

Nationwide Retailer

Case Study

Nationwide Retailer Reduces Workers' Compensation Claims

According to the U.S. Bureau of Labor Statistics (BLS), about one-third of the workers' compensation claims made each year come from those employed less than a year -- in other words, new hires. To manage this known risk factor, a major retailer looked to PreVisor to develop a pre-employment assessment solution to reduce risk and costs.

Challenges:

The client company had over 3,000 handlers at numerous distribution centers scattered across the country, stocking and continuously reshipping parts to 3,500 retail stores. In this fast-paced, physically demanding world, there were plenty of opportunities for accidents and injuries to occur.

The material handlers work in a challenging environment. Workers utilize hand trucks, forklifts, hoists, conveyors, and other material handling equipment. As a result, a number of injuries are possible. When the company was preparing to open a new distribution center, they made the decision to build a selection process that was optimized to hire for job fit and safe work habits.

Solution:

To begin immediately and provide baseline data for future assessment direction, the company first implemented PreVisor's off-the-shelf assessments. The job-fit test measured a set of key, work-related personality traits which impacted the likelihood of accidents occurring in the workplace: conscientious, dependability, and the tendency to be rule-abiding.

Once the assessment was put in place, PreVisor collected the data necessary to show the business impact of the new selection process.

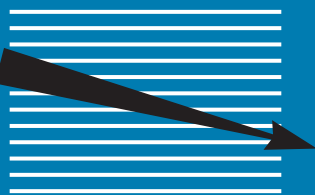


EMPLOYEES WITH ON-THE-JOB INJURY CLAIMS



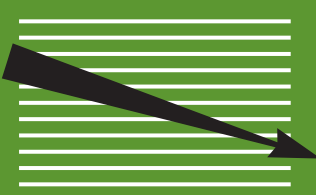
Decreased by 7%

AVERAGE CLAIM COST PER EMPLOYEE



Decreased by 90%

INJURY CLAIM COST PER EMPLOYEE



Decreased by 66%

Results:

Data was collected for eighteen months on individuals employed at some point during that timeframe – using both PreVisor pre-employment testing data and company employment data. Accidents were tracked based on worker’s compensation claims.

The results found from the analyses showed a clear connection between test scores and claims made:

- 5.7% of the employees made some type of workers’ compensation claim within the eighteen months, most of which had some dollar cost associated.
- Employees scoring higher on the PreVisor assessment were less likely to have filed a claim and when they did file claims, they were less costly.

The specific findings from the study showed that the assessment could accurately predict which employees would perform the job safely and effectively, incurring the least amount of injuries and costing the least amount of expense to the company.

The link between the PreVisor selection assessment, reduced employee injuries and associated workers’ compensation costs was established. The results of this study demonstrate how specific job-related and validated assessment programs can impact a company’s profitability as well as employee health and safety.

CHALLENGES:

- High number of work-related injuries
- High cost of workers’ compensation claims

RESULTS:

- Decreased injury claims by 7%
- Reduced claim processing costs by 90%
- Reduced the average per employee injury claim cost by 66%
- Reduced company risk/exposure and insurance costs