

Workforce

MANAGEMENT

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Taking a Strategic View of Employee Screening

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EMPLOYEE SCREENING is a critical first step when it comes to acquiring the right talent. Today, screening practices are more widespread than ever. Public awareness of security threats is high, particularly due to September 11, as well as high-profile corporate scandals and workplace violence incidents. To help minimize threats, governments and other regulatory bodies are strengthening their screening processes—and corporate America is following suit.

Converging trends are also fueling growth in the background screening industry (see The case for Screening sidebar). Technology is reshaping the discipline, automating many manual tasks and allowing providers to deliver new, compelling services. Meanwhile, as Human Resource Outsourcing continues to expand, background screening—which is often integrated into larger solution packages—will grow and evolve as well.

With all of these changes and advancements, background screening is shaking off its image as a commodity. The leading service providers are finding new ways to deliver value, and companies are realizing that background

screening can be a strategic differentiator—one that helps them hire the right talent as quickly as possible.

What should you consider as you review your employee screening strategy? What are the factors that can help your company maximize the value of this service? There are four elements to consider:

- Be specific about your needs
- Don't compromise on quality
- Take advantage of efficiencies
- Consider the customer service

Be Specific About Your Needs

Years ago, employment screening amounted to manually verifying someone's prior jobs. Today, the business encompasses everything from reporting motor vehicle records to researching criminal records, credit histories and more. Meanwhile, technology is reshaping processes and automating laborious manual tasks.

Companies benefit because there are many options when it comes to screening. But all these choices makes it more important than ever to determine exactly what you need from a screening solution.

"It all begins with what problem the company is trying to solve," says Kim

Kerr, Vice President and General Manager of LexisNexis Screening Solutions. "From our end, we want to have a solid understanding of what level of risk is acceptable and not acceptable when it comes to hiring—and this differs from company to company."

For example, there might be a candidate who has a clean criminal record, but other information is questionable—such as a major discrepancy between job titles. Is this a deal breaker? The answer will differ depending on the company and the position.

"If we fully understand the company's tolerance for risk, and how that changes from job to job, we can provide the right guidance as quickly as possible," says Kerr.

It's also critical to get specific when it comes to the search parameters themselves.

"Clients sometimes come to us and ask for an all-inclusive background check," says Doug Young, Vice President of Sales for Verified Person. "I tell them they don't have a large enough checkbook for that. There are more than 3,300 counties in the United States. It's not unreasonable to focus on all of them, so we use technology to help us determine where someone has lived, worked and possibly played."

COMPANY PROFILE



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On the flip side, to save money some companies only search the records in the county where someone lives. This approach can be too narrow, however; in fact, according to Verified Person, 40 percent of crimes are committed in surrounding counties.

Overall, the key is to ensure that a background screening strategy is set to a depth and breadth that's appropriate for the position. For example, if someone will be handling money or overseeing critical data, employers may cast a wide net (credit reports, media searches, criminal scans) to make sure they uncover as much as possible and mitigate their risk.

"Many companies find it beneficial to work with a provider that offers a wide range of screening services," says Tim Lima, Executive Vice President of the Background Verifications Group with First Advantage Employer Services. "That way they have flexibility and choice when it comes to screening for different types of positions."

Another benefit to being specific: it helps control costs. "Companies have in the past sometimes spent too much on a standard background screen," says Young. "We're looking at ways to help companies determine exactly what they want so the searches can be cost-effective."

Don't Compromise on Quality

Public records are available to all—but that doesn't mean back-

ground screening is a generic exercise. In fact, quality can differ widely from provider to provider.

"A lot of screening companies talk about having a nationwide digital criminal file," says Young. "But you can't assume that every provider has the same level of diligence when it comes to the quality of the database. The variance from one provider to another can be as high as 30 percent."

"You also hear companies mention proprietary databases," adds Kerr. "You want to make sure you drill down to what that actually means. There should be transparency there, and the company should be able to tell you what makes their database unique."

Does the company search a person's record several years into the past and use that information to guide other information gathering, or do they just look one or two years back? Are they cross-referencing information or relying on one source? Background screening can get complicated since people go by nicknames, middle names and various versions of their name—so it's important to have robust systems to verify accuracy.

Of course quality is always balanced by the need for fast turnaround. The information needs to be correct and comprehensive, but it also needs to be delivered quickly, since even a small delay in hiring can add significant cost.

"Balancing the time-to-hire with an effective screening process will

always challenge employers,” says Lima. “There are some inexpensive, fast-turnaround screening products available, but you don’t want to compromise on quality because this could end up costing more money in the long run.”

Take Advantage of Efficiencies

In the past, background screening was a highly manual process. But leading companies continue to invest in automated solutions that are revamping these once laborious back-end processes.

“Technology allows us to obtain accurate, comprehensive data as quickly as possible,” says Young. “And that helps shorten the time to hire.”

Among other benefits, advanced technology can incorporate algorithms and screening rules to flag critical information—and unlike a person sifting through records, software can scan multiple databases in a flash and automatically cross-check information.

“We use technology to automatically route each screening request to the appropriate information source,” says David Nachman, Vice President of Marketing and Business Development at HireRight. “Then we use rules-based processing to meet our customer’s requirements.”

In addition, online tools are making it easier for customers to analyze information and make decisions quickly. As an example, Nachman cites HireRight’s soft-

ware, which allows customers to view information as it becomes available instead of waiting for all screening requests in a report to be completed.

“Web-based applications are definitely helping customers efficiently and effectively manage the complexities inherent in employment screening programs,” says Nachman.

Another trend on the technology front is integration. More and more providers are making sure their solution is compatible and in some cases integrated with major applicant tracking systems and other enterprise-wide recruiting software.

For example, YRC Worldwide, formerly known as Yellow Roadway Corp., uses Taleo Verify, which is powered by Verified Person. The company screens thousands of potential drivers and other employees and experiences turnaround times that are faster than industry average.

Consider the Customer Service

Top providers will make the background screening process fast and easy—and present information in a way that’s easily shared. “The way you display information is critical,” says Kerr from LexisNexis. “HR professionals are busy, so reports have to be simple to read and analyze.”

Another important quality to look for is a keen understanding of compliance issues. When it comes to screening employees, a number

of regulations kick in, including the Fair Credit Reporting Act, the Equal Employment Opportunity Commission, Drivers Privacy Protection Act, and others. Every provider should have in-depth knowledge of these regulations, but top providers will go a step further and provide proactive guidance to clients.

Personal attention is also critical, says Young. “Customers want price and quality, but they also want customized service.”

One way to tell if a provider is “walking the talk” is to ask about their track record. In a sense, you can conduct a background check of your own.

“When you’re looking for a provider it’s a good idea to look at the size and diversity of the company’s customers—and the longevity of the relationships,” advises Nachman at HireRight. “This demonstrates the provider’s ability to handle complex customer and industry-specific challenges.”

Ultimately, employee screening is about finding candidates that your company can trust to do the job. Trust plays an equally important role when it comes to finding a service provider to conduct the screenings themselves. “You have to trust that the provider is delivering quality information,” says Kerr. “Bottom line: our customers need to know as early as possible who they are talking to, so they don’t waste time pursuing a candidate that won’t work out.” ■