

Vangent Employee Selection Program Linked to Reduced Employee Theft at a Leading National Discount Retailer

Dennis Joy, M.A. & Kristen Fortmann, M.A.

INTRODUCTION

A set of analyses is presented, which reflect reduced employee theft (i.e., theft apprehensions) realized by one of the nation's largest discount retailers in conjunction with the use of an employee selection program developed by Vangent, Inc.¹ The study compared the number of employee theft apprehensions in 85 locations that implemented the employee selection program during a nine month pilot program (October, 1999/June, 2000) to the number of theft apprehensions in these locations during the same nine months in the previous year. This same comparison was made in 37 control locations that did not implement the employee selection system during the pilot program. In locations using the employee selection system, employee theft apprehensions dropped, while in locations not using the selection system these apprehensions increased².

RESULTS

- In total, 1,651 employees were apprehended for theft in all 122 locations over the 18 months of the study and those apprehended admitted (based on the organization's loss prevention interviews) to stealing a total of \$2,599,923 in cash and merchandise, an average of \$1,575 per apprehended employee; this amount could result in nearly \$30million in employee theft losses annually for the organization's 2,100 locations³
- In the 85 pilot locations, theft apprehensions decreased 2.8% over the course of the study (See Table 1)
- In the 37 control locations, theft apprehensions increased 33.3% during the study (See Table 1)
- The employee selection program yielded a return on investment (ROI) of 28 to 1, relative to program costs, or \$28.00 for every \$1.00 invested in the program
- Statistical analyses showed the assessment did not have a disparate impact on the basis of race or gender

Table 1: Theft Apprehensions

Time	Program Locations (N = 85)	Non Program Locations (N = 37)	Net Impact
Pre-Program	578	219	
Post-Program	562	292	
Difference in Apprehensions	-2.8%	+33.3%	36.1%

¹ The Reid Report® assessment

² It is particularly noteworthy that the organization was already using a general personality measure of conscientiousness designed to reduce counter-productive employee behaviors in all locations. It was used as a pre-screener to The Reid Report Assessment in the 85 pilot locations. Hence, impact estimates are incremental to what may or may not have been realized by use of the personality measure

³ \$2,600,000/122 locations/18months = \$1,184 per location per month (x) 12 Months (x) 2,100 locations = \$29,836,800