

# Best Practices in Employee Screening

## ■ Tips for Integrating Screening with Your ATS

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## ■ 360 Degree Candidate Screening

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## ■ Assessments Relieve High-Volume Screening Pressures

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# Tips for Integrating Screening with Your ATS

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Some of the more recent challenges impacting background screening include: globalization and international screening; increasing regulatory requirements; immigration reform; collaboration needs; and screening the extended workforce. Throw in the need to do more with less while reducing hiring cycle time, and it's clear that making employment screening fast and easy would serve your organization well.

## Trends Point to Integration

As the requirements have intensified, automation and integration technologies have evolved. Screening management solutions can be integrated into applicant tracking systems (ATS), resulting in reduced workload, faster time-to-hire, reduced potential for errors, and improved accuracy, consistency, process efficiency and management. In fact, according to the *2008 HireRight Background Screening Benchmarking Report* ([www.hireright.com/benchmarking](http://www.hireright.com/benchmarking)), more than half of the roughly 300 organizations surveyed have integrated or plan to integrate their background screening solution with their ATS. However, not all integrated screening solutions are created equal and some may not address your organization's complete needs.

Striving to meet employer needs and improve process efficiency, different

flavors of integrated screening solutions have emerged. Some are one-off, designed just for you, and others have been developed as a product to deliver a repeatable, scalable and positive user experience for many customers. Since integrations generally don't come with a label on the box, here are some tips for organizations evaluating the prospect of integrating screening with their ATS or other HR system.

### 1) Examine the Functionality

Look for an integrated solution that provides access to all the features and capabilities you'd find in a stand-alone background screening solution—things like seamless workflow, applicant self-service, real-time status updates, analytical reports and summary management dashboards for visibility over the entire screening program. Approach the decision on an integrated solution the same way you would any other business solution—by starting with your needs and then identifying viable solutions that meet them.

### 2) Confirm Adequate Security Controls

With the one-off nature of some integrations, standard precautions you may expect to be included in the solution could be overlooked. Given the nature of screening information and the criticality of protecting candidate privacy, sound data protection measures for storage, viewing and transmission within the integration should be at the top of your list. Getting specifics on the technologies and security protocols used in the integration and supporting integration platform will help you understand the diligence applied by the screening provider.

### 3) Understand Current and Future Support Commitments

One the biggest areas of concern you

may find when looking deeper at a potential integration is the level of support. Not just technical support, but broader support from the two solutions providers to ensure that someone is available and accountable if something goes wrong. Thinking long-term, you'll want an understanding of how the integration will be supported through future upgrades of the related systems. To address this issue, some pre-integrated solutions—solutions co-developed, tested and supported by the screening provider and the ATS partner—are available today and should be considered as an option for anyone interested in leveraging their ATS for employment screening.

### 4) Ensure Required Flexibility

To save time and money, some integrations are built with the lowest common denominator in mind—they pass only limited information from one system to another. They're generally also light in the features provided and the related configuration options offered. When evaluating integration options, be sure to compare against your requirements checklist of today and tomorrow. Understand the integration's ability to keep up with business demands. As your screening program evolves or policies change, what other features might you want to add and what will necessary changes to the integration cost? Will you want to also integrate I-9 or other screening services in the future?

As the trend in streamlining hiring processes continues, integration between employment screening and hiring systems will continue to be a productivity strategy near the top of the list for employers. In evaluating available integration options, you'll be best served to confirm that the solution of choice meets your requirements from a functionality, security, support and flexibility standpoint—today and in the future. ■

# 360 Degree Candidate Screening

ALICE SNELL, VICE PRESIDENT | TALEO

Estimates over the past decade paint a distressing picture of corporate risk in candidate hiring. Consider these data points: Nearly half of job resumes carry factual errors in dates of employment, educational and professional credentials, and job titles. Three-quarters of all employees in the banking industry have stolen from their employers at least once. Employee theft and fraud cost US retail businesses over \$50 billion each year. The average value of merchandise recovered from employee theft is \$1,525—nearly seven times that of the average shoplifter. The US Bureau of Labor Statistics estimates that between 1.2 and 2 million workplace violence incidents occur each year.

These statistics individually evoke concern. Together, they raise an alarm for everyone in the hiring process but most loudly for the recruiter. How do you reduce risk, perform due diligence, and get the most qualified person for the job? This goal can be reached with the powerful combination of 360 degree screening—a four tier approach including background checking and ongoing alerts during employment.

## Four Tier Candidate Screening

Whether you are a retailer that wants to reduce hourly theft, improve customer service, and optimize federal tax credits or a professional employer looking to accelerate your hiring process, systematize best practices, or just reduce the risks and costs of a bad hire, a four tier screening and assessment approach supports the hire of the highest quality candidates faster and reduces risk and exposure through:

1. Disqualification questions which provide first level screening for basic requirements.
2. Screening questions that gauge interest, skills, abilities, and experience.

3. Validated assessments to enable prediction of brand fit, behaviors, and aptitudes.
4. Verification tools which deliver background, reference, drug, and tax credit screening.

## Verification Tools Deliver Results

The fourth tier of screening might be the most critical. Background screening provides employers with the due diligence to hire safe, qualified employees and to reduce negligent hiring exposure and workplace violence. Post-employment background checking has emerged as an equally critical practice to monitor safe and legal activities and mitigate ongoing risk.

Background checking vendors estimate between seven and 12 percent of applicants are turned away because of background issues: about five to six percent are due to criminal issues; two to four percent are due to false employment or education; and about one to four percent fall under motor vehicle record or credit problems.

Compliance issues, fraud, workplace violence, and negligent hiring liability—and the risk of personal liability—are all significant drivers for increasing concern about the most effective and efficient background checking methods. Yet a Taleo Research survey of large companies found two-thirds of organizations do not conduct ongoing background checks on employees. Only 29 percent have ever run an audit of their current screening provider to determine the quality of their screenings.

## Technology Increases Accuracy

Despite best efforts, manual screening delivers inaccurate results. Sometimes errors arise from simple mistakes in rekeying of information. Today's technology eliminates these errors and accelerates background

check turnaround to enable faster offers to top candidates.

There are many examples that illustrate the need for ongoing checks. For instance, a multibillion dollar hospital's screening program consisted of a seven-year pre-hire background check. Then 12,000 employees were rescreened with these results:

- 198 unknown pre-employment felonies and major misdemeanors.
  - 74 post-employment felonies and major misdemeanors.
  - An average of 14 new events per year.
- Similarly 8,700 current employees of a multibillion dollar financial brokerage organization were rescreened using FBI/NCIC screening with these results:
- 87 unknown pre-employment felonies and major misdemeanors.
  - 13 post-employment felonies and major misdemeanors.

Information gaps are exposing companies to lawsuits, fines, and brand damage—despite having screening programs in place. To be accurate, record searches must cover all locations and even identities—such as name changes due to marriage or divorce—of an individual. Rechecking is also essential. An employee who passed a pre-hire background check may no longer meet current employment obligations and policies.

New methodologies on an integrated platform can significantly improve the background checking process. New algorithms make use of large online criminal repositories for improved quality and efficiency to support both pre-hire checking and ongoing alerts. Optimizing candidate screening processes can improve accuracy, shorten turnaround time, and lower costs while safeguarding both employees and employers.

To learn more, read the Taleo Research white paper Background Checking: Uncovering the Facts (visit: <http://www.taleo.com/research/white-papers-research.php>). ■

# Assessments Relieve High-Volume Screening Pressures

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The increased use of job boards, online applications and automated applicant-tracking systems has made employee screening like trying to sip water from Niagara Falls. Finding gems of talent amidst a flood of applications can be a monumental challenge.

Assessments solve this Information-Age problem by quickly identifying top talent and providing a priority ranking of the entire candidate pool. Assessments supply the efficiency, cost-effectiveness, professionalism and insight that are critical for employee screening.

## Efficient Hiring as a Competitive Advantage

Often a position must be filled immediately with one out of hundreds or thousands of applicants. Added pressure exists in industries where companies compete for the same talent, because a recruiter who is bogged down in evaluating mediocre fits might reach the best ones too late.

Because they enable an organization to quickly measure potential, assessments bring efficiency and mastery to today's large applicant volumes, urgent hiring needs and talent shortages. Assessments automatically prioritize candidates based on their potential for success in a given role, whether hourly or professional. The best candidates rise to the top, so recruiters can contact them first and then work down the list. Assessments help prevent the loss of top talent to competitors.

## Time and Cost Savings

Assessments bring cost-effectiveness to employee screening in many ways:

- **Hiring professionals' time is money.** The quality and speed of decision-making provided through assessments means hiring managers and human resource (HR) professionals can do their jobs faster and easier. The resulting time savings translates into cost

savings because more time is available for other critical activities.

- **Good hires boost profits.** Research has consistently shown that those best suited for a job are most productive. For example, a 16-month study of retail sales associates demonstrated that those scoring well on a job-fit assessment performed better than those scoring poorly—every month of the study. Another recent study of insurance agents revealed that top scorers sold more than double the new business compared to agents whom the assessments advised against (\$189,515 versus \$74,004).
- **Bad hires are costly.** Depending on the position and industry, a bad hire can cost from thousands to tens of thousands of dollars. Studies show that assessments can help avoid between 60 and 70 percent of these poor hiring decisions.
- **Turnover wastes money.** By ensuring better job fits, assessments improve retention and help organizations better preserve their investments in hiring, onboarding and training.
- **Travel for professional candidates is expensive.** When recruiters bring in upper-level candidates, the hard costs for travel and lodging are substantial. Assessments help ensure that such candidates are well qualified so the company's money is not wasted.

## Professionalism

Assessments provide a personalized experience and give hiring organizations an image of professionalism. Some individuals are concerned that assessments lengthen the application process and deter candidates. However, entry-level assessments can take as little as 10 minutes, and studies indicate that adding assessments typically increases drop-off rates by just two percent or less. Those who drop off because of an assessment might not be committed, viable candidates.

Assessments can be conveniently taken from anywhere at any time as part of an online application. Candidates themselves have indicated that an assessment gave the message that the organization was justifiably selective and presented a challenge to entry that put them among a select few. The sense of having earned admission tends to increase new hires' initial commitment to a company.

## Hiring Insight and Intelligence

Insight is assessments' most valuable benefit. Criterion-validated assessments deliver hiring intelligence that is essential for the following reasons:

- Assessments add incremental validity because they evaluate and objectively report crucial characteristics that cannot be easily measured by interviews or other means.
- Assessments evaluate the innate personal characteristics that give a candidate a natural bent for success in a specific position. Not easily learned, these are capabilities the candidate developed early in life.
- Interviews focus primarily on experience and demonstrated behaviors, while assessment provide insight into a candidate's potential to display competence in new areas.
- Assessments enable organizations to evaluate existing employees' potential for tasks they have not yet performed. For example, an assessment can indicate if an engineer has the people-management aptitude to move to a managerial role.
- Interviewers vary in skill and experience. Assessments provide objectivity because they are fair and consistent for each candidate.

Many organizations make better hiring decisions while improving efficiencies and cost-effectiveness through assessments. No screening process should be without them. ■

**For more information on the companies that contributed to this white paper, visit their Web sites or contact them directly at:**



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