



# The *Solution Newsletter*

**Corporate Solutions**  
*"The Human Resource Solution"*

## Employee Turnover:

### What is it really costing your company?

**Y**ou're the owner of a new retail outlet. You smirk when your competitor down the street invests in a \$100,000 day-care center for workers' children and brings in a doctor once a week to treat employees and their families. "This guy doesn't know much

**It is easy to underestimate the cost of interviewing and training new employees.** This doesn't include the expenses that can't be accounted for-decreased productivity while an employee learns a new job, for example.



If turnover is high, a big chunk of your company's would-be profits may be dissolving-and you won't even be able to account for the loss, because employee turnover is not an itemized expense.

Here are some upcoming dates to take note of... **On April 9th, our office hours will be reduced to 8:30 a.m. to 12 p.m. in observance of Good Friday. Our office will be also closed on May 31st in observance of Memorial Day.** Please contact your payroll specialist to modify any payroll deliveries if needed.

One defense you have against high turnover is to put some energy into providing programs that improve employee commitment-levels. **We can help you provide better benefits programs, improved training, and other "perks."**

**THE THREE TYPES OF EMPLOYEES:**  
**Loyal:** Committed to their organization and planning to stay at least two more years (25%)  
**High-Risk:** Not committed, not planning to stay (33%)  
**Trapped:** Not committed, but planning to stay because they are trapped by lack of job skills, fear of losing stock-options, or the mistaken perception that there's "nothing better out there." (39%)

Here are some other factors that influence employee "loyalty":

- ◆ Working for an "ethical" organization
- ◆ Day-to-day activities
- ◆ The company's concern for the employees as individuals
- ◆ The organization's reputation
- ◆ Fairness (including fair pay)
- ◆ Trust in employees

about protecting his bottom line," you chuckle. But the facts speak for themselves. Your employee turnover will hover at about 400 percent annually. His will be 16 percent.



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# Employee Theft: Steps for preventing theft

**A**n annual survey conducted by Pinkertons indicates that Employee Theft has replaced Workplace Violence as the "most pressing workforce concern."



Thankfully, this is one burden you can share with your PEO. When employers exercise caution in the hiring process, potential thieves can be weeded out before they are ever hired. Two options are pre-employment background checks and personal integrity tests.

**A pre-employment background check is vital in the workplace today**, since employers are commonly held liable for crimes committed by their employees unless they are able to prove that the employee was carefully screened as an applicant. According to Investigative Services Corporation (ISC), "courts have held employers responsible for a wide range of conduct, including fraud and forgery, theft, assault and wrongful death."

**Personal integrity tests are another option.** Employees are asked as part of the application

process whether they are willing to take a personal integrity test, and the test simply measures an employee's ethical standards. Most of these tests have questions built in which weed out employees who give false answers. Our human resources department can recommend other safety measures or sources you can look to for help.

You want to be able to trust your employees, and most employees value being trusted. **Your efforts to eliminate employees with a tendency toward theft before they are hired, and your willingness to eliminate "temptations" and address problems in a timely manner will go a long way toward keeping your profit from walking out the door at 5:00.**

**To Prevent Employee Theft - It is recommended to perform some of the following steps for preventing theft:**

- ◆ Perform an Annual Independent Audit
- ◆ Require backup documentation of all expenses (receipts)
- ◆ Keep office supplies in a locked cupboard, and require a signature when supplies are removed
- ◆ Spot check deliveries to insure that goods received and invoice descriptions match
- ◆ Bond All Employees who have access to money
- ◆ Require employees with access to cash/receivables to take vacation time (this helps to expose cover-ups)
- ◆ Always require a counter-signature
- ◆ Take the time to go over accounts payable and look at where your money is going
- ◆ Address problems when you first suspect them
- ◆ Do not allow company books to leave the facility
- ◆ Require passwords and update them frequently

**- Bruce H. Henderson, Tanner & Guin, L.L.C.**

Disclaimer: Information contained in this newsletter is designed to provide accurate and authoritative information in regard to the subject matter covered. This publication is solely intended as a service to interested readers, and is not engaged in rendering legal, accounting, or other professional services. Readers are urged to consult legal or other expert assistance regarding these issues.

# DarwiNet:

## Moving at the speed of business

**W**ith DarwiNet now in place, clients and employees have the ability to move at the speed of business. **What should DarwiNet mean to clients and employees? DarwiNet means, less paperwork, less room for error, and more effective communication between Corporate Solutions, Inc., clients, and employees.**

For example, at the click of a button clients may now create time sheets, which can then be filled out on the computer and submitted directly to their personal payroll processor instantaneously. When there is paperwork to do, clients and employees may access Corporate Solutions', Inc. forms online that are pertinent to them. Not only can these forms be printed, they can be filled out online and then printed, ready to submit. employees have the ability to view their paycheck stubs as well as update personal information with the click of a button. DarwiNet is fast, accurate, and user friendly.

**Just a few more of the powerful abilities that DarwiNet provides are:**

◆ An employee is able to view handbooks and other

publications from Corporate Solutions, Inc. and their employer.

◆ A client is able to view current as well as past invoices and reports.

◆ An employee is able to create his or her own "home page" with customized web page links.

◆ A client is able to add or change employee information.

Sounds great, doesn't it? Well, it even gets better. For current clients and employees, a DarwiNet account can be set up at no extra cost. DarwiNet can save you time in turn saving money, so don't delay. If you do not yet have an account set up, e-mail the DarwiNet Administrator at [darwinet@corpsolpeo.com](mailto:darwinet@corpsolpeo.com). In the e-mail, include the Company Name, contact, and e-mail address. As soon as the account has been setup, the Administrator will return the e-mail with login and password information. If technical support is needed, use the same e-mail address.

*In the future, be on the lookout in the Solution Newsletter for DarwiNet tips, located on the last page of the publication.*

## THE RISING COST OF INSURANCE COVERAGE

**I**f you've ever tried to soak up spilled Kool-Aid, you know that even the most expensive paper towels have a limited ability to absorb. It happens with sponges, mudslides, and your kitchen mop. Once something has reached its saturation point, there's just no way to soak up any more.

**Experts are telling us that rising medical care costs have brought the health insurance industry to its saturation point.** In an effort to keep your insurance premiums low, insurance carriers have lobbied the government to mandate more safety programs.

They've cut costs by creating HMOs and PPOs to police the system so that no one pays for medical services they don't need. They've even suggested you pass part of the expense on to your employees by asking them to pay a larger portion of the premiums and tolerate increased co-

pays. Unfortunately, health insurance carriers are telling us that there's just not much more "mopping up" they can do. They can only absorb so much.

Pity the health insurance industry, but what about you? **According to the GAO, increases in employers' costs to provide health insurance outpace inflation every year.** Your sponge is getting pretty soaked too!

What do you do when you can't sop up any more? You find somebody with a bigger sponge!

**Our bulk buying power allows us to provide insurance benefits at a reduced cost. We're not just a quick fix. If you're feeling like you've just about reached your saturation point, maybe there's a way we can help. Call our benefits department for more information.**





**Make-A-Wish Foundation of  
the Rio Grande Valley**



**CORPORATE  
SOLUTIONS**

*"The Human Resource Solution"*

*You too can help make a wish come true by donating a \$1* (donation can be in any amount) to Make-A-Wish Foundation of the Rio Grande Valley. Please call our office (956) 928-0688 / (888) 785-4018 if you wish to donate to our preferred corporate charity.

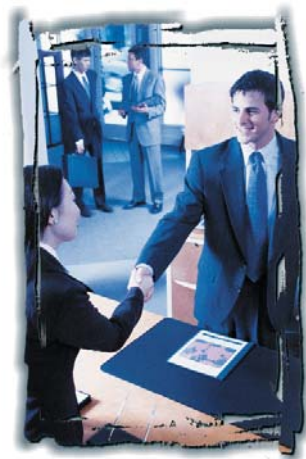
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This regular newsletter feature gives us the opportunity to announce special offers, promotions, new employees, etc. If you have any questions in regards to the information listed, please give us a call.

## **Preparation for Job Interviews: Know what questions to ask**



**Y**ou're all set to spend the day interviewing a group of potential employees for a new position. **Are you ready with a list of appropriate questions to ask candidates?**

Interviewers must use caution to avoid an impermissible line of inquiry that might be misinterpreted as discriminatory. After all, you're in the market for a new employee, not a lawsuit.

Julie T. London, in the issue of *EEO Update* provides an invaluable list of recommendations for interview questions. **Keep in mind, foremost, that any questions you ask need to be related to the position at issue.**

Planning your questions in advance greatly reduces the risk that you will ask a question that

your interviewee might construe as discriminatory. It also puts you on guard against making offhand comments that might be considered derogatory or inappropriate.

In addition, be sure to avoid questions that are "hidden indicators." Asking how old an individual is, for example, is illegal in an obvious sense, but so is asking what year they graduated from high school, because knowing a graduation date gives an interviewer a good idea of exact age.

**For more tips on great hiring practices, contact our Human Resources Department. Hiring the right people is one of the most important business practices you can develop.**

Source: London, Julie T. "Inquiry Guidelines for Job Interviews," *EEO Update*

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