## **D** Psychometrics CASE STUDY

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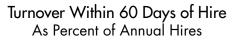
### Reductions in Turnover, Accidents and Absenteeism: The Contribution of a Pre-Employment Screening Inventory

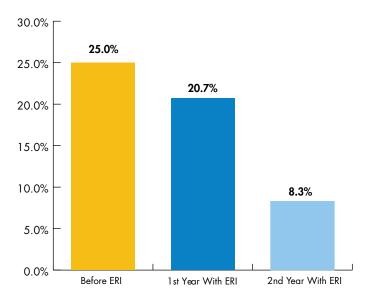
Gerald L. Borofsky, Ph.D. (Harvard Medical School), Robert Watson (Charlotte, NC)

This study examined the effects of introducing the <u>Employee Reliability Inventory (ERI)</u> into the hiring procedures of a middle-sized (500 employees) manufacturing company. The behavior of two groups of employees was compared for one calendar year. One group had been hired without using the ERI as part of the selection process, while the other group was hired making use of ERI results as part of the selection process. There were statistically significant findings regarding four specific aspects of unreliable behavior: 1) Unplanned turnover; 2) Number of work-related accidents; 3) Hours of work lost due to work-related accidents; and 4) Hours of work lost due to unauthorized absences.

- There was a progressive decline in turnover rate for each of the two years following introduction of the ERI. During a 12 month "baseline" period prior to using the ERI, the turnover rate was 25.0%. During the first full calendar year after ERI use began, the turnover rate dropped to 20.7% while the following year it fell to 8.3%.
- The percentage of employees *terminated for cause* within 60 days of being hired fell from 17.5% of those hired during the "baseline" year to 8.3% of those hired the following year. In similar fashion, the percentage of employees who *quit* within 60 days of being hired fell from 7.5% of those hired during the "baseline" year to 0%.
- The number of work-related accidents for those hired without the ERI was 5.6% of the total work force. For those who were hired making use of ERI results, the rate of work-related accidents was only 2.8% of the total work force.
- The number of hours lost from work-related accidents was 7.7% of the total annual scheduled hours for those hired without the ERI. For those who were hired making use of ERI results, the number of hours lost due to work-related accidents was only 1.8% of their annual scheduled total.

- For those hired without the ERI, the number of hours lost from unauthorized absence constituted 7.4% of the group's annual scheduled total. For those who were hired making use of ERI results, the number of hours lost from unauthorized absence was only 4.7% of their annual scheduled total.
- Preliminary benefit-cost analysis revealed direct cost savings of approximately \$88,000 annually as a result of including the ERI as part of the organization's pre-employment selection procedures.





# Sector Case Study Company

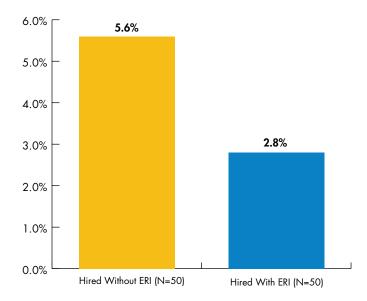
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## 8.0% 7.5% 7.0% -6.0% -5.0% -4.0% -2.0% -1.0% -Hired Without ERI Hired With ERI

Employees Who "Quit" Within The First

60 days of Employment

#### Work-Related Accidents As Percent of Total Workforce

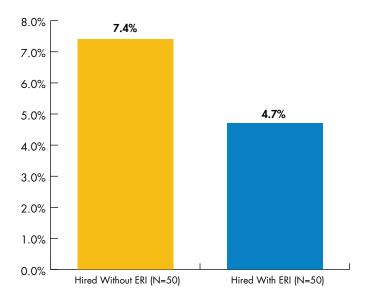


Hours Lost from Unauthorized Absence As Percent of Total Annual Scheduled Hours

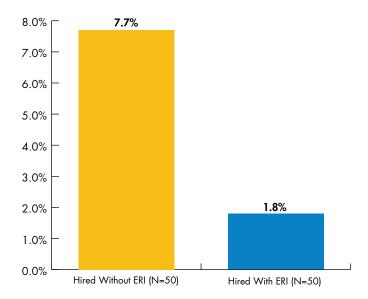
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### Hours Lost from Work-Related Accidents As Percent of Total Annual Scheduled Hours



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