



# Industry Spotlight

# Banking & Finance



# Introduction

In almost every area of the banking and financial services industry, massive changes already underway were accelerated by the COVID-19 pandemic. Although the economic fallout has not matched that of the 2008 financial crisis,<sup>1</sup> the pandemic's combined social and economic impact has highlighted the need for financial institutions to fortify for the global climate crisis, embrace digitization, enhance security measures, bolster corporate social responsibility, and more.

Central to all of these objectives is people strategy. Although estimates suggest that 43% of bank working hours have the potential for automation with technologies that are already available,<sup>2</sup> that doesn't mean talent management should be deprioritized.

With the talent gap in banking and finance expected to mount 1.7 million jobs by 2030, financial organizations need to be prepared to compete for talent. The demand won't be just for people with technical expertise — it will be for people who have the capacity to adapt and reskill as technological changes take hold at lightning speed, and it will be for people with the social and emotional skills that simply can't be automated.<sup>3,4</sup> In other words, having a sound strategy for talent acquisition and development has never been more critical.

As an international authority in the science of personality, Hogan helps organizations maximize the fit between applicant skills and job roles, reduce turnover, increase productivity, eliminate bias in hiring, ensure new hires are aligned with organizational culture, and inspire employees to do their best.

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Grounded in more than 40 years of research, Hogan's comprehensive suite of talent acquisition and development solutions are based on three core personality assessments:

▶ **Hogan Personality Inventory (HPI)**

A measure of personality characteristics needed for everyday job success, building effective teams, and developing future leaders.

▶ **Hogan Development Survey (HDS)**

A measure of counterproductive personality characteristics that have the potential to derail otherwise successful and long-lasting employees.

▶ **Motives, Values, Preferences Inventory (MVPI)**

A measure of core values and motivators that reflect job satisfaction, alignment with organizational culture, and future success within the organization.

Our personality assessments are the industry standard for predicting future job performance among working adults across industries and around the world, and the insights they provide have helped countless human resources professionals and industrial-organizational psychologists ensure that the right people are in the right roles. Check out the following five case studies to learn more about how our solutions have helped organizations in banking and finance resolve the challenges they face and achieve their objectives.

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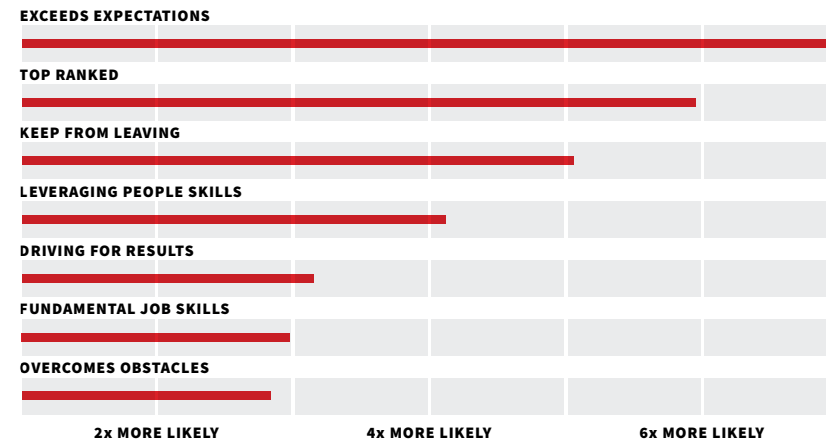
## Improving Banker Selection

A regional bank wanted to improve its selection process for small business bankers, who are responsible for developing relationships with small businesses, originating business loans, and selling retail depository and credit-based products.

Hogan measured bankers on multiple performance metrics, including loan volumes, key competency metrics, and overall job performance ratings. The best small business bankers are great listeners, communicate proactively, and take a consultative approach to solving client problems.

Using the Candidate Assessment Suite Professionals job family algorithm, Hogan maximized the prediction of overall job performance to help the bank improve the quality of selection. Bankers who scored as high fits on the algorithm were **seven times more likely** to be rated as exceeding expectations and **nearly six times more likely** to have stronger overall performance.

### ► Likelihood of Success





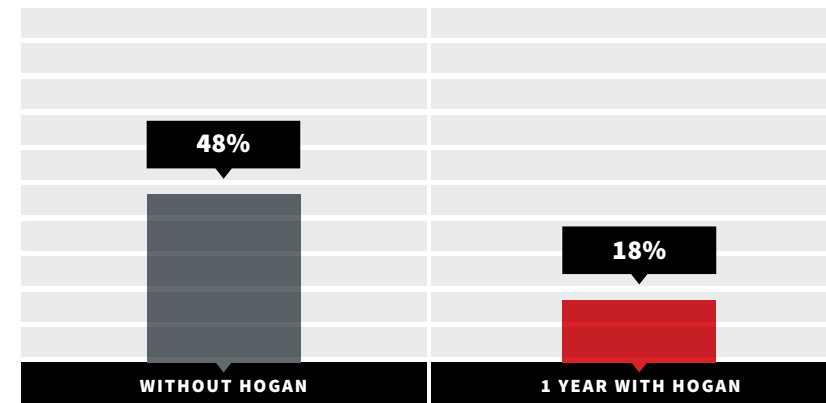
## Cutting Sales Representative Turnover

A multinational financial services provider sought to reduce turnover among its sales representatives by improving the selection process. Sales representatives assess customers' financial goals, resolve issues, and recommend solutions to meet customer needs.

Hogan recommended using the Motives, Values, Preferences Inventory, or MVPI, which can help determine how well a person's values align with those of a team, department, or organization. In collaboration with the client, Hogan identified values critical to the role, including social interaction, helping others, and accomplishment.

One year after the company began using the MVPI in its selection process, **turnover rates decreased by 30%**, which is estimated to have **saved \$4.5 million** in employee replacement costs.

### ► Reduction in Turnover





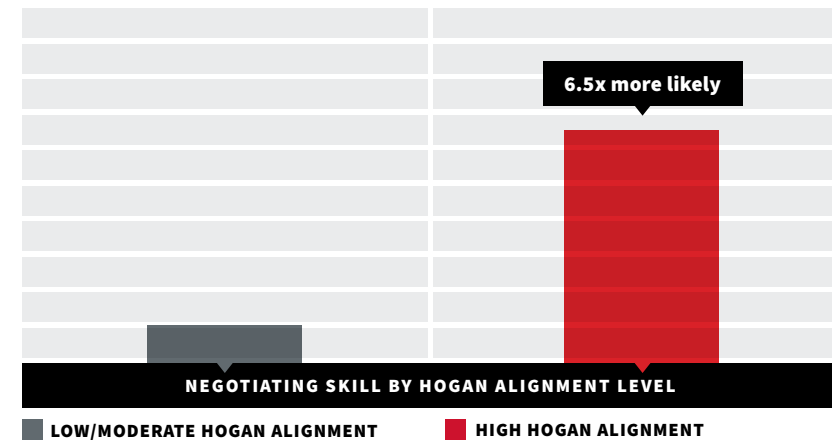
## Enhancing Negotiating Skills

An Indonesian bank wanted to improve its selection procedure for debt collections agents by implementing Hogan's personality assessments into its hiring process. Debt collections agents are responsible for reminding credit holders of outstanding balances and collecting payments from debtors.

Working with the client, Hogan collected performance data from incumbents. 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.

Debt collections agents who scored high on the Hogan profile were **6.5 times more likely** to be rated as strong negotiators and **five times more likely** to be rated as strong performers overall.

### ► Negotiating Skill





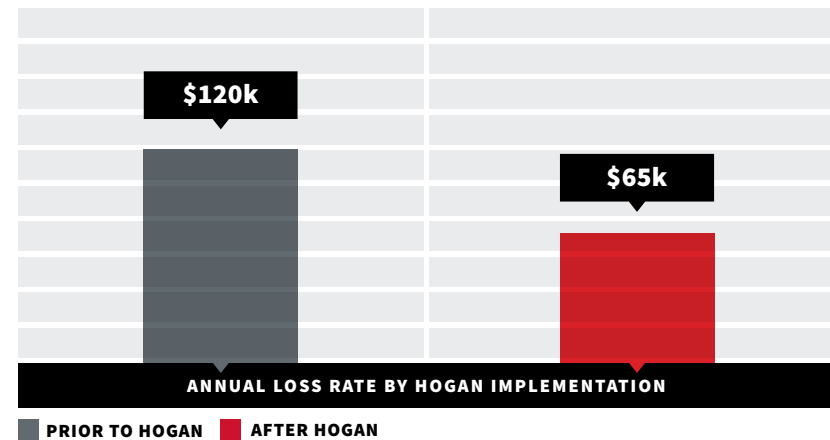
## Decreasing Teller Drawer Shortages

A U.S.-based banking and financial services company wanted to reduce its annual loss rate from drawer shortages by improving the selection process for its bank tellers.

Hogan worked with the company to revalidate its existing personality assessment solution. Research showed that bank tellers who are process focused, enjoy interacting with others, and balance customer relationships with the bottom line tend to be better performers. Hogan collected data on losses from drawer shortages before and after implementing the new assessment solution.

Bank tellers who scored high on Hogan's profile were **2.8 times as likely** to be rated as strong performers overall. Moreover, after the assessment solution was implemented, the company's **annual loss rate dropped by nearly 50%**. This led to the company **saving \$55,000 annually**.

### ▶ Annual Loss Rate





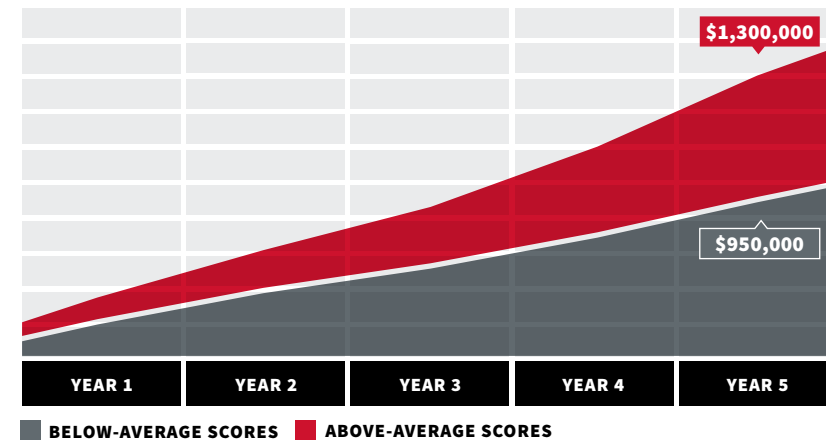
## Driving More Monthly Sales

A multinational investment bank wanted to improve its selection of business development officers. Business development officers recommend profitable banking solutions to existing clients and effectively identify potential new clients for future leads and revenue growth.

Collaborating with the client, Hogan conducted a job analysis. Then, Hogan applied the Sales Basis profile, which effectively identifies people with competencies critical for successful sales performance.

In addition to being **twice as likely** to be rated above average on sales ability and accountability and **2.4 times more likely** to be rated above average on value alignment, high scorers on the Sales Basis profile produced **\$70,000 more in annual sales** compared to those not fitting the profile. After five years, this yielded **an extra \$350,000** in sales revenue for the company.

### ► Sales Growth Over 5 Years





# Let Us Help

These case studies demonstrate how scientifically valid personality assessments can transform talent acquisition and development strategies for various types of job roles throughout the industry. Whether your organization is dealing with a talent management problem such as high turnover or vacant positions, or if you simply want to improve employee performance and productivity, we can help. Hogan has been partnering with financial organizations for decades to help them solve problems and achieve their goals. Get in touch with us today to explore potential solutions.

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**To learn more about Hogan, visit [hoganassessments.com](https://hoganassessments.com) or call us at +1.918.749.0632**

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## References

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