

Insurance Industry Insurance Broker

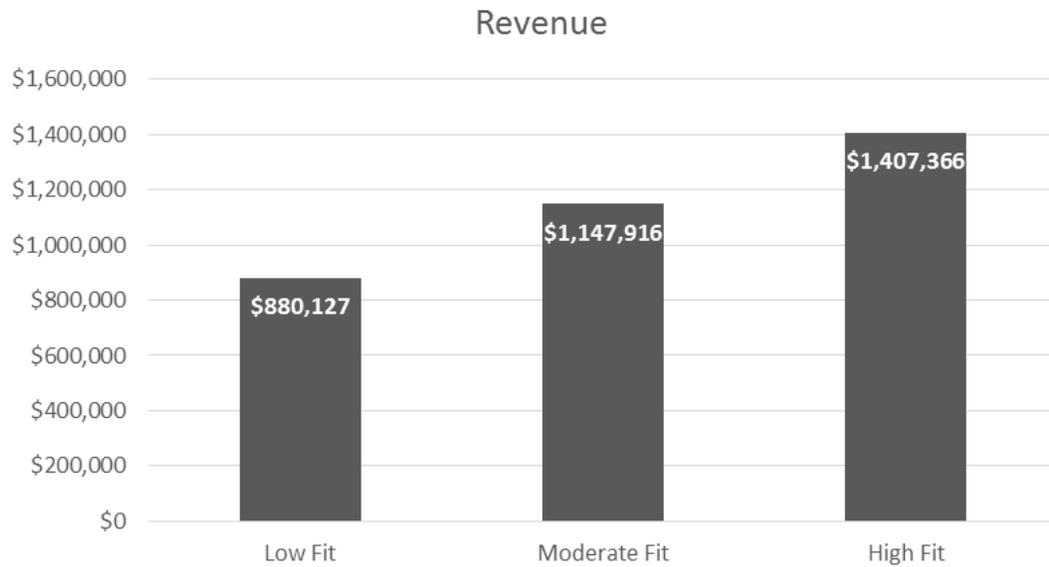
Challenge: Hogan recently collaborated with a global partner to identify characteristics associated with successful insurance broker performance at a U.S. insurance brokerage and risk management company. Our global partner and the client developed a competency model to link business strategy to talent management. Competencies included results orientation, relationship building, consultative selling, honesty and integrity, technical expertise, active listening, and teamwork and collaboration.

Solution: Hogan recommended the creation of competency algorithms, an approach that relies on synthetic, content, and criterion validity evidence, to construct competency-based predictor scales based upon the most predictive HPI, HDS, and MVPI scales. Such an approach is advantageous because it combines several specific, competency-relevant scales together into an equation, thus providing greater precision in predicting performance.

To develop algorithms, we used information from focus groups, job analysis, and job descriptions to determine if all insurance brokers' roles were similar across functions. Then, Hogan examined archival data to identify scales related to success across competencies. Next, over 130 insurance brokers completed the HPI, HDS, and MVPI assessments as part of the validation process. Hogan, our partner, and the client created an online performance rating form based on job analysis results, competency definitions, and expert judgment. Then, managers provided performance ratings for key performance areas and competencies through an online format for 113 insurance brokers. Finally, Hogan analyzed all data to create competency algorithms and an overall recommendation comprised of assessment scales most predictive of each competency.

Result: Based on the research findings, Hogan developed competency algorithms to select applicants into the insurance broker roles who were more likely to be high performers. As displayed below, the competency scoring recommendations effectively differentiate high and low performers. Insurance brokers classified as High Fits earned over \$500,000 more on average compared to those classified as Low Fits.

Figure 1. Insurance Broker Revenue by Overall Recommendation



Overall, using Hogan assessments within a custom competency report to select Leaders on these competencies should result in stronger insurance broker performance.