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OCCUPATIONAL INJURIES DECLINE — DO WE KNOW WHY?

Correlation vs. Causation

The age-old confusion between correlation and causation is alive and well throughout our daily living. For example, everyone knows that higher speed limits cause more highway deaths, right? Actually, today's higher speed limits, combined with better vehicle design, have resulted in a traffic fatality rate that is less than half what we had under the national 55-mph limit! Which part is correlation, which causation?

The same kind of question, and confusion, may lead us to false conclusions about the success or failure of our attempts to make positive change in work-related outcomes.

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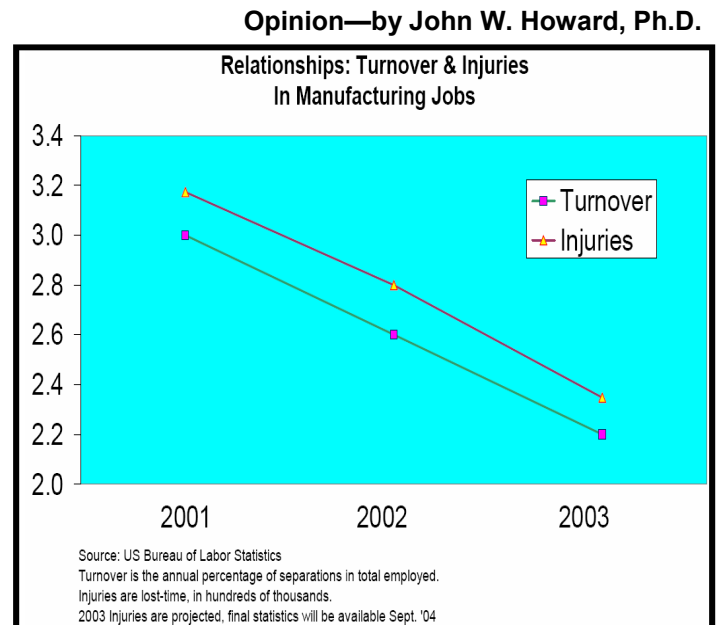
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Recently, we hosted a seminar on work-related risk reduction. The participants, all professionals in the area, were asked two questions: **What has happened to on-the-job injury rates over the past three years?** The answer, a group consensus: They have declined, by nearly 33%.

The second question: **What has caused the decline?** Again, with a high degree of agreement: The improvements in safety programs, including training, inspection, enforcement, and systems design.

I can't tell you this answer is wrong. I can agree there is a correlation between the increased emphasis on these things and the decline. But, what if it is not the cause?

Over the past three years, there has been a national decline in rates of turnover, and the graph shows how closely that parallels the decline in injury rate. What if all or most of the decline can be explained as an effect of lower turnover? It is widely believed that the turnover decline reflects the tougher job market in a down economy, and the rate is expected to rebound to historically higher levels when the economy



itself rebounds, and the job market improves.

If this proves to be the true causal agent, we will discover that we rapidly return to the high occupational injury rates of the turn of the millennium, and we may be called to account for the billions of dollars spent in safety, training, inspection, etc.

Bureau of Labor Statistics figures for the Manufacturing sector show that, in 2002, a worker with less than three months on the job was more than twenty-seven times as likely to suffer a lost-time injury, when compared to a worker with over five years on the job.

Studies of programs designed to reduce turnover have often shown, as a side effect of success, reductions in occupational injury rates. In one manufacturing study reported in Vol 1 #2 of this publication, a 33% reduction in injuries accompanied a 30% reduction in six-month hiring failures—and both were accomplished with a 40:1 return on investment!

As your business concentrates on improving safety and reducing risk, consider adding a strategic hiring/turnover reduction program to the mix. **Assessments, properly used, can help you meet your risk management goals.**

LOSING YOUR BEST—A REAL RISK

51% of the 3,000 workers in their sample wanted to leave their jobs, and 75% of those indicated that they were likely to leave in a year or less.

“ESCAPING” WORKERS—SUBJECT OF NATIONAL CONCERN

A growing chorus of concern has occupied the attention of business news writers for the past several months—workers, pinned in place by the depressed job market over the past few years, seem poised to run from their employers at the first light of an improving job market!

A recent study by Florida-based Spherion, indicates the scope of the problem: Their study found that 51% of the 3,000 workers in their sample wanted to leave their jobs, and 75% of those indicated that they were likely to leave in a

year or less.

If your company were to lose even 25% of its workers in the next year, how would it affect you? How would you replace them? Deepening the concern is long-standing research that shows that your best employees are usually among the first to leave—they have more options!

While you are working to retain your best, consider these options: Measure their characteristics—if worst-case scenarios turn into reality, at least you will know what you are looking for in a replacement. Use

the results of this program for career planning—good people are less likely to leave, if they can see a clear plan to move upward in your business. Use this knowledge to help you offer internal promotions when positions do come open. The more your employees see that you are committed to keeping and improving existing staff, the better your chances for improving retention. Finally, invest in improving your managers—most studies show that people don't leave jobs—they leave managers!

PREPARING FOR CHALLENGES: BANKING INFORMATION

The prudent business owner routinely maintains reserves of cash and credit in some banking arrangement, against the possibilities of unforeseen crises and business challenges.

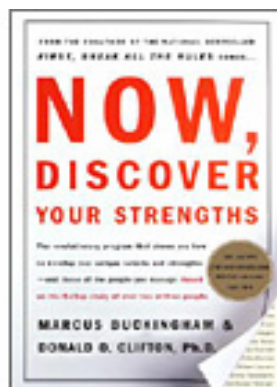
Most of us would also agree that our people are at least as important to our business as our cash flow, and that excellent people are more difficult to acquire and maintain than cash or credit...yet, we rarely see a business that has carefully maintained a

reserve of people, or systems to efficiently replace a key person in a crisis.

Just as saving and preparing is critical to the financial side of the business, saving information and preparing for its use is critical to the people side. When times are good, or when you *know* you have a good person in a critical job, the time is ripe to collect information, and bank it against a time when you might need to fill that position with someone new. An ongoing program of

assessment, measuring both your people in place and your flow of applicants, will position your business to respond quickly and effectively, when you lose an employee for any reason. A great replacement may already work for you, or may reside in your stack of applications—but unless you have collected the information, and know where to find it, it's of no more use in crisis than a coffee can of cash, lost somewhere in your back yard!

NOW, DISCOVER YOUR STRENGTHS—BUCKINGHAM & CLIFTON



Marcus Buckingham and Donald O. Clifton describe the program that they created to help readers identify their talents, build them into strengths, and enjoy better performance. In their book “Now, Discover Your Strengths,” Buckingham and Clifton introduce thirty-four dominant “themes” with thousands of possible combinations, and reveals how they

can best be translated into personal and career success. In developing this program, Gallup has conducted psychological profiles with more than two million individuals to help readers learn how to focus and perfect these themes. While critics have faulted their reliance on only five “strengths” per person, there is much to learn from the approach.

JOB PATTERNS MUST CHANGE, IF YOUR BUSINESS HAS CHANGED! CASE STUDY

BY STEVE WOODS OF WORKFORCE METRICS

Assessing your top performers, and using their data to create job patterns, are processes well-known among users of the Profile XT and Profiles Sales Indicator. If you can go beyond the standard procedures, and if you know your business well enough to reach for change, you may be able to analyze your job patterns in relation to shifting demands of your market and position your company for even greater profitability! **Here's how one company leveraged their data into the largest increase in sales they have seen since the end of the boom economy of the late 90's.**

This company manufactures and distributes industrial trade show displays, from simple table top props to those spectacular two-story monsters we see at major conventions. They survived the recession of 2001 the way many businesses had: they laid off employees, reduced overhead and held onto only their top performing sales staff. With the economy warming up, the CEO and General Manager saw the need for additional sales reps, but recognized that they could not afford the rate of turnover they had been comfortable with in their halcyon days.

Our task: help them reduce the probability of turnover of new sales reps by creating a job pattern using the Sales Indicator and Profile XT. With precise criteria in place for selection of "top performers", five of their nine sales reps took both assessments. We then created the Job Analysis Re-

ports (pattern studies) and met to present them to our client.

"Well, this pretty much explains everything" said the CEO to the GM at the end of our presentation. "Yeah," quipped the GM, "no wonder sales are flat!" All of the benchmarks of the Sales Indicator were at the lower end of the five scales, and the personality picture that emerged from the Profile XT had a relatively laid-back theme as well. In the discussion that followed, an important issue emerged: While every sales rep in the pattern study was indeed a clear-cut top performer from the standpoint of sales volume, a careful analysis of their activities revealed a critical fact: **the vast majority of their sales were simply re-orders** from (long lists of) old clients. These 'veterans' as we came to refer to them (all had been employed from seven to thirteen years) were making money for the company, but the business wasn't adding new clients, even with the economy presenting new opportunities! We asked more questions, and the CEO and GM agreed that their market had shifted in the last two years: More competition, less budget for trade shows, and higher expectations. In short, the successful sales rep of today needed more hustle, more drive and more smarts to close a sale. **They needed a 'new breed' of people if they were to see the company grow once again.** Through a careful and time consuming process, we helped them modify their

success patterns, to reflect their new needs. Seven new sales people were hired, using the revised job patterns. The results of this effort were dramatic: First, after three months, all seven new sales people were still on board. In the past, sales turnover was nearly 50% per year, 75% of that within the first forty days of employment. Second, the new sales reps were closing their first sale in less than half the time of previous years. In the past, it had taken an average of four months to "first close." All seven of the "new breed" closed a sale before their seventieth day on the job. Finally, the GM reported quarterly sales were higher than any quarter since 1999! Job Patterns are powerful tools for selecting people who fit your jobs. **If you have a clear idea of how jobs have changed, they can help you select people to meet those changed needs.**

Developing a set of job patterns to profitably lead you through changes in business conditions is not an easy task, and not for the faint of heart—but the alternatives (clinging to the status quo or blindly making changes on "gut feel") are no less daunting, and a lot less likely to bring you to new levels of success! Consult with your Profiles Representative to discover what has changed in your business, and how can you identify people who will help you succeed in the changed competitive arena?

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**Remember that the
six most expensive words
in business are:**

“We’ve always done it that way.”

— Catherine DeVrye

