

# How to Avoid a \$100,000 Hiring Mistake

HR Making a Difference

HUMAN RESOURCES  
WHITE PAPER

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## **How to Avoid a \$100,000 Hiring Mistake**

In today's competitive environment, one of the greatest fears of most hiring managers is making an employment mistake that will result in financial loss. Human resource professionals are pushed more than ever to find bodies to fill positions in a tightening labor market. Finding an employee that has the physical strength to do the job plays a large part in limiting employer risk. Hiring an individual that does not have the physical strength to do the job may potentially lead to an injury. Workplace research shows an Employee is as much as 32x's more likely to be injured if they don't have the strength to do their job. Not only does hiring someone who is not physically able to perform the job mean that an employer may have to absorb the costs of attrition, but it could risk paying out a sizable workers' compensation claim plus the indirect costs of lost wages. All told, the cost of a new employee who is unfit for duty could result in a \$25,000, \$50,000, or even in some cases up to a \$100,000 hiring mistake.

Employers are at a greater risk of a \$100,000 hiring mistake if they extend an offer of employment to an individual who has suffered a previous injury, has a work history of physically demanding work, or is simply older. While the law prohibits employers from asking job candidates about previous injuries and/or age during the interview process, employers may receive medical information, including previous injuries, from a post offer physical strength test if this information was gathered to ensure that they are physically able to undergo such testing. Such testing ensures that a new employee can safely perform the essential functions of their job.

If a new hire's physical condition is objectively measured and documented, employers can better protect themselves from pre-existing injuries and more

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importantly, those related impairments, making the post offer test a critical and cost-saving step in the hiring process. Without it, hiring professionals are gambling with their job offers that could cost their employer up to and possibly more than \$100,000.

### **The Risk of Re-injury**

When new hires bring previous injuries into the workplace, they put themselves and their new employer at risk. Over time, a previous injury could become aggravated by lifting, bending, pulling, or twisting. Or, a single workplace incident such as a slip and fall, could be the catalyst for reinjuring a shoulder, back, hand or wrist.

Having objective data on existing impairments can help protect an employer against paying claims against pre-existing conditions. Many state statutes protect employers from pre-existing injuries, but they must be documented. Without the documentation, the employer will then own the pre-existing injury in a workers' compensation claim.

### **Job simulation vs. the Physical Capacity Profile® Test**

Employers may legally make a new hire offer contingent upon the applicant's completion of a physical evaluation. To determine if a job candidate is physically able to perform his or her job duties, employers have relied on pre-placement physical exams that attempt to determine whether a person can do the essential functions of the job. Many such tests often attempt to simulate the physical tasks of specific jobs. While simulations can identify overt job incompatibility issues, they lack the ability to objectively measure previous injuries and impairments—leaving employers vulnerable if an undocumented injury becomes aggravated on

the job. Job task simulated testing and physician's exams simply lack the objectivity, baseline measurements, and standardized data collections to protect employers from the hiring mistakes.

The Physical Capacity Profile® (PCP) Test is unique and can identify whether a person has the physical strength to do the job, assess existing impairments, and determine baseline information for potential rehabilitation of injuries. All three of these factors help limit and decrease the risk in making a \$100,000 hiring mistake. Other pre-employment and post offer tests often provide hiring managers with limited information from subjective measurements not tied to industry standards. These tests end with someone ultimately passing or failing prospective employees with risky made up simulation assessments that have not been scrutinized by the ADA or the EEOC. There are more and more employers learning the hard way with fines being assessed because their testing protocols are found to be non-compliant.

### **The PCP Test: Objective Data and Reliable Results**

The PCP test requires the applicant to complete a collection of multiple strength tests that are captured electronically, and helps human resource professionals place an applicant in the proper job level as determined by the U.S. Department of Labor's levels of work. The PCP Test also objectively measures related impairments based on the American Medical Association (AMA) guidelines.

Most state workers' compensation statutes require an employer to pay for workers' compensation claims to the degree that the injury or aggravation occurred at the workplace. Employers are better protected from paying the cost

of an injury that occurred outside of their employment but these still can cause employers concerns if pre-existing data is not documented.

Establishing a reliable baseline through the PCP Test can help ensure that the employee and employer are equally protected should an injury occur. Having objective baseline information available to share with a treating physician aids in effectively establishing maximum medical improvement (MMI). Without the baseline scores, employers may end up paying for additional rehabilitation treatments and lost time spent trying to meet unidentified and/or unreachable targets. The employee is protected because he or she knows what his or her pre-injury capabilities were, and know that they will be fairly compensated should they not meet them.

A physical evaluation conducted using the PCP Test arms an employer with the objective data necessary to mitigate the financial impact of hiring an employee that does not meet the physical demands of the job, ensuring that if a hiring mistake occurs, the associated costs are fixed. The PCP Test is changing the way America is hiring its employees.

For more information on how the PCP Test can mitigate the financial risks of hiring physically unfit job candidates, contact Occupational Performance Corporation, or [click here](#) to locate a PCP Testing location near you.