



RESEARCH

ST LEADERSHIP STUDY

HOGAN PERSONALITY INVENTORY (MVPI): FINANCIAL INTERESTS

by Mike Waylett, April 2023

As we continue our look at the survey results from **PHASE III** of this Leadership Study, we turn our attention in this article to the Financial Interests Cluster and review the scores in the *Security* and *Commerce* scales.

In previous articles, we noted that MVPI scores above the 65th percentile are considered high, those below the 35th percentile are low, and those in between are average. While no distinction is made between what is a good or bad score nor what is a correct or incorrect response, items with high scores indicate the type of environment individuals most desire. Conversely, low scores indicate those things individuals are less interested in having in their work environment. Hogan's extensive research has found that a leader's MVPI profile determines the working environment they will create for their employees and will be a key indicator of organizational culture.

Individuals with high *Security* scores "measure twice, cut once." They are methodical, careful not to move too quickly, value predictability, always have a plan B, and seek to minimize risks. So, too, financial security is paramount, and high scorers are often averse to having their performance evaluated by others. On the other hand, individuals with low *Security* scores are more likely to take risks, push back on the way things have always been done, and seek work environments that celebrate taking initiative and being innovative. These individuals are less concerned about job security as they feel they can bounce back from setbacks and failures.

The *Commerce* scale considers an individual's interest in business and money. Those with high scores pursue money-making opportunities, are concerned with the bottom line, value financial analytics, and are ambitious, task-oriented, and efficient. Low scorers are more apt to value money only as a means to an end. These individuals are generous with their money, spend less time looking to get ahead financially, and value their relationships with others more than the bottom line.

Heads' scores for *Security* and *Commerce* averaged 56% and 36%, respectively. Both scores fall within what's considered the average range, although the *Commerce* score is just slightly above the low range. And while the average score for *Security* is the fourth highest in the MVPI, the *Commerce* score is one of the three lowest (Figure 1). Clearly, working in a risk-free and predictable work environment is more important to most of those heads surveyed than one where the bottom line is a key driver.

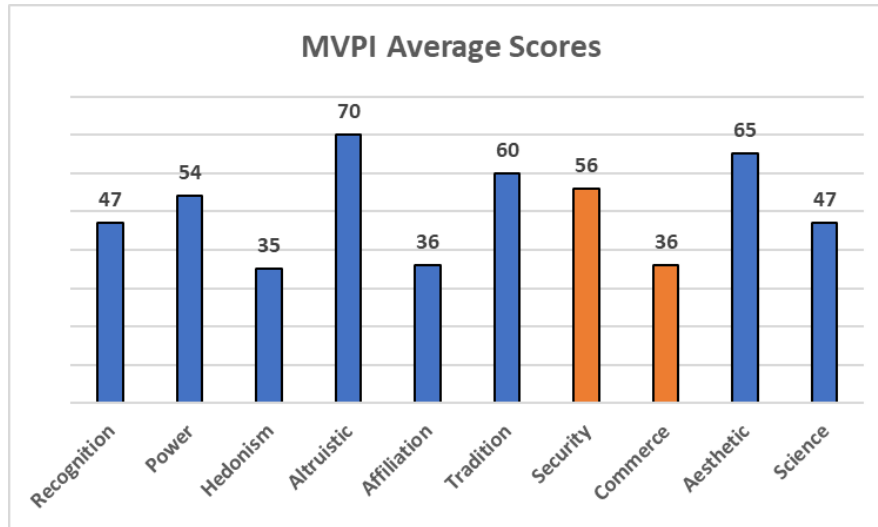


Figure 1: MVPI Average Scores for School Heads

The low average score for *Commerce* may not be surprising when considering the results from the 2021 NAIS State of Independent School Leadership Study. Of the 605 heads who participated in the study, only 48% felt “very prepared” to manage their school’s overall financial health. Perhaps there is a correlation between heads’ low average score on this scale and their self-assessment of their ability to manage their schools’ finances.

Equally noteworthy is at $-.01$ there is no significant correlation between *Security* and *Commerce*, i.e., the two scales have no effect on each other. For example, a head of school with a high *Security* score who is interested in creating a work environment that emphasizes rule compliance, encourages safety and using standard procedures, focuses on job security, and minimizes financial risk-taking, may or may not be a leader who emphasizes profitability, puts a premium on expanding business for financial gain, or measures success in financial terms—all characteristics of an individual with a high *Commerce* score.

In previous articles, we compared average MVPI scores for corporate leaders and heads of schools and noted where similar (*Recognition & Power*), and disparate (*Hedonism, Altruistic, Affiliation, and Tradition*) scores existed. As one might expect, significant differences exist between both groups in relation to the two scales in the Financial Interests Cluster (Figure 2).

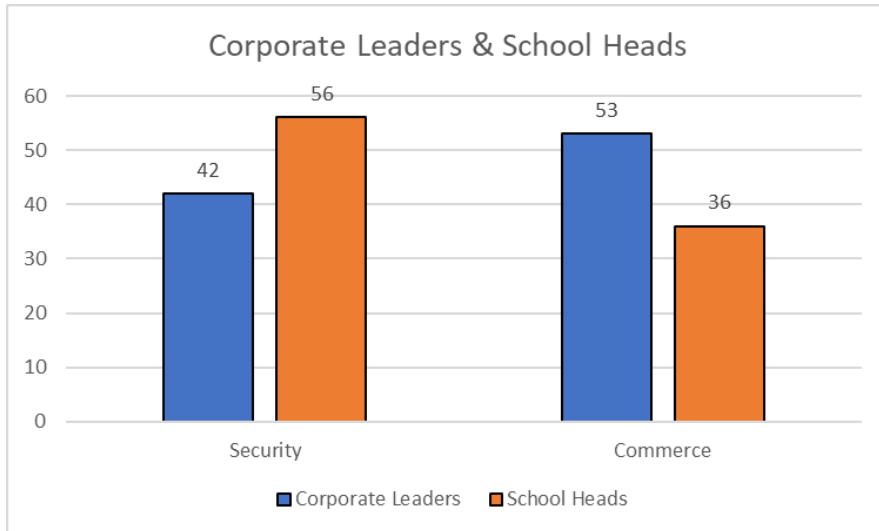


Figure 2: Corporate Leaders & School Heads average scores in the Financial Interests Cluster

In relation to *Security*, school heads are more cautious and risk-averse than corporate leaders; they prefer work environments that are predictable and where their actions will not put them or their schools at risk. Less afraid of risk, corporate leaders, on the other hand, tend to be more willing to take a chance on new initiatives and ambiguous situations; they enjoy the freedom to innovate and value giving and sometimes receiving feedback. The *Commerce* scores for the two groups are flipped and here we see that the average score for heads is 17 points lower than for corporate leaders. Corporate leaders' existence depends on a profitable bottom line, and they are constantly looking for new money-making opportunities and meticulously managing their operating budgets. While heads by necessity must be concerned with their schools' financial sustainability, maintaining positive working relationships with their employees, and not being overly concerned with the bottom line is equally important.

INTERVIEWS WITH HEADS OF SCHOOLS

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To provide additional insight regarding Financial Interests, specifically Security and Commerce, below are lightly edited conversations with two heads of schools, one who scored higher than average and one who scored lower than average on both scales.

HIGH ON SECURITY AND COMMERCE

Your score in the Security category was higher than the average score. Your score in this category is 96; whereas the average score for Heads is 56. As a Head of School, where do you see these behaviors occurring?

Regarding Security, I think that's what we always do naturally. I don't know how somebody doesn't score extremely high on that, to be honest. Lots of people think differently than me, and I respect that. I have a whole team that thinks differently but having that backup plan is huge; it's being careful and methodical. I don't take a long time to make decisions. I think that's the planning that takes place before a decision must be made a lot of times. For example, with discipline, I have to make a decision today. You can't make a decision about discipline four days down the road.

Your score in the Commerce category was also higher than the average score. Here, you scored 46, which is higher than the average score of 36. As a Head of School, where do you see these behaviors occurring?

You are talking to a humanities person who relies quite a bit on having good people and a business manager around me. I learned growing up that you don't spend what you don't have. There's a bottom line – there's how much you have in the budget, how much you can spend, and you can't go over that. There's no room for flexibility. I'm always looking for ways (to make additional revenue) that are methodical and well-planned.

Have there been times when your qualities in these two areas may have created conflict or tension? Can you provide an example?

I don't think so with Commerce. As for Security, I don't think like everyone else, and I know that. So, I have to explain myself. People don't need to agree with the decision, but they have to understand where you're coming from. I am secure with who I am, and I can make a decision and move forward. I'm fine with it because of all the planning that I did. I think where the trouble might come in is not explaining why you made a certain decision.

LOW ON SECURITY AND COMMERCE

Your score in the Security category was lower than the average score. Your score in this category is 10; whereas the average score for Heads is 56. As a Head of School, where do you see these behaviors occurring?

I was in a board meeting, and I had a board member say to me, "You're always saying, "Well, this is nice. Are we doing it as well as we can? And if not, what else can we be doing?" They (the members) were tired. I look at things, I figure out how to improve them, and I improve them. But what I've noticed is that also wears boards down after a while, depending on what you're doing. And that's fine. But that is one area where I see it.

Your score in the *Commerce* category was also lower than the average score. Here, you scored 10, which is lower than the average score of 36. As a Head of School, where do you see these behaviors occurring?

I guess my rule of thumb is that Commerce follows relationships. Relationships don't follow Commerce. So, if I can get people to be less focused on that stuff (the bottom line), then we can build the relationships which build the program, which builds the retention, which builds the market share, which builds the brand, which then generates revenue. It becomes a virtuous cycle. And that's how I look at it.

Have there been times when your qualities in these two areas may have created conflict or tension?

I wouldn't say that it was those two qualities that created it. It really had more to do with who the board was and how it wanted to operate. And I don't care what school it is. I mean, even the greatest schools in the world can find areas where they can do things to improve. And frankly, I think it's very difficult to teach. I would say that in my shortest tenure headships, that was the situation. When I've been places longer, it was more a function of my fatigue with being the change agent. There's a life cycle for that.

SPECIAL TOPIC

GENDER'S ROLE & LARGEST BUDGET MANAGED

When we break down the scores by gender in the Financial Interests Cluster, the results are worth exploring further. Male and female heads have almost identical average *Commerce* scores. However, *Security* scores tell a different story with a 10-point delta between females' and males' average scores (Figure 3). In fact, the *Altruistic* scale is the only other MVPI scale with as large a difference between scores (Figure 4). As discussed in a previous article, *Altruistic* concerns the desire to help others and contribute to society. Higher scorers tend to be concerned about others' well-being while lower scorers tend to focus on developing personal responsibility and self-reliance.

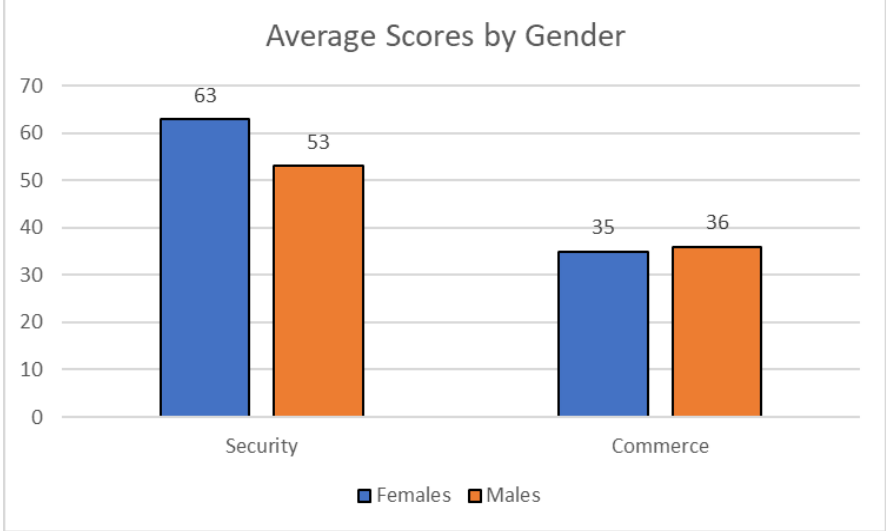


Figure 3: Average Heads of School Scores by Gender for *Security* and *Commerce*

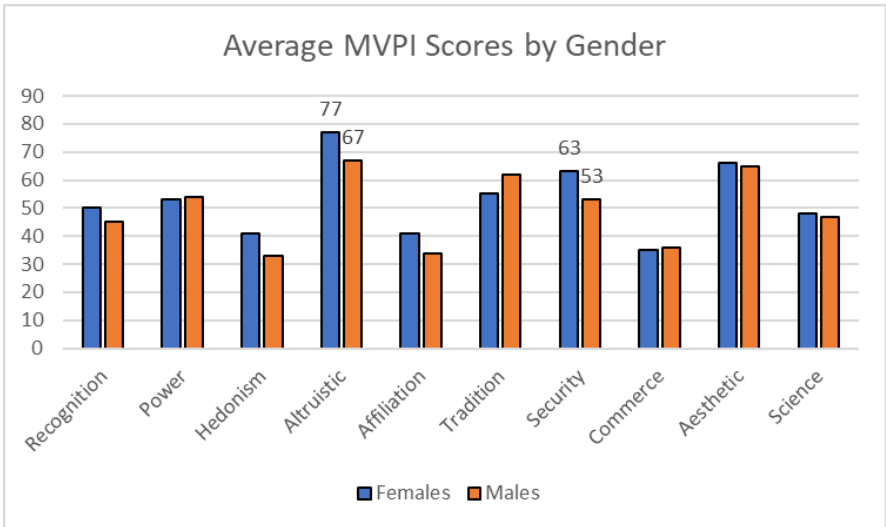


Figure 4: Average MVPI Scores by Gender



We expected to see significantly higher scores for *Commerce*. Ask Trustees what they consider to be their head's primary responsibilities and "financial oversight and sustainability" will most likely be at or near the top of the list. On the heels of a global pandemic, record levels of inflation, fears of a recession, and a declining school-age population, it was surprising to learn that both female and male heads report being only minimally interested in creating an environment where budgets are closely monitored, and the focus is on the bottom line.

We also considered why females scored significantly higher than their male counterparts on *Security*. If we separate the average *Security* score (56) by gender, we see that females more so than males desire work environments characterized by predictability, careful decision-making, structure, and good job security. Why? Perhaps, some female heads feel extra pressure when it comes to serving in positions that have historically been held mostly by men. Imagine being appointed as the first female head at a well-established school whose board is comprised primarily of grey-haired businessmen.

The two heads interviewed above, both of whom are males, added interesting perspectives. As one stated, "If you are having to break through a glass ceiling and validate your worth all the time, it seems to me that there's a logical disincentive to take a lot of risks all the time." The head added, "think about women getting access to coaching high-profile women's basketball teams. It's sort of surprising how many males are in those kinds of roles." The other interviewee added, "They (females) have to prove themselves, unfortunately, more than an unfit male who has been handed the job for whatever reasons. Boards members tend to hire people like them – you have more male board members."

There is another interesting observation related to *Commerce*. When we examined the largest budget heads had overseen, we noticed that those who managed budgets less than \$30 million had an average score of 36 while the 23 heads with the largest budgets scored considerably higher at 55 (Figure 5). Hogan states that those who score high in *Commerce* are most satisfied working in organizations that pay attention to profitability, commercial success, and the proverbial bottom line.

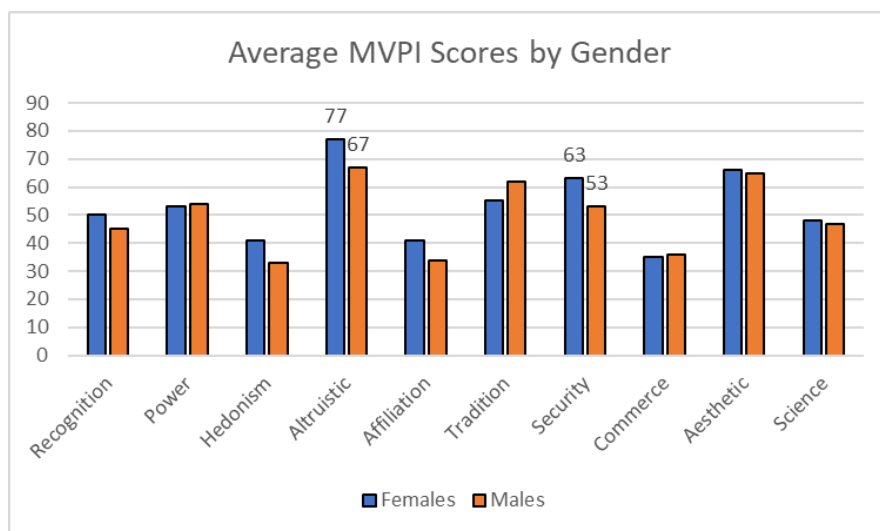


Figure 5: Budget Size & Commerce Scores

As you may remember from **PHASE I** of our Leadership Study, we asked heads to take the Hogan Personality Inventory (HPI), which is used to measure normal, "bright-side" personality or what is seen when people are at their best. Hogan's research has shown that there is a positive correlation between the MVPI's *Commerce* and the HPI's *Ambition*, which measures the degree to which an individual seems socially self-confident, leader-like, competitive, and energetic. In other words, individuals' scores on these two scales tend to move in the same

direction – someone with a high *Commerce* score will more than likely have a high *Ambition* score and vice versa. Trustees coming from the corporate world with a competitive mindset and a keen interest in financial success may become frustrated and impatient with heads of schools who are less interested in taking on the competition and value relationships with others over profitability.

CONCLUSIONS

In recent weeks, our articles have focused on Hogan's MVPI to determine the type of work environment heads most desire. And, while the scores in all ten scales play an important role, some might postulate that the two scales discussed here—*Security* and *Commerce*—may be the two that should never be ignored. What makes these such key drivers? Imagine a new head, who values innovation and taking initiative, starting at a school comprised of many long-tenured faculty who are resistant to change and are proud of and wedded to the program they have created for their students. Or a school in “survival” mode, led by a head who is only moderately concerned with the bottom line and a board that has as one of its most important charges ensuring the long-term financial sustainability of the school. No doubt, both scenarios would create an inordinate amount of tension and a constant barrage of problems.

Also, consider the insights provided by NAIS research analyst Margaret Anne Rowe. In her March 2021 article, “NAIS Research: Insights Into Head of School Turnover,” she writes, “One in five new heads leave their position after three years or less.” She adds, “These brief tenures are concerning: A leader gone too quickly doesn't have the time to build connections, take ownership, and create lasting change. And an unexpected change can weaken trust in the school's leadership, threaten stability at the board level, and ultimately compromise the school's educational program.” It may be safe to assume that this troubling statistic is due, at least in part, to a significant difference between what a new head is looking for in a school and the existing work environment. Finding the right fit for the school in its current situation and a new head will make a huge difference in success down the road and can be major factor in reducing unexpected head turnover.