Industry Spotlight
Retail

HOGAN
▶ Talent Analytics

Introduction

You probably don't need to be sold on the idea that the retail industry is facing never-before-seen challenges, largely driven by the digital evolution. In particular, phenomena such as e-commerce and automation are changing the way the industry employs some 16 million Americans, who account for approximately 10% of the U.S. adult working population.[1]

Everyone knows that e-commerce has skyrocketed, increasing competition in the marketplace and causing multitudes of shopping malls and other brick-and-mortar businesses to wither and shutter. In the wake of the COVID-19 pandemic, as consumers began avoiding in-person shopping, many physical stores were converted into outposts for business conducted mostly online.[2]

Furthermore, automation is reshaping retail business models and changing the makeup of the workforce.[3] Although a grocery store (for example) benefiting from automation might be able to operate with 55% to 65% fewer hours spent on certain tasks, such as completing transactions and stocking shelves,[3] it isn't a replacement for human labor — customer service still matters, and robots, kiosks, and artificial intelligence will not suffice.[4] Instead, organizations adopting automation would be wise to consider how they might reskill employees to refine the customer experience.[4,5]

In an industry that has long struggled with high rates of turnover,[5] these paradigm shifts underscore the need for a strategic approach to talent acquisition and development.

> **Automation isn't a replacement for human labor. Customer service still matters, and robots, kiosks, and artificial intelligence will not suffice.**

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.

Grounded in more than 40 years of psychological 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 HR 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 the retail industry resolve the challenges their businesses face and achieve organizational objectives.

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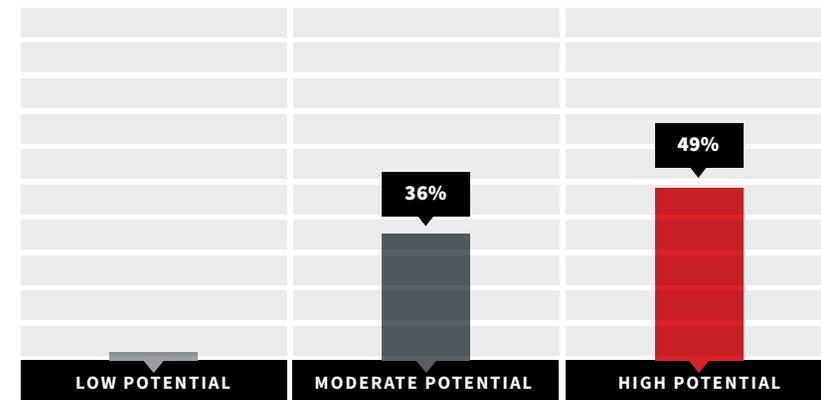
Identifying Store Managers to Grow Sales

A global retailer specializing in clothing, home, and food products sought Hogan's help to improve its selection process for store managers. Successful store managers coordinate daily operations, hire and develop store personnel, and are responsible for growing store revenues. Successful leaders must also minimize the influence of their personality derailers, or performance risks.

Hogan's Leader Basis profile can help identify high-performing store managers, and it can also help screen out excitable store managers, whose behavior can become volatile during times of stress or pressure, hindering team performance.

Applying the Leader Basis scoring to the research sample of retail managers, Hogan found high scorers on the Hogan profile were two and a half times more likely to be rated as top overall performers and were more than four times as likely to be rated as above average on Driving for Results. High scorers also **grew annual store sales by 49% more** compared to those who scored low.

▸ **Store Sales Growth**

| LOW POTENTIAL	MODERATE POTENTIAL	HIGH POTENTIAL
	36%	49%

Photo by Ali Yahya on unsplash.com

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Finding Results- and People-oriented Leaders

A global apparel and footwear company partnered with Hogan to improve its selection process for leaders. Leaders are responsible for driving the strategies of their departments, building teams that deliver on those strategies, and facilitating collaboration across departments.

Hogan's data science team worked with the client to develop a scientifically valid screening tool. Hogan identified specific competencies, characteristics, and values that predict job success, then built a custom personality profile to enable the client to select higher-performing leader candidates.

Based on the research, the company can identify the highest performers more accurately by incorporating the Hogan profile into the candidate assessment process. Using the profile, 58% of leaders whose scores were high are rated in the top 20% of performers, compared to only 36% of leaders whose scores were low. Hogan's research demonstrated that leaders fitting the profile are **2.1 times more likely** to be results- and people-oriented leaders, compared to those not fitting the profile.

▶ **Leader Job Performance**

2.1x more likely

LOW POTENTIAL   HIGH POTENTIAL
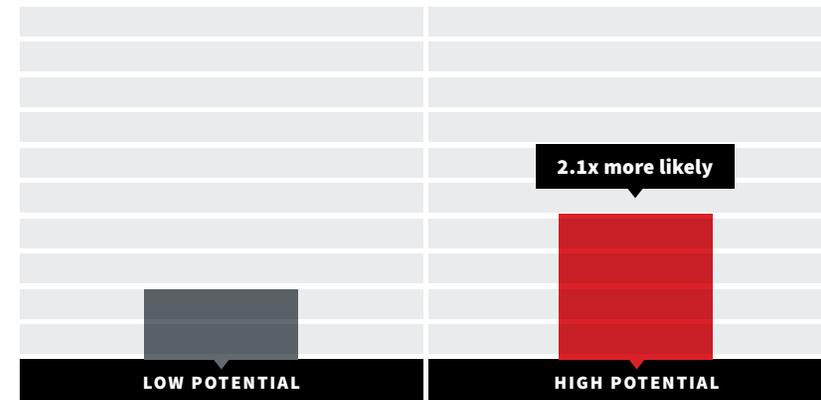
Selecting Successful Sales Managers

A U.S.-based prepackaged food retailer wanted to establish a long-term research plan for developing and validating personality-based screening guidelines for its sales managers, who sell and distribute products within assigned territories and also manage sales representatives.

Working with the retailer, Hogan developed a selection profile to identify sales manager candidates who were more likely to be high performers. The company began using the profile to identify applicants who are stress tolerant and resilient despite setbacks, competitive and focused on achieving sales targets, adept at building and maintaining relationships, and practical and sensible when making decisions.

During their first year, high-fit sales managers consistently had more new customers and buying customers per day than moderate and low fits. High fits also grew their weekly sales at a much greater rate. After one year on the job, high fits achieved **6.5 times more sales growth** compared to low fits.

▶ **Weekly Sales Growth**

6.5x higher growth

| LOW POTENTIAL | MODERATE POTENTIAL | HIGH POTENTIAL |
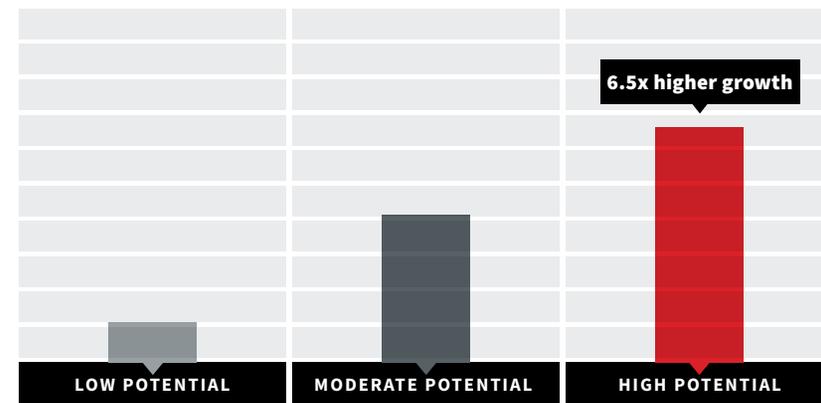
Hiring Efficient Warehouse Workers

A U.S.-based e-commerce and technology company needed a better way to identify strong candidates for picker and stower warehouse positions. Pickers and stowers work in warehouse distribution centers and are responsible for fulfilling online orders by getting them shipped to customers, as well as organizing inventory throughout the warehouse.

With help from a global partner, Hogan and the client developed a Configure competency model to link business strategy to talent management. Effective pickers and stowers stay alert, comply with the rules, and manage their time to work efficiently. To determine the impact of adding personality into the company's selection process, Hogan conducted a local validation study, linking competency scores to performance metrics.

Hogan found that those who passed the recommended Hogan profile were **three times more likely** to be strong performers, as indicated by a faster rate of picking and stowing products, compared to those who did not pass the Hogan profile.

▶ **Reduced Turnover**

3x more likely

LOW POTENTIAL

HIGH POTENTIAL
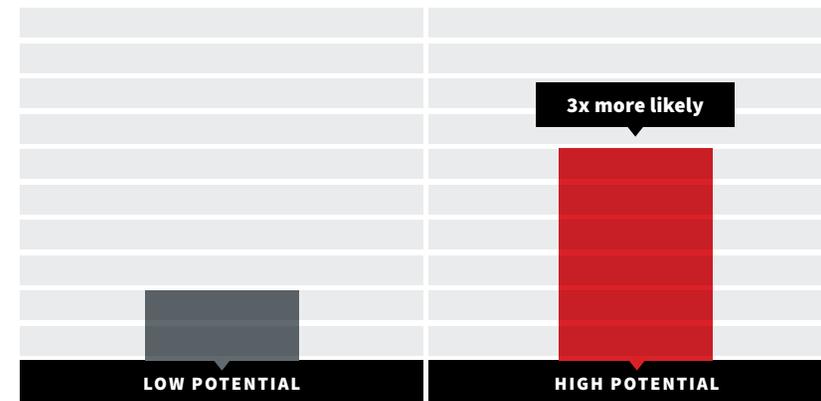
Retaining Call Center Employees

Hogan partnered with a U.S.-based retail company to evaluate its hiring process for call center sales consultants. The company had been experiencing sales consultant turnover ranging from 85% to 100%, as well as lower sales made by recent hires compared to previous years.

The most successful call center sales consultants persist in the face of adversity, are friendly and rewarding to work with, and adhere closely to company policy. In collaboration with the client, we developed a sales consultant selection profile with the objective of decreasing call times and improving call center employee retention.

One year after the retailer implemented the Hogan profile, employee retention **more than doubled** for call center sales consultants. Sales consultants who met the profile also produced more add-on sales, generated nine more accounts per month (on average), and saved more terminating accounts compared to those not meeting the profile.

▶ **Call Center Employee Retention**

15%
BEFORE HOGAN

38%
AFTER HOGAN
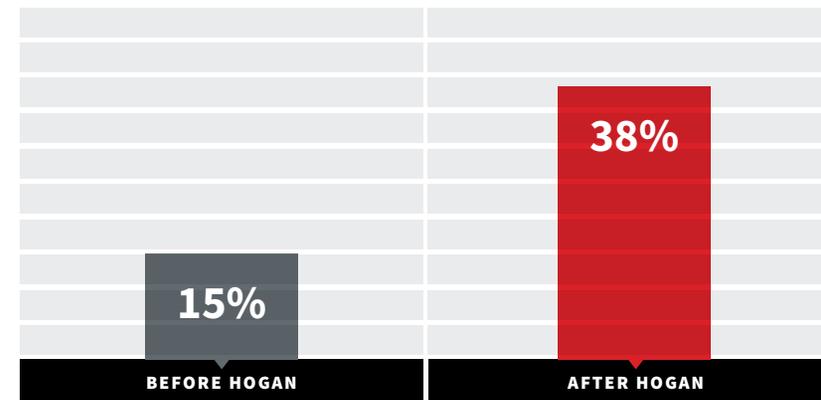
Let Us Help

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 retail 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 peterberryconsultancy.com or call us at +61 2 8918 0888

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