**Personality traits and job-worker match: Evidence from a personnel services firm**

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Extended abstract

Firms’ hiring policies are an important yet under-researched topic in personnel economics (Oyer and Schaeffer, 2011). A major issue in hiring is selecting the right matches for the job among the applicants, especially when an applicant’s potential has not yet been fully reflected in their past performance record. With past performance or other credible signals scarcely available, firms sift through numerous characteristics of candidate profiles for clues. Which of those characteristics are informative about the quality of job-worker match?

Personality traits, in particular the famous “big five” (neuroticism, openness, conscientiousness, extraversion, and agreeableness), have long been linked to job performance in psychology research (Barrick and Mount, 1991; Hurtz and Donovan, 2000; Judge and Zapata, 2015) and, to a lesser extent, in economics (Borghans et al, 2008; Hoffman, Kahn and Li, 2018). Our study belongs to and expands this literature.

We use data from a personnel services firm whose employees (“recruitment consultants”) match job seekers with firms that have vacancies for a commission. The key characteristics of the job – especially, intensive personal interactions and exposure to significant fluctuations in performance and hence income – make the setting of our study particularly advantageous to investigate the relationship between personality traits and job match. About 200 newly hired recruitment consultants voluntary participated in our survey. Importantly, they knew that this was a research project unrelated to their career, during which their personality traits as well as (incentivized) risk preferences and demographic characteristics were measured. In particular, they were aware that the firm would never have access to the results of the survey, which also included incentivized measures of risk aversion and patience.

Matching the survey data with personnel records, we find a robust link between the likelihood of staying on the job and the personality trait of conscientiousness (self-discipline and dutifulness). The relationship between job turnover and other personality traits is less robust to specification. We thus largely validate the findings of the previous literature (e.g., Borghans et al, 2008) on the importance of conscientiousness. We have also begun to look at the determinants on sales performance. Finally, to test for sorting, we compare the characteristics of our participants who operate in a high-powered job environment with the ones of the German population at large, as measured in the SOEP.

Our contributions to the literature on employee performance and personality traits are not limited to validating the existing findings in a new setting. We use better, more detailed data and broader battery of methods, including machine learning methods, which, despite their popularity, have not yet become the mainstay in the literature. Our study design is also arguably more sound: unlike many related studies that measure personality traits at the application stage, our measures were taken after the hiring decisions had been made, which makes our data less vulnerable to the applicants’ trying to maximise their chances of employment by “gaming” the tests.