

Case Study ▶

Challenge

The client partnered with **pan** to implement a custom pre-employment assessment that would lead to improved quality of hire, as well as increased retention and improved job performance among their customer-facing staff.

Solution

pan created the Convenience Store Test of Reliable Employees (CSTORE) – comprised of Retention, Job Performance and Math scales – by leveraging both client data and prior biodata research.

Results

Turnover metrics gathered one year after the initial CSTORE implementation revealed an 18% decrease in turnover rates, accompanied by a 27% reduction in associated costs – despite an increase in overall stores and staff. In addition, average tenure of separated staff members increased from 194 to 236 days.

According to one Regional Director of Operations, “**pan** [assessments] have elevated the hiring process” and as a result have improved both customer service and employee performance.

Convenience Store

Challenge

In 2006, **pan** partnered with a large convenience store chain operating over 900 stores across 12 states in the Northeast and Midwest to develop a custom exam to screen hourly store associates. The convenience store industry is unique in that modestly paid employees are hired to work in customer-facing positions around the clock 365 days of the year, often without a coworker or supervisor on site. In an effort to address these challenges, the client planned to capitalize on **pan**'s proven track record of success in implementing pre-employment assessments to enhance clients' selection processes. The ultimate goal was to increase quality of hire in terms of both improving job performance and increasing retention.

Solution

pan has partnered with Biodata Online since 2002 to provide off-the-shelf and custom biodata assessment solutions to clients. **pan**'s client needed an assessment to screen out low potential candidates early in the selection process, thereby avoiding the use of more costly selection tools (e.g., employment interviews and background checks) with every applicant. Biodata assessments, known for their utility in predicting potential job fit and concise results reporting, are uniquely suited to address this need. Prior to this engagement, **pan** and Biodata Online had worked to create a convenience store assessment that would identify individuals who were likely to stay on the job for at least 90 days. The resulting “retention” scale formed the basis of the current instrument. In an effort to identify future high performers, two additional scales were created – one focused on overall job performance, and one focused exclusively on numerical ability, which is a critical competency for job success. These three scales – Retention, Performance, and Math – were combined to create The Convenience Store Test of Reliable Employees (CSTORE). The client began using CSTORE for selection in November 2006 with full-scale roll out in June 2007. **pan** was able to connect to the client's paperless human resource formset software provider, and integrate with the client's applicant background check provider, to ensure a smooth transition during the release of this new assessment process.

Results

CSTORE has enhanced the selection process for the client's hourly Associates. Prior to the use of assessments, Associates could be hired on the spot based solely on managers' evaluations. The use of CSTORE along with background screening has increased the objectivity of the hiring process and requires that applicants be held to higher selection standards. According to two Regional Directors these higher standards have led to greater commitment on the part of management to train and retain

results continued...

high quality employees. A proponent of continuing the pre-employment testing and background screening processes, one Regional Director noted that **pan**'s ability to integrate with the firm responsible for applicants' background checks has enhanced the hiring process and "makes it work for us."

The same Regional Director noted that CSTORE has contributed to decreased turnover. Termination data was examined from one month prior to full-scale assessment implementation through 18 months post-implementation. These analyses indicate that turnover and corresponding costs have significantly decreased since the implementation of CSTORE. The average annualized turnover rate in May 2007 was 181.7%. One year later the annualized turnover rate had dropped to 147.3%, and in December 2008 the annualized turnover rate was 125.9%. The drop in turnover during the first year of testing (i.e., June 2007 to May 2008) led to a 27% reduction in year-to-date turnover costs. This decrease in costs occurred despite the addition of new stores and corresponding increase of overall staffing levels. In addition, termination data indicates that employees are now remaining on the job longer. The average tenure of employees separating in the six month period prior to test implementation was 194 days. One year later the average tenure of separated employees had increased to 236 days. This is not surprising given that data analyses indicate that those individuals who score well on the Retention scale of CSTORE are likely to exhibit longer job tenure than those who score poorly.

The results of data analyses examining assessment, hire, and termination data from June 2007 to June 2008 revealed that only 2.4% of the terminations during this period were for performance-based reasons, suggesting that the selection process, including CSTORE, effectively screens out individuals who are unlikely to perform well on the job. Another Regional Director of Operations indicated that the assessment has contributed to improved customer service and employee performance, stating that "**pan** [assessments] have elevated the hiring process."

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