

Staffing The Challenge of Screening Temporary Workers

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Despite the current recession, the U.S. staffing industry is anticipated to grow faster and add more new jobs over the next decade than just about any other industry, according to the American Staffing Association.¹

Customers of temporary staffing companies have high expectations of temps. Most expect that the temporary agency providing staff for them will have thoroughly vetted each and every worker. They want temps who are competent, productive, and co-operative.

Most of all, they want to avoid “High Risk” workers. They expect their temps to be free of troublesome traits including substance abuse, anger, theft and other kinds of dishonesty. Workers with these issues can be very costly for both the customer and the temporary staffing agency.

Theft Issues. Employee theft is not only very costly but a betrayal of the employer’s trust. Those who steal give a variety of reasons including personal crises and disappointments, dislike of the supervisor, job dissatisfaction, perceived workplace unfairness, revenge, and the perception that “everyone does it.” The problem of employee theft accounts for about 30% of business failures in the US.²

Substance Abuse Issues. Many dishonest workers are also substance abusers with drug habits to support. The vast majority of drug users are employed. And when they arrive for work, they don’t leave their problems at the door. A 2005 OHSA study reports that of the 17.2 million illicit drug users aged 18 or older in 2005, 12.9 million (74.8 percent) were employed either full or part time.³

Violence/Hostility Issues. Yet others of these “High Risk” workers are just plain angry people. One method angry workers use to express their hostility is by stealing from their employer. According to the USBLS, violent acts accounted for about 2% of all non-fatal injuries and illnesses in private industry in 2007.⁴

A large body of research has shown that “High Risk” workers who are dishonest and/or abuse substances and/or engage in violence are the ones prone to steal from their employers. These, then, are the “High Risk” workers who drain profits rather than make a positive contribution to their employer.

Workers’ Compensation Issues. Nor is employee theft the only profit drain they create. Our research has shown that these “High Risk” workers are also absent more often, and file the most frequent and most costly workers’ compensation claims. According to the USBLS, the worker injury incident rate for private industry is 3.9 (i.e., nearly 4 out of every 100 workers).

Not only are these claims expensive, but worker absences have the effect of lowering productivity. Staffing agencies are well aware of the pressures and expensive inconveniences created by unexpected absences.

Unemployment Insurance Issues. We also find that these “High Risk” workers, once terminated, are the same ones who most frequently file Unemployment Insurance claims. Once these people leave the payroll, either voluntarily or involuntarily, they are more likely to seek unemployment benefits than go out and look for another job right away. Our research indicates that, compared to Tesco Screened workers, unscreened workers are two and a half times more likely to file an unemployment insurance claim.

The solution to these problems is to hire only workers who do not engage in these High Risk, counterproductive behaviors. How can HR know for certain which job applicants will please the customer, and which will turn out to be problem employees? All staffing companies engage in some form of applicant screening, which offers both potential solutions and possible pitfalls.

Possible Pitfalls. Credit checks and criminal histories are two common, useful vetting procedures. Staffing agencies should be careful to comply with existing laws as they bear on their particular situation. In states like California, for example, the employer must obtain the applicant’s written permission to conduct a credit check or criminal history. Further, once the employer has received the background report, a copy must be provided to the applicant.

Drug screening is another time honored and useful method of vetting applicants. Unfortunately, many job applicants who use drugs are sophisticated in understanding how to pass drug tests. There are many web sites offering masking agents and adulterating chemicals that can be added to the urine sample to help the applicant pass.

Employers must be cautious to apply any background screening even handedly and not limit screening to applicants who are members of a protected class. That would be “disparate treatment” and unlawful.

Even if a screening procedure is administered even handedly, if it is found to have a “disparate impact” on a protected class (i.e., the failure rate of the protected class is greater than 20% that of the relevant comparison class), the employer must be able to show that the screening is valid.

One efficient and cost effective method is to carefully screen your applicants to identify which ones engage in theft, substance abuse and hostility by using a behavioral assessment tool.

The Merchants Pre-employment Integrity Test aka the Tesco Screening Program is such a tool. It is both valid and non-discriminatory. Applicants complete a psychological survey primarily via the internet. While there are other good screening methods, Merchants Pre-employment Integrity Test has been independently validated by Cornell University,⁶ shown to consistently reduce Workers’ Compensation Losses, and provides instant test results. Merchants Pre-employment Integrity Test identifies more thieves and substance abusers than do background checks and urinalysis.

Companies find that the Merchants Pre-employment Integrity Test, rather than being a cost, is an earnings driver. It produces a very high ROI and increases the bottom line. And it is one of the best investments you can make in your business.

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