

Vangent Selection Program Linked to Reduced Employee Turnover at a Canadian Consumer Electronics Retailer

Eric Brasher, M.S. & Frank Magzocco, M.A.

INTRODUCTION

A series of analyses is presented, which reflect reduced employee turnover realized by a leading Canadian consumer electronics retailer from use of an employee selection program developed by Vangent, Inc.¹ The study compared differences in turnover rates at various time intervals (30, 90, 180, and 365 days)² for 99 locations participating in a 20-month pilot program to the turnover rates for these locations during the same 20-months prior to program implementation (baseline period). Following implementation of the employee selection program, turnover rates during each time interval dropped substantially. The improved employee selection program also resulted in a substantial return on investment (ROI) for the retail chain. The bottom line would seem to be that the use of this employee selection program appears to have contributed significant value to the retailer.

RESULTS

- Average 30-day turnover rates dropped 19.9% compared to the baseline period (See Table 1)
- Average 90-day turnover rates dropped 14.8% compared to the baseline period (See Table 1)
- Average 180-day turnover rates dropped 12.1% compared to the baseline period (See Table 1)
- Average 365-day turnover rates dropped 11.3% compared to the baseline period (See Table 1)
- The enhanced employee selection program yielded an ROI of 33 to 1, relative to program costs, or \$33.00 for every \$1.00 invested in the program

Table 1: Turnover Analyses

Group	Average 30-Day Turnover Rates	Average 90-Day Turnover Rates	Average 180-Day Turnover Rates	Average 365-Day Turnover Rates
Baseline	15.6% (1,081/6,919)	37.8% (2,618/6,919)	54.3% (3,758/6,919)	74.3% (5,139/6,919)
Program	12.5% (1,183/9,461)	32.2% (2,439/7,566)	47.7% (2,725/5,707)	65.9% (3,042/4,614)
Impact	19.9%	14.8%	12.1%	11.3%

¹ The Reid Report® assessment (Canadian Version) with Service Relations and Sales Productivity scales

² Employees who were terminated for any reason within 30, 90, 180 or 365 days from the date of hire