

# CASE STUDY: AUTO DEALER IS REDUCING RISK WITH THE SOS

Gary-Worth Lincoln Mercury has served the Portland metro area from their family-owned Gladstone location since 1959. Basing their success and longevity on a low-key, "straight sell" approach, they enjoy a great customer satisfaction rating, a high level of customer loyalty and repeat business, and a very stable work force in an industry commonly known for high turnover and a variety of people challenges. Even in this setting, with low turnover and extensive experience in hiring the right people, could the Step One Survey (our low-cost honesty-integrity test) improve their track record,

and do it in a cost-effective manner? Beginning in October of 2001, the dealership began using the SOS to prescreen each job applicant who had been selected for an interview. Over the next 11 months, they administered the SOS to a total of 28 applicants, who were interviewed for jobs in any part of the dealership operations. Over that period, 13 of those applicants were hired, 15 were not. The study then tracked the employees' performance over the months between



hiring and the end of August, 2002. Over that period, 4 of the 13 were fired, and 4 more left voluntarily. Despite its overall low turnover rate, the dealership was experiencing a very costly new hire failure rate of over 61%.

Reprinted from the Kestly Development Newsletter, Vol. 1, #2

## RESULTS OF THE STEP ONE SURVEY IN USE:

Analyzing the SOS scores of the entire 28-applicant group, we found a slight but consistent difference between the scores of the group hired and those not hired, indicating that the SOS scores were probably influencing hiring decisions, but not in a consistent or systematic manner. A criterion scoring approach was applied, with the following results: If the dealership had not hired the applicants

who either had distortion scores of 6 and lower, or any two scale scores of 5 or less, they would have not hired any of the employees who were subsequently fired! In addition, they would have eliminated 2 of the four people who had already quit. Overall, using this criterion-based approach would have reduced their new employee failure rate from over 61% to less than 16%! In consultation with the deal-

ership, the cost-benefit ratio was calculated at ~~\$700 to \$24,000~~ based on ~~\$700 to \$24,000~~ of the SOS assessments, and a potential saving of over \$24,000. Reducing these findings to common sense, it seems that Gary Worth has learned something they already knew: To succeed here, you must be an above average applicant—but, without the SOS, it's very difficult to tell who is, and who isn't!

*...reducing their new hire failure rate from over 61% to less than 16%!*

## THE SKY IS NOT FALLING!

(Condensed from a story by Deric

Thoughts on self-inflicted wounds from Cara, the Aer Lingus magazine...

**What's happening to us?** It seems that all the hype about the terrible economy has turned a large percent of the world's business population into Chicken Littles—all running around in circles, proclaiming the imminent end of the world as we know it!

If you're a member of this fowl movement, **STOP IT! STOP IT RIGHT NOW!** Before you help this self-fulfilling doomsday prophecy! Consider just not taking part in predictions of future disaster, and decide that you can ride it out, especially if you work just a little harder

and minimize any impact on your sales. For a list of 10 things you can do to counter any gloomy outlook and make sure your sales increase while others mope, e-mail us ([newsletter@ProfilesInternational.com](mailto:newsletter@ProfilesInternational.com)) and we'll send you the full story.