



BUSINESS OUTCOMES

INDUSTRY:

Manufacturing

SOLUTION:

SecureFit®

Reducing Turnover and Absenteeism to Increase Bottom Line

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The Situation

According to a conservative estimate by the Bureau of Labor Statistics, average employee replacement costs are \$13,996 per employee. Estimates of the cost of absenteeism range from \$400 - \$2,500 per day¹. Moreover, tardy and no show behaviors often manifest themselves before the occurrence of actual turnover.

- ***On average, it costs \$13,996 to replace an employee.***
- ***Absenteeism can cost \$400 to \$2,500 per day.***

Although many situational factors contribute to undesirable turnover and absenteeism, research has suggested that the propensity for turnover can be identified prior to hire. Meta analytic research shows that new hires are less likely to turnover if they have the following basic characteristics:

- Are conscientious
- Are a good technical and cultural fit for the job
- Have a stable work history
- Are referred by a current employee
- Know people within the organization

These factors all make intuitive sense. Low conscientiousness may lead to poor performance and ultimately terminations. Applicants with a history of short tenure in previous jobs are likely to repeat their past behavior and thereby change jobs. Additionally, people with good motivational fit and more

contacts in the organization are apt to better understand the nature of the job and be more satisfied.

The Solution

Select International has taken the lessons learned and developed SecureFit®, a brief and affordable assessment for any hourly level, physical job. The content has been validated and the results are automatically generated and easy to interpret. SecureFit is designed for:

- Production
- Distribution
- General Labor
- Maintenance
- Construction

SecureFit comes from validated testing scales used with more than 6 million applicants in physical jobs over 15 years. The assessment tests seven risk factors:

- Safety
- Impulsivity
- Attitude
- Turnover
- Quality
- Dependability
- Absenteeism

SecureFit can reduce turnover by 50% and absenteeism by 75%.

Additionally, SecureFit builds on a strong research base to create a Turnover Risk Index that will help identify individuals who are likely to leave the organization within the first 90 days on the job.

The following are the results from a recent study that examines the effectiveness of SecureFit in relation to attendance and turnover. In this study, we administered SecureFit to a group of 730 candidates who applied for an hourly position at a global manufacturing company.



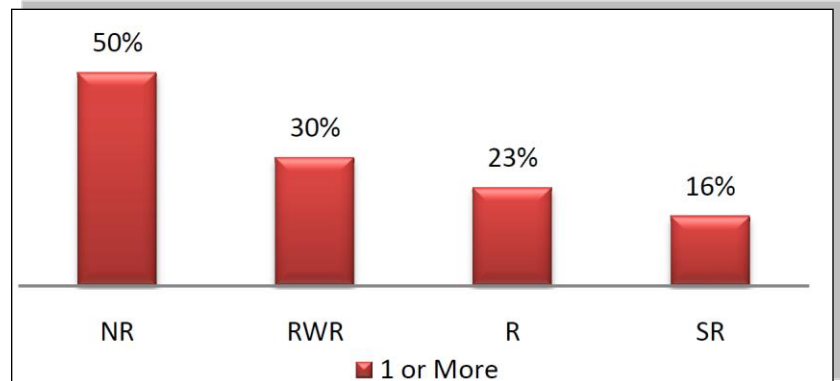
BUSINESS OUTCOMES

Outcomes

Attendance

To evaluate effectiveness of using SecureFit to reduce absenteeism, the study investigated the candidates' behavior and beliefs toward attendance. Specifically, we asked them how often they were likely to have unexcused and unscheduled absences. As Figure 1 shows, 50% of Not Recommended (NR) candidates reported one or more days per year as acceptable. As you move along the path from Not Recommended (NR) to Strongly Recommended (SR), the likelihood of unexcused absences declines dramatically. Individuals who receive low scores on SecureFit are much more likely to be late and miss work without notice.

Fig. 1: Number of Unscheduled and Unexcused Absences

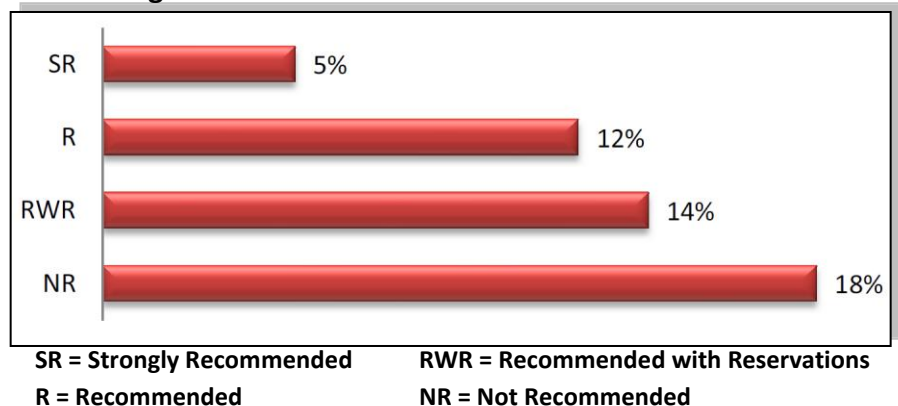


Individuals who are Not Recommended (NR) are **more than three times more likely** to have at least one or more unexcused absences per year than those in the Strongly Recommended (SR) group. In fact, those in the Not Recommended group are **more than twice as likely** as any other group to have an unexcused absence during the year.

Turnover

Next, we evaluated the relationship between SecureFit recommendations and previous terminations. Figure 2 summarizes the finding which shows that a significantly higher percentage of Not Recommended candidates have been terminated from previous jobs (18%). In fact, Not Recommended candidates are 1.6 times more likely to have been terminated. Put another way, **screening out individuals who are Not Recommended early in the hiring process would reduce involuntary turnover by almost 30%.**

Fig. 2: Have Been Terminated from Previous Jobs



The results demonstrate that SecureFit provides an effective and proactive solution to organizations for reducing turnover and absenteeism.

ⁱ 2001 CCH Business Owner's Toolkit & Gene Levine's 1999 "The Industry Advisor"

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