

Case Study: Strategic Hiring System Pays Off in Reservations Call Center

A major hotel management firm operates a reservations call center with a primary mission of customer service, and a secondary sales function. The call center experiences wide seasonal workload fluctuations, and has traditionally begun a major round of hiring each winter. Both performance and turnover have presented challenges in this environment. In 2003, reservations agents hired in the winter campaign had only a 27 percent chance of remaining on the job beyond June 30. This required additional and continued hiring efforts through the spring and summer seasons—times of year that present additional hiring challenges in their employment market.

In midwinter, by contrast, the company had an abundance of applicants for their open positions.

The challenge: Design and implement a strategic hiring system, with the goal of increasing retention and reducing the necessity of additional hiring through the spring and summer.

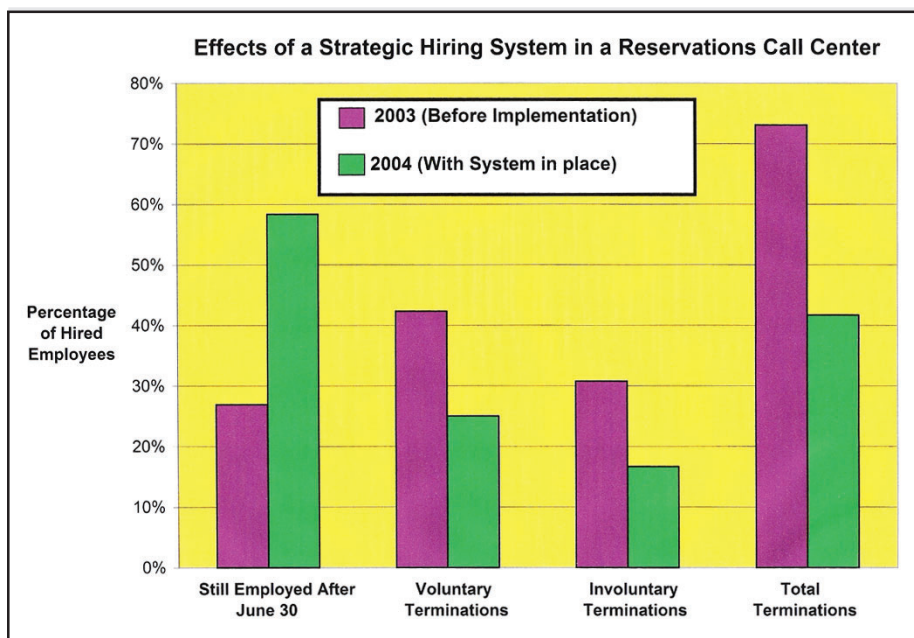
The chosen system was a two-stage strategic system beginning with a low-cost honesty-integrity measure (the Step One Survey, or SOS). Once a candidate was screened into the finalist pool, a targeted job-fit measure was used to predict the probability of success (the Customer Service Perspective, or CSP).

Because the company enjoyed a large applicant pool for the available openings (roughly 10 applicants were screened for each person hired), they chose a relatively high criterion for the SOS scores, seeking to consider only the top 35 percent for inclusion in the finalist pool.

For the job fit analysis of the finalists, call center managers chose five Top Performers, and a success pattern was constructed, using the Customer Service Perspective assessment. (for details of this analysis, see Vol. 1 Issue #6 of this newsletter.) Finalists took the CSP, and were matched to the Top

Performer pattern. Candidates who matched at less than the 70 percent level were not considered further for employment. Scores of 70 percent or better included the finalist in the interview process, using the CSP interview guide in the decision process.

Results of this process are summarized in the graph below. Overall, retention beyond June 30 increased from 27 percent to 58 percent with use of the strategic hiring system. Results were even more striking in the area of involuntary terminations; a reduction from 31 percent to only 17 percent involuntarily terminated in the study period. As shown in the sidebar, the program has proved to be very cost-effective.



Costs and Benefits:

Prior to implementation of the system, the employer had estimated the cost per turnover in the reservations center at \$4,500. Using this estimate, and the actual cost of use of the assessments, the return on investment of the entire program (including preliminary pattern-building and analysis) was better than \$5.45 returned for every dollar invested. Given the even higher costs associated with firings, the true ROI was probably much higher.