

Process and Cost-Benefit Analysis of Using the Step One Survey (SOS) in a Luxury Hotel with 175 Employees

Before the SOS Program:

- Failures in first 6 mo.=54%
- Fired in first 6 mo. = 17%

With the SOS Program:

- Failures in first 6 mo. reduced by 75%
- Firings in first 6 mo. reduced by 45%

The Program: After collecting population data (not using SOS as a factor in hiring) on 48 new hires, data were collected on retention and firings. Correlating those data with SOS results, a criterion was determined and applied for the next group of candidates considered for employment, and the same outcome data was collected on those hired (24 individuals), for the first 6 months of employment. Failures were defined as leaving employment with the hotel for any reason. On both outcome measures, using the SOS as part of the hiring process produced significant improvements.

Costs: On an annual basis, the company calculated net costs of the SOS program to be \$2,700 including staff time involved in administering and scoring.

Annual Benefits:

Savings-cost of turnover @\$3,000/hire:	\$ 150,000
Additional Savings in cost of Firing @ \$1,000/firing:	\$ 6,000
Savings in cost of interviews (102 fewer interviews) :	<u>\$ 3,060</u>
Total Annual Benefits:	\$ 159,060

Ratio of Benefits to Costs: 58:1