THE USE OF THE PERSONAL HISTORY BLANK AS A SALESMANSHIP TEST

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This study was made to determine whether the items of a personal history blank could be used to predict the success or failure of a salesman. That is, whether a weighted, quantitative score could be given to the answers to questions upon a history blank, in order that it might be used as an elimination test. To accomplish this, the scoring of the blank had to perform two functions,—(1) it must eliminate failures, and (2) it must *not* eliminate successes. The chief purpose was, therefore, the establishment of a critical score, a score below which would fall the failures and above which would lie the successes.

The attempt embodied in this study was successful; a lower critical score was established at a point which for the 502 blanks studied, eliminated 54% of the failures, but left 84% of the successes with the company. For this group the establishment of an upper critical score was unnecessary.

In this experiment the personal history blanks of 502 salesmen of The Guardian Life Insurance Company of America were studied. For the life insurance field in particular, though it would hold good in some measure in the case of any large organization, there is a peculiar advantage in adapting the personal history blank to this purpose. In this business, branch offices are maintained all over the country, and it is an extremely difficult task to persuade the branch managers to use tests, and a well nigh impossible one to have the tests given under standardized conditions. The personal history blank, however, has for some time been a routine part of the application for a sales license. As its name implies, it contains information concerning the applicant's personal history and past experience. Almost every firm uses a blank of some description and its completion presents no novel task. The manager has become accustomed to having this blank completed by his new men, and, in turn, to sending it on to the Home Office. In the past, this blank had been required for every agent of the company under discussion. There had

been no attempt, however, to give it any scientific treatment; the personal history blank had served rather, in the main, merely to strengthen or weaken the general impression made by the applicant. Certain items whose presence or absence were deemed significant were checked, and the remainder of the blank was taken as a whole to determine by its general tone whether an applicant should be licensed or dropped as a possibility.

To secure the proper scoring for the blank, the results of a study made about a year ago on 34 salesmen were taken as a tentative guide¹. Fifty history blanks representing three classes of agents whose production records were known were selected. These classes were (1) those who were failures, (2) those who were borderline cases up to moderately successful, and (3) those who were successful. The criterion of success was the amount of insurance paid for during the first year after the man was licensed. (We had already found out that the first year's production was a very good index of future production.) It would be well here to mention that the only factor which determined the selection of the 502 blanks was whether or not the agent's first year's production record was available. The blanks for these three classes of men were then studied and the essential or significant items which varied with the success of the agent were selected. Each blank was then graded according to the tentative scoring, and the total thus obtained was checked against the man's production record. In accordance with these results, the scoring was revised, and the same process repeated with 25 blanks selected at random. We found that those whose scores on the blank were low were also low in production, and that with increasing production the scores tended to be higher. The correlation, of course, was not a perfect one, but we were interested rather in establishing the lower critical score than in correlations. Inasmuch as the personal history blanks selected at random were well distributed into our three classes by the scoring which we had determined upon, we selected this scoring as our final method. The weighted values thus assigned to the significant items were as follows:

<i>Age</i>		28-29	+2
18-20	-2	30-40	+3
21-22	-1	41-50	+1
23-24	0	51-60	0
25-27	+1	Over 60	-1

¹ Report A—1921, Scoring of Personal History Blanks. Bureau of Personnel Research, Carnegie Institute of Technology

Marital Status

Married +1
Single -1

Occupation

Social +1
Unsocial -1

Service

Full Time +2
Part Time -2

Insurance

Carried +1
Not carried -1

Education

8 years +1
10 years +2
12 years +3
16 years +2

Clubs

Belongs to Clubs +1
Does not Belong -1

Experience

Previous Life Insurance Experience +1

Confidence

Replies to Question "What Amount of Insurance Are You Confident
of Placing Each Month" +1
Does Not Reply -1

All of these significant items are the results of study of the personal history blanks. They do not represent guesses as to what ought to distinguish successful from unsuccessful agents, but items upon which successful and unsuccessful men actually have differed. Of course, in no single case will all these items be significant, various factors will operate in some instances to cause certain items to lose their predictive value for certain men. It is not upon any single item, however, that we will base our conclusions, but rather upon the total result from all the items.

The significance of the items may be explained as follows:

(1) *Education* Through the high school period, schooling seems to be increasingly important to the life insurance salesman. When, however, we reach college, other factors seem to enter in to render the college man dissatisfied with this profession, and for this company, at least, the college man is not as successful as the high school graduate. It would be well here to mention the fact that the college group is a small one for this company, with a larger one our results might well be different. Even with the small group involved, there are several notable exceptions. If the college man goes into the field with the determination to succeed in life insurance salesmanship, and to make it his profession, there is no reason why, with his superior training, he should not go beyond the high school man. In the past, the difficulty has probably been chiefly one of attitude, the college man considered the field an experiment in which he might make some money while he was casting about for something to do, and

did not go in with the real desire to work, and to continue working. Hence the results in this study which is, of course, based on achievement in the past.

(2) *Age* Up to age 40 at entry, there is a steadily increasing chance for the applicant to become a successful salesman, 30-40 being the most favorable period, inasmuch as by that time a man has amassed a large enough fund of general experience to allow him to see a situation through the eyes of a prospect and thus render the prospective buyer the best service. After age 40, he generally is too fixed in his ideas and habits to be able to make the necessary adjustments upon embarking upon a new line of work.

(3) *Occupation* Whether an applicant has been previously engaged in an occupation in which he came in contact with people is significant as indicative of his probable success as a life insurance salesman. The fact of having worked with people, of having had to establish connections with them, renders the approach to a prospect relatively easy to the man who has been engaged in a social occupation, while to his fellow applicant who has been busied with individualistic work, it is an extremely difficult task. Examples of social occupations would be salesman, lawyer, social service worker, ex-army or navy man, etc., while of unsocial ones would be clerk, mechanic, chauffeur, etc.

(4) *Marital Status* The married man with his increased responsibility rendering 'making good' more necessary is a better prospective agent than the single man. The man with dependents may be considered equivalent to the married man.

(5) *Insurance*. Whether the applicant carries insurance or not is significant as a factor in determining whether he will become a good agent, inasmuch as it indicates the fact that he is sold on the value of his own product. If he has not convinced himself of the value of life insurance, he is not likely to convince others.

(6) *Service*. The applicant who states that he intends to devote his full time to selling insurance is far more likely to do his utmost to make a success and to give the profession a fair trial. On the other hand, the man who makes life insurance salesmanship merely an occupation for his spare time whereby he can earn a little extra money, is not likely to become a good agent. He will be interested possibly in selling insurance, but not in seeing to it that the policy remains sold, and he is less likely, through his work, to be in himself an advertisement for his company.

(7) *Clubs* The man who belongs to clubs and enjoys meeting others ought to be scored positively. He is more likely to be able to meet his prospects on their own ground and to sell them. This factor is closely connected with the sociability of the previous occupation.

(8) *Confidence* The men who reply to the question "What amount of insurance are you confident of placing each month?" tend to be better prospects for successful agents. Just what guess they hazard is not of importance. But the fact that they have confidence enough in their own ability to make some prophecy is important.

(9) *Life Insurance Experience* Previous life insurance experience is of value to an applicant, although, of course, the reasons for his change from one company to another must be ascertained.

After the total score for each of the 502 personal history blanks had been made up, the first year's production record for each agent was secured. The blanks were then divided into three groups, (1) those who made a score below 4, (2) those who scored between 4 and 8, and (3) those who scored above 8. The lowest score actually made was —5 and the highest, 14. Each class was then divided into three parts, those whose production was below 50 units, those with a production between 50 and 100 units, and finally, those who were over 100 units. The number falling into each class was computed. The following chart indicates the results of this grouping. On the ordinate have been plotted the production units, and on the abscissa, the scores on the personal history blanks. The double line marks the critical score placed at 4.

There are 243 men who fall below 4 on the personal history blank, that is, 243 men who lie below the critical score indicated by the double line. Of the 243, 232 also fall below the minimum satisfactory production which has been placed at 50 units. Thus, of men scoring below 4, 96% are failures in production.

The cases to the right of the second vertical are agents who scored 8 or over on their blanks. Of these 68 men, 36 had a production of 50-100 units or over 100 units, and so, may be termed moderately to very successful. Therefore, of men scoring above 8 on the history blank, 53% are successful, as opposed to 4% of successes among those scoring below 4.

In between the first and second verticals are the men who made between 4 and 8 on their blanks. The results here are not as striking as in the other groups. In this division,

although 83% are failures, 17% are successes. Should other tests be given, they would probably serve to differentiate further among the agents forming this group.

Looking at the chart the other way, we find that of the 433 agents whose production was less than 50 units, or in other words, of those below the first or lower horizontal, 54% fall into the group whose score on the personal history blank is below 4. That is, this group of agents scoring below 4, the critical score, contains more failures in production than do the other two groups of those above 4 put together. If, on the other hand, we turn to the group which we may term

Chart Showing Relation of Personal History Score to
- Production Record

moderately to very successful, we find that of the 68 agents composing this group whose production is over 50 units, only 11, or 16%, will be found among those in the group scoring below 4 on the personal history blank.

It is evident then that the critical score should be set at 4. By cutting out those falling below that figure, we eliminate 54% of the subsequent failures, while 84% of the subsequent successes remain with the company. If the critical score were set higher up at 5 or 6, it is true that more failures would be eliminated, but at the same time more successes would be cut off,—an unprofitable operation.

The study of these 502 blanks has, therefore, indicated that for a life insurance company, the score on the personal history blank bears a positive relationship to the applicant's future success, and that on this blank a lower critical score may be set, below which it would not be worth while to license an applicant. The same would probably hold true for other sales forces in other occupations, but insofar as each industry presents a different problem, a different method of scoring would have to be worked out in each case.