

Newsletter

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We're all experiencing a new economic condition these days—slow recovery without job growth. While the pundits scramble to come up with new words to describe the condition, those of us wrestling with the problems every day see high unemployment figures combined with a shortage of quality job applicants. Where have the good ones gone, and who are these people I keep seeing at interviews? If so many are out of work, why can't I find a good one? This issue focuses on the challenges of identifying a good one, when he or she shows up!—editor

Special Points of Interest

Customer Service—a perennial challenge.

Reducing the Rate of new-hire failure.

Background Checking made easy!

Thoughts on time...

DO YOU REALLY WANT TO CATCH A THIEF?

Wouldn't you rather just not have to deal with one?

According to John Case, a Certified Protection Professional with over 25 years of experience in employee theft prevention, "Employee theft is clearly one of the most costly, misunderstood and underestimated business problems facing today's management."

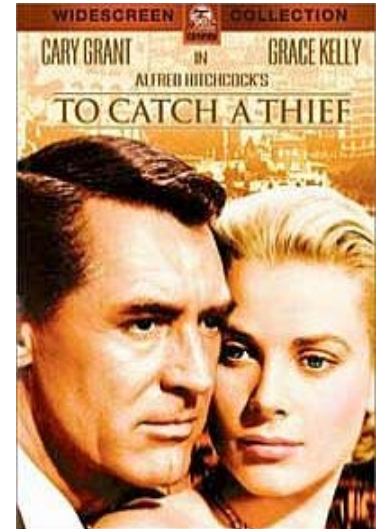
Studies conducted by the Department of Commerce, the American Management Association, and several other reputable sources have estimated that the problem costs US businesses between **\$60 and \$120 billion per year!** (And that doesn't include the money spent to provide theft prevention services.) To translate this to a number that means something to your own business, think 3% of gross sales!

What do employees steal? Product, inventory, supplies, cash, trade secrets, and a lot more.

An important fact to remember when forming your strategy for preventing theft in your business: **less than 10% of the employee population is responsible for 95% of all theft!** There is also a direct relationship between drug abuse and employee theft.

How do you stop employee theft?

1. Conduct a security review of your operations: where are you vulnerable?
2. Educate supervisors and employees about the effect of theft on your business.
3. *Don't hire those who will steal!* Use a combination of employment screening tools and background checks to select those unlikely to steal.



4. Audit your losses. You may be surprised what is missing!

5. When you do catch a thief, prosecute! You can send a message to your entire workforce: We expect and demand honesty here.

**"You may have to fight a battle more than once to win it."
— Margaret Thatcher**

CUSTOMER SERVICE PERSPECTIVE—HOW'S YOURS?

When an organization decides to improve customer service, the approach is generally focused on two things: Philosophy, and measurement of customer attitudes.

What if, in applying those two things, you could also

measure the behavioral characteristics of your people and their proficiencies in areas critical to good customer service? What if you could match them against a high standard of performance in actually delivering good customer service?

What if, as you hired for customer service people, you could predict whether they would actually fit the job?

And what if, finally, you could compare the attitudes and perspective of your people with your Company's perspective?

Profiles has introduced a new assessment that does all of these things, and does them in an easy, cost-effective way!

Ask your Profiles representative to tell you about the Customer Service Perspective today—your customers can't wait!

THE CHALLENGE OF FULL EMPLOYMENT

While unemployment figures for the nation would lead one to believe that it's a hirer's market, our clients tell us otherwise. In health-care and manufacturing, employers are facing the challenge of too many open jobs, not enough good applicants!

When faced with the dilemma of needing a worker, and needing one now, there's a great temptation to resort to "fog-a-mirror" hiring, especially if the open position requires a license or certification that is in short supply.

On the other hand, no matter how shorthanded we are, no matter how

urgent the need, very few of us would knowingly hire a thief, or someone who would treat our customers badly, or an employee that we were sure would not show up for work just when we needed them most.

The problem, of course, is that we don't often know that the applicant has these fatal flaws, and if we are both shorthanded and not certain about these negatives, we are very tempted to fill the position,



Healthcare Workers in short supply!

and just hope for the best! Of course, when we do, our business, our customers, and our employees pay the price! Using a reliable, proven, and legally compliant pre-hire screening can help avoid this kind of costly mistake.

Background checking is growing in popularity with employers who are concerned about liability for negligent hiring, false information on resumes...

Background Check Services Through Profiles International

We are pleased to announce that Profiles International now offers a comprehensive, professional, and extremely easy to use background check service. Priced to be competitive with even the much less thorough services that clutter the market, our service is both very complete and very inexpensive.

Background checking is growing in popularity with employers who are con-

cerned about liability for negligent hiring, false information provided on resumes and application forms, and making sure that they are hiring the best employees available.

This new service is designed much like an "a la carte" menu, where you choose which kind of checks are important to you (on a case-by-case basis), and only pay for the service you need.

In most cases, we can de-

liver a turnaround time of 72 hours or less. You are protected by our Errors and Omissions Liability Insurance, our knowledge of and strict adherence to the legal requirements for background checking, and our 99.9% customer satisfaction ratings!

If you would like more information and the surprisingly low cost on this risk reduction service, just call us today—the number is on the bannerhead!

Thoughts on the Value of Time...

Imagine a bank that credits your account each morning, with \$86,400.

It carries no balance overnight, deleting whatever is left in your account each midnight. How would

you manage such an account?

By using every cent! Each of us has such a bank: it is called TIME!

At the beginning of each new day, you are credited with 86,400 seconds. Every night,

it writes off every second you didn't invest to good purpose.

It not only carries no overnight balance, it allows no overdraft. You must invest it to get the utmost in health, happiness, and success.

CASE STUDY OF THE MONTH: IMPROVING THE BOTTOM LINE WITH SOS

This manufacturer of consumer products had been in the business for over 30 years. The management team was seasoned, the production lines were well-refined and efficient, but the rate of failures in their new production hires was simply unacceptable: a worker hired today had a less than 50% chance of still being on the job after 6 months.

The hiring process was a familiar one, with a new candidate's application reviewed by HR, a preliminary interview by an experienced interviewer in

the HR department, and a final interview and decision by the manager who would supervise the new hire.

This company checked references diligently, but often had trouble getting much information. They also used prehire drug testing, as well as random and incident/for cause testing.

Still, a 50% rate of failure!

The company introduced the Step One Survey, administering it to every applicant who had been invited to participate in an interview. For the first 150

assessments, the results were not provided to the hiring team. Data were collected on retention, firings, and on-job injuries. Based on these data, a criterion was established for a recommendation to consider for employment. In the next 6 months, the hiring team was provided with the SOS reports, used the structured interview questions, and considered the information they gained, as a part of their overall hiring process. The effects and benefits were summarized in the table below.

...but the rate of failures in their new production hires was simply unacceptable: a worker hired today had a less than 50% chance of still being on the job after 6 months.

<p>Before Using Step One in Hiring:</p> <ul style="list-style-type: none"> • Failures in first 6 mo.=29% • Fired in first 6 mo. = 9% • Injuries in first 6 mo. = 9% • Average "missed hours per week worked" in first 6 mos. was 2 hrs per week. 	<p>When Using Step One in Hiring:</p> <ul style="list-style-type: none"> • Failures in first 6 mo. reduced by 30% • Firings in first 6 mo. reduced by 45% • Injuries in first 6 mo. reduced by 33%. • Missed hrs. reduced by 30%
<p>Benefits: Savings in cost of turnover @\$6,000/hire: \$360,000 Savings in cost of on-job injuries @ \$14,000/injury: \$168,000 Savings due to reductions in missed hours: \$252,000 Savings in cost of interviews (fewer interviews required): \$ 5,475 Cost of the assessment program: \$ 18,500 Documented Net Benefits: \$776,975</p>	

Do you know your new-hire failure rate?

Often, a company will be proud of a rather low turnover rate—perhaps as low as a percentage in the teens.

What may not be calculated, and what is often a deeply hidden cost of doing business, is the rate of failure of newly hired em-

ployees. This is where training dollars are often concentrated, where the greatest potential for serious injury exists (because of lack of experience), and where much of the HR effort is expended.

The stable core, people who have been with the

company for a long time, tend to obscure the real costs of new hire failures.

Calculate your turnover, but also keep track of just how probable it is, that the bright young face you hired yesterday will be here to celebrate 6 months on the job!

The first quality of courage is to
launch with no guarantees.
The second quality of courage is
the ability to endure
when there is no success in sight.

—Brian Tracy



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