The ERI®

⌀ Psychometrics

STRATEGIC PRIORITIES POINT THE WAY TO BUSINESS SUCCESS

Our clients are constantly searching for ways to help them achieve a greater level of business success. That is why they are currently using the ERI® to help them achieve the following strategic priorities.

BUILD A QUALITY AFFORDABLE WORKFORCE	• A workforce characterized by reliable and productive employees • Employees who recognize the importance of hard work • Workers who take pride in the products and services they provide
IMPROVE HIRING PROCESS	• Create a structured and standardized hiring process with the capability to document the basis for hiring decisions
IMPROVE PROFITABILITY	• Reduce expenses associated with turn over, workers' compensation claims, lost time and employee theft • Reduce expenses attributable to unproductive and unreliable employees
IMPROVE PRODUCTIVITY	• Improve quality of goods and services • Reduce production costs • Stop hiring unreliable employees • Have a workplace that is free from disruptive effects
BUILD A CUSTOMER SERVICE CULTURE	• Hire employees that understand the importance of customer service • Hire employees whose work ethic is aligned with the organization's values

HELPING YOU ACHIEVE YOUR STRATEGIC PRIORITIES
IS THE BUSINESS OF THE ERI®

Quality employees come to work, show up on time and work hard. They perform reliably and productively.

Affordable employees have a positive impact on your budget and balance sheet. A large part of employee costs are those associated with turnover-related replacement and training, workers' compensation claims and reduced productivity due to lost time. Some organizations consider these to be part of "the cost of doing business." However, with the ERI®, these become *manageable costs* - bringing additional *net profit* dollars to your bottom line.

Profitability is a driving force in all organizations. What drives profitability? The quality of everything your employees do - the efficiency of operations, the management of expenses and the loyalty of your customers. Whether profitability is one of your strategic priorities, or simply a measure of organizational effectiveness, using the ERI® can have a positive impact on your company's profitability.

Improving the hiring process means being be able to identify trustworthy, reliable and productive job candidates before you hire them. The ERI® helps you to stop hiring problem employees. It also helps make your hiring decisions more fair and effective.

Building a Customer Service Culture means doing whatever it takes to exceed your customers' expectations. Front line employees, who deliver products and services to your customers, have to be the best for your business to succeed.

Productivity is the key to successfully competing in the global economy. The ERI® can help you to improve employee productivity and reduce your production costs.

USING THE ERI® IS COST-EFFECTIVE

Nationally, the annual cost of hiring the wrong employees is in the billions of dollars.
The following case studies document the kinds of direct cost savings that the ERI® can
bring to your hiring process and bottom line.

## Manufacturing company with 500 employees

NET SAVINGS USING THE ERI® SYSTEM: **$88,000 ANNUALLY**

Turnover Within 60 Days of Hire As Percent of Annual Hires

25% Before ERI
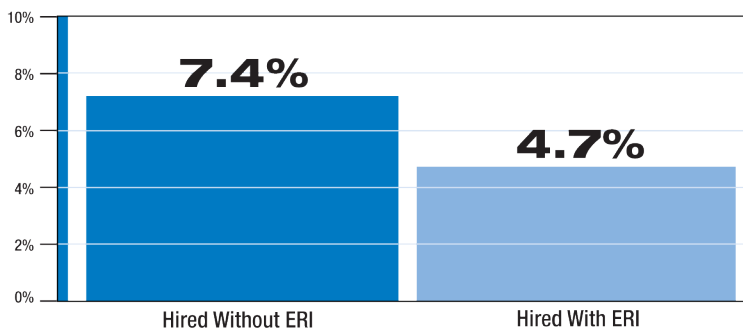**21%** 1st Year With ERI
8% 2nd Year With ERI
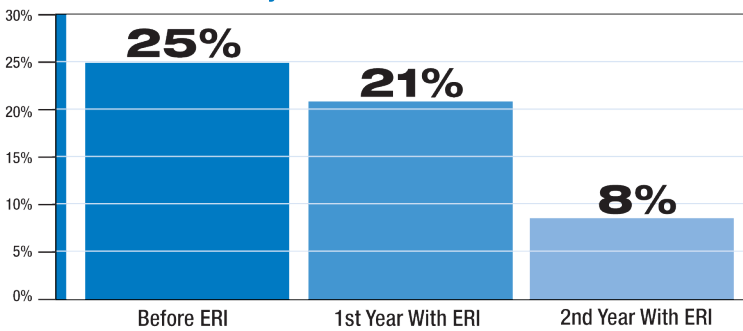
Over a two year period after the ERI® was introduced, turnover dropped 68% (from 25% to 8%)

Hours Lost From Work Related Accidents As Percent of Total Annual Scheduled Hours

7.7% Hired Without ERI
1.8% Hired With ERI
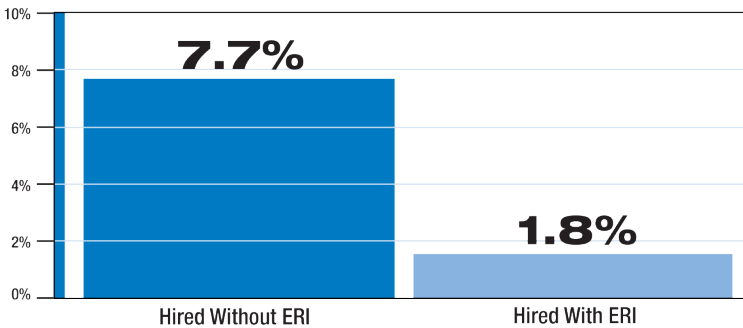
Workers hired with the ERI® had 76% fewer hours lost as a result of accidents than those hired without the ERI®.

Hours Lost From Unauthorized Absence As Percent of Total Annual Scheduled Hours

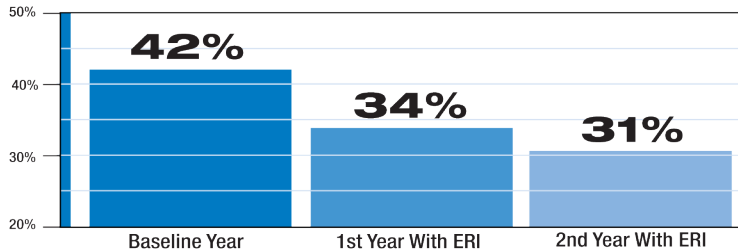**7.4%** Hired Without ERI
4.7% Hired With ERI

Workers hired with the ERI® were absent 36% less than those hired without the ERI®.

Resort hotel with 3,800 employees

NET SAVINGS USING THE ERI® SYSTEM: **$2,280,000 OVER TWO YEARS**

Three Year Change in Turnover Rate As Percent of Total Workforce

42% Baseline Year
34% 1st Year With ERI
31% 2nd Year With ERI

Over a two year period after the ERI® was introduced, turnover dropped 26% from 42% to 31%.

Three Year Change in Accident Rate As Percent of Total Workforce

4.1% Basline Year
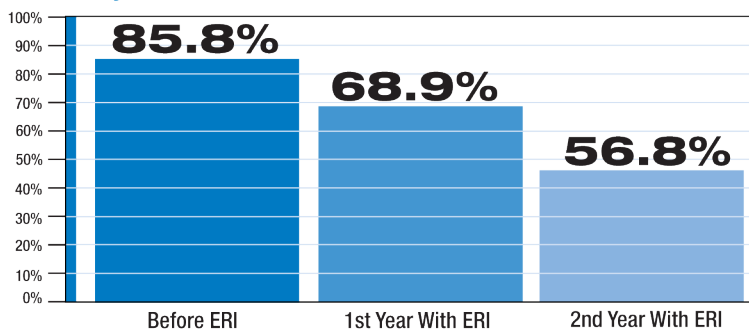**3.0%** 1st Year With ERI
2.9% 2nd Year With ERI
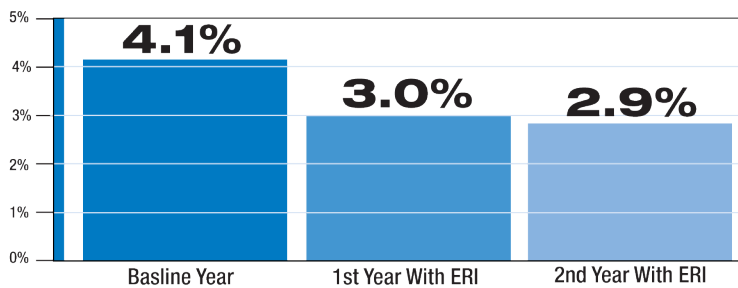
Over a two year period of using the ERI®, the rate of work-related accidents dropped 29% from 4.1% to 2.9%.

Hotel Conference Center with 360 employees

NET SAVINGS USING THE ERI® SYSTEM: **$155,600 ANNUALLY**

Voluntary Turnover As Percent of Total Workforce

85.8% Before ERI
68.9% 1st Year With ERI
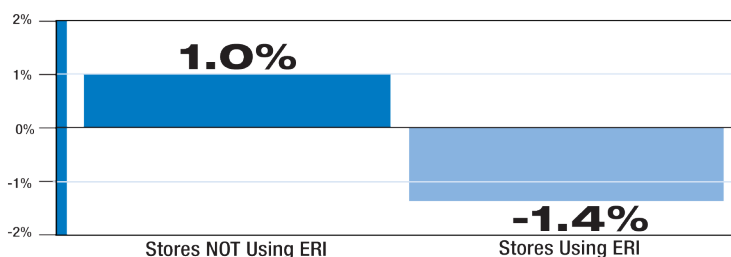**56.8%** 2nd Year With ERI

Over a two year period after the ERI® was introduced, turnover dropped 33% from 85.8% to 56.8%.

Retail sales organization with 96 stores

NET SAVINGS USING THE ERI® SYSTEM: **$4,018,500 ANNUALLY**

Relationship Between ERI® Use and Average Change In Shrinkage Percent Across 96 Stores

1.0% Stores NOT Using ERI
-1.4% Stores Using ERI

There was a significant decrease in shrinkage percentage for stores using the ERI®.

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HOW DOES THE ERI® WORK?

Using the ERI® is a standardized, objective, and highly accurate method for assessing the work behavior skills of job candidates. The results provide crucial details about a candidate - details that are not otherwise available to you. The results specifically identify areas of possible job related behavior problems, and how to address each one. Based on the level of reliability and productivity you require for a given position, you can use the ERI® *profiling process* to help you construct *behaviorally-based selection guidelines* for that position.

The ERI® is a behavior inventory, a commonly used and widely accepted method for accurately predicting human behavior. It contains statements which are answered as being either true or false. It can be completed in 12 to 15 minutes. Scores are presented for each of the seven work behavior skill areas assessed by the ERI®. These results predict the likelihood of reliable and productive work behavior in each of the seven skill areas.

During interviewing and reference checking you can use a candidate's results to systematically explore the specific work behaviors that have been identified as possible problems. This process is simple and straightforward. Interviewing and checking references becomes more objective, structured, and focused. By concentrating on the specific work behavior problems identified by the results, you are able to accurately assess job candidates in an extremely time-efficient manner.

SEVEN WORK BEHAVIOR SKILLS ASSESSED BY THE ERI®

Freedom From Disruptive Job Performance

Assesses the likelihood that a candidate's work performance will be reliable. His/her performance will not be disrupted by behaviors such as inattentiveness, lost time, failing to follow through on assignments, or other inappropriate work behaviors.

Courtesy

Assesses the likelihood that a candidate's interactions with customers/guests will be characterized by a high level of courtesy and commitment to service.

Emotional Maturity

Assesses the likelihood that a candidate's work performance will be characterized by mature behavior, and that it will not be disrupted by the presence of maladaptive personality traits such as irresponsibility, poor judgement, difficulty in working cooperatively with others, low frustration tolerance, or poor impulse control.

Conscientiousness

Assesses the likelihood that a candidate will perform on the job in a productive and conscientious manner and will not be fired.

Trustworthiness

Assesses the likelihood that a candidate will perform in a trustworthy manner and will not engage in various forms of property deviant behavior.

Long Term Job Commitment

Assesses the likelihood that a candidate will make a long term commitment to the job and will not quit.

Safe Job Performance

Assesses the likelihood that a candidate will perform on the job in a safe manner and will not have a significant on-the-job accident.

RESULTS ARE EASY TO UNDERSTAND AND EASY TO USE

Results are presented in an *easy to understand graphical format.* For purposes of comparison, norms and approximate percentile scores are available for each of the scales. You can compare each job candidate's scores to those of individuals with documented evidence of disrupted job performance. *Potential problem areas are clearly identified.*

The ERI® provides seven sets of structured follow-up questions that you can use during interviews and reference checks. The questions help you to focus your interviews and reference checks on the specific areas of work behavior that the results have identified as possible problems. You can use these questions to help determine why a candidate may have scored poorly in particular areas.

The answers to these questions will help you to integrate results from the ERI® with all of the other information about the candidate that you collect during the hiring process. During interviews and reference checks, and before making a hiring decision, you can use the structured followup questions to systematically explore each of these specific areas of work behavior.
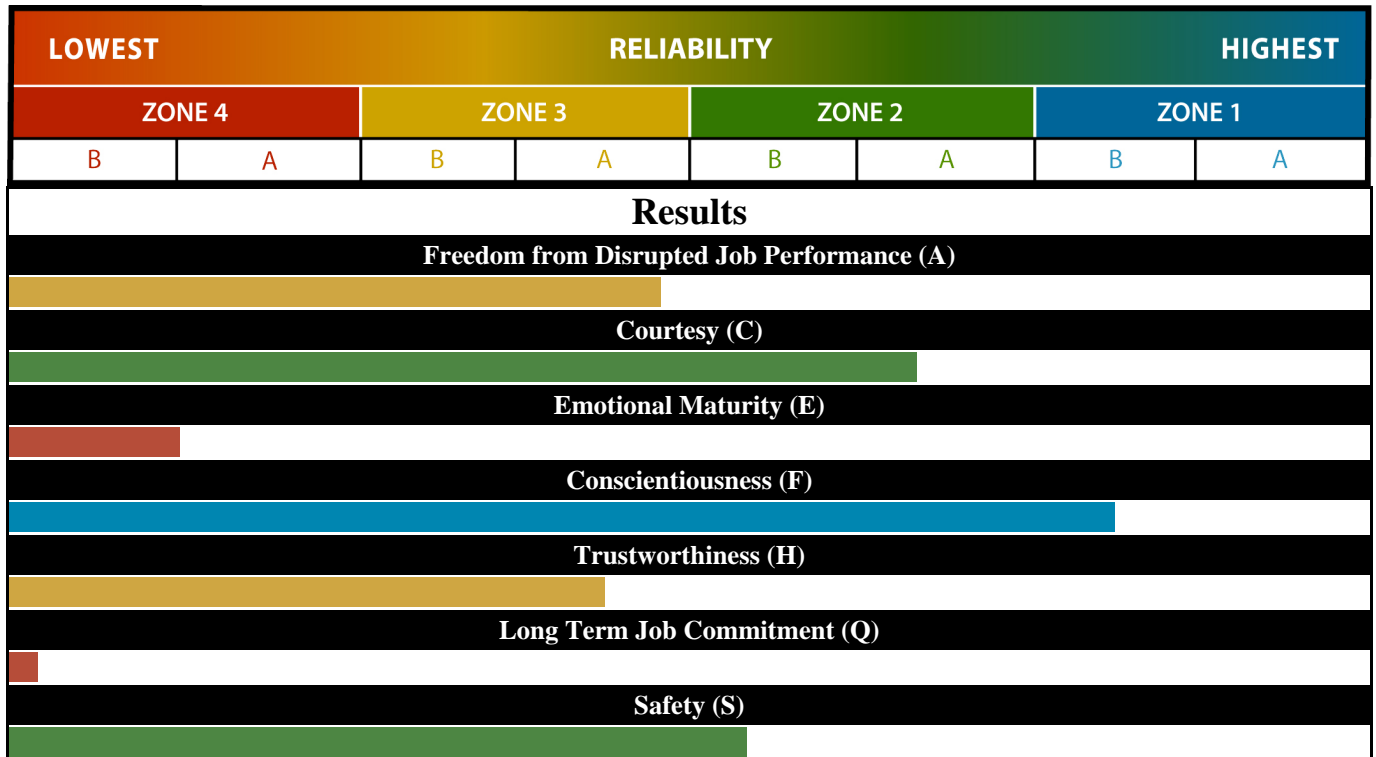
Whenever a candidate scores poorly on a particular scale, you can use the follow-up questions to quickly collect additional information relevant to the specific work behavior skills identified by the results. The answers to these questions will help you to more easily and accurately correlate all of the information you have collected about the candidate. This will help you to make a more informed, fair, and accurate hiring decision.

THE ERI®'S CREDENTIALS

- The ERI® has been in continuous use since 1986. Over 7,000 companies have used the ERI® to help them achieve their strategic priorities.

- Developed over a five year period by a team of psychologists and human resource specialists, headed by Gerald L. Borofsky, Ph.D. Dr. Borofsky is a faculty member of Harvard Medical School and an internationally-recognized authority on the development and use of assessment systems. He has contributed to Congressional policy in the area of pre-employment assessment.

- Research published in professional journals documents the validity of the ERI® in the context of actual job performance.

- Research has consistently shown that with respect to race, gender, and age, use of the ERI® does not result in adverse impact, as defined and measured in the *Uniform Guidelines on Employee Selection Procedures*. Furthermore, the ERI® does not use within-group norming ("race norming").

- The ERI® does not use intrusive statements or questions.

- In the ERI® System there are no fixed "cutoff" scores. A job candidate does not "pass" or "fail".

- Use of the ERI® is fully integrated into the overall hiring process. It is not used by itself to make hiring decisions. The answers that a candidate gives to individual statements on the questionnaire do not, in themselves, form the basis for making any type of hiring decision.

- Because candidates want "to put their best foot forward" when applying for a job, the ERI® was developed and validated using a method which provides accurate results whether or not the job candidate answers truthfully.

Psychometrics Canada Ltd.   www.psychometrics.com   1.800-661.5158

EMPLOYEE RELIABILITY INVENTORY

Applicant Name: Donald Sample
ID: ERITwos
Company: Natcon
Date Scored: 2 Mar 2012
ERI Number: 1053449

LOWEST		RELIABILITY				HIGHEST	
ZONE 4		ZONE 3		ZONE 2		ZONE 1	
B	A	B	A	B	A	B	A

Results

Freedom from Disrupted Job Performance (A)

Courtesy (C)

Emotional Maturity (E)

Conscientiousness (F)

Trustworthiness (H)

Long Term Job Commitment (Q)

Safety (S)

The seven ERI® scales assess the *likelihood* that -

Freedom from Disrupted Job Performance (A)
Applicant's activities outside of work will not disrupt his/her performance and productivity through behaviors such as inattentiveness, unauthorized absence/lateness, failing to follow through on assignments, or other inappropriate work behaviors.

Courtesy (C)
The applicant's interactions with customers/guests will be characterized by a high level of courtesy and commitment to service.

Emotional Maturity (E)
The applicant's performance and productivity will not be disrupted due to the presence of maladaptive personality traits, such as irresponsibility, difficulty in working cooperatively with others, poor judgment, or poor impulse control, etc.

Conscientiousness (F)
The applicant will perform on the job in a productive and conscientious manner, and will not be fired in the first 30 days of employment.

Trustworthiness (H)
The applicant will perform on the job in a trustworthy manner and will not engage in various forms of untrustworthy behaviour.

Long Term Job Commitment (Q)
The applicant will show a long term commitment to the job and will not quit within the first 30 days of employment.

Safety (S)
The applicant will perform on the job in a safe manner, and will not have a significant on-the-job accident in the first 4 months of employment.

Further interpretive information:

Under no circumstances should the decision to hire or not hire an applicant be based solely on his/her ERI® results. Hiring decisions should be based on a review of ALL information collected by you during the applicant evaluation process.

Because of the variability inherent in any type of scores, small differences in results should never be the basis for making decisions about applicants or for comparing applicants.

The following table can be used to help you approximate where an applicant's results fit, relative to scores obtained by other job applicants. This table shows the approximate percentage of job applicants who obtain *poorer* scores on that particular scale. The table is based on a group of job applicants (N=60,670) who completed the ERI® as part of their pre-employment processing. This normative group represents all 10 Standard Industrial Classification (SIC) Code Divisions, 54 Major SIC Groups, and a wide range of job categories.

SCALE	Zone 4		Zone 3		Zone 2		Zone 1	
	B	A	B	A	B	A	B	A
A	0%	2%	6%	18%	38%	63%	83%	96%
C	0%	2%	15%	20%	34%	54%	83%	95%
E	7%	5%	8%	13%	22%	45%	79%	95%
F	0%	7%	8%	10%	13%	31%	67%	91%
H	0%	2%	3%	7%	14%	33%	66%	91%
Q	0%	13%	14%	16%	18%	36%	72%	93%
S	0%	6%	11%	22%	29%	54%	78%	93%

NOTES:

The number in each cell represents the approximate percentage of job applicants in the normative sample who obtained scores on that scale which were **poorer** than the job applicant's.

As an illustration of how to use this table, please note that in the normative sample, the number **10** appears in zone 3A for the "F" scale. This indicates that scores in this zone are at approximately the 10th percentile (approximately 10% of the job applicants in the normative sample obtained scores on the F scale that were poorer than zone 3A, or put slightly differently, approximately 10% of the normative sample obtained F scale scores in zones 3B, 4A or 4B).

For Help: If you have questions regarding the administration, scoring, or interpretation of the ERI® please call Psychometrics ERI® technical support: (780) 469-2268 or if outside the 780 area, (800) 661-5158.