innovation drive success across the Food and Beverage industry.
- More than 20 Validity Generalization studies show Hogan's breadth of industry experience, from Warehouse Technicians to Promotion/Sales.
- Over 10 ROI studies demonstrate the impact Hogan has with improving performance, growing sales, and identifying advancement potential.

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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 food and beverage-related jobs such as food delivery drivers and territory sales managers.

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 Food and Beverage industry represents companies that are involved in the processing, packaging, and distribution of food and beverage products. Although Hogan's work in the Food and Beverage industry focuses on managers and executives (e.g., Leaders and Sales Managers), our breadth in the field extends to specialized job types such as Lift Truck Drivers and Warehouse Technicians.

Hogan Job Families

Hogan's archive contains over 1,100 research studies with over 40 studies focused on the Food and Beverage 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 the Food and Beverage jobs into one of our seven job families, as described in the table below.

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 Food and Beverage clients have used our tools to predict key competencies specific to their organization:

Job Title (Study #)	Competency	Key Scales
Supervisors, Managers, and Non-Exempt Employees (437)	Planning and Organization	HPI Ambition, HPI Adjustment, HPI Prudence
General Employee (438)	Delivers Results	HPI Ambition, HPI Adjustment
Managers and Directors (830)	Innovation	HPI Ambition, HDS Cautious, MVPI Affiliation
Leader (847)	Time Management	HPI Adjustment, HPI Prudence, HDS Imaginative
Employees (910)	Bias for Action/Focus on Results	HPI Ambition, HDS Cautious, MVPI Power
Managers (933)	Managing and Promoting	HPI Adjustment, HPI Interpersonal Sensitivity
General and Country Managers (937)	Innovate	HPI Adjustment, HDS Cautious, MVPI Security

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 across a variety of Food and Beverage jobs.

Job Type	Job Title (Study #)
Managers & Executives	Sales Managers (1086) Marketing Managers (1072) Leaders (990) Marketing Managers and Analysts (873) Management Trainees (512) Operations Directors (300) Sales Managers (282)
Professionals	SAP Super Users (1028) Business Operations Job Family (399.4) Individual Professional Job Family (399.3) Marketing/Promotions Job Family (399.2)
Sales & Customer Support	Sales Representatives (584) Customer Service/Sales Job Family (399)
Technicians & Specialists	Analytical/Technical Job Family (399.1)
Operations & Trades	Warehouse Technicians (968) Drivers (410.1) Selectors (410) Lift Truck Drivers (380.3) Long Haul Drivers (380.2) Shipping Workers (380.1)
Administrative & Clerical	Administrative/Clerical (380)

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 Food and Beverage jobs. More detailed information for each study can be found in the job title hyperlinks below.

Managers & Executives

- Sales Managers (319.1) – An industry leader in agricultural product development used the HPI and MVPI to improve its selection process for Sales Managers.
    - Hogan found that the most successful Sales Managers are driven to succeed (HPI Ambition), appear perceptive and tactful (HPI Interpersonal Sensitivity), enjoy social interaction (MVPI Affiliation), and want to lead and influence others (MVPI Power).
    - We found significant correlations between performance and the HPI Ambition ($r = .27$), HPI Interpersonal Sensitivity ($r = .33$), MVPI Affiliation ($r = .23$), and MVPI Power ($r = .22$) scales.
- Corporate Management (422) – A global beverage company used the HPI, HDS, MVPI, and HBRI to identify people with leadership potential who are ready to transition into mid-level corporate management jobs.
    - Hogan found that high potential leaders are outgoing (HPI Sociability), achievement oriented (HPI Ambition), engaging (HDS Reserved), results driven (MVPI Power), and exhibit strong cognitive skills (HBRI Tactical and Strategic Reasoning).
    - Hogan tools predicted leadership potential above and beyond manager recommendations.
- Managers/Executives (663) – A wholesale seafood distributor used the HPI to hire Managers.
    - Hogan found that Managers who scored higher on the HPI-based Express Report profile generated stronger sales and profits than those who did not fit the off the shelf profile.
    - Those who fit the Express profile were 3.5 more likely to generate stronger sales numbers.
- Sales Managers (832) – A food delivery company used the HPI and HDS to hire Sales Managers.
    - Hogan found that successful Sales Managers tend to be able to handle the stress of a fast-paced environment (HPI Adjustment), are results-oriented and driven (HPI Ambition), appear insightful (HDS Skeptical), and are practical and task-focused (HDS Imaginative).
    - Those fitting the Hogan profile generated more customers than those not fitting the profile.
- Future Leaders (1010) – A global beverage company used the HPI, HDS, MVPI to improve its practices for selecting and developing Future Leaders.
    - Results indicated that current leaders identified as excellent-fit candidates were three times more likely to be identified as strong performers and were three times more likely to have Leadership Potential.
    - Overall, 79% of Excellent fit individuals were rated as being a Leader of the Future.
- Sales Managers (1084) – An international brewing company used the HPI and HDS to improve its practices for selecting Sales Managers.
    - Successful Sales Managers are calm under pressure (HPI Adjustment), hardworking (HPI Ambition), energetic without becoming volatile (HDS Excitable), and innovative without becoming eccentric (HDS Imaginative).
    - Research showed that excellent fit Sales Managers were twice as likely to be rated as exemplifying the company culture than those who did not pass the Hogan profile.

Professionals

- Trading Job Family (861) – A global agricultural producer used the HPI, HDS, and MVPI to develop a profile that predicted job performance for the Trading job family.
  - Supervisors rated Trading incumbents classified as Excellent Fits as better able to effectively Contribute to the Team, Make Decisions, and Take Initiative.
  - Those fitting the Hogan profile were three times more likely to be strong performers compare to those not fitting the profile.

Sales & Customer Support

- Farm Marketing Representatives (265) – An international distributor of agricultural products used the HPI and MVPI to improve its selection system for Farm Marketing Representatives (FMR).
  - Hogan found that effective FMRs are energetic (HPI Ambition), quality focused (MVPI Aesthetics), and value predictability (MVPI Tradition).
  - Hogan found significant correlations between overall job performance and the HPI Ambition (r = .18), MVPI Aesthetics (r = .21), and MVPI Tradition (r = .22) scales.
- Sales Representatives (319) – An industry leader in agricultural product development used the HPI and MVPI to improve its selection process for Sales Representatives.
  - Hogan found that effective Sales Representatives are driven to succeed (HPI Ambition), appear tactful and socially sensitive (HPI Interpersonal Sensitivity), enjoy competing with others (MVPI Power), and value convention and predictability (MVPI Tradition).
  - Research found significant correlations between job performance and the HPI Ambition (r = .22), HPI Interpersonal Sensitivity (r = .28), MVPI Power (r = .22), and MVPI Tradition (r = .21) scales.
- Sales Representatives (650) – A nation-wide food retailer used the HPI to hire more effective Sales Representatives.
  - Hogan found that successful Sales Representatives are stress tolerant (HPI Adjustment), results driven (HPI Ambition), friendly (HPI Sociability), and dependable (HPI Prudence).
  - Results demonstrated Sales Representatives classified as high fits increased their weekly sales growth by 21% compared to those not fitting the profile.

Other

- Entry Level Employees (587) – A large family-owned consumer foods manufacturing company used the HPI to predict Entry Level Employee job performance.
  - Hogan found that all three HPI based Advantage Report scales (i.e., Dependability, Composure, & Customer Focus) were positively related to job performance.
  - Individuals with higher scores on Composure and Customer Focus were twice as likely to be rated as above average performers compared to those scoring lower on either scale.