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ABANDONING AN ASSESSMENT CRITERION PROVES COSTLY FOR MANUFACTURER

A manufacturer of recreational vehicles had been in business for over 30 years; its management team was seasoned and production lines were efficient. But the rate of failures in their new production hires was simply unacceptable. A worker hired today had a less than 50 percent chance of still being on the job after six months.

The hiring process was a familiar one, with a candidate's application reviewed by HR, a preliminary interview by an experienced interviewer in the HR department, and a final interview and decision by the manager who would supervise the new hire. The company introduced the Step One Survey II™, administering it to every applicant who had been invited to participate in an interview. For the first 150 assessments, results were not provided to the hiring team. Data was collected on retention, firings and on-job injuries.

Based on this data, a criterion was established for a recommendation to consider for employment. In the next year, the hiring team was provided with the assessment reports, used the structured interview questions and considered the information as a part of their overall hiring process. Candidates who did not meet the criterion on the assessment were not considered for hire.

As the graph below illustrates, the new hire failure rate dropped dramatically, as did involuntary terminations and injuries. In the next year, the company's sales skyrocketed, and production was geared up, requiring a wave of new hires. HR, faced with a limited pool of applicants and pressure to "fill the seats," abandoned the use of the criterion on the assessment. The "No Criterion" interval on the graph shows the results: all three measures rebounded to pre-assessment levels and above. Assessing the cost of this "natural experiment," management has directed HR to re-establish the criterion in the hiring process and is considering the addition of a job matching assessment to the selection process.

Effects of Use of Assessment Score Criterion in Manufacturing

