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Automated Hiring Reduces Turnover

By *Ronnie Gunnerson*

As retail training and development professionals well know, high employee turnover is quite possibly the most expensive of all challenges facing retailers. At an average annual rate of more than 100 percent, employee turnover costs retail chains billions of dollars a year, according to the Institute for Retail Excellence. Not only does an understaffed store incur additional overtime expense, but it also loses significant sales, because new and inexperienced employees are unable to properly assist customers. And that's before factoring in the costs of hiring and training new workers—who may stay only two to three months.

Troy, Michigan-based JobApp Network has found an innovative solution to this costly challenge that is being used by some of the best-known fast-food chains in the country, including Pizza Hut, Burger King, Taco Bell, Subway, and Church's Chicken. A number of large retailers are now starting to use JobApp's hiring solution, including Belle Tire, DownTown and Locker Room.

JobApp Network provides a unique subscription-based automated phone and Internet solution for these organizations, as well as employers in a variety of other industries (for example, 2000 U.S. Census). Recognizing that 80 percent of all hourly employees in the United States work within five miles of home, according to the U.S. Bureau of Labor Statistics, JobApp created a novel, low-cost, low-maintenance and surprisingly low-tech patented dispenser designed to capture walk-in traffic. Called the JobApp Dispenser, it is a simple, albeit ingenious, take-a-ticket dispensing machine akin to those found in delicatessens.

Why the focus on walk-ins? Even in this high-tech world, 75 percent of all new hires in the restaurant and retail businesses are still sourced on walk-in traffic, according to People Report. For every one person who finds a job using an Internet job board, three to five people find jobs by walking into a store or restaurant to apply.

When they walk into a location with a JobApp Dispenser, applicants pull a ticket that looks like something from a deli; instead of a queue number, an invitation to apply for a job appears on it along with a telephone number and web address. Underscoring the importance of offering both options, a 59-store Burger King franchisee, Team Schostak Family Restaurants, recently reported that 41.4 percent of their applicants during its first five months of using JobApp applied by phone; 58.6 percent, by web. Team Schostak experienced more than a 50 percent drop in turnover in the JobApp restaurants. Not surprisingly, the chain is now expanding its rollout of JobApp.

Another client, Church's Chicken, achieved a 63 percent reduction in turnover over six months in a 46-restaurant rollout. As a result, the chain announced in April that it is implementing the JobApp Network across all of its 272 corporate-owned restaurants in the United States.

And National Coney Island, a 20-unit restaurant operator with approximately 1,000 employees, cut employee turnover by 28 percent in 12 months, resulting in annual savings of about \$20,000 per restaurant. Estimating that it costs more than \$1,500 to recruit, hire, train, and develop a National Coney Island

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employee, the company saved \$420,000 across all locations on turnover alone.

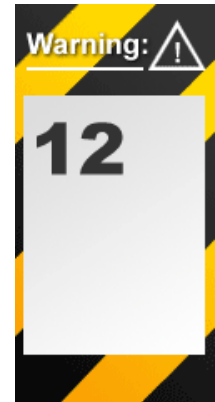
The Dispenser is but the first step in a process that streamlines and standardizes hiring for organizations that need large numbers of hourly or part-time workers on short notice across numerous locations.

Here's how that process works:

- JobApp provides employers with a toll-free hiring line (for example, 1.888.JOBS.4.YOU) and a unique web-based URL.
- Hiring managers post job openings via their own secure web management console or by calling JobApp's customer care line.
- Hiring managers can then use traditional sourcing methods as well as the dispenser, which captures active and passive job seekers at the store level while taking up less than one square foot of space.
- Job seekers call the employer's hiring line or log in to its web-based URL to apply in either English or Spanish anytime 24/7. JobApp prescreens and scores applicants on a simple yet sophisticated five-star scale, matching them not just to open positions but also to open positions nearest their homes. Thus, hiring managers review profiles for only the most qualified candidates; they can even listen to candidates' open-ended responses to interview questions through a unique "VoiceView" feature.
- Finally, JobApp offers applicant tracking and reporting capabilities, while helping customers comply with federal, state, EEO and Sarbanes-Oxley requirements and integrate with most major HRIS and payroll systems.

JobApp Network's pre-qualification system allows managers to select the best candidates for specific jobs in a matter of seconds. They spend no time with unqualified applicants, have a pre-qualified pool of candidates always at the ready, and can spend more of their time managing their facilities.

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