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

EXECUTIVE SUMMARY

Over the past twenty years, the loss prevention field has changed dramatically. The responsibility of loss prevention and asset protection departments has grown and encompasses everything from training, audits, investigations and fraud to organized retail crime, crisis management and much more. To respond to these more sophisticated roles, retail executives are examining the role of higher education in the retail loss prevention field. Professor Robert Hanson with Northern Michigan University in collaboration with the National Retail Federation (NRF) conducted a first-of-its-kind higher education survey during the first quarter of 2011. The results of the survey provide insights from senior loss prevention executives at 92 companies.

The survey polled retailers on four areas:

1. Loss prevention structure and practices
2. Corporate interactions with colleges and universities
3. Impact of a bachelor's degree on LP hiring and promotion practices
4. The role of higher education in loss prevention and its value to the corporation

One of the notable findings from the survey reveals that seven out of 10 (71%) loss prevention leaders agreed that a loss prevention employee with a college degree adds credibility to their department; surprisingly, nearly half (45%) indicated that their department does not engage in relevant recruitment activities and an overwhelming majority (81%) reported that they do not regularly utilize college interns in their department. Additionally, 58% reported that universities/colleges know little about the professional opportunities in the loss prevention field and 52% indicated that current students have little or no knowledge of the career potential in this profession. From the results, it's clear that both retail loss prevention and universities/colleges need to engage in more effective dialogue.

To better understand the value of various educational credentials, survey takers were asked to rank their preferred educational background to support an internal promotion. Nearly half of respondents (48%) indicated that a bachelor's degree was the most important factor, followed by internal training (27%). Professional designations and training such as Certified Forensic Interviewer or Certified Forensic Examiner, was valued by 24% of respondents as being an important factor; however external certification

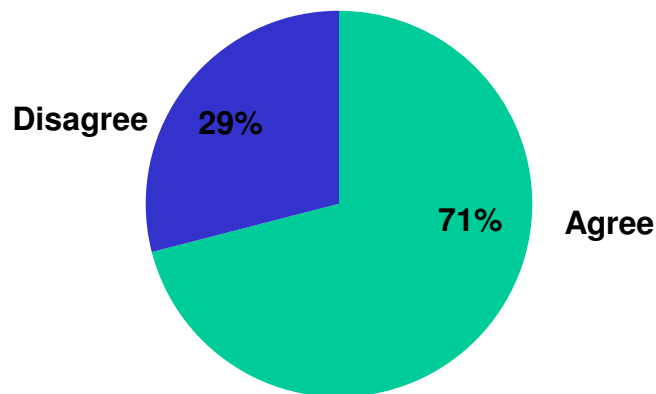
programs were only a deciding factor for 1% of respondents. While respondents clearly value a loss prevention employee with an earned bachelor's degree, there is still a need to educate colleges and university professors and students about the career opportunities and professional growth in retail loss prevention.

Additional findings from this first phase of research were that:

- 74% stated that earning a baccalaureate degree at the corporate level was important in furthering that individual's opportunity for promotion
- 80% would be likely to hire a new employee with a relevant bachelor's degree over another employee without one, assuming a comparable level of experience
- 65% would be likely to promote a person with a relevant bachelor's degree over another employee without one, assuming a comparable level of experience and past work performance
- 53% knew someone who missed a promotion due to a lack of degree

Nationwide, loss prevention leaders recognize that the field has progressively grown in stature within the retail industry. Accordingly, the Loss Prevention Higher Education Survey provides a baseline set of metrics from which future changes in the educational profile of members can be compared.

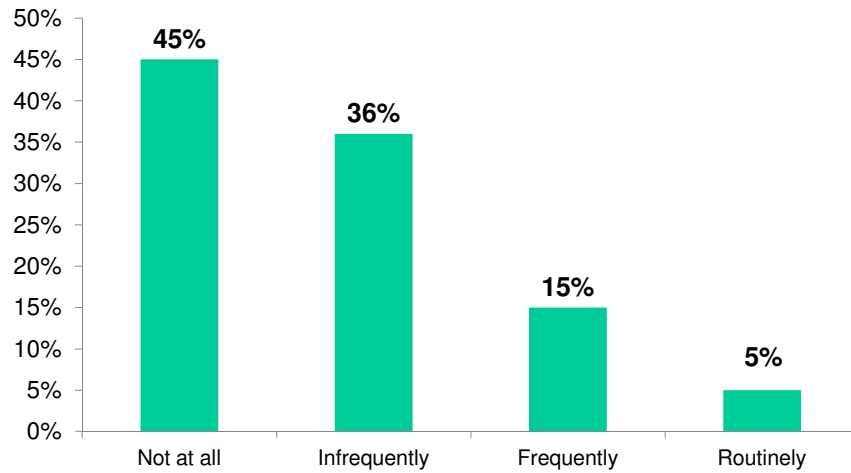
Does a loss prevention employee with a college degree add organizational credibility to your department?



Over the past year, have you or someone in your department engaged in any of the following activities?

- | | |
|-----|---|
| 45% | No relevant activities. |
| 28% | Established an internship with a current college student. |
| 27% | Participated in a job fair or career day at a college or university. |
| 24% | Made a formal presentation to students on a college campus. |
| 18% | Actively recruited on a college campus. |
| 8% | Invited at least one academic professional to spend time at my company. |
| 1% | Other |

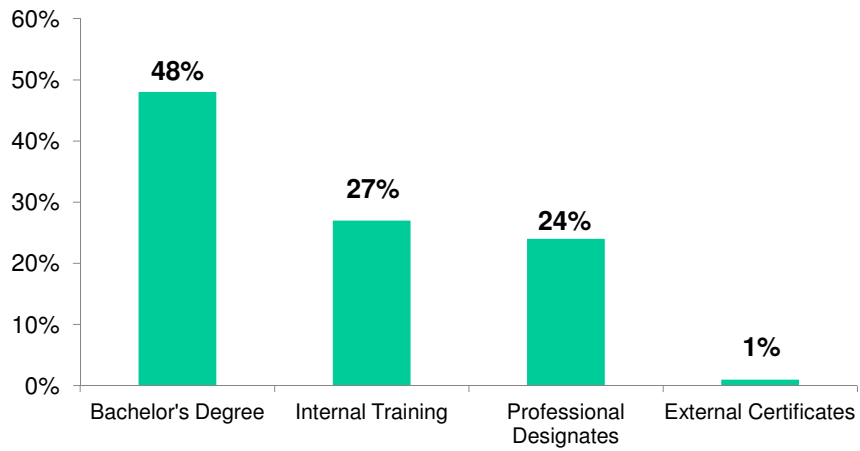
To what extent does your company utilize internships for college students in the loss prevention department?



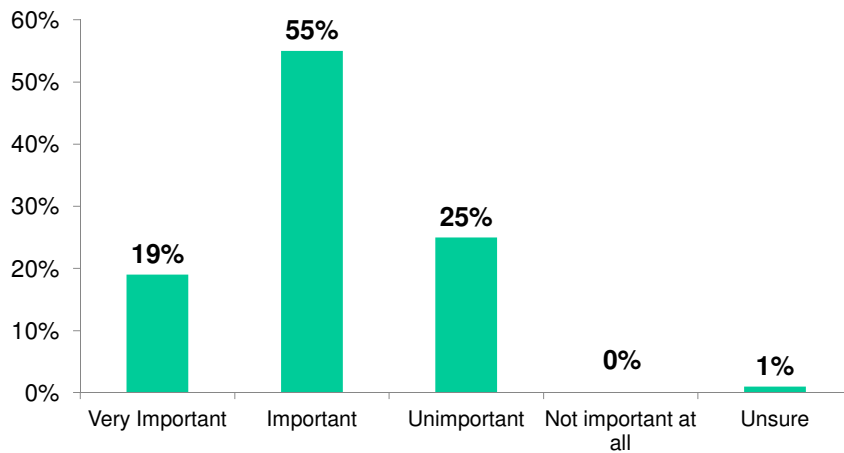
Which of the following describes your reactions to the recruitment process with current students?

- 58%** Academic programs in business, criminal justice, law enforcement and security know little about loss prevention professional opportunities
- 52%** Current students have little or no knowledge of the loss prevention profession
- 44%** A lack of collegiate programs that target the loss prevention industry
- 23%** It is difficult to identify contacts at the collegiate level to recruit talent into the loss prevention field
- 19%** A lack of available college applicants applying to work in the loss prevention department
- 10%** Other

When deciding on promotions of candidates with comparable work experience and performance, which educational and professional development methods rank highest for you?

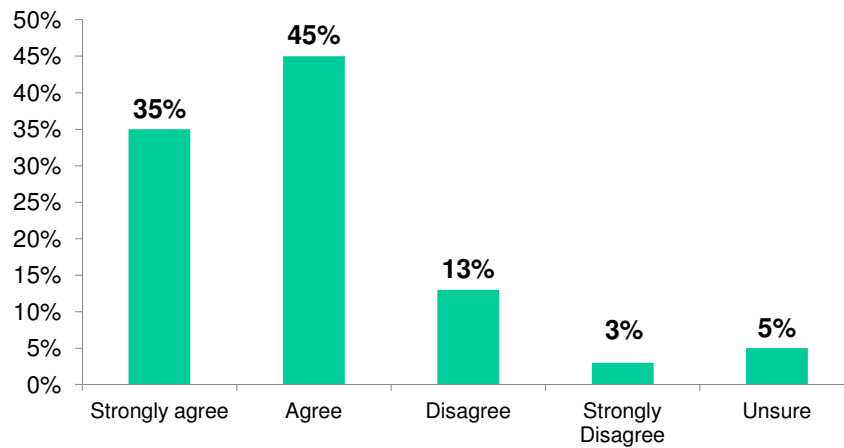


How important is a college degree for corporate level LP employees* to be promoted?

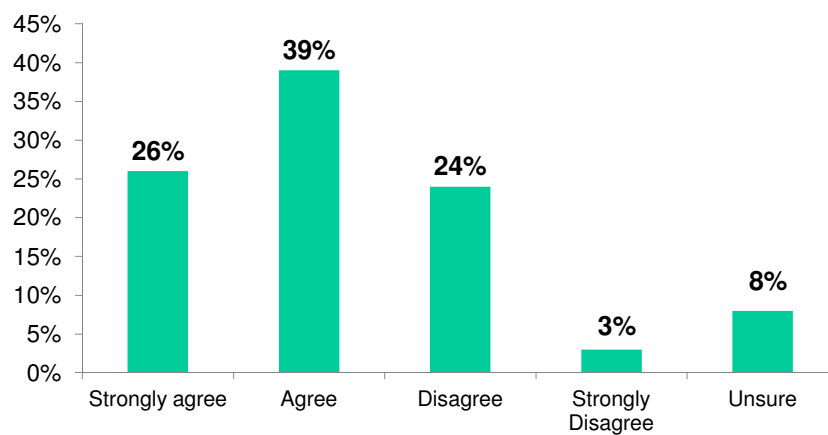


* Only pertains to those individuals without a college degree

Assuming comparable experience, are you more likely to hire a new employee with a bachelor's degree before another individual without one?



Assuming comparable experience and past work performance are you more likely to promote an employee with a bachelor's degree before another individual without one?



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

