

Harry Garmon

From: Bill Auchmoody <b.auchmoody@psiva.com>
Sent: Thursday, January 22, 2015 2:03 PM
To: Harry Garmon
Subject: Post Employment Drug Testing - Cost Benefit Analysis



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The Newsletter

January 2015

Dear Harry,

PSI is frequently asked for continuing guidance in navigating the staffing maze. This e-newsletter is an extended answer to those requests, with the intent to share timely information that proves valuable to our clients, human resources professionals and hiring managers.

Post-employment drug testing is this month's feature article. Among the elements discussed are: pros & cons, alternatives and a cost/benefits analysis of in-house vs. laboratory testing.

Your comments and suggestions to increase the value of the PSI Newsletter are encouraged. I promise to review each and every submission and respond promptly.

Sincerely,



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January 2015

POST-EMPLOYMENT DRUG SCREENING

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POST-EMPLOYMENT DRUG SCREENING *In-House or Outsourcing to a Lab?*

The question for employers is not whether to conduct post-employment drug screening. Rather the issue is how will it be conducted. The choices are in-house drug testing or outsourcing to a lab.

We'll revisit the pros and cons of these alternatives, but first here are some compelling reasons why it is important for employers to drug-test employees after hiring. It is estimated that 74% of abusers

Solutions

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- Temp. to Hire
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Partnership Staffing Selection Process

- Face-to-Face Interviews
- In-depth Criminal Background Check
- E-Verify on Every Applicant
- Certified Drug Free Workforce
- Skills Assessment Available
- On-site Management

Drug Abuse Fact !

74% of all Abusers are Employed

In surveys of drug abusers themselves:

- 44% admitted selling drugs to co-workers
- 18% admitted stealing from employers



are employed! Then, ladle in government studies that discovered 1 out of 6 workers have a drug or alcohol problem.

Not only that, abusers on average cost employers \$7,000 - \$10,000 annually plus 300% more in medical costs. Additionally, they are absent as much as 16 times more often, and prove to be 1/3 less productive.

On a more positive note, The Journal of Global Drug Policy and Practice study shows employers that drug test ... post-employment ... improved productivity and attendance, plus enjoyed decreased workers' compensation costs and reduced turnover.

Post-employment drug tests are described in the chart below.

Drug Test Used
Post-accident testing (administered to all employees who are or may have been involved in a workplace accident)
Random testing (conducted on an unannounced basis using a neutral selection process and has the highest deterrence and detection impacts; a certain portion of the employee population is randomly selected periodically throughout the year)
Reasonable suspicion testing (occurs when an employer has reason to believe that an employee is under the influence of drugs and/or alcohol)
Follow-up testing (conducted during and after an employee has been referred to an employee assistance or other rehabilitation program)
For-cause testing is based on indicia that an employee may have a substance-abuse problem (e.g. excessive absenteeism, performance problems, dramatic mood swings, etc.).
Site testing (based on suspicion of a significant drug-abuse problem—e.g., based on employee complaints—at a specific work site and involves testing of all employees at that site on a one-time basis)
Baseline testing (conducted to establish the level of drug use at implementation of a program; this method essentially "cleans house" to establish a drug-free workplace)

Of those listed above, the most common tests are post-accident testing, random testing and reasonable suspicion testing.

Now to the topic at hand: in-house or outsourcing to a lab. First, these are not mutually exclusive options. Often both are used ... the former as a screen, and if proven negative, no need to include the lab. On the other hand, a non-negative reading is cause for laboratory-based confirmation tests to tell exactly what substance was used and help remove any doubt as to the substance that showed up.

In large measure, the decision to conduct in-house (on-site) testing comes down to a cost/benefits analysis. That analysis includes the actual dollar costs of testing as well as the indirect costs of lost productivity, time-delay to realize test results and supervisory involvement.

In-House (On-Site) Tests vs Laboratory Tests

On-site tests are a quick screen that provides rapid results. This quick screen will determine if a lab

analysis is needed. What's the upside to that for employers and employees?

In-house testing fosters enhanced productivity. An employee who tests negative to an in-house test is then eliminated as a candidate for lab testing. That means considerable savings in time ... instant results vs. several hours to several days waiting for lab confirmation.

Additionally, in-house drug testing is considerably less expensive than lab testing. As an example, Partnership Staffing, Inc. provides customers on-site drug screening kits at the following pricing:

- 5 panel urine drug screen - \$7.60
- 10 panel urine drug screen - \$11.00
- 6 panel saliva test - \$15.00.

Note: The urine screens are more accurate. When alcohol screening is included the cost is an additional \$3.00.

In contrast, expect typical laboratory pricing to be \$45-\$60 on a 5-10 panel drug screen without the alcohol screen.

And the cost compounds when a mobile screening lab is called to the employer's site. Plan on \$150-\$200 to handle a single drug screen, albeit would likely include a 10 panel screen and alcohol screening as well.

While in-house instant drug tests provide only a preliminary analytical test result, it can be particularly valuable for companies that conduct remote site testing. Think about the lost travel time from a distant job site to a lab in response to the three most likely reasons for tests ... post-accident testing, random testing and reasonable suspicion testing.

In-house testing also increases deterrence on the part of employees. There are immediate results that require immediate action. That immediate action includes accountability by the employee to deal with the results at the time of the test.

Finally, it's not just lost employee time. An employee whose actions warrant it may be asked to take a drug or alcohol test. If it is to be conducted at a laboratory, who will provide the transportation? Clearly not the employee who may be impaired! Does the employer assign a supervisor as "chauffeur"? And what is the employer's liability in the event of a vehicular accident during the trip? All of these are plausible concerns.

So, the savings in time, money and productivity make in-house testing a valuable tool.

In-House Testing Alternatives

Two of the most common tests are urinalysis and saliva drug test kits. Each presents some pros and cons to both the employer and the donor employee.

A urinalysis test detects the presence of drugs in urine within minutes. Urinalysis is considered the "gold standard" and used by federally mandated drug testing programs.

The main disadvantages of urine-based drug test kits are the ease that the donor can cheat by way of adulteration or substitution. That means collection of the specimen must be directly observed, requiring the need for bathroom facilities and a same-sex observer. Obviously, there is a privacy concern on the part of many employees who may object to participating in the test on-site.

The good news is the immediate results. Improvements in on-site screens have resulted in urine test

cups that collect and detect in the same container device.

In 75% of the cases the test exonerates the employee and avoids further testing at a lab. That means less likelihood of lost time (or worse - lost job!) for the employee. From the employer's side, the far more expensive lab tab only surfaces 25% of the time.

Saliva drug screens are increasingly prevalent because of convenience in use, with the added benefit of not exposed to adulteration by the donor. Additionally, employees often prefer this approach vs. urinalysis as being less invasive and therefore less of a privacy concern.

Generally, saliva tests are valuable in that they closely parallel results found in blood. In that sense it can be a preferred test for detecting on-the-job use because the degree of alcohol or drug use approximates the amount of substance that a blood test would reveal.

When the notable advantages of significant savings of time, money and productivity are weighed, in-house post-employment drug screening has a definite "place at the table". It is an effective management tool that delivers rapid results while encouraging employee deterrence.

MEET OUR EXECUTIVE SEARCH PROFESSIONAL



Meet Tom Askew Senior Associate Partnership Staffing, Screening and Executive Search

Tom brings more than a quarter of a century of professional success in Production Management, Financial Analysis and Industrial Engineering. Additionally, Tom has extensive background and know-how in acquisition due diligence and organization reengineering. His experience includes senior level, international assignments with Philip Morris/Altria in Switzerland and the U.K.

Tom began his executive search career with Renaissance Resources in 1998 and served as President until the firm was acquired by Partnership Staffing in 2010. During the past 17 years, Tom has assisted many clients in recruiting senior level and C-level executive placements as well as key engineering and technical positions.

Tom earned his Bachelor of Science Degree at Virginia Polytechnic Institute, followed by his MBA from Virginia Commonwealth University. He was the Past President of the Richmond Chapter of the Institute of Industrial Engineers and currently serves as Treasurer. Tom is also a Director on the Central Virginia Advisory Board for the Virginia Tech Industrial Systems Engineering group.

Success in this variety of educational, management, technical and trade group disciplines uniquely positions Tom in serving the executive search needs of our clients.

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