



# Industry Case Studies

## Construction-Retail Industry

### General Managers

**Challenge:** Hogan collected assessment and performance data from 124 General Managers (GMs) in one of the largest US based supplier of building materials for home, professional, and contract builders. This company wanted to improve its identification process for management level talent and partnered with Hogan employed Hogan to develop a customized personality profile predictive of successful GMs.

**Solution:** Incumbent GMs completed the Hogan Personality Inventory, which measures “bright side” personality characteristics, or those that lead to successful performance; the Hogan Development Survey, which measures “dark side” personality characteristics, or those that impede performance or derail careers over time; and the Motives, Values, Preferences Inventory, which measures an individual’s values and occupational preferences and interests. In addition to assessment data, Hogan collected financial performance data, including sales revenues, operational expenses, and overall store profit.

**Result:** Hogan sought to identify common personality characteristics associated with the highest performing GMs, or those who are able to both keep operational expenses near projected levels while far exceeding sales projections, thereby maximizing profit.

Hogan’s research revealed several general trends, with high performing GMs having greater HPI Ambition and Prudence scores, indicating that they are both driven, but unlike many managers, have a strong adherence to rules and details. Furthermore, below average GMs tend to have higher scores on HPI Sociability, indicating that too much focus on interacting with others might detract from growing sales and improving store profit.

In regard to derailers, high performing GMs are lower than average on several HDS scales including Mischievous and Colorful. This indicates that these individuals are again more likely to adhere to tried and true methods as opposed to taking risks or implementing ideas that do not adhere to the norm. From a culture perspective, high performers are most concerned with financial matters (high MVPI Commercial) and value structured, professional environments (low MVPI Hedonistic).

Based on this recommended battery of HPI, HDS, and MVPI scales, we expect strong return on investment in terms of higher profits, stronger sales and decreased operating expenses (as seen in Figures 1 - 3).



Figure 1. Average differences between projected and actual Profit.

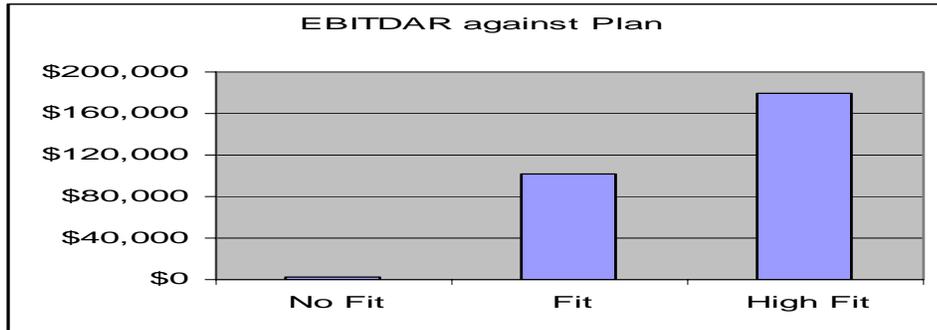


Figure 2: Average differences between projected and actual Sales

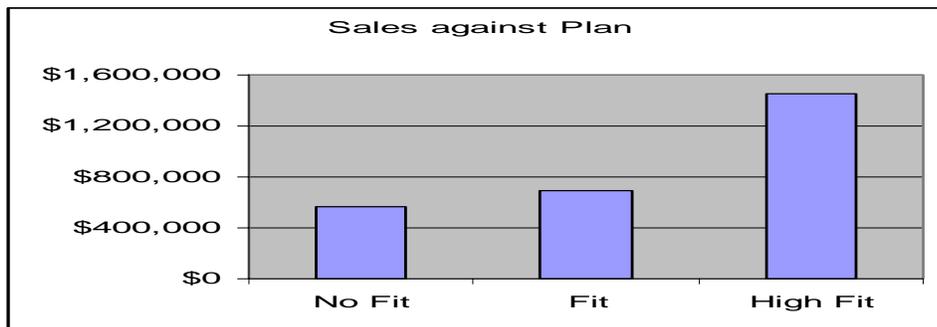
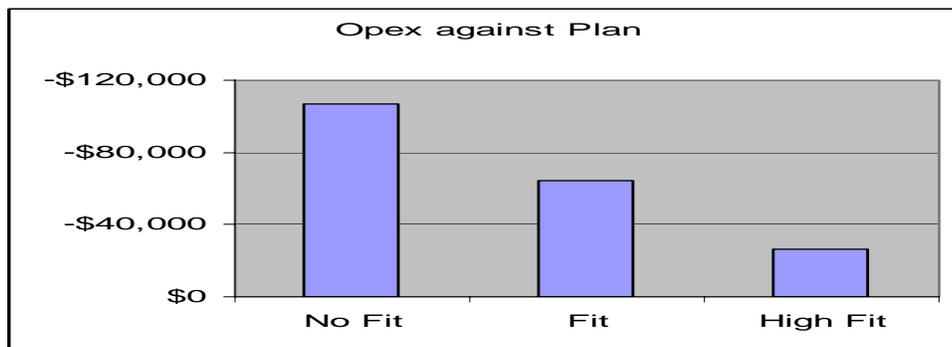


Figure 3: Average differences between projected and actual Expenses



As shown in Figures 1-3, current GMs falling within the No Fit group were in charge of locations that produced significantly less profit as compared to plan, significantly fewer sales compared to plan, and significantly higher operating expenses compared to plan. In contrast, members of the High Fit group, on average, exceeded their planned profitability by approximately \$80,000 more than the Fit group and \$180,000 more than the No Fit Group. They also exceeded their planned sales by approximately \$750,000 more than the Fit group and \$900,000 more than the No Fit Group. Finally, although all three groups exceeded planned operating expenses on average, the High Fit group exceeded operational expenses by approximately \$25,000 on average compared to \$65,000 and \$105,000 for the Fit and No Fit groups respectively.



---

**Summary:** Based on these findings, Hogan created a predictive selection profile that can be used to effectively identify high potential GM job candidates throughout the company, regardless of location size, type, or area.

GMs meeting the High Fit profile exceeded their projected profitability by \$80,000 on average compared to the Fit group and \$180,000 compared to the No Fit Group. When considered across the multiple locations used for just this study alone, this translated into over \$3 million dollars in actual profit compared to plan over the Fit group and nearly \$8 million dollars in actual profit over plan compared to the Low Fit Group.