

# Case Study RET01<sup>1</sup>



Company Information

Industry:	<b>Retail</b>	Number of Locations:	
Type:	<b>Office Supplies</b>	Number of Employees:	

Basis for Case Study:	<b>Benefit Justification Related to Turnover</b>
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Department:	<b>Corp. Account Mgr.</b>	Number of People Assessed:	<b>370</b>
Number of Employees in Dept.:	<b>95</b>	Number of Top Performers:	<b>12</b>
Assessment Used:	<b>Sales Indicator</b>	Number of Bottom Performers:	<b>12</b>

**Time Frame**

- Jan. 2001 through Oct. 2002

**Course of Action**

- Analyze data to identify turnover benefits
- Identify scoring trends in both top and bottom performers

**Results - TURNOVER**

- Reduced turnover from 2001 to 2002
  - 2001 Turnover Rate - 65.48% (84 candidates hired, 55 separated)
  - 2002 Turnover Rate - 23.26% (86 candidates hired, 20 separated)

**Results - PERFORMANCE**

- Overall % Match to the Job Match Pattern is a significant indicator of job performance.
  - **Top Performers in 2001 averaged 85.17% Overall Match to the Job Match Pattern.**
  - Bottom Performers in 2001 averaged 73.33% Overall Match to the Job Match Pattern.
  - **Top Performers in 2002 averaged 84.67% Overall Match to the Job Match Pattern.**
  - Bottom Performers in 2002 averaged 76.67% Overall Match to the Job Match Pattern.



## **Benefits - TURNOVER**

- Lowered Turnover - from 65.48% to 23.26%. In doing so, your company has reduced the cost of turnover by \$525,000
  - Average cost of hiring is \$15,000<sup>2</sup>
  - At 65.48%, cost of turnover is \$825,000 (55 employees at \$15,000 each)
  - At 23.26%, cost of turnover is \$300,000 (20 employees at \$15,000 each)
  - **This equals a savings of \$525,000**

<sup>2</sup> Cost of turnover provided by company

## **Benefits - PERFORMANCE**

Continuing to hire candidates with a high match to the Job Match Pattern would create a potential increase in sales of 1,439.40% per year for each Bottom Performer replaced with a Top Performer.

- Average Sales of Bottom Performers - \$12,452.88 (10.79% of quota)
- Average Sales of Top Performers - \$191,698.67 (133.59% of quota)
- **Replacing a poor performer with a top performer would result in a sales increase of \$179,245.79 (a 1439.40% increase in sales per year)**

## **Recommendations**

Even though, we are pleased to present these findings, more work is advised. In as much as the data used for this initial study had a number of critical areas where information was either not available or incomplete we highly recommend the following steps:

- Be consistent in the administration of the assessment (Be sure all candidates are assessed.)
- Gather additional candidate data to identify performance trends
- Rank performance data
- Refine Job Match Pattern using additional candidate data
- Schedule 90 day review once data is collected

<sup>1</sup> The information in this case study is specific to this particular client and the Job Match Patterns, actions, results, benefits and recommendations should NOT be assumed to have application to all situations. Each user must develop Job Match Patterns customized to their unique situation.