

Financial Services Terminations

Dr. David K. Barnett & Dr. Michael D. Barnett

The purpose of this study was to examine the SalesKey® (version 3.3) results of those terminated from a US financial services company to determine what, if any, behaviors measured by the assessment could explain and possibly predict being fired. There were 184 terminations covering a one year period from September, 2008 through August, 2009. Each termination was given one of ten possible explanations. These are summarized in Figure 1 (below).

		Reason Description			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Attendance	2	1.4	1.4	1.4
	Dissatisfied With Type of Work	1	.7	.7	2.1
	Misconduct policy/procedure	20	13.9	13.9	16.0
	Other Involuntary Reason	1	.7	.7	16.7
	Other Voluntary Reason	8	5.6	5.6	22.2
	Personal Reasons	42	29.2	29.2	51.4
	Resignation - Other Position	33	22.9	22.9	74.3
	Return To School	1	.7	.7	75.0
	Staff Reduction	1	.7	.7	75.7
	Unsatisfactory Performance	35	24.3	24.3	100.0
	Total	144	100.0	100.0	

Figure 1

Terminated employees had worked for the firm for a period of time ranging from 2 days to almost 14 years. The mean length of employment was just under two years ($M = 1.94$ years). Figure 2 summarizes the distribution of tenures in the study.

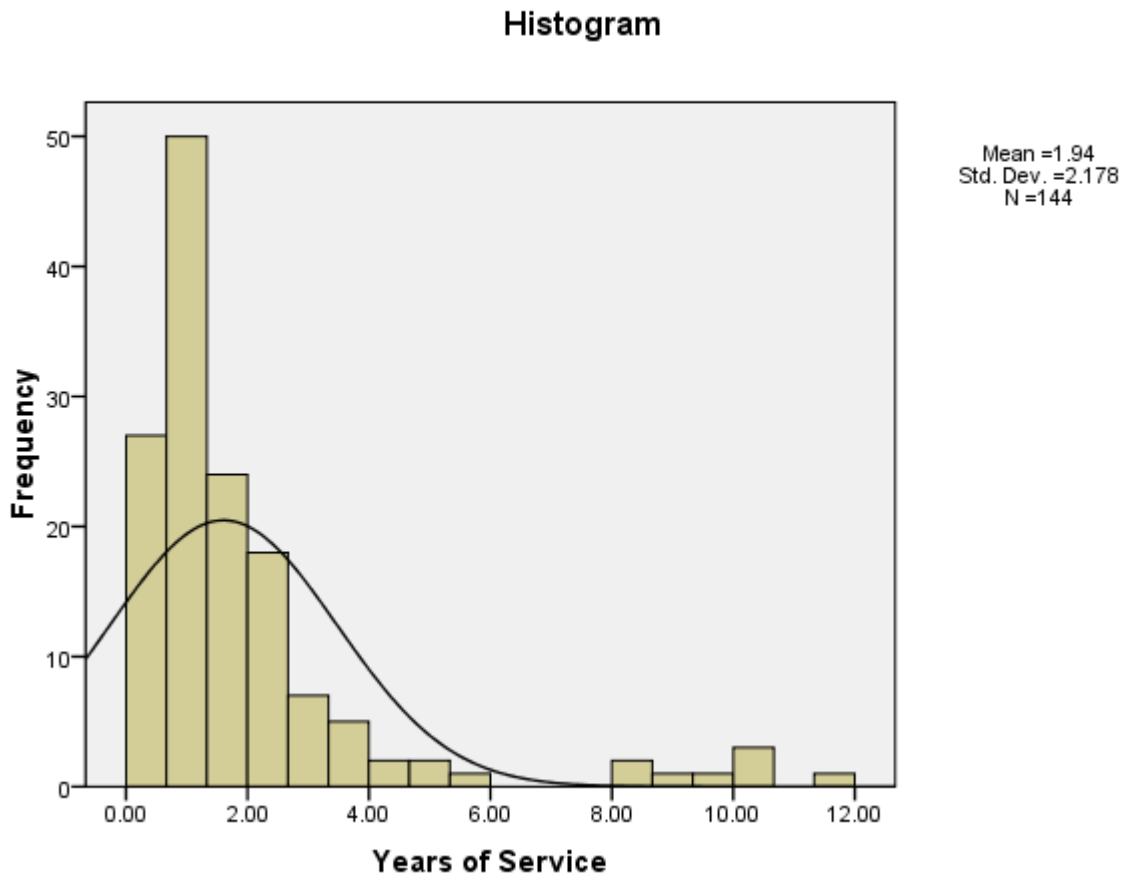


Figure 2

Since SalesKey® measures stable traits associated with sales performance the scope of this study was limited to those reasons SalesKey® is intended to be able to measure. Cases were combined into two general categories: Misconduct ($n = 18$) and Unsatisfactory Performance ($n = 28$).

Methodology

Kolmogorov-Smirnov Z was calculated for each SalesKey® scale to determine the extent to which the various SalesKey scale scores conform to the normal distribution. Groups were created of those terminated for Misconduct, those terminated for Unsatisfactory Performance, and a random sample control group of 385 SalesKey® profiles from various US companies. For each category parametric and non-parametric analyses were conducted to determine the statistical probability that significant differences exist between the scores of persons terminated in each group with the control group. Low probability ($p < .05$) would indicate scales that differentiate those terminated with the control group.

Findings

When SalesKey® scores of those terminated for Misconduct ($n = 18$) are compared with the control group ($n = 385$) three scales emerge as statistically significant at the $p < .05$ level and two additional scales at $p < .1$.

	Misconduct Mean Score	Control Group Mean Score	Significance
Risk Sensitivity	42	54	.01
Presentation Skills *	75	68	.03
Sales Identity	57	47	.05
Problem Solving *	51	39	.06
Empathizing (Approval Need)	49	57	.07

* Not a normal distribution

When SalesKey® scores of those terminated for Unsatisfactory Performance ($n = 28$) were compared with the control group, one scale is shown to be a statistically significant differentiator at $p < .05$ and two additional scales at $p < .1$.

	Unsatisfactory Performance Mean Score	Control Group Mean Score	Significance
Energy	54	63	.02
Performing (Attention Need)	58	51	.07
Validity Check *	84	77	.1

* Not a normal distribution

Discussion

Misconduct

The SalesKey® scale we would expect to be associated with misconduct is Risk Sensitivity; that is, people who are more likely to take unnecessary risks would be most likely to be dismissed for misconduct. The fact that the Risk Sensitivity scale does differentiate at statistically significant levels is strong evidence of construct validity.

It is not clear how one's interest and ability in making sales presentations to groups (Presentation scale) could differentiate those terminated for misconduct from the control group. It would be more understandable if the Attention score had turned up significant (those terminated have a need to be the center of attention). It may be that those scoring higher in Presentation are more likely to be outspoken and less inhibited but are not necessarily looking to stand out in the crowd.

People terminated for misconduct scored significantly higher in Sales Identity than did the control group. They may view themselves as knowing more about sales than their managers and use this to justify their misconduct.

Terminated employees tended to be significantly more Approval-avoidant than the control group. This would indicate a disinterest in the approval of managers and others on the team. Not team players, they are more likely to challenge others, thus significantly increasing the likelihood of strained relationships.

Why would Problem Solving be a statistically significant differentiator while Analyzing was not a difference maker? It may be that terminated employees are not necessarily concerned with procedure but are highly calculating individuals. In light of lower Risk Sensitivity and lower Approval, these individuals appear to use their Problem Solving skills to figure out short-cuts around established procedures.

Unsatisfactory Performance

SalesKey® measures stable constructs associated with job performance.; therefore, we would expect the assessment to differentiate between those who were terminated for Unsatisfactory Performance and the control group. We would expect those differences to exist primarily in Level 1 scales that drive productivity. The Productivity Paradigm (Productivity = E->G) is validated in this study.

Lower producers scored significantly lower on the SalesKey® Energy scale. This is likely because they did not expend as much effort to their work as those not terminated for performance. Interestingly, the mean Goal score for terminated group was somewhat higher than the control group on the Goal score. When completing the assessment (most of which were completed as candidates) they were clear about their goals. This may also explain the statistically significant higher Validity Check score for lower performers. Their intentions were positive when being interviewed for the job. Their optimism, however, may have been driven by a strong need for Attention. Attention-driven individuals interview well and are supremely confident in their abilities. They tend to talk more than they listen, so

it may be that, once hired, more of their available Energy went into attention-getting behavior with team members than into listening to clients.

Conclusions

The present study was limited in several ways, mainly in that the two termination groups were relatively small. The small numbers of terminated individuals make any generalizations difficult to quantify. Certainly not all individuals scoring low in Risk Sensitivity, low Approval, and high Problem Solving are going to be terminated for misconduct. Similarly we should not expect that everyone with a low Energy and high Attention need score is at risk for being a poor performer. But this study does validate the productivity construct used by SalesKey®. High Energy is the first and foremost element in selecting and developing salespeople who will consistently reach their targets. The study also demonstrates the importance of having objective information in the hiring process to offset the strong interview skills of those with a high need for Attention (and those with high Empathizing needs as well). There is no evidence that those terminated for misconduct started the job with any expectation of causing trouble. Managers need to be aware of several patterns that may represent a predilection to misconduct in ambiguous situations. Salespeople with low Risk Sensitivity and Low Approval appear to be those most naturally prone to taking risks and straining the bonds of ethical behavior. When accompanied with low Analyzing and high Problem Solving we may see a tendency to be calculating rather than careful.