



# Job Ready Services

Job Ready Services, LLC

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## Hiring Practices Linked to Worker's Compensation Injuries

Buck Lattimore, the Chairman of the NC Industrial Commission, shared some startling facts recently at a local conference:

- NC Worker's Comp costs: \$2.4 billion annually
- NC is the 10<sup>th</sup> largest worker's comp system in the U.S.
- NCIC claims last year: 66,324 – average cost per claim: \$36,186

These figures do not include indirect costs such as: higher insurance premiums, higher employee turnover, OSHA fines, absenteeism, associated labor costs & production loss, legal fees, lost benefits, personnel replacement, etc.

The cost of funding worker's comp has caused some NC employers to take their business outside the state and even the US.

Some employers consider their worker's comp claim costs as just part of doing business. While nearly all employers have differing opinions as to what keeps their company in business, they should all recognize the most important factor in the success of any organization: **the people that show up to work everyday.** The health of the company is directly tied to the health and well-being of these employees. Therefore, employers need to identify the physical abilities of their new hires from the point where the offer of employment is made. Otherwise, they may be hiring their next claim. Safety and wellness programs will be ineffective in reducing the likelihood of preventing a claim if the employee cannot physically and safely perform the physical demands of the essential functions of the job from day one.

### Things to consider regarding employee screening tools:

**Subjective surveys/interviews/applications:** According to the *Wall Street Journal*, 34 percent of all job applications/interviews contain lies regarding experience, education and the ability to perform essential functions of the job.

**Medical physicals:** May identify a significant medical condition but do not address the candidate's ability to safely perform the essential functions. Also, a hire cannot be negated unless there is significant risk of harm for the individual or for others.



### We know the numbers, now what about solutions?

Just finding the right people to employ is costly (\$3,000 - \$7,000 per hire) and frustrating- turnover becomes a bottom line problem many companies cannot afford to ignore. Some employers use screening tools, but unfortunately, those tools can be limited (see "things to consider..." above).

So what can an employer do to follow the rules, hire responsibly and reduce their worker's comp liability? **Post offer functional employment testing** is the answer for NC employers who want to take control of their risks and liabilities. Employers who use a comprehensive testing program will realize a **cost savings of 50 to 80%** the first year of testing. Thousands of employers across the country are using this method of testing to identify those persons who are not physically capable of doing the job or have a pre-existing condition that puts them at significant risk of injury.

### Other Benefits of employment testing:

- Reduction in lost time days
- Reduction in modifier rates
- Reduction in WC fraud & abuse
- Increased worker productivity
- Return on investment: 30 to 1
- More physically fit workforce
- Renewed focus on wellness

- Assistance on remaining compliant with federal hiring practices
- More comprehensive job risk analysis
- ADA and EEOC compliance
- Access to database of > 500,000 tests and workers

### Don't forget to register!

**February 22, 2007:**  
**Annual Seminar**

*"Workplace Strategies to Prevent Workplace Tragedies"*

Did you see the article about Job Ready in the Raleigh News and Observer?

Click here:

<http://www.jobreadyservices.net/NandODec06Article.pdf>

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**When are YOU going to start testing your employees and reducing your worker's comp costs and injuries?**

*Happy New Year*  
*From Job Ready Services*