

Case Study RET01¹

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Company Information

Industry:	<i>Retail</i>	Number of Locations:	
Type:	<i>Office Supplies</i>	Number of Employees:	

Basis for Case Study:	<i>Benefit Justification Related to Turnover</i>
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Department:	<i>Corp. Account Mgr.</i>	Number of People Assessed:	<i>370</i>
Number of Employees in Dept.:	<i>95</i>	Number of Top Performers:	<i>12</i>
Assessment Used:	<i>Sales Indicator</i>	Number of Bottom Performers:	<i>12</i>

<i>Time Frame</i>
<ul style="list-style-type: none">•Jan. 2001 through Oct. 2002
<i>Course of Action</i>
<ul style="list-style-type: none">•Analyze data to identify turnover benefits•Identify scoring trends in both top and bottom performers
<i>Results - TURNOVER</i>
<ul style="list-style-type: none">•Reduced turnover from 2001 to 2002<ul style="list-style-type: none">➤ 2001 Turnover Rate - 65.48% (84 candidates hired, 55 separated)➤ 2002 Turnover Rate - 23.26% (86 candidates hired, 20 separated)
<i>Results - PERFORMANCE</i>
<ul style="list-style-type: none">•Overall % Match to the Job Match Pattern is a significant indicator of job performance.<ul style="list-style-type: none">➤ Top Performers in 2001 averaged 85.17% Overall Match to the Job Match Pattern.➤ Bottom Performers in 2001 averaged 73.33% Overall Match to the Job Match Pattern.➤ Top Performers in 2002 averaged 84.67% Overall Match to the Job Match Pattern.➤ Bottom Performers in 2002 averaged 76.67% Overall Match to the Job Match Pattern.

Benefits - TURNOVER

- Lowered Turnover - from 65.48% to 23.26%. In doing so, your company has reduced the cost of turnover by \$525,000
 - Average cost of hiring is \$15,000²
 - At 65.48%, cost of turnover is \$825,000 (55 employees at \$15,000 each)
 - At 23.26%, cost of turnover is \$300,000 (20 employees at \$15,000 each)
 - **This equals a savings of \$525,000**

² Cost of turnover provided by company

Benefits - PERFORMANCE

Continuing to hire candidates with a high match to the Job Match Pattern would create a potential increase in sales of 1,439.40% per year for each Bottom Performer replaced with a Top Performer.

- Average Sales of Bottom Performers - \$12,452.88 (10.79% of quota)
- Average Sales of Top Performers - \$191,698.67 (133.59% of quota)
- **Replacing a poor performer with a top performer would result in a sales increase of \$179,245.79 (a 1439.40% increase in sales per year)**

Recommendations

Even though, we are pleased to present these findings, more work is advised. In as much as the data used for this initial study had a number of critical areas where information was either not available or incomplete we highly recommend the following steps:

- Be consistent in the administration of the assessment (Be sure all candidates are assessed.)
- Gather additional candidate data to identify performance trends
- Rank performance data
- Refine Job Match Pattern using additional candidate data
- Schedule 90 day review once data is collected