

ARE YOU HIRING THE RIGHT PEOPLE?

By Joe Picone

The Willis Strategic Outcomes Practice's Claim Department manages losses every day for clients in a variety of industries. Recently, a client called to let us know that an injured worker suffered a traumatic injury when the worker's hand became lodged inside a heavy-duty press. After three hours of trying to disengage the machine, a medical doctor was called to amputate the hand at the scene. This was traumatic to the worker, his co-workers and our client. On the same day, another employer reported that a teacher's aide slipped and fell on a wet floor caused by a leaking roof. It had rained over six inches the night before and the roof was leaking in several places at the school where the teacher's aide works. After going to the hospital, the teacher's aide was diagnosed with a hairline fracture of her wrist.

On the following Monday, two very different outcomes to the above scenarios were reported:

The Workers' Compensation manager for the factory worker's company visited the employee who lost his dominant hand. When the manager went to his house, his wife directed her outside to the back of the house, "He's outside staining the deck." The manager found him indeed using a paint brush. "What are you doing?" she asked. "You should be taking it easy." He replied, "I figure I ought to start learning how to use my right hand. I'm 59 and I don't want to retire. I want to keep my job; it means everything to me. If I can get a hook for my left hand, I

know I can still operate the press. Please, don't give up on me." The Workers' Compensation manager, with tears in her eyes, told him, "We've got your back, you're part of our family, whatever you need, we'll keep you working at the factory."

The other injury had a different outcome. The teacher's aide did not return to work on Monday. She already had an attorney, stating, "I have no intention of returning to work anytime soon. I've sustained a very serious injury. You'll have to speak to my attorney." Furthermore, she sought treatment from a doctor who takes only personal injury-related cases via attorney referrals. She later refused to be examined by an independent physician and the employer had to petition the Workers' Compensation courts to have her attend the exam. When she finally did so and was given a 100% full recovery, she still refused to return to work.

Why do these two stories differ so much? Why does one worker in a strenuous job with an amputation want to come back to work immediately, while a worker in a non-physically demanding teaching job with a simple fracture wants to prolong her disability?

The answer is in the question: "Are you hiring the right people?" Let's face it; there are two factors that determine the outcome of any

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Worker's Compensation claim: the employee and the doctor. If either of these factors is misaligned with your risk management objectives or tainted, your predicted outcome for a claim will be poor. For the purpose of this article, we will focus on the employee.

These scenarios clearly demonstrate that you need to hire the right people. But how does an employer go about doing that? We propose two solutions: Integrity Testing and Physical Capabilities Testing.

Pre-employment screening helps companies reduce the risk of making a bad hire. Bad hires come in many flavors. Some are criminals who would prey upon your company's assets, customers, vendors, employees and ultimately, reputation. Some are liars and some perpetrate fraud. They lie (they create false information) about status, completion, expenses, profitability and their responsibility for failure. Some bad hires are temperamental, angry and violent. They might need only a spark to become explosive and do harm to themselves and those around them. Still others may endanger themselves, coworkers, clients and your company's profitability by abusing drugs and alcohol in the workplace. Some bad hires take minimal severity claims and escalate them into claims costing employers hundreds of thousands of dollars. The list goes on.

These issues are nothing new. The good news is that there are tools, both traditional and new, that can greatly enhance the applicant screening process. The traditional approach has been to use background checks to identify the problem candidates and screen them out of the applicant pool. They include investigation of criminal history, verification of education and previous employment, validating professional credentials and review of credit histories. More recently companies have added drug screening to the collection of tools used in identifying the potential bad hire. Even with the significant success that has been achieved with this set of pre-employment screening tools, there are still too many bad hires progressing through the system and becoming employees.

Industrial/organizational psychologists have been working on these and related problems for some time and have added the weight of their research and science to the growing body of knowledge on the subject. Known as "integrity testing," these newly developed tools consist of surveys that target specific negative behaviors that have caused much grief, all of which revolve around impulse control, or the lack thereof. Those negative behaviors are:

- The abuse of drugs or alcohol in the workplace
- Hostility and violence in the workplace
- Lying and deception in the workplace, including false claim submission or malingering
- Employee theft

One company providing integrity testing, American Tesco, LLC, offers an efficient integrity test which asks 73 questions to applicants. Specifically, this test can hone in on applicants with an "entitlement mentality." Case studies done by American Tesco show that by applying a simple integrity test during the application process, an employer can lower the average lost-time days per Workers' Compensation claim by 33% and reduce the average WC claim costs by over 40%!

Integrity testing, when applied consistently and in conjunction with the traditional background screening tools, can be highly effective in identifying those candidates who should be removed from further consideration in the applicant pool. Traditional tools are good, important and should still be used; however, they are not always effective in answering the questions that matter. For example, criminal history might tell you about a job candidate's DUI conviction some years ago, but it says nothing about the candidate's current propensity to abuse drugs or alcohol on the job. Another example: a shoplifting conviction some years ago might indicate nothing about a current



propensity to submit a false claim or malingering on a Workers' Compensation Claim. We encourage clients to learn more about integrity testing and how it directly correlates to lower Workers' Compensation costs.

The second solution we propose is to implement a procedure of doing pre-hire, pre-job transfer and post-injury physical capabilities evaluations. You can select a person with "integrity," but you also need to align your selection process with those applicants that can physically perform the job. A recent study by a company that specializes in these services, Industrial Physical Capabilities Services (IPCS), showed that one employer, upon implementing a physical capabilities assessment program, experienced a 42% reduction in lost time claims with an annualized savings of almost \$2 million dollars. This employer experienced an ROI of \$30 for every \$1 spent on the assessment program over a four-year period. The process is simple. The physical capabilities testing company evaluates new hires, return-to-work cases and job transfers. Then, the testing company accurately and safely matches the physical capability of the worker to the physical demands of the job. These types of assessments help employers significantly reduce both frequency and severity of over exertion injuries.

It's clear that we live in a litigious society. We also have applicants that come with less than desirable backgrounds and often come to us in poor physical condition. Employers need to pay close attention to the integrity and physical capabilities of their employees. In doing so, they'll improve safety performance, lower Workers' Compensation costs and make their workplace more productive, providing a greater ROI on their human capital investment.

CONTACTS

To learn more about integrity testing and how Willis can help you lower your Workers' Compensation costs, please contact your local Willis Client Advocate®/Risk Control/Claim Consultant or:

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