

# BUSINESS OUTCOMES



## INDUSTRY:

Distribution Center

## SOLUTION:

SecureFit®

## Reducing Turnover and Increasing Performance and Safety

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### The Situation

In 2014, a Fortune 100 healthcare supplies organization implemented Select International's SecureFit® pre-employment assessment in the pharmaceutical segment of their business. The organization was pleased to observe a reduction in turnover after the assessment was added to their hiring process. As a result of this positive outcome, organizational leaders were interested in conducting additional analyses and expanding the use of the SecureFit assessment to their medical division as well. Select International was asked to evaluate the assessment's relationship with other important organizational outcomes such as safety, corrective actions, attendance and performance.

### The Solution

The SecureFit assessment is a short online test that can be administered to candidates unproctored across multiple devices. Candidates can easily access the online application portal and complete the test on their own time with minimal administrative support. To fully understand the relationship between the assessment and the aforementioned organizational outcomes, SecureFit was administered to candidates in two different business segments hired in 2014 and 2015.

In the Medical business segment the results were not used in decision making, therefore allowing it to become a control group. In contrast, the Pharmaceutical business segment used SecureFit as a decision making hurdle in the selection process.

Turnover and performance data were analyzed within the Pharmaceutical segment only. An average monthly turnover rate before and after the implementation of SecureFit was used to examine turnover outcomes. Performance was measured by using supervisory ratings of overall performance declaring that the employee performance level needs improvement, is on target or is above target.

Safety, corrective actions and attendance data were analyzed by comparing the Pharmaceutical segment against the Medical segment. Safety data included information on lost days from safety incidents, restricted duty days from safety incidents and OSHA recordables. Corrective actions included a wide range of cases in which the employee was noted to have demonstrated counterproductive work behaviors such as theft, policy violation, inappropriate behavior, etc.

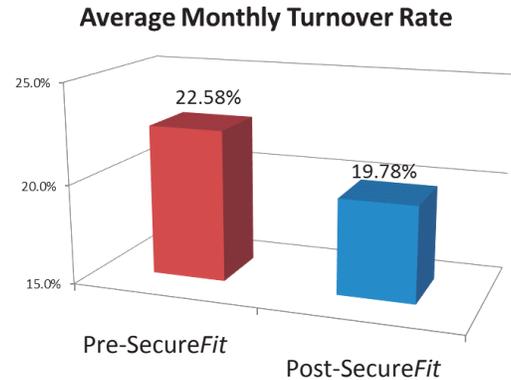
Key organizational criteria related to safety, corrective actions, performance, attendance and turnover were collected on all hires after having been on the job for 30 days. Assessment scores were compared to each outcome variable to establish the predictive value of the assessment. The results for each key outcome criterion are summarized next.



## The Results

### Turnover

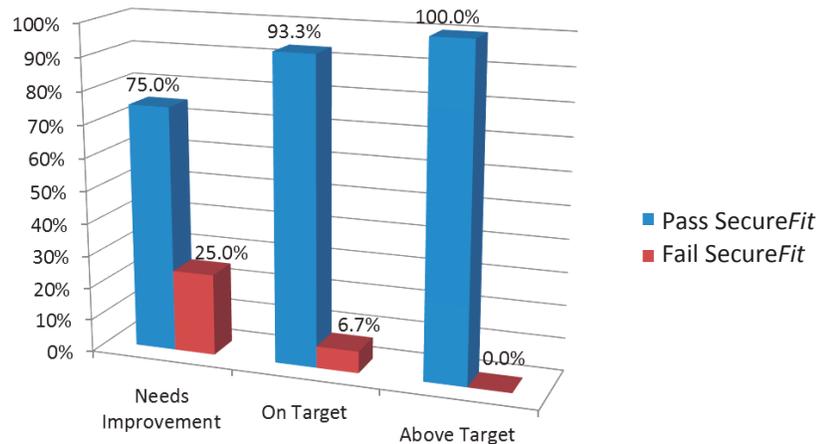
In the Pharmaceutical unit of the business, there were two groups analyzed in the data: employees hired before the implementation of SecureFit and employees hired after the inclusion of SecureFit in the selection process. A new hire turnover rate was calculated by determining the percentage of employees who turned over within the first 30 days. As the chart below illustrates, the pre-SecureFit group had a new hire turnover rate of 22.6% compared to 19.8% in the post-SecureFit. While not the only factor, these findings suggest that using SecureFit helped in reducing new hire turnover. The organization is going to continue to monitor turnover rates and expects this trend to continue.



Even small reductions in turnover can lead to big savings. Based on SHRM 2011-2012 benchmarking data, estimated average cost per turnover per hire is \$49,632 when considering the direct and indirect costs. With that assumption, reducing turnover from 22.6% to 19.8% for 100 hires would save the organization over \$139,000 in hiring costs. These results indicate that SecureFit is a selection tool that can be used to help reduce turnover rates and therefore reduce major organizational costs.

### Performance

In order to meet hiring goals, during a short 2-month window, the Pharmaceutical group stopped using SecureFit for decision making purposes. As a result, during this time frame, a group of people were hired who would have been screened out. This group is of particular interest in understanding how well SecureFit is related to quality of hires. Supervisory ratings of performance were collected on all hires within this group and then the results of the pass group were compared to the fail group. Supervisors assigned a general rating of performance declaring that the employee performance level needs improvement, is on target or is above target.



Those who failed SecureFit were much more likely to be below target (Needs Improvement) performance than those who passed SecureFit. Not a single individual who failed SecureFit was labeled as above target. These results indicate that those employees who passed SecureFit were more likely to be above target in their work performance than those who failed SecureFit. Though there are many different elements to measuring performance, this study had one performance variable available to analyze and the results are promising. High performing employees is the goal for any successful organization. This is another advantage that SecureFit brings to the table.



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## Safety

Safety data were analyzed by comparing the Medical group (did not use *SecureFit* in hiring) to the Pharmaceutical group (did use *SecureFit* in hiring). Fewer safety issues in the Pharmaceutical group would indicate that *SecureFit* is contributing to a safer workforce. Metrics included in the analysis were lost days from safety incidents, restricted duty days from safety incidents and OSHA recordables. The graphs show the comparison of the two groups on three different safety measurements. The first, lost days from safety incidents, refers to each day an employee is unable to work due to a safety incident. The second graph shows the total number of restricted duty days that are a result of a safety incident. Last, and perhaps most important, is the number of OSHA recordable incidents that occurred at each unit. In all three graphs, medical is labeled red and pharmaceutical is represented by blue.

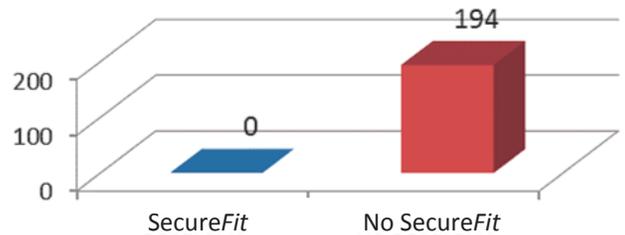
All three of these graphs show that the Pharmaceutical business unit using *SecureFit* as a selection tool has better safety performance. OSHA estimates that the average direct cost from one recordable incident is \$46,000. Direct combined with indirect costs are estimated to be \$200,000. Therefore the difference demonstrated in the graph (5 in medical – 1 in pharmaceutical = 4) would cost the organization \$800,000 in direct and indirect costs.

Companies invest so much effort and resources in building a safe workplace with a great safety culture. They should also have a goal to hire employees who place a high value on safety. If not, they may hire someone who is statistically much more likely to be injured on the job and incur workers compensation costs which can have detrimental effects. Hiring assessments like *SecureFit* can help organizations achieve this goal. *SecureFit* is helping this organization to improve its safety metrics while reducing costs and injuries.

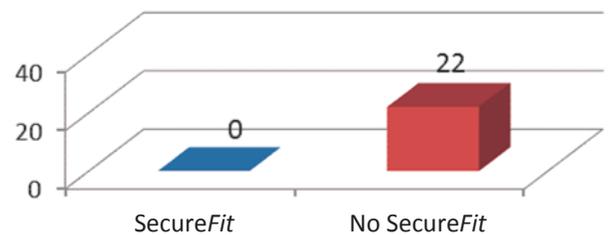
## Corrective Action

In this organization, a corrective action is separated into several different categories of counterproductive work behaviors including, but not limited to, attendance, drug/alcohol violation, failure to return to work, inappropriate behavior, job abandonment, misrepresentation, performance, personal injury/illness, safety infraction, theft and policy violation. Similar to the safety graphs above, the medical segment was

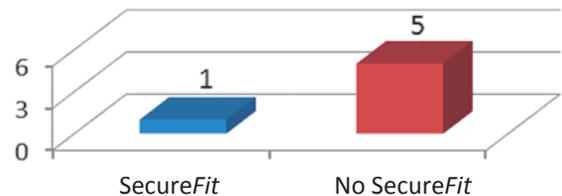
**Lost Days from Safety Incidents**



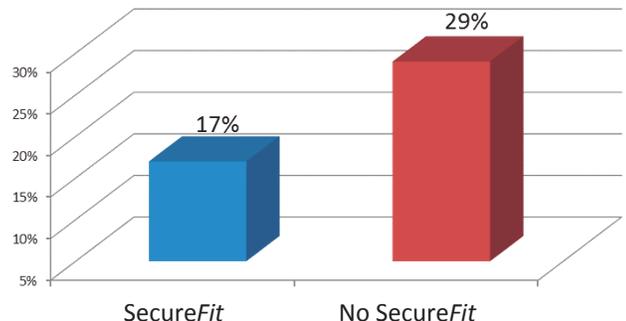
**Restricted Duty Days from Safety Incidents**



**OSHA Recordables**



**% of Corrective Action**





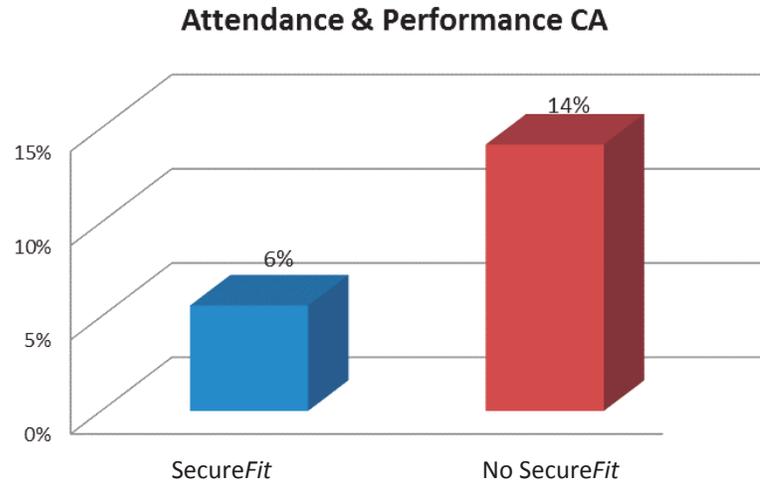
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the control group while the pharmaceutical group was the pilot group. The graph shows the ratio of corrective action occurrences divided by total new hires within each segment.

The group using *SecureFit* for selection has 41% fewer corrective actions. Using *SecureFit* can help organizations hire more responsible, safe and attentive employees.

### Attendance

Because of their importance to organizations, the attendance and performance corrective action data were examined separately. The graph illustrates the ratios of new hires with attendance or performance corrective action cases compared to those without. These are separated by business segment to show percentage of attendance or performance corrective action by new hires who had taken *SecureFit* versus those who did not take *SecureFit* in the hiring process.



The Pharmaceutical unit had a significantly lower rate of corrective action due to attendance or performance among new hires than the Medical unit. The business segment that is not using *SecureFit* in decision making is more than twice as likely to have issues with attendance and/or performance among their new hires.

### **Conclusion**

This organization had a unique opportunity to compare two business segments on the use of the *SecureFit* assessment tool. In all key organizational outcomes, the business unit using the *SecureFit* assessment had more favorable outcomes than the segment that didn't use the assessment. This organization has plans to expand the use of the assessment into more business units as a result of this analysis. This is just one of example of how valuable *SecureFit* can be in addressing turnover, safety, attendance and other counterproductive work behaviors.

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