

## Case Study: Progressive Improvement in Hiring Success – Learning to do it Better!

A medium-sized hotel sits on the banks of a beautiful river in a metropolitan area of about 250,000 people. It has earned the reputation as a leader in its market for over 15 years. The hotel houses a fine dining restaurant and extensive meeting and banquet facilities. It enjoys a good relationship with the nearby university and major local manufacturers who regularly lodge their clients and guests and hold their meetings at the hotel.

Unfortunately, the people side of the operation was a bit more troublesome than was apparent to the casual observer. The new hire – failure rate exceeded 85%, with 74% of those new hires failing in less than six months. In fact, 50% left voluntarily or were fired within the first 60 days.

Early in 2002, management at the hotel began using the Step One Survey™ in their hiring process. Management used

the SOS reports to guide the interview process and used assessment scores as a guide for hiring decisions. Occasionally the hiring team occasionally decided to hire individuals whose patterns of scores were in the low range, when offset by a good reference from a previous employer, or a personal relationship with a hotel employee. This process resulted in a reduction in the new hire – failure rate to 62%, while the rate of six-month failures dropped to 50%. While the reduction was certainly a positive effect, and the cost-benefit ratio was a favorable number, the hotel felt that continued improvement was possible with a more systematic approach, and their Profiles representative agreed. The data from the first year was analyzed, and criteria for hiring was established based on the data. In order to be considered for hire, an applicant could not have a distortion score below four, or any two scale scores

below four. History evidenced that applicants that fell below the criteria were 40% more likely to fail than applicants above that level.

The graph below illustrates the outcome. When the criteria scoring approach was combined with the SOS interview tools, the hotel reduced new hire failures to 26% (well below the industry average), with virtually all of the failures occurring in the first six months of employment. An analysis of the new data illustrated that another adjustment of the criteria could be accomplished within the limits of the applicant pool and still allow the hotel to fill jobs as necessary. This new criteria (no single score below four) is expected to further reduce the new hire – failure rate to about 19%. Cost-benefit ratios for the assessment program are now about 1:38, and improving!

### Comparison of Hiring Success Rates Using the Step One Survey in Hospitality Industry

