

Applicant Screening for Dummies...

How Not to Hire High-Risk Employees

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Overview

What is a “high risk” employee?

What is Integrity Testing and how can it identify high-risk job applicants?

Sample test questions

Validity study: Cornell University

“High Risk” Employee

- Absenteeism
- Substance abuse
- Violence, threats
- High benefits usage – entitlement mentality
- Frequent WC claims - malingering
- Theft: cash, supplies, material, merchandise
- Grievances, litigation
- Personal / family problems

High Risk Includes High Status

- Tiffany and Co. employee charged with theft of jewelry valued at \$145k
- Wells Fargo branch manager embezzled \$500k via cashiers checks
- Indiana Dept of Revenue employee diverted \$24k from 17 different accounts
- 2006 – Radio Shack CEO resigned when falsehoods in his resume were confirmed

Statistics: High Risk EE's

According to US Dept. of Labor:

- Substance abusers are 10X more likely to steal from job or others
- Drugs and alcohol involved in 65% of on-the-job accidents
- Up to 50% of WC claims are related to drug and alcohol abuse in the workplace

Statistics: High Risk EE's

Nat Council on Alcoholism & Drug Abuse:

- 3X more sick days required by drug/alcohol users

US Bureau of Labor Statistics:

- Employees under 1 year incur 42% of WC injuries.. *13% filed in the first 3 months!*

WC as a “Window”

- Contentious WC claim is usually indicative of a “High Risk” employee
- Other issues are simultaneous
 - Performance, attendance, disciplinary problems
 - Substance abuse
 - “Beefs” with supervisor or co-workers
 - Trouble with the law
 - Family / personal problems

“High Risk” Employee

- Clearly identified *after the fact!*
- Damage already done
- Corrective action is costly, time consuming and cumbersome:
 - Litigate
 - Pay-off
 - Terminate
- Negative impact on others is incalculable

Its All Connected

- Job Performance
- WC & Benefits Usage
- Reliability
- Honesty

.....*Integrity* on and off the job

Layman's Reference

- "Sociopath" – to a sociopath, other people or situations are either "useful" or "in the way"... the two extremes are mutually exclusive, there are no qualms about dispatching what is "in the way"

Layman's Reference

- "Cognitive Dissonance" – anxiety in the personal rationalization of what one knows is bad behavior or bad actions... *how one struggles to live with them self as a sociopath!*

Simplified Common Denominators

- Sociopaths can rationalize, defend and live with their abusive, destructive, deceitful tendencies and overall bad behavior.

Example: its ok to steal from the cash register because the boss is a jerk... or...we couldn't get overtime last Saturday so I am not even coming in on Monday

Simplified Common Denominators

- Part of the Cognitive Dissonance antidote is to actually believe “everyone else does it”.
- Another part of the antidote is deciding that others are “worse” in some degree.

*Examples: I only stole \$20, Joe stole \$50...
or... I call in sick once a month, but those
people that are late almost every day are
the real problem...*

The Golden Question...

Can Applicants Be Screened for These
Risk-Tendencies?

The Answer

Integrity Testing is a proven method

Common Screening Tools Might Not Test Integrity

- Physical Capabilities Testing: ok presuming the employee will only claim for *real* injuries
- Drug Testing: “clean” test misses the likelihood to use drugs in the future or the propensity for “addict” behavior.
- “Personality” Tests – more general...don’t specifically address the applicant’s participation in particular “high risk” behaviors: drugs, theft, violence, etc.

Can High Risk (Low Integrity) Be Screened?

We can't test for symptoms (manifestations) –
by then it is too late!!

- Consider how tests for certain biological diseases screen for “antibodies”
- When it comes to the level of one's integrity, “Antibodies” Are Cognitive Dissonance!
- *Integrity testing successfully identifies cognitive dissonance and as such identifies high-risk applicants*

Integrity Tests

- American Tescor, Inc.
- Personnel Selection Inventory
- Reid Report
- Stanton Survey

My “Awakening”

- RJM Manufacturing, Philadelphia Area
 - Tape products Manufacturer
- Newsletter reader, Personal Friend
- Called me regarding success using American Tescor
- 5 years – 66% reduced costs, x-mod dropped from 2.037 to 0.726

How the Test Works

American Tescor Example:

70+ Questions

Four Categories:

- Drugs/substance use
- Violence/Hostility
- Theft (Including false WC claims & absence/tardy)
- “Faking” / Control Questions

Sample Question- Drugs

If you took a drug test (UA, urinalysis, urine test) right now, would you pass?

- a) Would definitely pass
- b) Might not pass due to recreational drug use
- c) Would likely fail due to recreational use
- d) Would definitely fail due to recreational drug use

Sample Question- Drugs

When do you use marijuana (pot, grass)?

- 1) While at work or school
- 2) While driving
- 3) Only on my own time
- 4) Never

Sample Question- Drugs

Excluding medicine from a doctor, which of these recreational drugs do you use?

- a) Marijuana and/or Cocaine
- b) LSD, Acid, Peyote
- c) Heroin
- d) None

Note: This same question asked numerous times for different drugs and drug names

Sample Question - Drugs

My work usually isn't affected if I use a recreational drug

- A) 1 Hour Before Work
- B) 2 hours Before Work
- C) During Work
- D) None Of The Above

Sample Question - Drugs

How often do you come to work under the influence of alcohol or drugs?

- a) Always
- b) Frequently
- c) Occasionally
- d) Seldom or never

Sample Question - Violence

If someone publicly insults you it is appropriate to hit or fight that person

- a) Always
- b) Sometimes
- c) Rarely
- d) Never

Sample Question - Violence

While busy working, how often have you made a rude (mean, hostile) comment to someone you thought deserved it?

- a) Always
- b) Frequently
- c) Sometimes
- d) Never

Sample Question - Violence

Would you agree that people would take advantage of you if you were afraid to hit them?

- a) Agree
- b) Mildly Agree
- c) Mildly Disagree
- d) Disagree

Sample Question - Violence

How often have you had to hit someone to get that person to stop bothering you?

- 1) Never
- 2) Rarely
- 3) Occasionally
- 4) Frequently

Sample Question - Violence

How often do you meet a person who is so rude (hostile, mean) that they deserve to be hit?

- a) Frequently
- b) Occasionally
- c) Rarely
- d) Never

Sample Question - Theft

Not counting supplies like tape, pads, pens and paperclips, what is the value of items you secretly took from work in the past 2 years? :

- a) None
- b) \$5-25
- c) \$26-500
- d) \$501 or more

Sample Question - Theft

The most cash you ever took at one time from either a person or a company / organization is:

- a) Over \$250
- b) \$100-250
- c) \$Under \$100
- d) \$0

Sample Question - Theft

How often would you secretly take something from work if you felt underpaid?

- a) Never
- b) Occasionally
- c) Frequently
- d) Always

Sample Question - Theft

If you needed money really badly, would you ever fake a work injury to collect the insurance money?

- a) No
- b) Maybe
- c) Probably Yes
- d) Definitely yes

Sample Question - Theft

If you were hired for this job, how many days of work would you be late each month

- 1) None
- 2) 1 or 2 a month
- 3) 3 or 4 a month
- 4) 5 or more a month

Sample Question - Theft

In the past year, how often have you taken something from a store without paying for it?

- a) Never
- b) Once or twice
- c) 3 to 5 times
- d) 6 or more times

Sample Question - Theft

Suppose a good friend asked you to help take something from work without permission. Would you help?

- a) Always
- b) Frequently
- c) Occasionally
- d) Never

Sample Question - Theft

Think of things you secretly took from stores, friends and neighbors over the past 2 years. The value of things you have not yet returned is:

- a) None
- b) \$25-50
- c) \$51-500
- d) \$501 and above

Reliability: Can Test Be Faked?

Fake– Control Questions

Can identify possible attempts to “game” the test or lie with by selecting all assumed appropriate answers.

Example: it would be a risk indicator for applicant to proclaim he/she “never” told a lie since age 16.

Sample Question – “Fake Control”

Since age 16, how often have you told a lie?

- a) Frequently
- b) Occasionally
- c) Rarely
- d) Never

Sample Question – “Fake Control”

Have you ever pretended to be sick to get out of work or school?

- a) Frequently
- b) Sometimes
- c) Rarely
- d) Never

Sample Question – “Fake Control”

How often have you had to physically defend yourself?

- a) Never
- b) Rarely
- c) Occasionally
- d) Frequently

Sample Question – “Fake Control”

When it comes to work, I tell the truth
no matter how painful it is

- a) Never
- b) Sometimes
- c) Usually
- d) Always

Independent Study

Cornell University Center for Hospitality Research, "Cornell Hospitality Report"
Volume 7, No. 15, October 2007:

Title:

"The Truth about Integrity Tests: The Validity and Utility of Integrity Testing for the Hospitality Industry"

Cornell Study Conclusion

- Large hotel chain screened 29,000 applicants nation-wide
- Results eliminated high risks and narrowed the final hires to 6,100

Cornell Study Conclusion

WC cost comparisons, new screened hires versus legacy employees:

- Average WC claim cost w/screened employee = \$2119
- Average WC claim cost, unscreened legacy employee = \$3,446
- Annual average WC cost per EE:
Unscreened \$97.77; Screened = \$31.02

Cornell Study Conclusion

- Integrity test successfully identifies applicants with counterproductive work behaviors - those likely to steal, take drugs, file WC claims and engage physical altercations.
- Integrity tests meet legal threshold as non-discriminatory

Cornell Study Data

Sample of 1,152,358 aggregated test scores from Tesco system.

General results:

High Risk 31%

Moderate 17%

Low Risk 52%

Cornell Study Data

Theft Scale:

High Risk 17%

Moderate 0%

Low Risk 83%

- 55,099 applicants admitted to stealing \$14,389,381 in goods and cash.
- 248,927 total *admissions* of theft

Cornell Study Data

Drug Scale:

High Risk 13%

Moderate 0%

Low Risk 87%

- 300,807 total admissions of drug use by high-risk applicants
- 219,453 work-related admissions of drug use

Cornell Study Data

Hostility / Violence Scale

High Risk	1%
Moderate	7%
Low Risk	92%

- 18,987 applicants identified as high risk for violence
- 75,734 identified as moderate risk

Cornell Study Data

Faking / Control:

High Risk	7%
Moderate	17%
Low Risk	76%

- 84,000 applicants were identified as likely trying to “game” the test

Cornell Study: Legality

Meets 2 required thresholds:

- 1) It measures what it says it measures
– it is valid
- 2) Protected classes had passing rates well within margins as compared with the norm – it does not discriminate

General Issues, Cost and ROI

- Test is on-line, some use wireless PDA
- Cost depending on volume is \$20-45+ per applicant.
- Scoring provided by provider on line, secure system.
- WC improvement and turnover reduction or other productivity measures can be basis for ROI.

Other Thoughts

- Integrity testing should NOT be the sole screen: it should be made part of a process including all the “usual” pre-hire interviewing and screening activities.

Final Thought

- If you can't imagine how an applicant would make admissions on this test then *Congratulations!* You are not suffering from Cognitive Dissonance needing to believe that "everyone else does it" so "I'm ok".

Questions?

-Thank You-

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