

Advance Auto Parts

Case Study

Advance Auto Parts reduces Team Member turnover and improves performance

Challenges:

Advance Auto Parts is a U.S. automotive parts retail giant with nine distribution centers and 3,150 retail automotive stores. To stock its locations, Advance Auto Parts relies on automation and approximately 3,000 material handlers. The Material Handler position is fast-paced and physically demanding. In addition, the environment in which the handlers work, is challenging. As a result, the position typically has very high turnover. Tonya Baker, Director of Talent Management Systems recalls, “We needed to make an impact on the churn in the position.” In 2004, preparations to open a new distribution center provided an opportunity to build a selection process from scratch that was optimized to hire for job fit and retention. “We had always relied on “on-the-job” training for this position. But with such high turnover, we needed to select traits critical for success on the job which were difficult if not impossible to teach.”

Solution:

Advance Auto Parts turned to PreVisor® for its online testing capabilities and paper and pencil option. To begin immediately and provide baseline data for future assessment direction, Advance Auto Parts implemented PreVisor’s off-the-shelf assessments. They measured a set of key work-related personality traits, including: Detail Orientation, Adaptability, Openness to Change, Accountability, and Dependability. After a year in use, PreVisor conducted a Business Outcome Study. The research showed that the candidates who were achieving higher scores on the assessment were in fact ranked by their supervisors as more effective than those that did not score as well. The next step was to develop test content that would specifically address retention.

Baker and the PreVisor team interviewed supervisors on every shift at every distribution center, and conducted focus groups with high-performing Material Handlers to identify traits that could predict Team Member turnover. Major trends included:

- A “zero-tolerance” attitude toward tardiness and absenteeism
- Self-confidence, adaptability, and willingness to learn
- Tolerance for hard physical work, a fast pace, and challenging environmental conditions



Based on this research, PreVisor developed Advance Auto Parts' Material Handler Job Fit Scale. The current assessment was revised to include the new Job Fit component. The revised test was implemented.

Results:

By August 2006 the team had gathered enough data for PreVisor to conduct a second Business Outcome Study. Based on a sample of 656 Team Members, the report tracked Material Handler retention at 30, 60, and 90-day intervals. Compared to lower-scoring candidates, candidates who scored in the top 30th percentile or higher were:

- 17 percent more likely to stay on the job after 30 days
- 27 percent more likely to stay on the job after 60 days
- 87 percent more likely to stay on the job after 90 days

Advance Auto Parts had also begun collecting a new set of performance and quality data called the Advance Logistics Labor Standards and Reporting (ALL-STAR) metrics. These included job-specific measures such as number of transactions and average time per scan. Comparing the ALL-STAR metrics with the PreVisor data proved the assessment also accurately predicted on-the-job performance.

Material Handlers in the top third of the pre-hire assessment:

- Covered 23 percent more transactions
- Completed their work 8 percent faster

Through adjustments in its hiring criteria and assessing candidates for these specific traits, Advance Auto Parts has improved both its performance and retention.



CHALLENGES:

- High turnover
- Too much reliance on on-the-job-training
- Selection process did not measure traits for success

RESULTS:

- Improved 90-day retention by 87%
- Increased on-the-job performance by 23%
- Improved work speed by 8%
- Determined supervisors rank high-scorers as more effective
- Customized Material Handler Job-fit Scale
- Implemented legally sound selection process