HOGAN
RESEARCH DIVISION

Whitepaper

Sales Industry Summary

Overview

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 sales-related jobs such as account managers and sales representatives.

Industry Background

Within the Hogan archive, 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. The Department of Labor job classification of "Sales and Related" occupations is part of the "Sales and Customer Support" job family within the Hogan taxonomy.

The Sales & Customer Support job family consists of jobs in which employees are responsible for selling and/or supporting products and services through interaction with prospects and clients using knowledge of the industry product. These employees rely on their interpersonal skills and communication techniques to sell products or services that meet customers' needs.

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 and HDS with each competency. This helps us determine which personality characteristics drive performance related to the specific competency. As seen in the table below, a few clients have used our tools to predict sales competencies specific to their organization:

Industry: Job Title (Study #)	Sales Competency	Key HPI Scales
Insurance: Regional Account Representative (618)	Sales Ability	HPI Ambition & Interpersonal Sensitivity
Insurance: Marketing Account Executives (619)	Building Partnerships	HPI Ambition & Adjustment
Transportation: Sales Representative (658)	Create Solutions	HPI Ambition & Inquisitive

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 is supported by the empirical literature and 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 table below, multiple clients have used our tools in a validity generalization study for predicting success in a sales job.

Industry	Job Title (Study #)
Banking & Financial Services	Personal Bankers (197), National Account Executives (335), Direct Sales Representatives (575), Banking Consultants (578)
Business Support Services	Mid-level Fundraising Generalists (318), Major Gift Professionals (318), Remote Agents (526), Major Account Leaders (924), Major Account Leaders (925)
Construction	Sales Engineers (561)
Energy, Utilities, & Telecommunications	Account Executives (328.1), Technical Sales (329.1), Telephone Sales Representatives (338), Inbound Sales Representatives (435.1), Direct Sales Representatives (435.2), Digital Store Representatives (435.3), Field Loyalty Representatives (435.4), Inbound Loyalty Representatives (435.5). Territory Managers (471)
Food & Beverage	Field Sales/Sourcing Job Family (399.5)
Health Care	Area Managers (574), Account Specialists (788), Territory Outreach Specialists (789), Clinical Applications Specialists (790), Territory Managers (791), Product Managers (831), Territory Account Managers (971)
Information Technology	Account Executives (315), New Business Development Managers (936), Field Applications Engineers (941)
Leisure & Hospitality	Rental Agents (397.3), Sales Job Family (527), Independent Sales Agents (593)
Manufacturing	Territory Sales Managers (691), Field Sales Representatives (887)
Pharmaceuticals	Brand Sales Representatives (902)
Retail Sales	Sales Consultants (394.1), Major Account Managers (532)
Transportation	Global Account Managers (407), Sales Agents (935), Reservation Sales Agents (989)

Criterion-Related Validity 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 return-on-investment (ROI). The following ROI case studies were excerpted from the Hogan archive to show how using our assessments translates into measurable results when companies hire candidates into sales-related jobs. More detailed information for each study can be found in the industry hyperlinks below.

Sales Representatives

- [Leisure & Hospitality](#) (106) – A national rental car provider used the HPI to hire Reservation Sales Representatives.
  - Hogan demonstrated that Reservation Sales Representatives are detail oriented (HPI Prudence), good problem solvers (HPI Inquisitive), and continuous learners (HPI Learning Approach).
  - Candidates who fit the Hogan profile had fewer hours lost and spent less time between calls.

- [Leisure & Hospitality](#) (256) – A national provider of vacation resorts used the HPI to hire Telephone Sales Representatives.
  - Hogan showed that Telephone Sales Representatives remain calm under stress and pressure (HPI Adjustment), are goal-driven (HPI Ambition), and continuous learners (HPI Learning Approach).
  - Candidates who fit the Hogan profile received significantly higher performance ratings.

- [Leisure & Hospitality](#) (263) – A national auto rental company used the HPI to hire Telephone Sales Representatives.
  - Hogan demonstrated that high performing Telephone Sales Representatives are calm (HPI Adjustment), dependable and conscientious (HPI Prudence), and easy going (HPI Interpersonal Sensitivity).
  - Candidates who fit the Hogan profile earned higher supervisory performance ratings.

- [Leisure & Hospitality](#) (367) – An international cosmetics company used the HPI, HDS, and MVPI to select Sales Representatives.
  - Hogan demonstrated that strong performing Sales Representatives are confident (HPI Adjustment), driven to win (HPI Ambition), charming (HDS Mischievous), socially skilled (HDS Colorful), and value creativity (MVPI Aesthetics).
  - Candidates who fit the Hogan profile generated $3 Million more in annual sales revenue.

- [Banking & Financial Services](#) (490) – A multi-national financial services company used the MVPI to screen Sales Representatives.
  - Hogan revealed that the best Sales Representatives thrive on social interaction (MVPI Affiliation), helping others (MVPI Altruistic), and accomplishment (MVPI Power).
  - Pre-Hogan turnover stayed steady at 48% whereas Post-Hogan implementation revealed a dramatic drop in turnover, down to 18% in year one. The company estimates that they saved $4.5 Million in costs as a result of using Hogan to select better fitting employees.

- [Pharmaceuticals](#) (583) – A national pharmaceutical company used the HPI and MVPI to select Sales Representatives.
  - Hogan found that successful Sales Representatives are energetic (HPI Ambition), appear friendly and trustworthy (HPI Interpersonal Sensitivity), and value structure (MVPI Security) and making money (MVPI Commerce).
  - Candidates who fit the Hogan profile had significant increases in supervisor ratings of performance.

- [Pharmaceuticals](#) (781) – A multi-national pharmaceutical company used the HPI and HBRI to hire Sales Representatives.
    - Hogan found that strong-performing Sales Representatives are cool under pressure (HPI Adjustment), competitive (HPI Ambition), dependable (HPI Prudence), and are strategic decision-makers (HBRI).
    - Candidates who fit the Hogan profile demonstrated 20% stronger product knowledge.
- [Pharmaceuticals](#) (784) – A global pharmaceutical company used the HPI, HDS, and MVPI to screen Sales Representatives.
    - Hogan found that successful Sales Representatives are driven for results (HPI Ambition), creative (HPI Inquisitive), charismatic (HDS Colorful), motivated by accomplishment (MVPI Power), and take an analytical approach to problem-solving (MVPI Science).
    - Candidates who fit the Hogan profile were nearly 4 times more likely to be a strong performer.
- [Pharmaceuticals](#) (785) – A global pharmaceutical company used the HPI, HDS, and MVPI to screen Specialty Sales Representatives.
    - Hogan found that high-performing Specialty Sales Representatives are driven for results (HPI Ambition), build strong relationships (HPI Interpersonal Sensitivity), remain optimistic (HDS Skeptical), honor their commitments (HDS Leisurely), value achievement (MVPI Power), and want recognition for their work (MVPI Recognition).
    - Candidates who fit the Hogan profile were over 2 times more likely to be a high performer.
- [Health Care](#) (963) – A national health-care supply manufacturer used the HPI, HDS, MVPI, and HBRI to hire Supply Sales Representatives.
    - Hogan revealed that the best Supply Sales Representatives are driven to produce high impact results (HPI Ambition), relationship focused (HPI Interpersonal Sensitivity), creative and innovative (HDS Imaginative), and care about the bottom line (MVPI Commerce).
    - Candidates who fit the Hogan profile were 5 times more likely to be ranked as a Top Sales performer.
- [Financial Services and Banks](#) (969) – A Fortune 100 financial planning company used the HPI and MVPI to screen Financial Service Representatives.
    - Hogan showed that Financial Service Representatives have a high drive to succeed (HPI Ambition), enjoy social interaction (HPI Sociability), possess a desire for results (MVPI Power), and are interested in financial gains (MVPI Commerce).
    - Candidates who fit the Hogan profile were nearly 3 times more likely to have higher sales commissions.

Account Managers

- [Banking & Financial Services](#) (101) – A large financial services company used the HPI and MVPI to screen Business Bankers.
  - Hogan found that high performing Business Bankers are socially skilled (HPI Sociability), dependable (HPI Prudence), and care about being successful (MVPI Power) and the bottom line (MVPI Commerce).
  - Candidates who fit the Hogan profile had an annual increase of $300,000 in loan volume.
- [Banking & Financial Services](#) (361) – A Fortune 500 investment company used the HPI and MVPI to screen Sales Managers.
  - Hogan demonstrated that high performing Sales Managers are goal oriented (HPI Ambition), socially proactive (HPI Sociability), and value interaction (MVPI Affiliation) and competition (MVPI Power).
  - Candidates who fit the Hogan profile were 3 times more likely to be rated as a top 20 performer.
- [Banking & Financial Services](#) (363) – A global banking firm used the HPI and MVPI to select Financial Advisors.
  - Hogan showed that high potential Financial Advisors are even tempered (HPI Adjustment), driven (HPI Ambition), and value achievement (MVPI Power) and public acknowledgment (MVPI Recognition).
  - Candidates who fit the Hogan profile increased their total assets managed by more than $1.4 Million.
- [Banking & Financial Services](#) (481) – A global banking firm used the HPI and MVPI to hire Client Managers.
  - Hogan showed that the best Client Managers stay calm under pressure (HPI Adjustment), interact well with others (HPI Sociability), and value developing alliances (MVPI Affiliation) and business interests (MVPI Commerce).
  - Candidates who fit the Hogan profile were nearly 4 times more likely to be rated as a high performer.
- [Retail Sales](#) (832) – A national food retailer used the HPI and HDS to screen Sales Managers.
  - Hogan demonstrated that high performing Sales Managers are calm under stress (HPI Adjustment), driven and focused on results (HPI Ambition), build strong relationships with others (HPI Interpersonal Sensitivity), remain task focused (HDS Excitable), are steady and disciplined (HDS Imaginative), and trustworthy (HDS Skeptical).
  - Candidates who fit the Hogan profile increased the percent of projected sales met by 10%.

Business Sales

- Energy, Utilities, & Telecommunications (297) – A global telecommunications company used the HPI to screen National Business Sales employees.
    - Hogan demonstrated that strong performing Sales Representatives are calm (HPI Adjustment), driven to produce results (HPI Ambition), good problem-solvers (HPI Inquisitive), and proactive in learning what is needed for the job (HPI Learning Approach).
    - Candidates who fit the Hogan profile generated $13,000 more in annual sales revenue.
- Banking & Financial Services (457) – A global banking firm used the HPI and MVPI to select Business Development Officers.
    - Hogan revealed that high potential Business Development Officers are driven (HPI Ambition), extroverted (HPI Sociability), and value achievement (MVPI Power) and financial gains (MVPI Commerce).
    - Candidates who fit the Hogan profile generated $210,000 more in total sales contributions for the company.
- Banking & Financial Services (484) – A national insurance company used the HPI to hire General Agents.
    - Hogan showed that the best General Agents are calm under stress and pressure (HPI Adjustment), take initiative (HPI Ambition), appear outgoing (HPI Sociability), and seem perceptive and considerate (HPI Interpersonal Sensitivity).
    - Candidates who fit the Hogan profile earned over $200,000 more in sales for the company.
- Banking & Financial Services (979) – A national insurance company used the HPI, HDS, and MVPI to select Insurance Brokers.
    - Hogan revealed that high potential Insurance Brokers are emotionally stable (HPI Adjustment), results driven (HPI Ambition), socially adept (HPI Sociability), engaging (HDS Colorful), perceptive (HDS Skeptical) and value achievement (MVPI Power).
    - Candidates who fit the Hogan profile generated $500,000 more in annual revenues for the company.

General Sales

- Retail Sales (217) – A national retail organization used the HPI to screen store-based Sales Consultants.
    - Hogan showed that the best Sales Consultants are confident and remain cool under pressure (HPI Adjustment), results-driven (HPI Ambition), and appear perceptive and trustworthy (HPI Interpersonal Sensitivity).
    - Candidates who fit the Hogan profile averaged $6,000 more per month in add-on sales and generated nine more accounts per month.
- Food & Beverage (509) – A holding company for a food conglomerate used the HPI and MVPI to select Sales Workers.
    - Hogan revealed that the higher-performing Sales Workers are extroverted (HPI Sociability), work well with others (HPI Interpersonal Sensitivity), and have a competitive drive (MVPI Power) and desire for financial gain (MVPI Commerce).
    - Candidates who fit the Hogan profile were nearly 3 times more likely to be rated as a high performer.
- Banking & Financial Services (845) – An Indonesian bank used the HPI and MVPI to hire Sales Professionals.
    - Hogan showed that the best Sales Professionals have a competitive drive (HPI Ambition), stay up to date on business and financial trends (HPI Learning Approach), like working with others (MVPI Affiliation), and prefer predictable work environments (MVPI Tradition).
    - Candidates who fit the Hogan profile were 2 times more likely to be high performers and averaged 15 more sales per month.