

Vangent Selection Program Linked to Reduced Employee Turnover at one of the Nation’s Leading Drug Store/Pharmacy Retailers

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INTRODUCTION

An analysis is presented, which reflects reduced employee turnover realized by one of the nation’s leading drug store/pharmacy retailers from use of an employee selection program¹ developed by Vangent, Inc. The study compared differences in 30-day employee turnover rates² among 280 locations participating in a seven-month pilot program to the 30-day employee turnover rates for these locations during the same seven months in the year prior to implementation. Following implementation of the employee selection system, these turnover rates dropped significantly among the pilot locations. The improved employee selection system also resulted in a substantial return on investment (ROI) for the client. The bottom line would seem to be that the use of this employee selection program appears to have contributed significant value to the drug store/pharmacy retailer.

RESULTS

- Average 30-day turnover rates dropped 27.7%, compared to the same time period in the year prior to program implementation, among the 280 pilot locations (See Table 1)³
- The selection program yielded a ROI of 17.5 to 1, relative to program costs, or \$17.50 for every \$1.00 invested in the program

Table 1: 30-day Turnover Analysis

Group	Average 30-Day Turnover Rates
Pre-Program (Sept.-201/March -2002)	22.0% (829 terminations/3,766 hires)
Pre-Program (Sept. -2002/March -2003)	15.9% (196 terminations/1,234 hires) ⁴
Average Difference in Turnover	27.7 % decrease

¹ Vangent’s Automated Recruiting System with Integrity and Turnover Express Scales

² Employees who terminated for any reason within 30 days from date of hire

³ The correlation between condition (pre/post) and monthly termination rates was significant ($r = .60$, $N = 14$, $p < .05$, 1-tailed)

⁴ Only new hires who were rated as “Competitive” by the employee selection system were included. “Noncompetitive” and “Not Assessed” new hires were excluded from the analysis