The Role of Higher Education in Recruitment, Hiring and Promotion Practices In Loss Prevention/Asset Protection/Security Management

Background and Survey Results
June 2012

See separate executive summary
<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dan Faketty</td>
<td>Chair</td>
<td>Winn Dixie Stores Inc.</td>
</tr>
<tr>
<td>Karl Langhorst</td>
<td>Vice Chair</td>
<td>The Kroger Co.</td>
</tr>
<tr>
<td>Howard Stone</td>
<td>Director, Loss Prevention</td>
<td>The West Seal, Inc.</td>
</tr>
<tr>
<td>Scott Glenn</td>
<td>Sr. Director, Loss Prevention</td>
<td>Sears Holding Corporation</td>
</tr>
<tr>
<td>Steve Welk</td>
<td>Director, Loss Prevention</td>
<td>B&amp;N College Booksellers</td>
</tr>
<tr>
<td>Ray Cloud</td>
<td>VP, Loss Prevention</td>
<td>Ross Stores, Inc.</td>
</tr>
</tbody>
</table>
Academic Professional

Professor Robert Hanson served eight years in counter-intelligence and criminal investigations with the U.S. Army prior to entering academia. Since coming to Northern Michigan University in 1976, he has directed the Regional Police Academy, created the American Legion Cadet Officer Program and served as a trainer for law enforcement and correctional officers. Currently he is serving as the coordinator of Northern's Loss Prevention Management program.

Professor Hanson has a B.S. in psychology and economics from University of Wisconsin at LaCrosse, and an M.A., M.S. in executive development for public service from Ball State University. In addition to teaching in the masters' program, he also teaches judicial function, investigating, interviewing and interrogation.
Education committee objectives

Promote *professionalism* in the Loss Prevention industry by focusing on education at the following levels:

- In-store training programs
- Professional designates, certifications
- Higher education
N.R.F. Education Committee

Committee discussion topics on “higher education”

- Educate colleges on opportunities in our field
- Go to colleges
- Develop materials to be sent to colleges
- Have colleges come to us (invite them to our conference)
- Learn how to attract and hire college students
- Identify colleges for those working in our field that do not have degrees
Questions

- What are we doing as an industry with respect to higher education
- Is a college education important in our field
- If so, at what level?
- Does a college degree have relevance (pay, promotional opportunities, executive level positions) in our industry
- How do we find out?
N.R.F. Education Committee

Higher education survey / research

1. Identify an independent body with a level of expertise in research that could compile and report on findings

2. All questions drafted by Education Committee

3. Questions, format, measurement, approved by N.R.F. and key N.R.F. member company executives

4. Test concept / survey

5. Report findings
Q1: Which retail sector most closely describes your current corporate affiliation?

<table>
<thead>
<tr>
<th>Rank</th>
<th>Answer</th>
<th>Companies</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Men's &amp; Women's Apparel</td>
<td>17</td>
<td>20%</td>
</tr>
<tr>
<td>2</td>
<td>Department Store</td>
<td>9</td>
<td>10%</td>
</tr>
<tr>
<td>3</td>
<td>Books/Magazines/Music</td>
<td>6</td>
<td>7%</td>
</tr>
<tr>
<td>4</td>
<td>Food Service/Restaurants</td>
<td>6</td>
<td>7%</td>
</tr>
<tr>
<td>5</td>
<td>Sporting Goods/Recreational Products</td>
<td>6</td>
<td>7%</td>
</tr>
<tr>
<td>6</td>
<td>Supermarket/Grocery</td>
<td>5</td>
<td>6%</td>
</tr>
<tr>
<td>7</td>
<td>Discount Store</td>
<td>5</td>
<td>6%</td>
</tr>
<tr>
<td>8</td>
<td>Electronics/Computers/Appliances</td>
<td>4</td>
<td>5%</td>
</tr>
<tr>
<td>9</td>
<td>General Merchandise</td>
<td>4</td>
<td>5%</td>
</tr>
<tr>
<td>10</td>
<td>Children's Apparel</td>
<td>3</td>
<td>3%</td>
</tr>
<tr>
<td>11</td>
<td>Household Furnishings/Housewares</td>
<td>3</td>
<td>3%</td>
</tr>
<tr>
<td>12</td>
<td>Accessories</td>
<td>2</td>
<td>2%</td>
</tr>
<tr>
<td>13</td>
<td>Jewelry &amp; Watches</td>
<td>2</td>
<td>2%</td>
</tr>
<tr>
<td>14</td>
<td>Office Supplies/Stationery</td>
<td>2</td>
<td>2%</td>
</tr>
<tr>
<td>15</td>
<td>Pet/Animal Supplies</td>
<td>2</td>
<td>2%</td>
</tr>
<tr>
<td>16</td>
<td>Shoes</td>
<td>2</td>
<td>2%</td>
</tr>
<tr>
<td>17</td>
<td>Auto Parts/Accessories</td>
<td>1</td>
<td>1%</td>
</tr>
<tr>
<td>18</td>
<td>Convenience Store</td>
<td>1</td>
<td>1%</td>
</tr>
<tr>
<td>19</td>
<td>Cosmetics and Bath Products</td>
<td>1</td>
<td>1%</td>
</tr>
<tr>
<td>20</td>
<td>Drug Store</td>
<td>1</td>
<td>1%</td>
</tr>
<tr>
<td>21</td>
<td>Entertainment/Media/Games/Video/Music</td>
<td>1</td>
<td>1%</td>
</tr>
<tr>
<td>22</td>
<td>Home Center/Hardware/Lumber/Garden</td>
<td>1</td>
<td>1%</td>
</tr>
<tr>
<td>23</td>
<td>Cards/Gifts/Floral/Novelties</td>
<td>1</td>
<td>1%</td>
</tr>
<tr>
<td>24</td>
<td>Other</td>
<td>3</td>
<td>3%</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>88</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>
Q2: Approximately, what are the annual sales of your company?

- $500k-$999k: 1% (1 response)
- $100m-$499m: 12% (10 responses)
- $500m-$999m: 17% (14 responses)
- $1b-$4.9b: 33% (28 responses)
- $5b-$10b: 15% (13 responses)
- More than $10b: 21% (18 responses)
Q3: Which term is used in your company to describe your function?

- Loss Prevention: 87% (78 responses)
- Asset Protection: 10% (9 responses)
- Security Management: 2% (2 responses)
- Other: 1% (1 response)
Q4: In your company, approximately how many people work in Loss Prevention?

- 1 to 99: 68% (60 responses)
- 100 to 499: 16% (14 responses)
- 500 to 999: 7% (6 responses)
- 1,000 to 1,499: 1% (1 response)
- 1,500 to 1,999: 1% (1 response)
- 2,000 to 2,500: 0% (0 responses)
- More than 2,500: 7% (6 responses)

(Number of Responses for each Response)
Q5: In your corporate structure, how beneficial is a baccalaureate degree in promotion an individual to a multi-store (district/regional) managerial position?

- Of Great Benefit: 33% (29 responses)
- Somewhat Beneficial: 41% (36 responses)
- Slightly Beneficial: 18% (16 responses)
- Of no Benefit: 6% (5 responses)
- Unsure: 1% (1 response)

93% Some Benefit
Q6: In your corporate structure, how beneficial is a baccalaureate degree in promoting an individual to a **corporate** managerial position?

- Of great Benefit: 55% (48 responses)
- Somewhat Beneficial: 30% (26 responses)
- Slightly Beneficial: 9% (8 responses)
- Of no Benefit: 6% (5 responses)
- Unsure: 0% (0 responses)

94% Some Benefit
Q7: In your corporate structure, is a baccalaureate degree included in the job description as a requirement for any of the following positions?

- Store level or equivalent
- Multi-store level
- Corporate level

(Number of Responses for each Response)

- Store level or equivalent: 4 Required, 32 Preferred, 41 Not Required, 10 Not Sure
- Multi-store level: 56 Required, 20 Preferred, 2 Not Required, 2 Not Sure
- Corporate level: 27 Required, 13 Preferred, 1 Not Required, 2 Not Sure

Means:
- Store level or equivalent: 2.79
- Multi-store level: 3.18
- Corporate level: 2.77
Q8: To what extent does your company utilize internships for college students in the Loss Prevention area?

- Routinely: 5% (4 responses)
- Frequently: 15% (13 responses)
- Infrequently: 36% (31 responses)
- Not at all: 45% (39 responses)
- Unsure: 0% (0 responses)

80% Infrequent / Not at All
Q9: Does your company have a continuing education program that reimburses Loss Prevention associates for college credits?

- Yes: 59%
- No: 41%
Q10: Which department in your company has primary responsibility for recruiting college students to the Loss Prevention area?

- Human Resources: 54%
- LP/AP/SM: 39%
- Other: 6%
- Multi-store management: 1%
- Store level management: 0%

(Number of Responses for each Response)
Q11: Human Resources is actively involved in recruiting talent for my department.

63% Agree

20% Strongly agree
44% Agree
25% Disagree
11% Strongly disagree
0% Unsure

(Number of Responses for each Response)
Q12: Which of the following describe your reaction to the recruitment process with current college students? Check all that apply. I have found...

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>58%</td>
<td>Academic programs in business, criminal justice, law enforcement and security know little about loss prevention professional opportunities</td>
</tr>
<tr>
<td>52%</td>
<td>Current students have little or no knowledge of the loss prevention profession</td>
</tr>
<tr>
<td>44%</td>
<td>A lack of collegiate programs that target the loss prevention industry</td>
</tr>
<tr>
<td>23%</td>
<td>It is difficult to identify contacts at the collegiate level to recruit talent for into the loss prevention department</td>
</tr>
<tr>
<td>19%</td>
<td>A lack of available college applicants applying to work in the loss prevention department</td>
</tr>
<tr>
<td>10%</td>
<td>Other</td>
</tr>
</tbody>
</table>
Q13: Over the past year, have you or someone in your department engaged in any of the following activities? (Check all that apply)

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>45%</td>
<td>No relevant activities.</td>
</tr>
<tr>
<td>28%</td>
<td>Established an internship with a current college student.</td>
</tr>
<tr>
<td>27%</td>
<td>Participated in a job fair or career day at a college or university.</td>
</tr>
<tr>
<td>24%</td>
<td>Made a formal presentation to students on a college campus.</td>
</tr>
<tr>
<td>18%</td>
<td>Actively recruited on a college campus.</td>
</tr>
<tr>
<td>8%</td>
<td>Invited at least one academic professional to spend time at my company.</td>
</tr>
<tr>
<td>1%</td>
<td>Other</td>
</tr>
</tbody>
</table>
Q14: When considering applications for Loss Prevention, your preferred major would be:

- Business Administration: 26% (21 responses)
- Loss Prevention Management: 26% (21 responses)
- Criminal Justice: 14% (11 responses)
- Other: 4% (3 responses)
- Security: 1% (1 response)
- No preference: 29% (23 responses)
Q15: When openings occur in my area, I have found that applicants with a college degree generally possess competencies that I am looking for (compared to those without one):
Q16: Assuming a comparable level of experience, I am more likely to hire a new employee with a relevant bachelor’s degree than another individual without a degree.
Q17: A Loss Prevention employee with a college degree adds organizational credibility to my department. Move the slider to the position that best approximates your opinion.

Min Value: 10
Max Value: 100
Standard Deviation: 21.56
Q18: When looking to promote internally within my organization, I have found that current employees with a college degree possess competencies that I have looking for (compared to those without one):

- **Verbal skills**: 14 Strongly Disagree, 38 Disagree, 35 Agree, 23 Strongly Agree, 1 Unsure
  - Mean: 3.14

- **Writing skills**: 7 Strongly Disagree, 33 Disagree, 35 Agree, 18 Strongly Agree, 1 Unsure
  - Mean: 3.39

- **Interpersonal skills**: 21 Strongly Disagree, 18 Disagree, 32 Agree, 15 Strongly Agree, 5 Unsure
  - Mean: 3.09

- **Listening skills**: 18 Strongly Disagree, 15 Disagree, 40 Agree, 15 Strongly Agree, 3 Unsure
  - Mean: 3.04

- **Team building skills**: 18 Strongly Disagree, 18 Disagree, 39 Agree, 15 Strongly Agree, 4 Unsure
  - Mean: 3.14

- **Analytical skills**: 7 Strongly Disagree, 7 Disagree, 34 Agree, 33 Strongly Agree, 2 Unsure
  - Mean: 3.39

- **Other Skills**: 2 Strongly Disagree, 9 Disagree, 2 Agree, 4 Strongly Agree, 2 Unsure
  - Mean: 3.35
Q19: Assuming a comparable level of experience and past work performance, I am more likely to promote an employee with a relevant bachelor’s degree before another individual without a degree.
Q20: View 1-Assuming an internal candidate for promotion meets work experience and performance. Enter your educational selection to reflect your first choice.

27% Internal Training
48% Bachelor's Degree
1% External Certificates
24% Professional Designates

(Number of Responses for each Response)
Q20: View 2-Assuming an internal candidate for promotion meets work experience and performance. Enter your educational selection to reflect your second choice.
Q20: View 3-Assuming an internal candidate for promotion meets work experience and performance. Enter your selection to reflect your choice. (One being the most important and four the least important).

(Number of Responses for each Response)
Q21: In general, associates in my department with college degrees tend to outperform those without college degrees.
Q22: Defense or plaintiff’s attorneys have focused on the education level of my associates called to testify in a deposition or court.

- Strongly Agree: 6%
- Agree: 33%
- Disagree: 33%
- Strongly Disagree: 11%
- Unsure: 0%

(Number of Responses for each Response)

- Strongly Agree: 4
- Agree: 21
- Disagree: 21
- Strongly Disagree: 7
- Unsure: 10

44% Disagree
Q23: A prominent Loss Prevention recruiter told recent workshop attendees that if you don’t have a college degree, you don’t have a future in this business. Do you…?

55% Disagree

(Number of Responses for each Response)
Q24: Which term best describes the management level of your current position?

- Corporate: 99%
- Multi-store (regional or district): 1%

(Number of Responses for each Response)
Q25: When hiring or promoting at the corporate level, what is the minimum formal education expectation?
Q26: At the corporate level, how important is having a formal educational degree in the hiring decision?

- Very Important: 33% (25 responses)
- Important: 54% (41 responses)
- Unimportant: 12% (9 responses)
- Not Important at all: 1% (1 response)
- Unsure: 0% (0 responses)
Q27: What is the preferred mix of experience and college education at the corporate level? Adjust each slider to match your perspective.

- **Experience**: 56%
- **College Education**: 44%

Min: 0  Max: 81  Standard Deviation: 17.84
Min: 19  Max: 100  Standard Deviation: 17.84
Q28: At the corporate level, what effect does a college degree have on compensation? Check all that apply.
Q29: For a current loss prevention employee at the corporate level without a college degree, how important would the addition of one be in furthering this individual’s opportunity for promotion?

- Very Important: 19% (14 responses)
- Important: 55% (41 responses)
- Unimportant: 25% (19 responses)
- Not Important at all: 0% (0 responses)
- Unsure: 1% (1 response)

74% of respondents found the addition to be important.
Q30: What role should national trade organizations (e.g. NRF, RILA, FMI) take in encouraging college graduates to enter Loss Prevention as a career? Check all that apply.

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Action Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>75%</td>
<td>Provide speakers for college classes</td>
</tr>
<tr>
<td>59%</td>
<td>Provide scholarships as a means of promoting field</td>
</tr>
<tr>
<td>51%</td>
<td>Provide staff for college job fairs</td>
</tr>
<tr>
<td>47%</td>
<td>Create online ads for college papers</td>
</tr>
<tr>
<td>29%</td>
<td>Create print ads for college papers</td>
</tr>
<tr>
<td>8%</td>
<td>Other</td>
</tr>
<tr>
<td>1%</td>
<td>Nothing</td>
</tr>
</tbody>
</table>
Q31: I believe the results of this survey will be useful for Loss Prevention executives in better understanding the role of higher education in recruitment, hiring, and promotion in this field?

- **Strongly agree**: 0%
- **Agree**: 68%
- **Disagree**: 5%
- **Strongly disagree**: 0%
- **Unsure**: 8%

87% Agree
Q32: In your department, what percentage of managerial (exempt) positions are held by college graduates?

69%
Q34: Do you know of at least one person who missed a promotion opportunity because they lacked a college degree?

- Yes: 53%
- No: 47%