

# Vangent Employee Selection Program Linked to Reduce Unfavorable Terminations at a Leading National Discount Retailer

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## INTRODUCTION

A set of analyses is presented, which reflect reduced unfavorable employee terminations (i.e., Unsatisfactory Attendance/Job Performance, Job Abandonment, Violation of Company Rules/Conduct) realized by one of the nation's leading retailers in conjunction with the use of an employee selection program<sup>1</sup> developed by Vangent, Inc.. The study compared the average number of unfavorable employee terminations in 28 locations that implemented the employee selection program during a nine month pilot program (October, 1999/June, 2000) to the number of unfavorable terminations in these locations during the previous 12 months. This same comparison was made in ten comparably-sized control locations that did not implement the employee selection system during the pilot period. In locations using the employee selection program, unfavorable employee terminations decreased, while in locations not using the program these unfavorable terminations increased<sup>2</sup>.

## RESULTS

- In the 28 pilot locations, unfavorable terminations decreased an average of 8% per month, in each location, over the course of the study (See Table 1)
- In the ten control locations, unfavorable terminations increased an average of 3.5% per month, in each location, over the course of the study (See Table 1)
- Applied to this organization roughly 2,100 stores nationwide, an average 8% reduction per month in unfavorable terminations could conceivably save the over \$75.5 million dollars annually in turnover costs<sup>3</sup>

**Table 1: Monthly Average Number of Unfavorable Terminations per Store**

Time	Program Locations (N = 28)	Non Program Locations (N = 10)	Impact
Pre-Program (12 months)	25.2 % (8,467 total terminations)	14.1 % (1,692 total terminations)	
Post-Program (9 months)	23.2 % (5,846 total terminations)	14.6 % (1,314 total terminations)	
Difference	- 8%	3.5%	11.5%

<sup>1</sup> The Reid Report<sup>®</sup> assessment

<sup>2</sup> It is particularly noteworthy that the organization was already using a general personality measure of conscientiousness designed to reduce counter-productive employee behaviors in all locations. It was used as a pre-screener to The Reid Report assessment in the 28 pilot locations. Hence, impact estimates are incremental to what may have been realized by use of the personality measure

<sup>3</sup> Two fewer terminations per store per month (x) \$1,500 cost per termination = \$3,000 per store per month (x) 12 months (x) 2,100 locations = \$75,600,000