



# BUSINESS OUTCOMES

## INDUSTRY:

Retail

## SOLUTION:

Select Assessment® for Distribution Centers

### Reducing Involuntary Turnover in a Warehouse Environment

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#### THE SITUATION

A large retailer implemented the Select Assessment for Distribution Centers at all of their U.S. warehouse locations. The organization was interested in evaluating the effectiveness of using the Select Assessment and conducted a validation study within three of their U.S. locations.

#### THE SOLUTION

This organization approached Select International to help them understand the effectiveness of using the Select Assessment for Distribution Centers. Specifically, they were interested in how the assessment could help them reduce turnover with their warehouse associates. Select worked with them to design a process that could be integrated with their hiring process. An in-depth screening assessment, Select Assessment from Distribution Centers, was implemented at the beginning of the hiring process to increase the quality of employees.

#### OUTCOMES

The Select Assessment for Distribution Centers measures productive behaviors, increasing the ability to predict who will be a good employee. By increasing the quality of employees, you decrease absenteeism, turnover, and unsafe work behaviors. Comparisons of involuntary turnover rates showed a clear reduction for turnover after implementation of the assessment.

Prior to using Select Assessment for Distribution Centers, Facility A had an involuntary turnover rate of 44%. After implementing Select Assessment for Distribution Centers to screen out high risk applicants, the involuntary turnover **was reduced by 40%**. Additionally, prior to this assessment, Facility B had a 16% involuntary turnover rate. After implementation to screen out high risk applicants, the turnover rate **was reduced by 57%**.

#### Turnover Costs

- \$14,000 to replace an employee (Mulvey, 2005).
- For an organization with 10,000 employees, a turnover rate of 30% would cost \$14 million more than if the turnover rate was 20%.
- **Hidden costs:**
  - Productivity loss
  - Workplace safety issues
  - Decline in morale

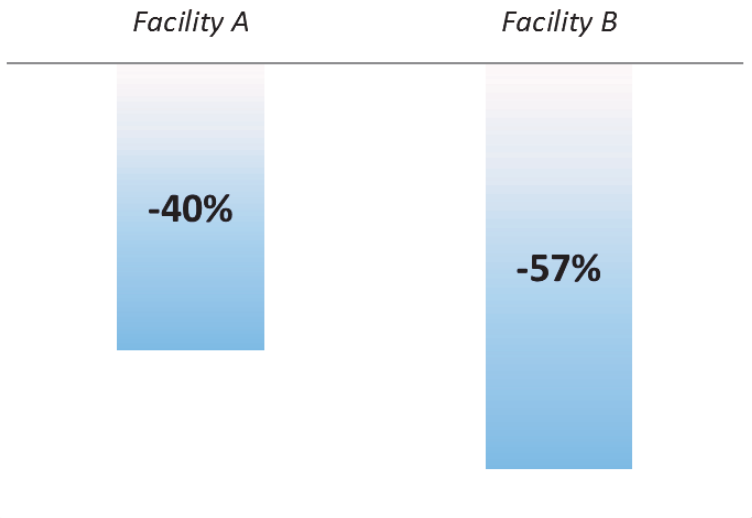


When looking at specific turnover reasons, results revealed that there was a reduction in turnover due to attendance and tardiness reasons. Specifically, for one of the facilities, there was a **44% decrease in involuntary turnover** due to attendance and tardiness which was reduced from **9.7% to 7.7%**.

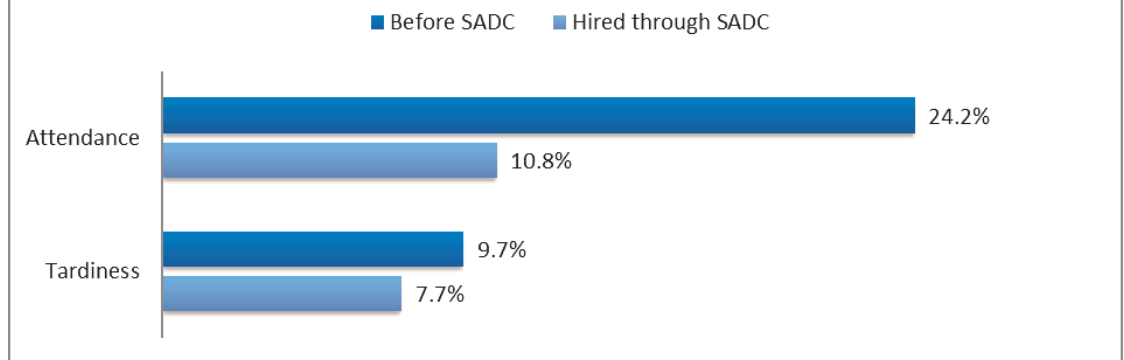
**CONCLUSION**

Select Assessment for Distribution Centers can help reduce involuntary turnover. When looking at both facilities' turnover reduction rates, we see an average of 13% turnover. Assuming that it costs an average of \$14,000 to replace an employee and they have 100 hires a year, if the client simply used Select Assessment for Distribution Centers earlier to screen out high risk applicants, the client would reduce its turnover by 13 employees, **saving the company \$182,000.**

**Turnover Reduction for New Hires Due To Attendance, Tardiness, or Performance Issues**



**Facility A Involuntary Turnover Reasons**



The results of this study demonstrate convincingly that Select Assessment for Distribution Centers can provide an effective and proactive means of reducing turnover before they ever occur.

For over 20 years, Select International, Inc. has provided superior assessment products and solutions for its clients. Many of the world's largest and most successful organizations trust us with their hiring and retention goals. Whether your company

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