Industry Spotlight
Information Technology

HOGAN
▶ **Talent Analytics**

Introduction

Tech has a turnover problem. In 2017, LinkedIn reported that the industry's turnover rate was the highest of any at 13.2%, with some of the world's largest tech companies reporting median tenure as low as one year.[1] In 2019, one-third of tech workers said they were planning to leave their jobs within the next year.[2] Then, in 2020, the COVID-19 pandemic accelerated digital transformation across other industries, amping up the competition for tech talent.[3]

This problem is further complicated by the widespread migration of tech talent, due to the rise of remote work enabling people to work from nearly anywhere they choose.[4] In fact, 61% of HR professionals say that identifying and hiring effective software developers, specifically, is their biggest challenge this year.[5] But the demand isn't only for technical expertise.

About 82% of executives at companies with revenue exceeding $100 million believe retraining and reskilling will be "at least half" of the solution to the tech skills gap.[6] Not to mention, a lack of development opportunities is one of the top reasons tech workers decide to change jobs.[1,2] Before the industry's turnover trouble reaches critical mass, hiring managers would be wise to 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, reduce turnover, increase productivity, eliminate bias in hiring, ensure new hires are aligned with organizational culture, and inspire employees to do their best.

IT companies will be most poised for success if they hire individuals who are adaptable and ready to reskill or upskill when needed.

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 IT resolve the challenges they face and achieve their objectives.

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

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# Improving Succession Planning for High Potentials

A global information technology company with a baseline turnover rate of 32% sought Hogan's help to identify and develop high-potential talent across the organization and improve the company's succession planning for leadership roles.

Working with the company, Hogan conducted research to determine the most important qualities for successful leadership performance within the organization. Employees who communicate proactively, act decisively, accept challenges willingly, and tolerate ambiguity are more likely to advance and receive promotions. To reduce turnover among these employees, Hogan created a selection profile composed of multiple scales from Hogan's core personality assessments.

Results showed that high-potential employees who make decisions slowly and appear reluctant to take independent action are more likely to leave the company. Four years after the company implemented Hogan's personality assessments, **turnover was reduced to 3%** and **nearly all high potentials remained** at the company.

▶ **Retaining High Potentials**

68%	69%	81%	97%
YEAR 1	YEAR 2	YEAR 3	YEAR 4

INVOLUNTARY   VOLUNTARY   RETAINED

2
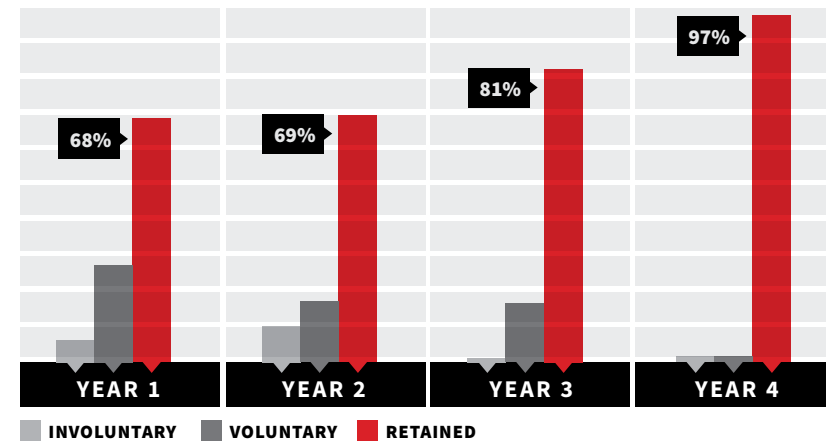
Selecting Successful Software Engineers

A technology company focused on e-commerce, digital streaming, AI, and cloud computing wanted to use personality to improve its selection procedure for software engineers.

After conducting research to determine the predictors of successful performance in software engineer jobs, Hogan created a selection profile to identify candidates who would be vigilant about their work products, work well on a team, learn continuously, and think creatively and conceptually.

Hogan's extensive research on the relationship between personality and job performances indicates a **22% improvement in selection accuracy** using the software engineer profile.

▶ **Improving Selection Accuracy**

WITHOUT HOGAN PROFILE	WITH HOGAN PROFILE
50% / 50%	39% / 61%

■ BAD HIRE SELECTION   ■ GOOD HIRE SELECTION

Selecting Service Operation Dispatchers

A local information technology equipment retailer was challenged by turnover and absenteeism among its entry-level service operation dispatchers. The company wanted Hogan's help in developing and validating a selection profile to hire more effective and long-lasting dispatchers.

Hogan conducted a job analysis, which revealed that successful service operation dispatchers remain composed under pressure, are conscientious and detail oriented, and show a high level of interpersonal sensitivity. Hogan's research also involved collecting performance data for incumbent dispatchers.

After the client began using the selection profile, the profile's ROI was determined to be a **$4,283 increase in productivity** per employee.

▶ **Increased Productivity Per New Hire**

$4,283 increase

WITHOUT HOGAN PROFILE   WITH HOGAN PROFILE
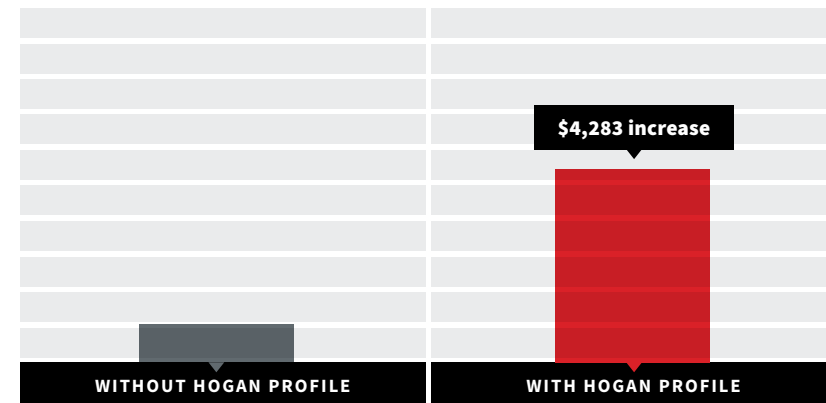
Retaining IT Call Center Employees

Hogan partnered with a national telecommunications company to evaluate its call center hiring process. The call center was facing turnover at 100%, reduced sales among recent hires, and customer service ratings in need of improvement.

In collaboration with the client, Hogan developed a selection profile to decrease call times and improve employee retention. Call center consultants who persist in the face of adversity, are friendly, and adhere closely to company policy are most likely to achieve success in their roles.

After the profile was implemented, **turnover decreased by 38%** in the company's established call centers. In those staffed entirely by people meeting the new profile, **turnover was just 34%**. Average handle time was reduced by 14%, amounting to **savings of $1.2 million per year**, and average quality **scores grew to 97%**, a 12% increase over the previous two years.

▶ **Call Center Turnover Rate**

38% decrease

WITHOUT HOGAN PROFILE   WITH HOGAN PROFILE
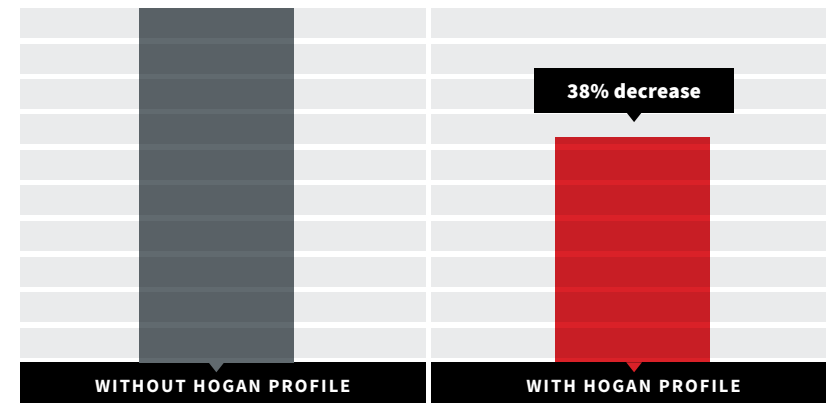
Screening New MBAs for Managerial Jobs

A technology company focused on e-commerce, digital streaming, AI, and cloud computing wanted Hogan's help to improve its selection procedures for identifying MBA applicants who would be poised to succeed in managerial jobs.

Hogan conducted a job analysis to identify the personality characteristics most predictive of success for the role, then developed a selection profile to identify applicants with those qualities. The company's best managers are nimble and motivated, work well in fast-paced environments, are capable of complex problem-solving, think strategically, drive results, and influence others across the organization.

Hogan's extensive research on the relationship between personality and performance indicates a **33% improvement in selection accuracy** when the company hires new managers using the profile.

▶ **Improving Selection Accuracy**

WITHOUT HOGAN PROFILE 50% / 50%		**WITH HOGAN PROFILE** 33.5% / 66.5%

■ **BAD HIRE SELECTION** ■ **GOOD HIRE SELECTION**