Industry Spotlight
Manufacturing

HOGAN
► Talent Analytics

Introduction

Millennial and Gen Z workers now comprise most of the global workforce.[1] But their retention rates in the manufacturing industry — at only 34% for workers under 24 and 69% for those between 25 and 34 — leave much to be desired.[2] As baby boomers continue to age into retirement and open jobs climb, the pressure is on. What will attract younger workers and make them stay?

For 93% of millennials, the opportunity for ongoing skill development is a key factor in career decisions.[3] But although most decision-makers at manufacturing organizations recognize the importance of development for retention, only one in 10 is prepared to implement a reskilling initiative.[4] One of the primary barriers is uncertainty about how automation and digitization will affect future skill requirements.[5]

While hiring managers may not be able to predict exactly which hard skills their organizations will need in 10 years, it's possible to imagine which soft skills a productive and reskillable manufacturing workforce will need — for example, adaptability, dedication to learning, comfort with technology, and willingness to take initiative (just to name a few).

But waiting to find out is ill-advised. As technological adoption ramps up over the next decade, the demand for social and emotional skills is expected to rise by 30%.[5] Hiring managers should evaluate their talent acquisition and development strategies to ensure that they're hiring people whose personalities are suited for the work they need done, both now and in the future.

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

> **As technological adoption ramps up over the next decade, the demand for social and emotional skills is predicted to rise by 30%.**

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 manufacturing resolve the challenges they face and achieve their objectives.

Hogan's personality assessments are the industry standard for predicting future job performance.

Reducing Accidents Among Entry-level Workers

A U.S.-based food manufacturing company wanted Hogan's help to hire more effective entry-level employees. The company wanted to reduce accidents in the production and packaging departments, where jobs involve physical labor such as heavy lifting and manipulation of machinery.

Hogan collected supervisor safety ratings and obtained objective safety data, which included all accidents occurring over a three-year period. The Hogan Safety report, a measure of safety consciousness generated with the HPI, was used to compare safety-related behaviors among new hires and incumbent employees.

Employees hired with the Hogan Safety report had **40% fewer accidents**, and their accidents resulted in **only three days lost or restricted** — compared to 159 days for those hired without the report.

▶ **Time Lost to Accidents**

159 days

3 days

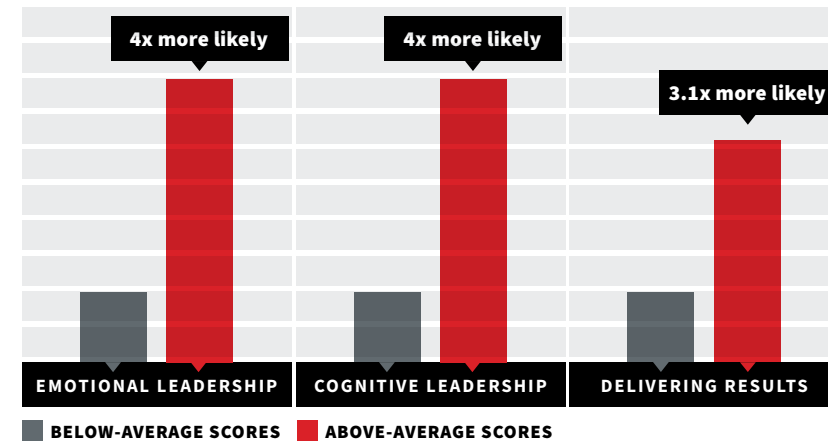**WITHOUT SAFETY REPORT**   **WITH SAFETY REPORT**
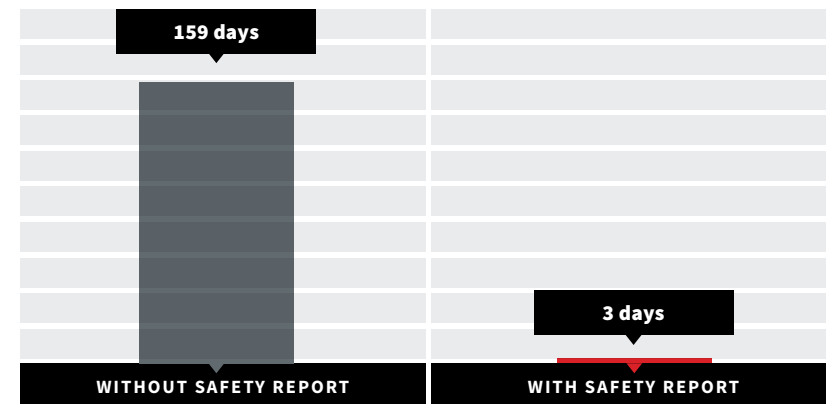
Improving Leadership Competence Among High Potentials

A global jet and military aircraft manufacturer sought Hogan's help to better understand the leadership qualities among its high-potential senior leaders. Ultimately, the company wanted to refine its high-potential program.

Hogan conducted a job analysis, collected supervisor ratings, and surveyed subordinates about their engagement. Then, Hogan administered the HPI, HDS, and MVPI to the senior leaders and applied Leader Basis scoring, which helps to differentiate high-performing leaders from those who are suboptimal.

The Hogan profile significantly increased team engagement and helped identify senior leaders who have core skills necessary for effective team leadership. Those identified were **four times more likely to deliver strong emotional leadership**, **four times more likely to deliver strong cognitive leadership**, and **more than three times as likely to deliver results**.

▶ **Strong Leadership Attributes**

| 4x more likely | 4x more likely | 3.1x more likely |

| EMOTIONAL LEADERSHIP | COGNITIVE LEADERSHIP | DELIVERING RESULTS |

■ **BELOW-AVERAGE SCORES**   ■ **ABOVE-AVERAGE SCORES**

Selecting More Effective Assembly Employees

A global technology supplier for the defense and space industry wanted Hogan to help improve its selection process for assembly employees. Assemblers use microscopes and tools to build electrical components from diagrams and drawings.

Hogan measured assemblers on multiple performance metrics, including safety, job knowledge, and vigilance. Hogan found that the most effective assemblers were calm, perceptive, tactful, rule abiding, conscientious, and interested in building job-related knowledge.

Hogan's recommended profile identified employees who were **3.6 times more likely to be rated as strong performers** and **more than twice as likely to be aligned with the company's culture** compared to assemblers who did not meet the profile.

▶ **Job Performance**

3.6x more likely

LOW HOGAN SCORES | HIGH HOGAN SCORES

4

Improving Senior Manager Job Performance

A global automotive component manufacturer partnered with Hogan to improve its selection process for senior managers. Senior manager candidates are responsible for leading and mentoring their teams to fulfill the company's mission and achieve their goals.

By conducting a job analysis, Hogan determined that the company's ideal candidates would be driven, composed, communicative, and socially proactive; value practicality, collaboration, and accomplishment; and show lower risk of volatility, conformity, and naiveté. Then, using the HPI, HDS, and MVPI, Hogan built a custom personality profile to identify candidates with these qualities.

By comparing candidates with the Hogan profile, the company was able to identify the most important characteristics for career success. Senior managers who fit the Hogan profile were **4.2 times more likely** to perform well on the job compared to those not meeting the profile.

▶ **Overall Performance**

**4.2x more likely**

WEAKEST CANDIDATES

STRONGEST CANDIDATES
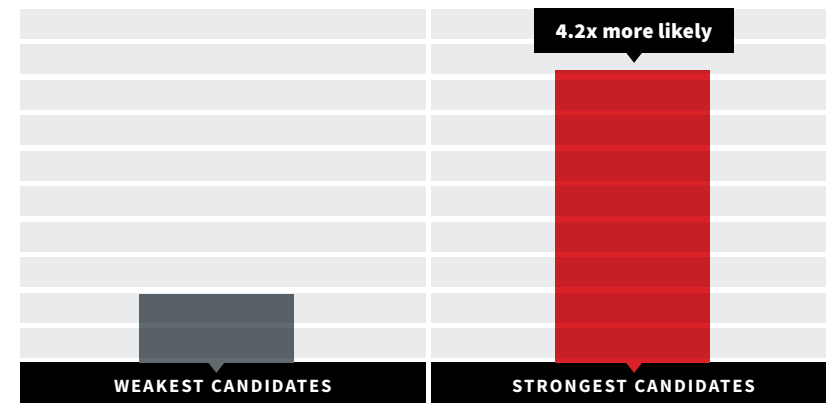
Reversing Retention Rates for Utility Employees

Hood Industries, a wood manufacturer and distributor, partnered with Hogan to boost retention among utility employees. Utility employees are responsible for supporting maintenance of the manufacturing floor and contributing to various entry-level operation responsibilities.

Working with the client, Hogan's talent analytics team built a custom personality profile to identify candidates who would be composed, driven, communicative, and dependable; value collaboration and making an impact; and show lower risk of volatility and passive aggression.

After using the profile for one year, the client **retained 89% of direct-hire candidates** at a plywood production facility. Compared to a typical year with more than 85% turnover in the utility employee workforce, this new retention rate is a significant (and fast) turnaround. As a result, Hood Industries is expanding its use of Hogan across other plywood facilities and lines of the business, such as hardwood lumber.

▶ **Retention Turnaround**

+89%

-85%

| PRIOR TO HOGAN | AFTER USING HOGAN |
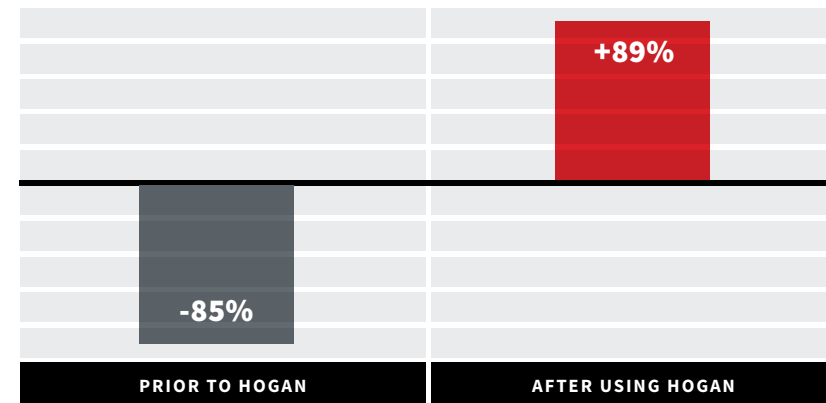
Let Us Help

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 manufacturing organizations for decades to help them solve problems and achieve their goals. Get in touch with us today to explore potential solutions.

To learn more about Hogan, visit <u>hoganassessments.com</u> or call us at +1.918.749.0632

References

1. Oh, J. (2020, January 15). *3 Rules for Engaging Millennial and Gen Z Talent in the Workplace*. World Economic Forum.
   http://www.weforum.org/agenda/2020/01/millennial-gen-z-talent-workplace-leadership/

2. *Retaining Manufacturing Employees*. (2021). Retensa.
   https://retensa.com/clients/clients-by-industry/manufacturing-employee-turnover/#:~:text=Since%202014%2C%20the%20rate%20of,a%20turnover%20rate%20of%2066%25

3. *Millennial Careers: 2020 Vision*. (2020). ManpowerGroup.
   https://www.manpowergroup.com/wps/wcm/connect/660ebf65-144c-489e-975c-9f838294c237/MillennialsPaper1_2020Vision_lo.pdf?MOD=AJPERES

4. Volini, E., Schwartz, J., Denny, B., & Mallon, D. (2020). *2020 Global Human Capital Trends Report*. Deloitte.
   https://www2.deloitte.com/cn/en/pages/human-capital/articles/global-human-capital-trends-2020.html

5. Ellingrud, K., Gupta, R., & Salguero, J. (2020, August 7). *Building the Vital Skills for the Future of Work in Operations*. McKinsey & Company.
   http://www.mckinsey.com/business-functions/operations/our-insights/building-the-vital-skills-for-the-future-of-work-in-operations