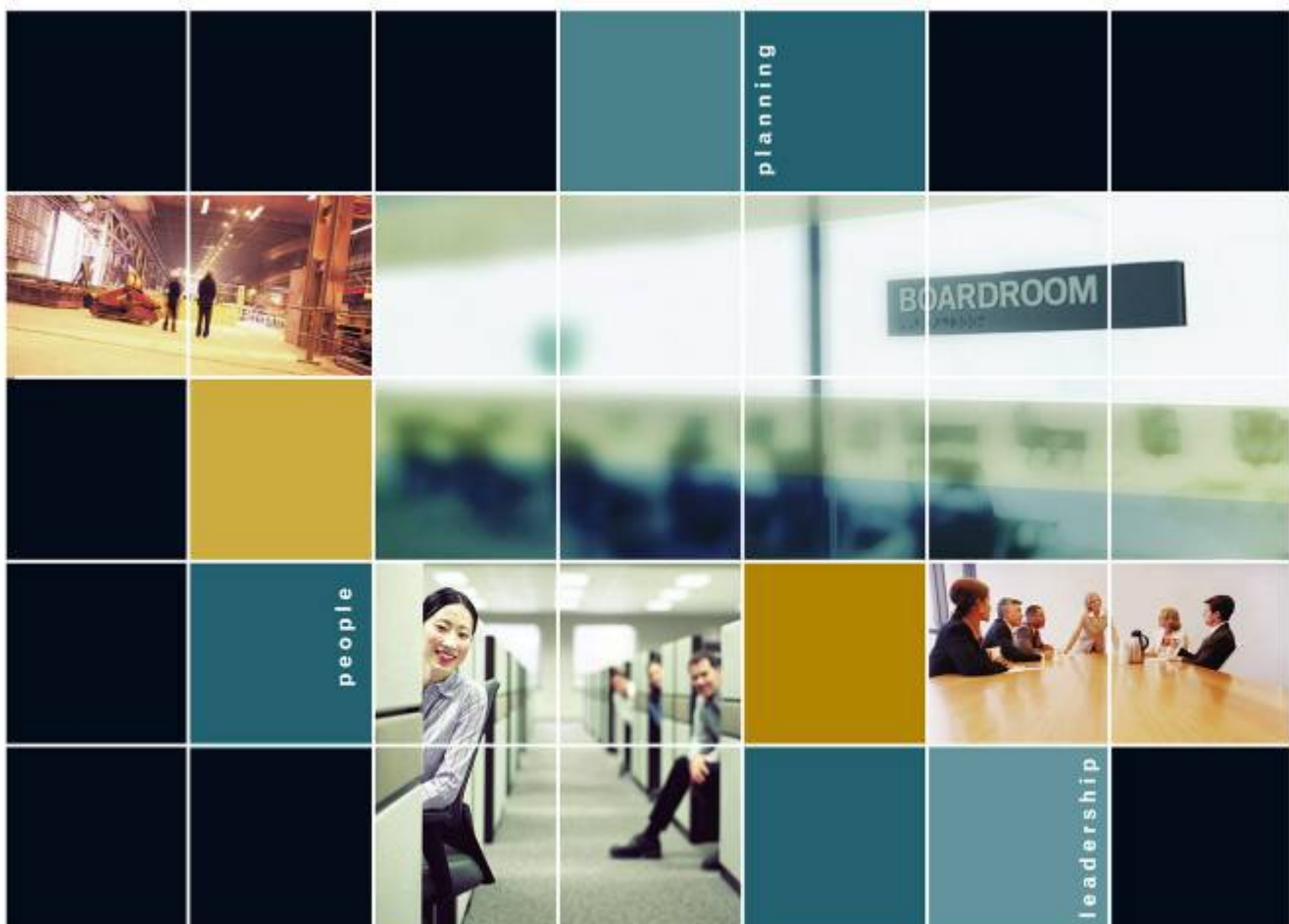


Australia's Workforce DNA

Who are they and what engages and motivates them?

October 2008



MAKING A REAL DIFFERENCE

We provide profiling and consulting services that make a real difference in leadership, business planning, people and culture.

Whoever you are, we can add value...

We work with a wide range of private and public organisations, from multinational corporations and government bodies to small businesses.

Consulting services we offer:

Improving your fitness

- Leadership development
- Front-line supervisor development
- Coaching and mentoring
- Facilitated business planning
- Human resource management
- Recruitment and selection solutions
- Industrial relations / enterprise agreements
- Cultural change
- Change management
- Team building
- Keynote addresses
- Conference / workshop facilitation

Profiling services we offer:

Measuring your fitness

- Employee Opinion Survey
- 360° Management Review
- 180° Review (Co-worker Review)
- Hogan Leadership Series
- Hogan Assessment for selection & development
- Customer Satisfaction Survey
- Internal Customer Survey
- Performance Excellence Management Survey
- Exit Interviews

■ ■ ■ peterberryconsultancy

120C Sailors Bay Road Northbridge NSW 2063

Phone: 02 9967 9666 Fax: 02 9967 8688

www.peterberry.com.au

Research on Australia's Workforce DNA - Who they are and what engages and motivates them

About Peter Berry Consultancy

Peter Berry Consultancy is a multidisciplinary consulting organisation specialising in profiling and consulting services that make a real difference in leadership, business planning, people and culture.



Peter Berry Consultancy has been operating since 1990 working with blue-chip organisations including Toyota, Coca-Cola, Nestlé, Toll, BUPA, General Electric and Qantas. Peter Berry Consultancy has strong linkages to the Melbourne Business School and The Executive Connection. Peter Berry consultancy represents Hogan Assessment Systems in Australia and has undertaken research projects on Leadership, Employee Engagement Customer Service and Safety. For more information, visit www.peterberry.com.au

About Hogan Assessment Systems

Hogan Assessment Systems is an international research-based consulting firm that uses its own personality assessments to help organizations select employees and develop leaders. Because of its proven ability to predict employee performance, the Hogan Personality Inventory is considered the industry standard for measures of normal personality. The Hogan Development Survey is a validated survey that assesses characteristics associated with derailment and managerial dysfunction. The Hogan Motives Values Preferences Inventory looks at people's core values and drivers essential for organisation and cultural fit. Australian and New Zealand service industry. ICSP has a well earned reputation which is showcased through professional networking events, accredited training and education programs, benchmarking and best practice forums. Hogan Assessment Systems has worked with more than 1,500 companies worldwide and has performance data for more than 400 jobs, ranging from customer service roles to CEO.



Hogan assessments are used by over 50 percent of the Fortune 500 companies, of which 75 percent are multinational organisations. The assessments are also used by Australasian brands, including BHP, Qantas, Ingeus, BP, Maggie Beer, The College of Law, Minter Ellison, Sydney Water, Harvey Norman, Blue Star Print, AMP Capital, Challenger, Mars, Ella Bache, Sara Lee, Melbourne Business School and The Executive Connection. For more information, visit www.hoganassessments.com

About ICSP (International Customer Service Professionals)

ICSP is Australia's leading organisation for the development of customer service in a broad range of organisational settings.

International Customer Service Professionals (ICSP) is a professional body promoting Customer Service Excellence. Facilitated through international membership and alliance partners, ICSP offers an infinite resource to the Australian and New Zealand service industry. ICSP has a well earned reputation which is showcased through professional networking events, accredited training and education programs, benchmarking and best practice forums.



ICSP
INTERNATIONAL
CUSTOMER SERVICE
PROFESSIONALS

ICSP are proud to be 'the International advocate' for Customer Service issues- for service deliverers and service receivers.

For more information, visit www.icsp.com.au

The Research

Australia's Workforce DNA – Who are they and what engages and motivates them?
Launch of the 2008 Research

The dataset includes over 25,000 Australian participants across a diverse range of industries and occupations.

This research will offer us an opportunity to understand:

- What motivates our Australian workforce in 2008 and beyond
- What is the difference between our younger and older generational workforce
- How to engage our workforce to deliver and meet the needs of our customers

Peter Berry Consultancy, in conjunction with Hogan Assessments Systems, have analysed the personality profiles of over 25,000 working adults in Australia. The profiles used in this study are the Hogan Personality Inventory (HPI), the Hogan Development Survey (HDS) and the Motives, Values, Preferences Inventory (MVPI). This sample has been refined to ensure no one occupation or industry dominates the results. In these preliminary findings we have found some interesting similarities and differences across countries and generational groups. Some of these findings will challenge the assumptions made to date with regard to generational change and its impact on working adults in Australia. As part of this research we have looked at comparable groups in the United States, New Zealand and United Kingdom. By way of background information we have summarised the profiles used as part of this research.

Hogan Assessment Systems Background Information

Hogan Assessment Systems has three primary inventories:

- the Hogan Personality Inventory ('The Bright Side of Personality')
- the Hogan Development Survey ('The Dark Side of Personality')
- the Motives, Values, Preferences Inventory ('The Inside of Personality')

The Hogan Personality Inventory (The Bright Side)

We define the Bright Side using the Hogan Personality Inventory. The HPI is an inventory of normal personality, based on the Five Factor Model, developed with employed adults, and designed to predict career success. The HPI has been used to study a broad range of roles within the US economy and a significant number of roles within Australia and globally, and rests on an archival database of over several million cases. There is a well-defined HPI profile of successful business leadership. Table One describes and defines the scales of the HPI.

Table One: HPI Scale Definitions

Scale Name	Definition
Adjustment	Composed, even-tempered, handles pressure well or anxious, worried, moody and easily irritated
Ambition	Competitive, leader-like, self-confident, career focussed or laid back, socially retiring, lacking confidence, struggling
Sociability	Needs or enjoys social interaction, outgoing, talkative, easily approachable or independent, withdrawn and socially reactive
Interpersonal Sensitivity	Perceptive, tactful, warm, sensitive, agreeable or cold, tough, critical, socially withdrawn and task focussed
Prudence	Conscientious, conforming, rule-compliant, reliable or flexible, open-minded, impulsive, non-conforming and risk-taking
Inquisitive	Creative, inventive, full of ideas with a broad range of interests or has very focussed interests, is pragmatic, detail focussed
Learning Approach	Takes pleasure in learning, enjoys staying up to date on business/technical matters or prefers hands on, practical learning

The Hogan Development Survey (The Dark Side)

The Dark Side refers to peoples’ interpersonal style when strengths become weaknesses in times of frustration. We define the Dark Side in terms of the Hogan Development Survey. The HDS is the result of our research on leadership, and is designed to assess characteristics that may adversely affect performance of significant individual contributor roles and those associated with managerial derailment and leadership dysfunction. There is a well-defined HDS profile of successful business leadership. Table Two describes and defines the scales of the HDS.

Table Two: HDS Scale Definitions

Scale Name	Definition
Excitable	Concerns seeming moody and hard to please, being enthusiastic about new persons or projects and then becoming disappointed with them
Sceptical	Concerns seeming cynical, mistrustful, and doubting the true intentions of others
Cautious	Concerns the tendency to be conservative, careful, concerned about making mistakes, and reluctant to take initiative for fear of being criticised or embarrassed
Reserved	Concerns the tendency to keep to oneself, to dislike working in teams or meeting new people, and to be indifferent to the moods and feelings of others
Leisurely	Concerns seeming independent, refusing to be hurried, ignoring other peoples’ requests, and becoming irritable if they persist
Bold	Concerns seeming unusually self-confident, having strong feelings of entitlement, and being unwilling to admit mistakes, listen to advice, or attend to feedback
Mischievous	Concerns seeming to enjoy taking risks and testing the limits, being easily bored, and seeking excitement
Colourful	Concerns seeming lively, expressive, dramatic, and wanting to be noticed
Imaginative	Concerns seeming to act and think in creative and sometimes unusual ways
Diligent	Concerns seeming meticulous, precise, and critical of the performance of others
Dutiful	Concerns seeming eager to please, ingratiating, and reluctant to take independent action or go against popular opinion

The Motives Values Preferences Inventory (The Inside)

The Inside of personality refers to core values. There are good values and bad values: charity, honesty, and fairness are good values; greed and selfishness (think senior executives at Enron and more recently those responsible for derailment of organisations in Australia and overseas) are bad values. We define values using the Motives, Values, Preferences Inventory and there is a values profile associated with successful business leadership. Table Three describes and defines the scales of the MVPI.

Table Three: MVPI Scale Definitions

Scale Name	Definition
	<i>Motives are associated with...</i>
Aesthetics	Creative/artistic self expression and quality
Affiliation	A desire for and enjoyment of social interaction
Altruistic	Involving concerns about others' welfare and making a difference
Commerce	An interest in business and finance gains
Hedonism	Producing an orientation for fun and pleasure
Power	A desire for success, accomplishment, challenge and career status
Recognition	A need to be recognised, visible and famous
Science	A value of analysis and the pursuit of knowledge and new ideas
Security	A desire for certainty and predictability in life
Tradition	A dedication to ritual and old-fashioned virtues

The HPI, HDS, and MPVI provide well-validated and technically sound measures of the Bright Side, the Dark Side, and the Inside. Hogan has tested employees, executives and senior leaders from major corporations all over the world using these inventories and we have a great deal of statistical data to support the claim that personality drives work performance and leadership style, and leadership style drives business unit performance.

Our definition of leadership is best in industry performance, achieved by a highly motivated team. The function of leadership is to set goals and direction and to give meaning and motivation to people to inspire the achievement of the vision. Leadership is a function of personality rather than organisational status. The key to personality is self awareness, self management and relationship management. As Bob Hogan says, "It's about getting along, to get ahead". The purpose of leadership is then to work both "in" and "on" the business so we are achieving continuous improvement and strategic success.

Now let's look at the research results...

Key Findings

We first looked at the **Hogan Personality Inventory (HPI)**. This inventory is sometimes referred to as the 'bright side' of personality. Whilst there is no such thing as a good or bad personality, scores on the HPI can indicate some roles where people will be more successful. The HPI is designed to be used in personnel selection, individual assessment and career related decision making. It provides the individual detailed information on their personality characteristics that facilitate or inhibit their ability to get along with others and to achieve their educational and occupational goals.

Our research showed that the average Australian profile is very similar to New Zealanders, Americans and the working population in the United Kingdom with one exception; there is a significant difference on the **Prudence** scale.

Australians are less prudent than their global colleagues. This indicates that in our personality DNA we will be quick to act and make things happen within organisations. We will be flexible, open-minded, and comfortable with change, innovation and new initiatives. On the negative side, however, we may be more impulsive, more careless and may not be as respectful to rules, policies and procedures. We may not enjoy supervision and may not always think through the potential consequences of our actions. In looking at these findings, we need to understand that any given individual's results will be dependent on their unique profile.

We then looked at the **Hogan Development Survey (HDS)**. This inventory is sometimes referred to as the 'dark side' of personality. The HDS assesses 11 performance risks that may interfere with a person's ability to build relationships with others and create cohesive, goal-oriented teams. It looks at counterproductive behaviours associated with these risks. They can negatively influence people's careers, relationships, and life satisfactions. Although the themes of the HPI can be seen in a person's day to day behaviours, the performance risks of the HDS will only be seen in situations where the person is not actively managing his/her public image. These might include situations with high stress or change, multitasking, task saturation or accomplishment, poor person-job fit, or those in which a person feels comfortable enough with those he/she works with that he/she no longer manages his/her public image.

Like the HPI results, the Australian average profile looked very similar to the New Zealanders, Americans and the working population in the United Kingdom. The exception here was on the **Colourful** scale.

The DNA of the Australian workforce was far more **Colourful** than other nationalities. It was the only HDS scale where we were higher than the other countries. Having elevated scores on this indicates that we are perceived as quick-witted, fun loving, socially skilled, innovative and are comfortable in challenging the system. In our DNA we don't mind calling attention to ourselves and we can be energetic and entertaining. However, a challenge for us may be that we can be self promoting and quickly bored.

An interesting point of difference worthy of note is the United Kingdom working population group were elevated on Excitable, Skeptical, Cautious, Reserved and Leisurely (the other three nations did not display the same trend). The combined elevations on these scales indicate that when under stress and pressure, individuals will be more likely to move away from people. This can manifest itself in the following ways:

- More emotional displays between enthusiasm and disappointment regarding people and projects (Excitable)
- Alert for signs of betrayal and/or disapproval and, if detected, would be defensive (Skeptical)
- Insecure and afraid of being criticised (Cautious)
- Task focused, withdrawn and preferring to work alone when stressed (Reserved)
- Resentful of supervision and liking to operate to one's own agenda (Leisurely)

Again, like the HPI results, we need to understand that any given individuals' HDS results will be dependent on their unique profile. Most people do have some elevations on the HDS and this may indeed help in certain roles.

With regard to the specific research around the HPI and the HDS and the similarities that exist globally, it may be that we are becoming more global citizens as a result of technology and globalisation. What the research indicates is that if you are a good engineer, manager, customer service worker in one country, it is likely that you will provide superior work performance crosses over boundaries. In addition, with the HDS, people who have elevations on specific or multiple scales which significantly impede their capacity when working under stress and pressure will have difficulty building relationships with others and executing the requirements of significant individual contributor or managerial roles..

Research indicates that if the HDS highlights significant derailment tendencies for an individual in one country or role, the probability is that these tendencies will reoccur regardless of culture or borders, and virtually every modern study of managerial performance identifies not being able to learn from experience as a major, if not *the* major, factor in derailing careers. Individuals' awareness of their derailers is critical to self awareness.

In summary from the HPI and HDS, Australians are greater risk takers, comfortable with change and less respectful of rules. This, in many ways, is supported by the high Colourful score which indicates we are happy to be in the spotlight, on occasion challenge the system and are socially skilled. One possible reason for the specific Australian DNA may well be our forefathers and the early Australian immigrants.

Finally we looked at the **Motives, Values, Preferences Inventory**. These results provided the most significant and interesting part of this research. This inventory is sometimes referred to as 'the inside' of personality. This inventory is most closely related to organisational fit and job fit, as it identifies individuals' interests, motives and drivers. These values and goals are part of a person's identity and consequently they are what a person desires and strives to attain. Typically people prefer to work with others who share their values and they may dislike those who do not. It will also indicate the working environment in which the person will be most engaged, reflected as organisational and job fit. The reason why people are engaged, disengaged or leave roles/organisations is often driven by their values and the culture of the organisation in which they are working.

Australia Compared to New Zealand, United States and United Kingdom

In the first instance we note that once again we are more alike than different to the other nationalities overall. Whilst there were some differences between the other countries on some scales, we will largely focus on the implications for Australia. Relative to the other sampled countries, Australians displayed noticeably the highest scores on **Affiliation** and **Hedonism**.. Our elevated **Affiliation** scores indicate that we value working with others, meeting new people, networking and developing strategic alliances, being visible and socially interactive, and creating a sense of commitment to tasks or groups. One risk for us as a group is we may enjoy activity more than productivity and not be so task and execution focused. The high **Hedonism** scale may reflect the "lucky country" syndrome: Australians like to enjoy life, pleasure, good fun, and a passion for life and holidays.

We are regularly asked by organisations how they can attract, engage and retain their staff. For some time now there has been significant debate with regard to Baby Boomers, Gen X and Gen Y. For the purposes of this research we have defined Baby Boomers as employees born between 1946 and 1964, Gen X as 1965 – 1977 and Gen Y as 1978 – 1994. These findings actually challenge some of the assumptions made by people with regard to the labelling of motives, values and needs to satisfy people born around any one date or period.

Let's talk about the values that drive the Australian workforce by generation (Figure 1). The value profiles of the three generations, on the whole (across the entire MVPI), are statistically significantly different, but the magnitude of the difference is not "large." For individual scales, the generations significantly differ on six of the ten scales (which is why the overall effect was significant). For brevity's sake, we will focus only *statistically significant* differences. Specifically (in order of decreasing magnitude of difference)...

The largest generational differences were found on **Affiliation**. Gen Y's are higher than Gen X's and Boomers, and Gen X's are higher than Boomers.

On **Hedonism**, Boomers are lower than Gen X's and Gen Y's, but Gen X's and Gen Y's are not different from one another.

For **Recognition**, Gen Y's are higher than Gen X's and Boomers, but Gen X's are not different from Boomers.

For **Power**, Gen Y's and Gen X's are higher than Boomers but no different from one another.

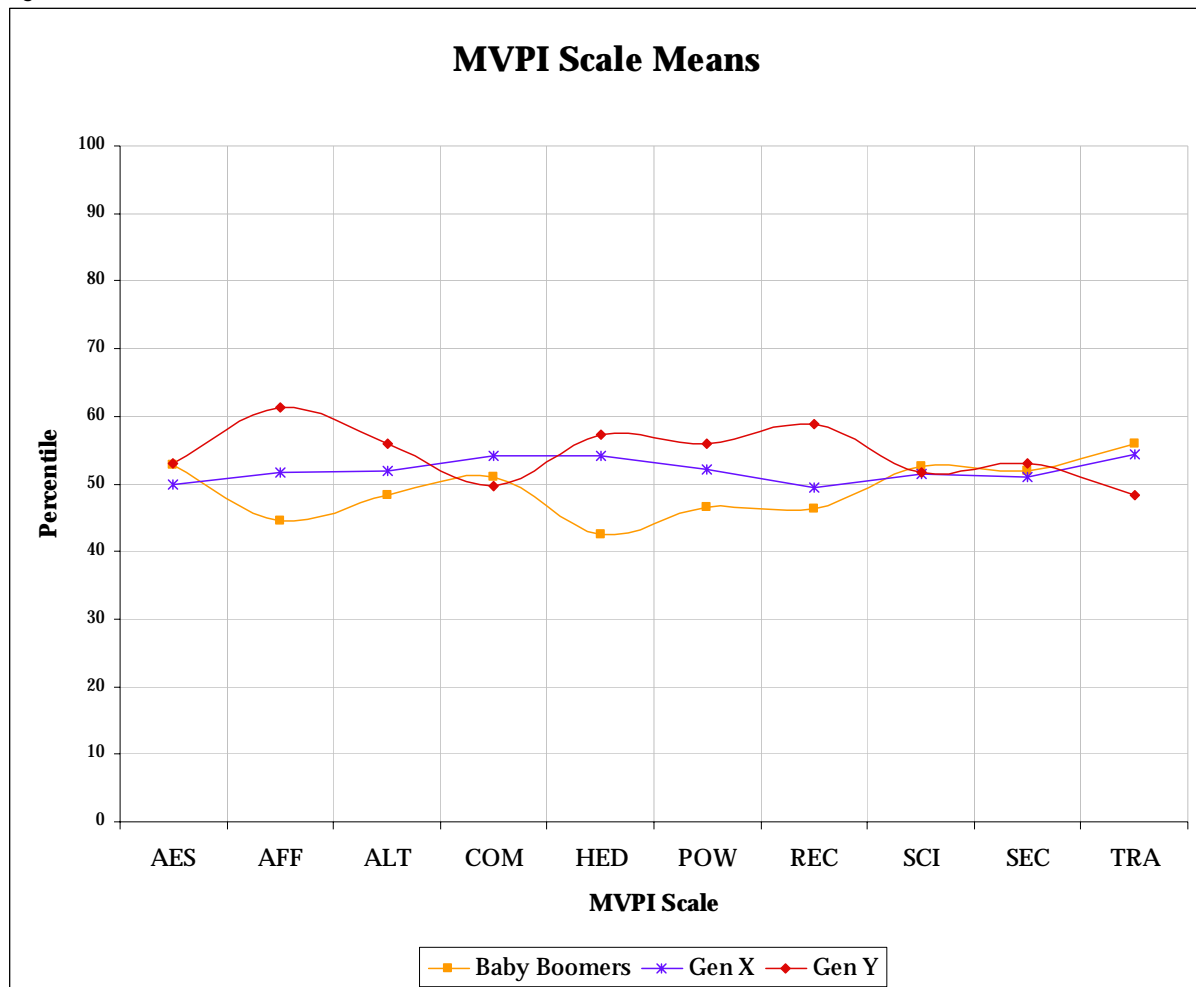
On **Tradition**, Boomers and Gen X's are not different from one another, but both are higher than Gen Y's.

Lastly, for **Altruism** Gen Y's scored higher than Boomers but no different from Gen X's. Gen X's are no different from Boomers.

Overall, Gen Y's have a greater need to belong, crave recognition, success, enjoyment of life and are driven by idealistic principles rather than money or tradition. Also, as might be expected, Boomers are more similar to Gen X's than Gen Y's.

However, it is worth noting that, although *statistically significant*, none of the above differences are more than "small" in magnitude. In other words, the differences are not of much *practical significance*.

Figure 1



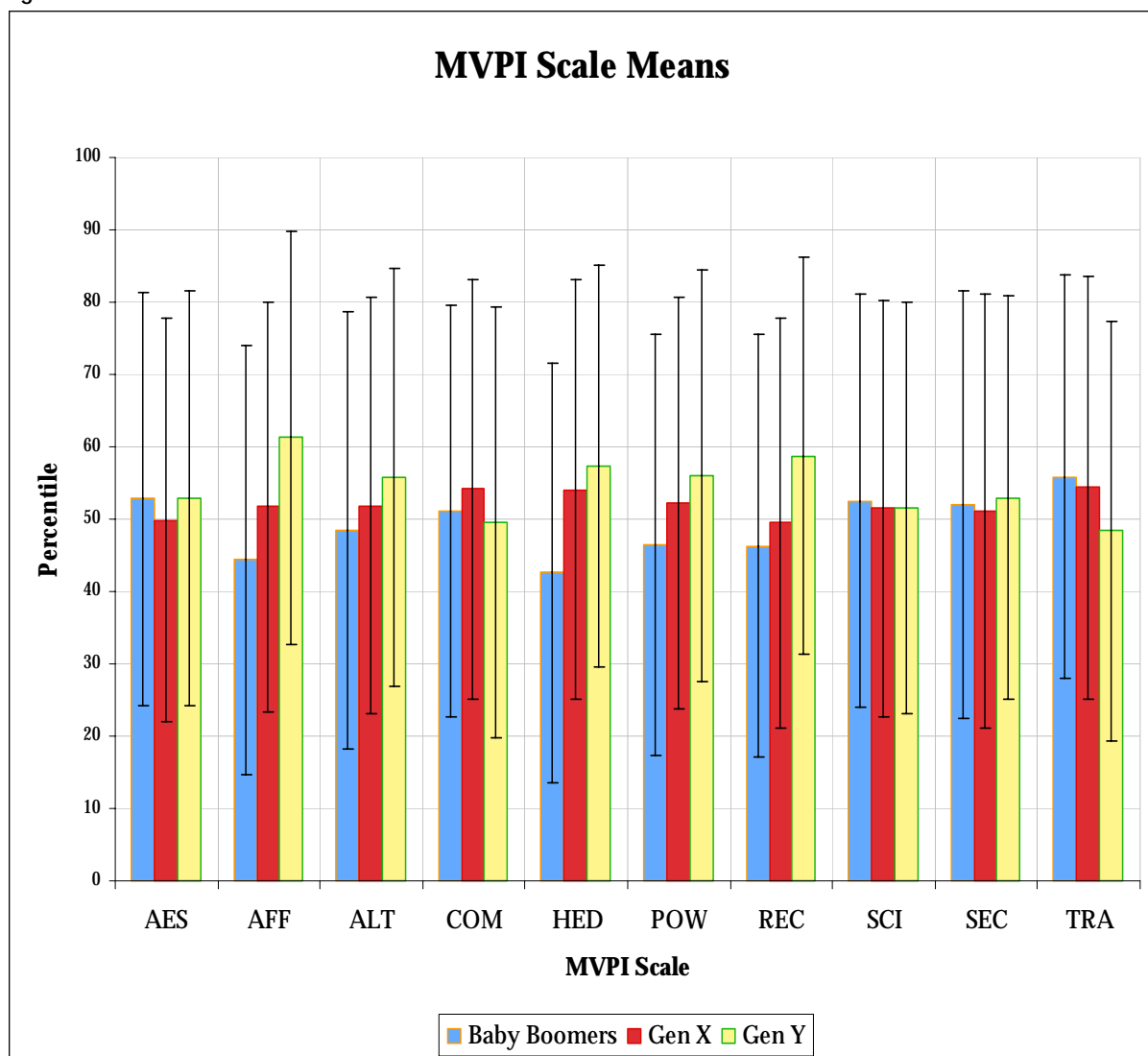
Baby Boomers: 1946 – 1964
 Gen X: 1965 – 1977
 Gen Y: 1978 – 1994

Now, let us look at a bar graph of these same results so that we might better understand the magnitude of observed differences (Figure 2). The error bars in this graph represent +/- 1 standard deviation. What that means is that 68% of the scores for each group on each scale fall within those error bars.

Whilst differences occur for each of the generations, there is little *practically significant* variation and, as Dr Meyer has commented below, we need to consider these variations on an individual basis.

“Yes, overall there appears to be some observable differences between generations on several different values. However, there is significant overlap of the scores, as represented by the error bars. What this means is that, at an individual level, you cannot assume anything about someone’s values by simply knowing when they were born. You must still assess that individual’s scores and determine what values they possess if you hope to better understand what drives/motivates them.”

Figure 2



Baby Boomers: 1946 – 1964
 Gen X: 1965 – 1977
 Gen Y: 1978 – 1994

In summary, these results indicate that motivational factors for individuals are a lot more complex than the debate about generations driven by a date of birth. As the world becomes more global and technology continues to drive our everyday life to win the talent war and develop high potential people within organisations, the motivational factors of *individuals* will need to be considered to attract, engage, develop and retain the best employees. We know that values are driven by individuals' beliefs, occupational preferences, preferred associations, lifestyle and aversions. Research by Holland, Schneider and others shows that people are happiest working in environments that are compatible or consistent with their core values.

Employees will be motivated by things that interest them and despite the views of some, this is not necessarily about money. This is often a dilemma for organisations and managers who believe that money is a primary motivator for the entire workforce. Our research indicates that this is not the case and it is particularly relevant with regard to females within the workforce.

From our previous research, we know that people who work in customer service are most successful when managed by people who make work fun. We also know that successful CEOs have elevated scores on Power and Commerce. The environment that leaders will create for their employees is driven by their values. Smart leaders need to be aware that what motivates them may not be the key motivators of their employees.

So what does this mean for organisations? What it means is you cannot motivate someone based on their date of birth.

Organisations who wish to be an employer of choice with engaged employees who can provide superior service to customers need to ensure the following:

1. They need to employ managers who are capable of managing their employees. Research indicates that people leave organisations due to the incompetence of their direct manager. This research estimated that over 50% of managers did not have the skills, capacity or people skills to lead a team to a high level of performance. Recruitment of managers for technical ability alone is the greatest flaw made by organisations.
2. Organisations need to identify the environment and culture of the organisation and assess the compatibility of the individual to fit the organisation and its culture.
3. Organisations need to understand what motivates their employees and consider them as individuals for the purpose of recognition and reward. What motivates one person may potentially demotivate another.

Authors

Shayne Nealon is a partner in Peter Berry Consultancy. Shayne has had 25 years experience in Human Resources, Industrial Relations and Change Management with a customer service and safety focus. Shayne has held senior positions in Qantas and now consults to industry on workplace improvement, recruitment and a range of HR and IR issues.

Kim Pluess is a registered Psychologist at Peter Berry Consultancy. She works closely with the Hogan Personality Tools both directly with clients as well as conducting ongoing research. She has worked both in the Human Resources Industries and in Healthcare prior to working at Peter Berry Constancy.

Acknowledgement

We would like to acknowledge the research team at Hogan Assessment Systems for their assistance with this paper and particularly the work undertaken by **Dr Kevin Meyer** and **Steve Nichols** who work in Hogan's International Research Division.

Further Research

This White Paper is part of a more detailed research project being undertaken by Peter Berry Consultancy and Hogan Assessment Systems. This detailed research will be released early in 2009.

Other Research

We have conducted research on the following topics:

Female Leadership in Australia 2008

Customer Service Professionals 2007

Leadership in Australia and What Makes A High Performing CEO 2007