ExactHire
Technology for Hiring

THE SMB GUIDE TO SUPERHERO PRE-EMPLOYMENT SCREENING

INTRODUCTION

The Challenge of Small Business Pre-Employment Screening

We know from experience: being a part of a small human resources department often makes for a close-knit team, but the workload can make you long to clone yourself a few doppelgangers at times. Small business HR professionals are frequently slowed down with manual processes, such as ordering background checks and chasing down references. Moreover, they are often pulled away to put out unexpected “fires”; thus, making it difficult to get to every to-do on time. That’s why more and more small- and medium-sized companies are looking for ways to accomplish more without adding expensive overhead in the form of additional HR staff members.

We know this story all too well at ExactHire (after all, we’re a small and mighty organization ourselves!), and this scenario resonates for many of our clients, too. Fortunately, with some attention paid to pre-employment screening best practices, as well as some help from a hiring automation sidekick, human resources managers at small organizations can protect and serve their employees just as effectively as their large corporation counterparts. Banish screening liabilities such as management disengagement, flawed record checking protocol, and the paper-shuffling waiting game.

This piece examines best practices in pre-employment screening; including, application review, applicant assessment, background checking and reference checking. In addition, it examines trends in automating different aspects of the pre-employment screening lifecycle. We hope that this information can help guide you as you combat potential inefficiencies within your organization. Think of automating the candidate screening process as a means to arm yourself with enhanced senses and special, super equipment. After all, what would Wonder Woman be without her lasso; or, Spiderman without his webbing?

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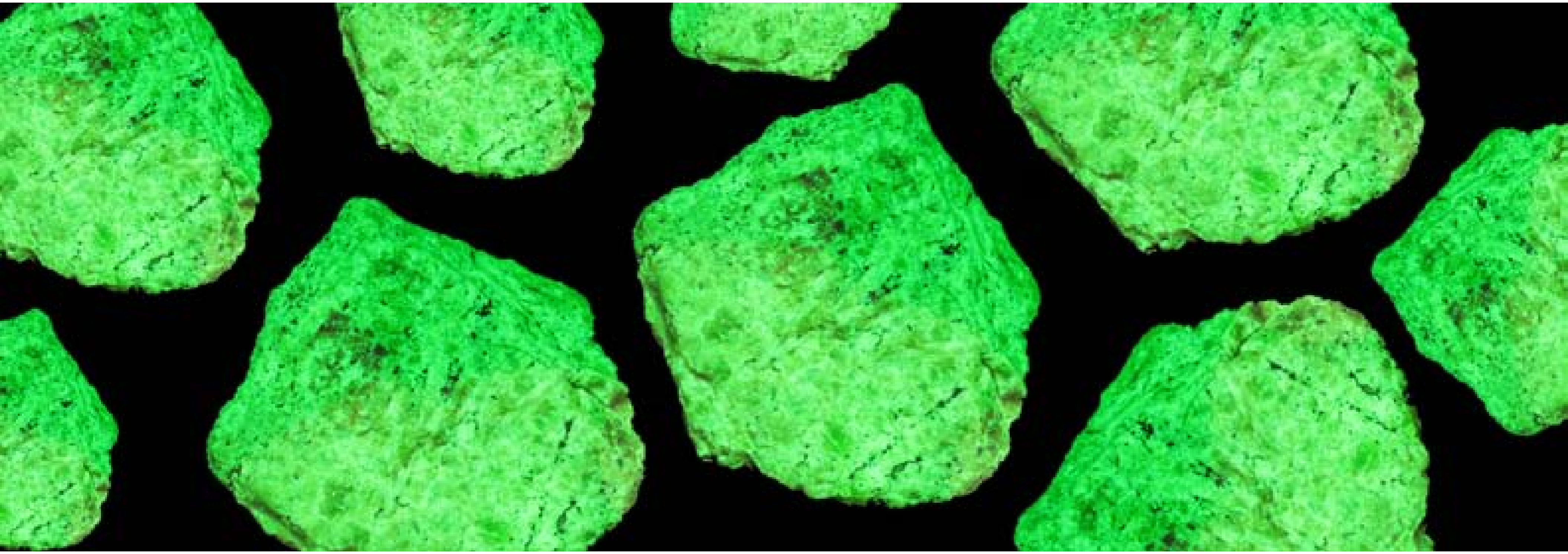


CHAPTER ONE

Uncover Kryptonite in your pre-employment screening process

Don't get sidelined by an unexpected compliance issue that could have been prevented

Key Points

- Conducting a human resources audit lays the foundation for sound pre-employment screening practices
- Understand how employment laws impact your approach to recruiting candidates
- Revisit your employment application to eliminate any potential liabilities

Do an HR Audit to Expose Potential Liabilities

While an HR audit can be a lifesaver in terms of preventing future liability for all areas of human resources, it is especially critical when it comes to assessing the legality of your hiring process. Here are a few points specific to pre-employment screening to be sure and cover during the HR audit process:

- Be aware of any "Ban the Box" laws that affect the geographic areas in which you hire employees, as they will regulate whether you may ask about criminal history on your employment application.

- Make sure that a credit report is only used to screen applicants in consideration for positions that have a job-related necessity for someone to be without credit blemishes. Moreover, for those positions that do warrant a credit check, be certain to comply with the Fair Credit Reporting Act (FCRA) and obtain the employee's written consent at the appropriate point in the process for your industry before seeking the report.

- Examine your company's use of social media in the screening process. That can be a slippery slope due to the type of information that can be unearthed about a person. However you approach social media screening, do it consistently across all applicants.

- Ensure that you don't ask any questions on the employment application that could reveal an applicant's disability and violate the Americans with Disabilities Act (ADA).

- Make sure your employment application doesn't ask for any unnecessary information too early in the process…for example, Social Security Number. While it can be easier to collect information all at once, the truth is that you would only need that information later at the point of the conditional employment offer (unless you a have a specific industry exception). Applicants can be spooked by being asked to share that type of information in the beginning. Have a protocol for gathering this data electronically once you actually need it.

An HR audit is a critical first step in laying the framework for effective and compliant pre-employment screening.[1]

RECAP

- Monitor "Ban the Box" laws
- Relevant credit reports - mind the FCRA
- Consistent social media screening
- Questions shouldn't conflict with ADA
- Avoid sensitive info on application

CHAPTER TWO

Heroic practices - document, set expectations & communicate

Sometimes the most powerful actions are as simple as being organized, candid and communicative

Key Points

- Make your management team aware of your documented HR processes so they may assist in your absence
- Promote transparency and set expectations with applicants regarding the hiring process
- Communicate early and often: verbally; online; and, via email

Document Your Process & Put it Where Upper Management Can Find it

Especially if you are the only HR person in your organization! If something should happen to you, other select members of management should be able to step in to make sure things like Social Security Number verification, background checks, education verification, etc. continue to be conducted on candidates for hire.

Top managers should have access to contact information for any vendors you use for these activities, as well. Have a documented plan of action explaining what happens when credit checks, reference checks and background checks come back with unfavorable news. Otherwise, senior management may not know that if you decide not to hire a person because of information in his/her credit report, for example, you have to give him/her a copy of the report and inform the candidate of the right to challenge the report under the FCRA.

Tell Your Applicants What to Expect From Your Recruiting Process

Once you have a documented process in place that is visible to your management team, don't neglect to explain how the pre-employment screening process --really the entire hiring process--works to applicants, either. As a result, some candidates that may have been a poor fit, or that have skeletons in their closet, will self-select out of the process and save you time.

You may not always know exactly how many steps each position's selection process will have at the onset of initial interviews, but you should at least have a general idea. Stand out from the rest of your employer competitors by being upfront with applicants and bringing a sense of transparency to your hiring process. The best part about this list item is that it's easier than you think.

Simply give candidates expectations about how many steps are involved in the hiring process, what they are and how long you expect it to take to proceed through each section of the hiring funnel. And, if your process isn't set in stone, that's okay, just tell them that's the case and promise to keep them apprised of any changes.[1]

Three Powerful Methods for Communicating Expectations to Applicants

Verbal

Outline your hiring process to candidates during the first interview (often, a phone screen) or even earlier by including it in any emails sent to the candidate to request that an initial interview be scheduled. The good part about speaking to candidates directly about your interviewing process details is that you can receive their immediate response as to whether or not they anticipate being able to participate in a process that takes the length of time that yours may require. If they can't, no worries – you haven't wasted your time or their time by conducting an initial interview. Candidates are more likely to be candid with you if you are candid with them.

Online
Create an employment FAQ page on your careers portal to help support the idea that your employment brand conveys helpfulness and transparency. This approach also cuts down on the number of applicant questions you may receive during the hiring process – and that helps you save time and process employment applications more quickly. You've probably already thought of some frequently asked questions that you receive from candidates since you started reading this paragraph, but just in case, we've included some ideas for you.

FAQ PAGE QUESTIONS

- Do you have both part- & full-time positions?
- Describe the background check process.
- May I apply in person?
- Are professional references necessary?
- How long will my application be kept on file?
- Do I need a new application each time I apply?
- When can I expect a call regarding interviews?
- How many stages are in the interviewing process?
- What is your policy on using social media to connect with applicants?
- Will I receive a confirmation once I submit my application?

Email
You can use email templates to make communication to applicants quick and easy, too. Whether you have canned responses saved in your work Gmail account or you build email templates in your applicant tracking system, it's a huge timesaver to have commonly used blocks of text ready to go when communicating with candidates. Not only does it reduce the possibility you will make mistakes (thanks to spell check and a restful state of mind when responses are created before they are needed), but it ensures that candidates stay engaged because you are actively communicating with them throughout the recruiting process. People will regard you as a hiring hulkster even if there is only one of you in human resources![2]

CHAPTER THREE

Supernaturally effective screening questions

They don't quite give HR true X-ray vision...but arguably they come close

Key Points

- Application screening questions are incredibly effective tools that save time for recruiters
- Think strategically when wording screening questions - there is an art to getting the answers you actually need
- Use scoring and flagging filters on job-relevant questions to quickly segment applicants based on minimum qualifications

Get the Answers You Need From Applicants

Executing a strong pre-employment screening strategy can save your company a lot of money and time. And while a sound, legally defensible process for conducting background checks and reference checks should certainly be a part of any screening protocol, so many companies forget the first, and arguably, most *affordable* step:

Add screening questions to your job application to get the answers you need from applicants.

Answers to these questions will automatically tell you whether job candidates meet your minimum basic qualifications. Plus, hiring tools such as applicant tracking software can make it easy to, not only attach these critically important questions to your application, but also to filter results and view only the candidates that make the grade.

But before you can reap the benefits of smart screening questions, you have to write them effectively. Follow tips in this chapter to improve screening questions and more easily qualify job candidates.

Ask the "Deal Breaker" Questions

The goal of the screening question section of your employment application is to uncover as much information as possible about whether the candidate meets minimum basic qualifications…and, to do so in as few questions as possible. Basically, cut to the chase and skip the "no duh" questions.

For example, don't ask questions such as "are you a motivated person?" Most individuals with any kind of self-preservation instinct will say "yes" because they want the job. You're no better off in the pre-screening process by having that answer.

Instead, focus on what you really need to know such as whether an applicant: can work overtime; has a certain critical license/certification; has enough years of experience to excel in the position, etc.

Be Specific About Wording Screening Questions

As you consider and implement deal breaker questions, be sure to strategically word them in such a way that candidates can't sneak by with easy answers. A classic example is asking about one's proficiency with a software application.

Instead of: "Describe your proficiency level with Microsoft Excel. Beginner, Intermediate or Advanced?

Ask it this way: "Have you ever created a VLOOKUP in Microsoft Excel?”

Big difference, huh? Now obviously your reworded question will suit the needs of your own specific position, but this approach will certainly help separate the unqualified applicants from your preferred candidates. And the goal of any exceptional automated pre-employment screening process should be to encourage unqualified applicants to self-select out of consideration as early in the game as possible.

Use Scoring & Disqualification Filters

Hiring managers and human resource professionals want to find the best, most qualified applicants at the speed of light when it comes to viewing resumes and employment application answers. But that shouldn’t require them to spend light years looking at every single record in order to manually weed out those applicants that already fail to meet basic qualifications.

ExactHire’s HireCentric applicant tracking system allows you to create screening question groups to automatically score and/or disqualify applicants based on answers to job-specific and standard application multiple choice questions. Then, you can instantly filter out candidates that fail to meet basic qualifications when you are ready to view applicants for a job.

Make Each Question Relevant to the Job

With the ability to score and flag applicants based on answers to screening questions, it’s easy to see how a recruiting manager might get carried away in creating a question list. Remember, get the most benefit out of the fewest questions. Find out where the line is for your organization in terms of creating enough of a speed bump that you aren’t overwhelmed with unqualified applicants vs. not making your application so long that you have a high abandonment rate.

On your short list, should be questions that are obviously relevant to the job, and to your organization as a whole. Make sure that each question asked has a direct correlation to either an essential job requirement stated on the job description; or, to a critical competency

DEAL-BREAKER QUESTION IDEAS

- What is the current expiration date of your [insert license/certification here]?
- How many years of experience do you have in [insert desired field/discipline]?
- Please list your salary history & minimum salary requirement.
- What is the maximum number of employees that you have supervised in a job?
- Are you experienced in administering performance evaluations?

MORE DEAL-BREAKER QUESTION IDEAS

- Do you have any experience using Excel for [insert desired activity…i.e. financial reporting]?
- The work schedule is 9am to 6pm, Mon-Fri. Will this work for you?
- Do you have experience using a cash register and/or handling cash?
- I am aware that the company may require a drug test as part of the hiring process. Y/N.
- Mark all languages in which you are either conversational or fluent.
- Do you have a valid CDL?
- Mark all the software applications in which you are proficient.
- What specialized equipment are you able to operate?

necessary for success at your company in general. I.e. no “if you were a superhero, which one would you be and why?” questions.

Use Multiple Choice Questions Strategically

Multiple choice questions offer many potential advantages to the employer when implemented with thoughtful consideration for the types of information you need to be able to effectively pre-screen a candidate. Consider the benefits of multiple choice questions compared to longer-form essay (or write-in answer) questions:

- Candidates may complete them more quickly and they are less intimidating from a visual standpoint
- Their answers leave no room for ambiguity when interpreting candidate responses
- Their answers can be scored and/or flagged to help you rank individuals
- When required, they help employers get answers to key questions

In order to get the most out of your multiple choice questions, however, they must be implemented correctly. For example, many job applications include questions that ask applicants about the number of years of experience they have in a certain area or with a particular job skill. Take care to avoid using multiple choice questions that provide answer options that overlap one another. For example:

How many years of experience do you have in the banking industry?

a) No experience
b) 1 year or less

c) 1-2 years
d) 2 – 5 years
e) 5+ years

If you have two years of experience…it's not exactly clear which one to pick is it? Additionally, at ExactHire we see a lot of employment application questions in our daily work customizing and building applicant tracking system portals. We always encourage clients to provide multiple choice answers for questions related to experience, software application proficiency, and especially, income.

Here's why…a client will want to try and pin down an income target for an applicant and will make it a required text box field so that the applicant must provide some kind of response. The result more often than not is that the applicant will put "Negotiable." That kind of answer doesn't help you pre-screen one bit. Instead...

1. Tie a series of income ranges as answers to the multiple choice question.
2. Then, use flagging filters in the ATS to screen out applicants that don't fit your budget based on their income preference.
3. Also, use scoring filters to rank order the applicants that will give you the best value for your human capital investment.

Creating different sets of pre-employment screening questions for all of your positions is a cost-effective strategy. It allows you to instead allocate money to more in-depth tools used on highly qualified candidates later in the hiring process–such as employee assessments, reference checks and background checks.[3]

CHAPTER FOUR

Use assessments to spot interview imposters

Knowing how to select the right type of assessment tool is an important investment in reducing turnover

Key Points

- Employee assessments should be a tool - even for SMBs
- Learn about the Big Five personality traits
- Become familiar with important terms that allow you to better select a quality assessment tool that is appropriate for your needs

Making the Case for Pre-Employment Testing

We all know that turnover is expensive. However, so is the cost of having an underperforming employee who continues to work for your company. Consider also that terminating employees is more difficult due to the number of laws that exist. As a result, companies are becoming more diligent and taking additional steps in the hiring process to ensure they are hiring the right people. By "right people" we mean candidates that have the same characteristics as your current top performers and ones that fit the job and the culture of your company.

Many small- to medium-sized companies, especially, struggle with finding that right person for the job when going through the hiring process. You may not have previously considered job skill tests or cognitive assessments due to the additional expense. But when you examine the different statistics on the cost of turnover, no matter which one you choose...they are all staggeringly expensive...and especially hard to swallow for the SMB. So, what is your opportunity cost of not truly understanding the hard wiring of an individual during the interviewing process?

But He Interviewed So Well...

When you acknowledge the fact that most of us are not great at interviewing, we need all the help we can get. In fact, many interviewees are better prepared than the interviewer--in today's internet landscape saturated with blogs about the most common interview questions and how to prepare for a phone screen. Unfortunately, human nature often causes us to hire candidates that are more like us as interviewers, regardless of what the job requires. To make matters worse, we tend to reach that conclusion early in the interview.

Investing in employee assessments, and the additional time you spend in determining benchmarks for their use, really does pay big dividends. The payoff shows up in reduced turnover, shorter learning curves, less conflict in the workplace and better overall job and culture fit.[4]

TYPES OF EMPLOYEE ASSESSMENTS

- Job Skills Tests
- Custom Assessments
- 360-Degree Evaluations
- Behavioral & Cognitive Assessments
- Sales-Specific Assessments
- Industry-Specific Assessments
- Leadership & Workplace Team Assessments
- Pre-Screening to Prevent Theft
- Job-Matching Assessments

Understanding Employee Assessments

Employee assessments have been around for decades. Organizations use them for hiring, team-building, conflict resolution and succession planning. While there are many legitimate options for these tools in the marketplace, there are many more that either aren't very reliable or, worse yet, aren't legal to use in certain situations. In the remainder of this chapter, the focus will be on behavior/personality assessments. That's because these are the types of assessments whose accuracy and applicability are typically most difficult for people to confirm.

The Big Five Personality Traits

Most of these assessments are ultimately based on the "Big Five" personality traits. To make it easier to remember, you can use the acronym "OCEAN":

- **O = Openness** (degree to which one is open to a variety of experiences)
- **C = Conscientiousness** (willing to work, self-disciplined)
- **E = Extraversion** (importance of social stimulation)
- **A = Agreeableness** (cooperative vs. antagonistic)
- **N = Neuroticism** (need for stability)

Beyond these Big Five, most assessments now have created varying numbers of sub-scales to look into these various traits in more detail. Regardless of how they might be configured, having this basic working knowledge can help you to make sure a given assessment has at least the beginnings of being legitimate.

Now, let's look at five items that can help you be even more discerning in your evaluation:

Ipsative vs. Normative

Ipsative assessments are forced choice tools that provide a measurement of a person's relative strengths in various categories. These types of tools tend to be used more in post-hire activities, as they don't compare a person to others.

Normative assessments measure a person's characteristics against confirmed patterns of normality -- the population at large. Due to this, these types of tools tend to be used more for hiring.

Validity

Validity defines what characteristics an assessment is measuring and then determines if that assessment is truly measuring those characteristics. In other words, does it do what it's supposed to do? There are a host of ways to validate assessments, but asking a provider for their validity studies is an excellent way to gauge how well the solution is put together.

Reliability
Reliability defines how dependably (or “reliably”) an assessment measures certain characteristics. This is usually gauged by how consistent the results are for groups of people who take the same assessment multiple times. Typically, you’ll want to work with an assessment that has a reliability score of .80 or better. As with validity referenced above, reliability figures are typically included in most assessment providers’ validation studies.

Distortion
One of the primary concerns for many people considering assessments for their organization is how easily others may be able to manipulate results. For any tool you’re considering, be sure that it has a way to detect this. Often called distortion or candidness, most quality tools will be able to flag those who have provided answers that are inconsistent.

Benchmarking
To help assessments really enable you to better understand what key traits are common in your high (or low) performers, it’s important to be able to benchmark existing performers within your organization. This usually includes looking at both ends of the performance spectrum. Being able to use results of real people performing certain functions within your culture and work atmosphere allows you to zero in on those particular traits/characteristics that are difference-makers for you.

Assessments, when used appropriately, can be significant predictors of success. They can also help you handle conflicts, promote from within and ensure current staff are in the best positions possible.[5]

CHAPTER FIVE

Unmask secret identities - background checks

Understand the legal landscape, make a plan and then proceed with care

Key Points

- Update job descriptions and applications so that it is clear which background checks are appropriate for a position
- Determine criminal conviction risk factors by job category
- Include local record searches in background check efforts and allow job candidates to challenge findings

Background Checking Basics

There are many things to consider when it comes to trying to improve the background checking process for your smaller organization. In fact, since the revised Equal Employment Opportunity Commission (EEOC) guidance rules were published in 2012, there has been much speculation and frustration among employers as to the use of criminal history checks in the hiring process. These updated guidelines for background checks are especially challenging for small and mid-sized organizations, as they typically don't have the legal resources readily available to help keep them compliant.

ExactHire has heard these complaints from clients over the past few years. And while we are not a background checking firm, because it is part of the hiring cycle, it does frequently come up in our conversations with prospects and clients. Additionally, we have been fortunate enough to receive many tips from background check providers as to what employers can do to help avoid any undue exposure. In this chapter, we'll focus on critical considerations as you navigate the background checking landscape, and then discuss how to automate the background check process to improve the candidate experience and shorten the time involved with collecting candidate information.

Job Descriptions & Employment Applications

This probably isn't the first time you've been told to make sure job descriptions are up to date; however, with the EEOC revisions from a few years ago, this continues to be even more important than it has been in the past. Make sure your descriptions clearly indicate which job requirements are essential requirements.

Involve hiring managers in thorough job evaluation efforts to make sure that the needs of a job are well documented so that it will be clear whether, for example, a credit check is warranted for a job with significant fiscal responsibility. If you are using an applicant tracking system, ensure that all of your templates are updated once consensus is reached on any changes.

Once your job descriptions have been reviewed, review your employment application with X-ray vision to look for any liabilities that may arise from asking about criminal convictions. While the finer points of this bear further discussion with a qualified labor and employment law attorney, the key is to avoid any appearance that applicants having prior criminal convictions are excluded from consideration. Beyond this suggestion, many states and local governments have implemented "Ban the Box" legislation that makes it illegal to even ask this type of question on the application.

FEATURED RESOURCE

*What Employers Need to Know About **Ban the Box** Legislation*

Determine Criminal Conviction Risk Factors

It is imperative to consider only criminal convictions relevant to the job for which an applicant is applying. The fact that an applicant committed any crime is no longer considered sufficient reason to exclude that person from consideration for a position. In addition, you must be able to show that the crime for which that applicant was convicted creates risk for the organization if he/she is placed in a given position.

An example…the fact that an applicant was convicted for shoplifting doesn't pose any undue or unreasonable risk for the employer if the applicant is being hired to run a manufacturing machine. However, if that same applicant is being hired to manage company funds, most would agree that the shoplifting conviction is more relevant to that position and could create exposure for the employer.

How recently a conviction occurred is also a factor when it comes to the potential exclusion of candidates. This is very subjective, but the intent here is to make sure that applicants who were convicted for offenses many years ago aren't excluded from consideration unnecessarily. Another component to this piece is that applicant attempts at rehabilitation and recent job performance results should be considered. If someone was convicted of a crime 15-20 years ago, but has been employed and showed good performance in positions since then, that conviction likely shouldn't be used as a way to disqualify the applicant from consideration.

BACKGROUND CHECK OPTIONS

- **Criminal**
  - > County Criminal Records Search
  - > Federal Criminal Records Search
  - > National Sex Offender Search
  - > National Wants & Warrants
  - > Global Security Watch List
- **Civil**
  - > County Civil Records Search
  - > Federal Civil Records Search
- **SSN / Credit**
  - > Social Security Number Trace
  - > Credit Report
- **Driving Records**
  - > Motor Vehicle Record (MVR)
  - > Comm. Driver's License Info. System (CDLIS)
  - > Fleet Alert
- **Verifications**
  - > Employment Verification
  - > Education Verification
  - > Professional License Verification
  - > DOT Drug & Alcohol or Accident History Verif.
- **Drug Testing**
  - > 5 Panel Test
  - > DOT 7 Panel Test
  - > 9 Panel Test
  - > Oxycodone 10 Panel Test
- **Healthcare Sanctions**
  - > Federal Healthcare Sanction Search
  - > Federal + State Healthcare Sanction Search

Go Straight to the Source for Data Records

One of the first things to understand about background checking is that different reputable background checking providers are predominantly pulling from the same data sources. So, in other words, between Background Check Company A vs. Background Check Company B vs. Background Check Company C…all generally have access to the same data. None of them have a proprietary data advantage that the other two can't also access.

What some individuals don't realize is that criminal history data is most often recorded and kept for permanent record at the local level, usually at the county level. Also, only about 50% of counties in the U.S. have automated their records. So that means that if an individual commits an infraction in a neighboring state or a county where he/she doesn't live, there's roughly a 50/50 shot of that infraction being reported reliably to the state level database. If providers are all checking the same records, it becomes important for an employer to request to dig deeper than just the state level database…even if it is more expensive to check relevant county records, too. Otherwise, you may miss things in your candidate's past that would have a bearing on his/her employment qualification.

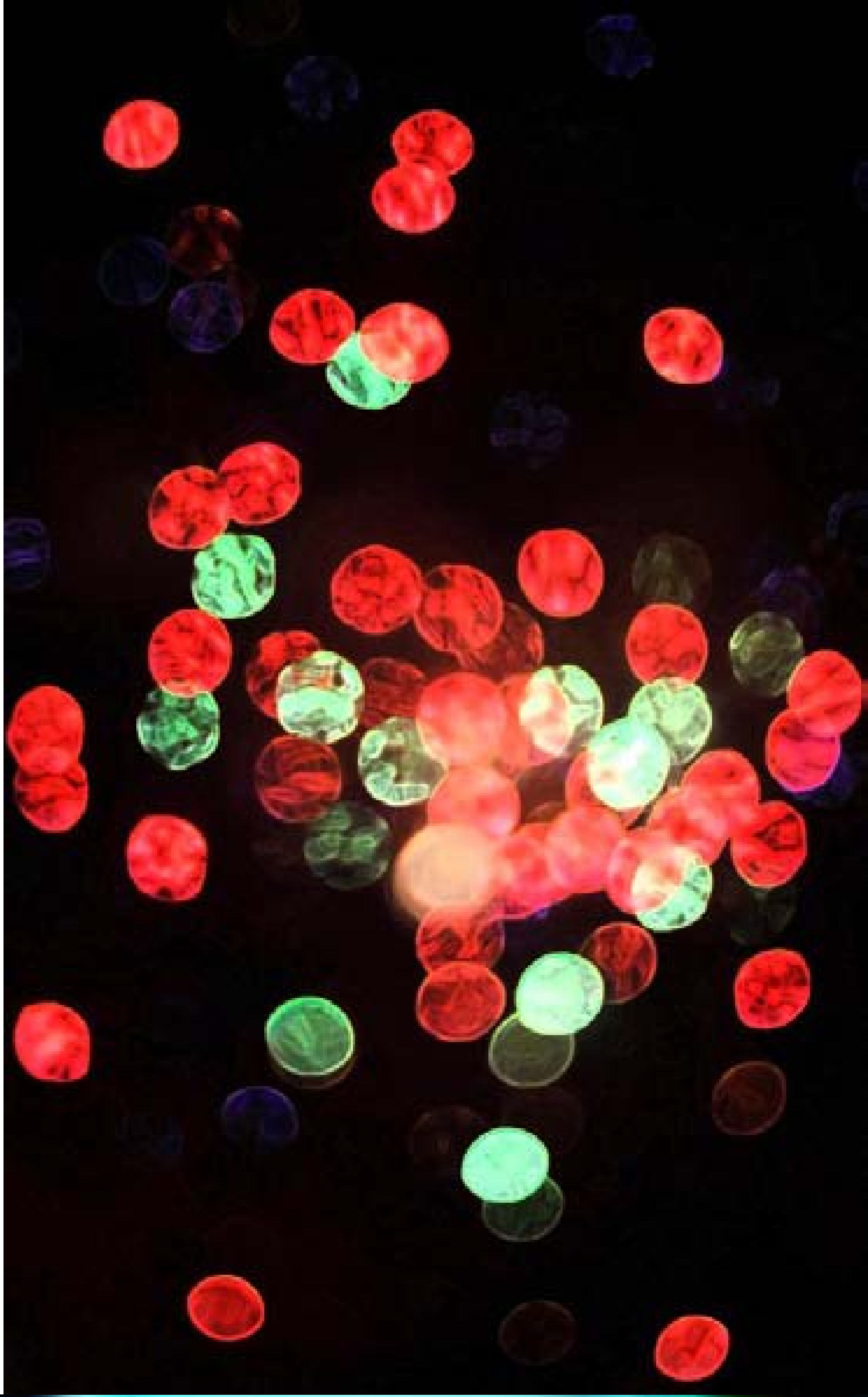
Since many of these government entities are not fully computerized, county record checks often require someone physically visiting a courthouse to manually locate and confirm the conviction information contained in the criminal history search. This is why these types of checks take longer than the "instant" state and multistate searches that some providers offer. These instant searches should never be used as stand alone checks, but rather, a means to narrow down the list of states in which more extensive local searches should be conducted.

Allow Applicants to Challenge Convictions Found

By law, any conviction information found in a criminal history search must be disclosed to the applicant for potential appeal. It's not uncommon for someone to have a conviction show on his/her record, when the actual person convicted of the offense is a different person. They may share the same name, but have completely different dates of birth or Social Security numbers. When using a background checking provider, be sure its staff will either notify applicants on your behalf or provide you the means to do so yourself.

This chapter is by no means meant to be legal advice. For additional details about which types of background checks may be appropriate for your small- to medium-sized business, we recommend speaking with a labor and employment law attorney to see how this topic applies to your specific industry and organization.

There are a number of inexpensive ways to gather criminal history for applicants. However, if you don't understand how data is pulled and just go for the cheapest option, you may find yourself in the midst of some big penalties. Be sure to use a qualified background check provider who can not only provide the conviction history, but who can also provide advice and counsel when needed. ExactHire's HireCentric applicant tracking system features a seamless integration with a qualified, reputable background check provider.[6]



CHAPTER SIX

Don’t settle for pulp fiction reference responses

The challenges of traditional reference checking make a compelling case for automation

Key Points

- Candidates lie and embellish on resumes more often than you think
- Reference checking is critical, but there are some challenges to overcome
- Automated reference checking software can gather objective feedback more quickly and with little effort

Candidate Resume Information: Fact or Fiction?

Have you ever looked at a resume and wondered if it was too good to be true? Unfortunately, sometimes that is a legitimate question. Honesty is always the best policy. This not only applies to personal life, but to professional life as well. Recruiters have limited time to review resumes, so applicants need to convey positive attributes and display themselves in the best light possible; however, lying–or even exaggerating–is unacceptable. Applicants should be aware that we are all interconnected in this digital age, and verifying resume content is easier than ever through reference and background checking.

In 2014, CareerBuilder conducted a survey of over 2000 employers. Fifty-eight percent of those employers surveyed stated that they had identified one or more lies on a resume.[8]

MOST COMMON RESUME LIES

57% Embellished Skills

42% Employment Dates

33% Academic Degree

55% Embellished Responsibilities

34% Inaccurate Job Title

26% Previous Companies

18% Accolades / Awards

Source: CareerBuilder Survey, 2014[8]

Candidates need to realize it's not difficult to verify one's academic degree. By simply calling the Registrar's Office of the higher education institutions listed on the resume, a recruiter can receive verbal confirmation from the school's employee that the candidate did or did not graduate with degree XYZ. This information is considered "Directory Information", and sharing that information is compliant with the Federal Educational Rights and Privacy Act (FERPA).

In some careers, particularly health professions, there are even state and nationwide license verification websites that provide the initial date of certification, license expiration date, and any action taken against the individual's professional license. All of this information is accessible to the public.

The Importance of Reference Checking

Does your organization still regularly check references for most new hires? There are very different lines of thinking for how valuable this process is for a potential employer. Some view the checking of references as a mere formality, reasoning that no potential hire is going to provide anything but great references.

Others view this process as a way to better understand what traits in a potential hire really stood out to prior employers, peers, etc. From this vantage point, the process is a final opportunity to more fully understand the person that's about to be hired. In this chapter, some common challenges associated with reference checking will be discussed, along with some suggestions for addressing these obstacles through the use of an automated reference checking software application.[7]

Common Challenges with Checking References

Logistics

Trying to successfully contact references for potential hires is the most common reason organizations and their HR teams find this to be painful. People are busy, contact information may not be provided accurately, etc. Then there's the question of how to collect reference feedback and keep it with the rest of your applicant's information — separate notes, email folders or in your hiring software?

Limited Information Available

Many references are hesitant to share much information about your potential hire. They may be concerned that it will get back to the applicant; or, they more likely are concerned that anything potentially negative that's shared in the reference checking process may create exposure for them or their own company. Even when information is shared, it tends to be very general, meaning it may not really be all that helpful for the potential employer.

Because of these challenges, SMBs are starting to investigate electronic reference checks. By injecting technology into this process, the core issues mentioned above are mitigated significantly.

TRADITIONAL REFERENCE CHECKING CHALLENGES

- Difficulty in reaching references
- Unwillingness of many references to offer meaningful feedback for fear of legal liability
- If the reference questions aren't structured correctly, information gathered may often be too subjective
- Inefficiency of gathering, recording and documenting feedback from references
- Delays with this process can create roadblocks to finalizing hiring decisions

Benefits of Automated Reference Checks

With the help of a customized software application, the reference checking process is now more like an automated survey, where references are able to provide feedback on their own timeline. This eliminates all the phone tag and email trades between the human resources team and references. At the same time, the potential employer is able to determine the core traits and competencies for which feedback is solicited from the references. In turn, this feedback is provided back to the employer in the form of numbers — i.e., references rank this potential hire on average as a 6 out of 10 for punctuality.

Now you have more objective information about the potential hire, along with the added benefit of getting that feedback with less time or effort. Ultimately, this allows you to gauge over time what ranges of reference feedback correspond with good or poor performers in the context of your specific organizational culture. This is simply an extension of how technology and metrics are being used to better evaluate human resources activities in organizations.

Think about your attitude and methodology regarding reference checks in your organization. There are now more options available to help turn this "necessary evil" into a useful metric for you and your team.[9]

The Perfect Fit

There is no way to know 100% that a particular candidate is the best fit for a position or organization. But no matter how you check a candidate's references, thoroughly evaluate the perspectives given to you from others and cross-reference that with your team's professional views on the candidate. After analysis, if you feel like the candidate is going to be a good fit for the position and your organization as a whole, then you have utilized the information acquired during the reference check process to make a valuable decision and ideally a successful return on your investment.

AVAILABLE AUTOMATED REFERENCE CHECK COMPETENCIES

- Strategic Thinking
- Interpersonal Skills
- Vision, Direction & Purpose
- Teamworking
- Inspiring Commitment
- Conflict Management
- Leading Change
- Collaboration
- Planning & Managing Resources
- Customer Focus
- Delivering Results
- Performance Orientation
- Managing Individual Performance
- Problem Solving
- Leading a Team
- Motivating & Energizing
- Decision Making
- Developing People
- Self-Awareness
- Managing Projects
- Integrity
- Communication Effectiveness
- Flexibility & Adaptability
- Presentation Skills
- Self-Confidence
- Written Communication
- Learning Agility
- Influencing
- Proactivity
- Resilience
- Innovation

CHAPTER SEVEN

Assess pre-employment screening maturity

Know-how is only part of the solution; having the right resources in place is critical to success, too

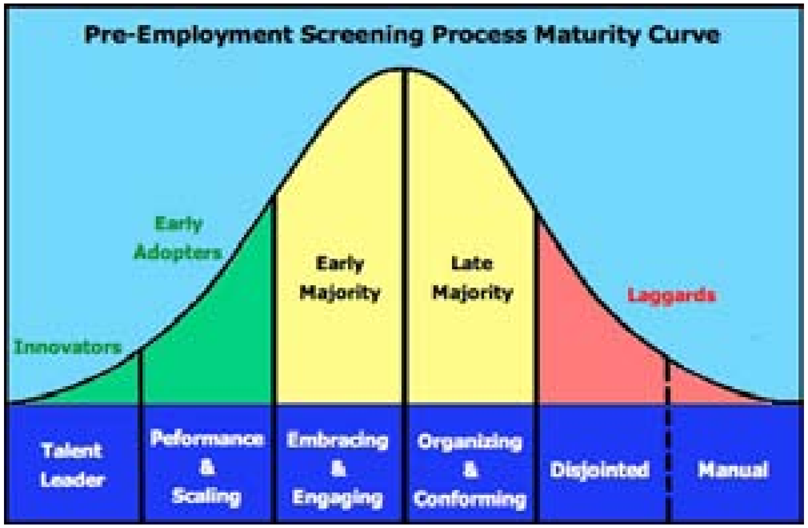
Key Points

- Identify different stages of the pre-employment screening maturity curve
- Understand the pre-employment screening tactics employed at different stages of the curve
- Determine your organization's placement on the curve and plan next steps

SMB Pre-Employment Screening Maturity

A turnkey, effective pre-employment screening process is critical for today's small business. We rely on pre-employment screening efforts to alert us of red flags with a candidate, verify the accuracy of one's employment records, ensure the safety of existing employees, and explore whether one may thrive despite the demands of a position. And don't forget the importance of saving time for busy HR Directors by reducing the chance of expensive turnover later.

There is a wide spectrum onto which companies may fall when it comes to pre-employment screening process maturity. Identify your small business's place on this Bell curve as a first step toward improving your new hire screening, background checking, and reference checking methods.



Your Pre-Employment Screening Process Maturity Level

It's time to get real. How do your organization's resources impact your placement on the pre-employment screening process maturity curve? Into which category does your company fall on the previous image?

Manual

Companies lagging behind in this phase are resistant to technology in most areas of talent management. They are focused on manual activities such as using paper employment applications, collecting printed resumes at job fairs, and promoting the ability to apply in person (despite the absence of an on-site kiosk for electronic submission of applications). Businesses in this bucket may not even be doing background checks or reference checks on candidates who have received a conditional offer of employment. If the company has started to grow more quickly recently, putting these methods in place can be further delayed if nepotism is present and new hires frequently come from existing employee referrals.

Additionally, it is unlikely that the standard employment application offers the opportunity to incorporate well-planned screening questions that flesh out whether candidates meet at least the basic qualifications for a position. Lastly, you can assume that any web presence on behalf of human resources is completely managed by the IT department - and that can cause bottlenecks as HR waits for IT to post new jobs on their behalf.

Disjointed
Companies in this bucket are often plagued by a lack of staff bandwidth (often an HR department of one trying to support too many employees) and poor buy-in from upper management. They launch isolated efforts to supplement the pre-employment screening process, but do not execute a universal, organization-wide strategy.

For example, they:

- utilize employee assessments for only some positions;
- use inconsistent techniques for reference checking and/or fail to train all hiring managers to follow the same protocol;
- inconsistently use social media to screen applicants (potentially a big liability);
- underutilize job-specific screening questions and ultimately depend on the attentiveness of the hiring manager involved;
- do not utilize an automated solution to group job candidates based on whether they satisfied basic qualifications

Additionally, these companies may still be collecting background check-related information (such as previous residences and Social Security number) on the employment application (without a compelling industry-related reason) because it is easier for them. This can disengage applicants and raise a red flag when the solicitation of that information is not connected with a conditional offer of employment.

Organizing & Conforming
Companies in this stage have the right structure in place for optimizing the pre-employment screening process – including an applicant tracking system, and a means to collect employment references and electronic employment applications from applicants. While the integration of technology has advanced these companies into the “late majority” part of the cycle, activities such as reference checking are likely still handled inconsistently and may drain HR staff time.

Though they probably have a go-to background checking vendor in place, they still may be collecting disclosures to run these checks in a cumbersome way (i.e. emailing candidates later in the process with a separate request form and then not having an automatic way for results for the check to flow back into an applicant tracking system).

Upper management supports HR initiatives as it recognizes the need to put sound practices in place as the company grows, but the pace of growth is still outpacing the ability to get the right HR resources in place quickly enough. The HR department has the weight of the world on its shoulders and needs to become even more efficient and strategic.

Pre-employment screening efforts have covered the tactical bases like background checking and reference checking, but still haven't touched screening question development on a consistent basis.

Embracing & Engaging

For these companies, a strategic process is in place so that standardized screening techniques are used for every position in the organization and thoughtful job evaluation is used to create relevant and results-driven job-specific screening questions. The right applicant tracking software technology is in place to allow human resource administrators the ability to quickly and easily view applicants that meet basic qualifications based on answers to questions…and those applicants that score particularly well are highlighted, accordingly.

Success in hiring leads to further engagement from hiring managers to help develop job questions, respond about candidates quickly and utilize pre-employment testing tools. This partnership with hiring managers leads to opportunities to continuously re-evaluate and repeat success in the future.

Performance & Scaling

Scalability is of central concern for companies in this stage. They seek to further optimize their pre-screening efforts and are intimately attune with promoting a positive employment brand to both applicants and current employees. By regularly tracking key performance indicators such as time to hire and cost per hire, among others, HR personnel have already proven the business case for using technology to their CFO and company ownership. Many of these companies have recently experienced a significant spike in hiring, and have sought additional ways to leverage technology to avoid taking on more staff unnecessarily. Examples include bi-directional integration with background checking, behavioral and cognitive employee assessment tools and automated reference checking software in which the applicant is especially engaged to impact the responsiveness of his/her references.

The HR department, whether comprised of one person or many individuals at this near-mastery level, is:

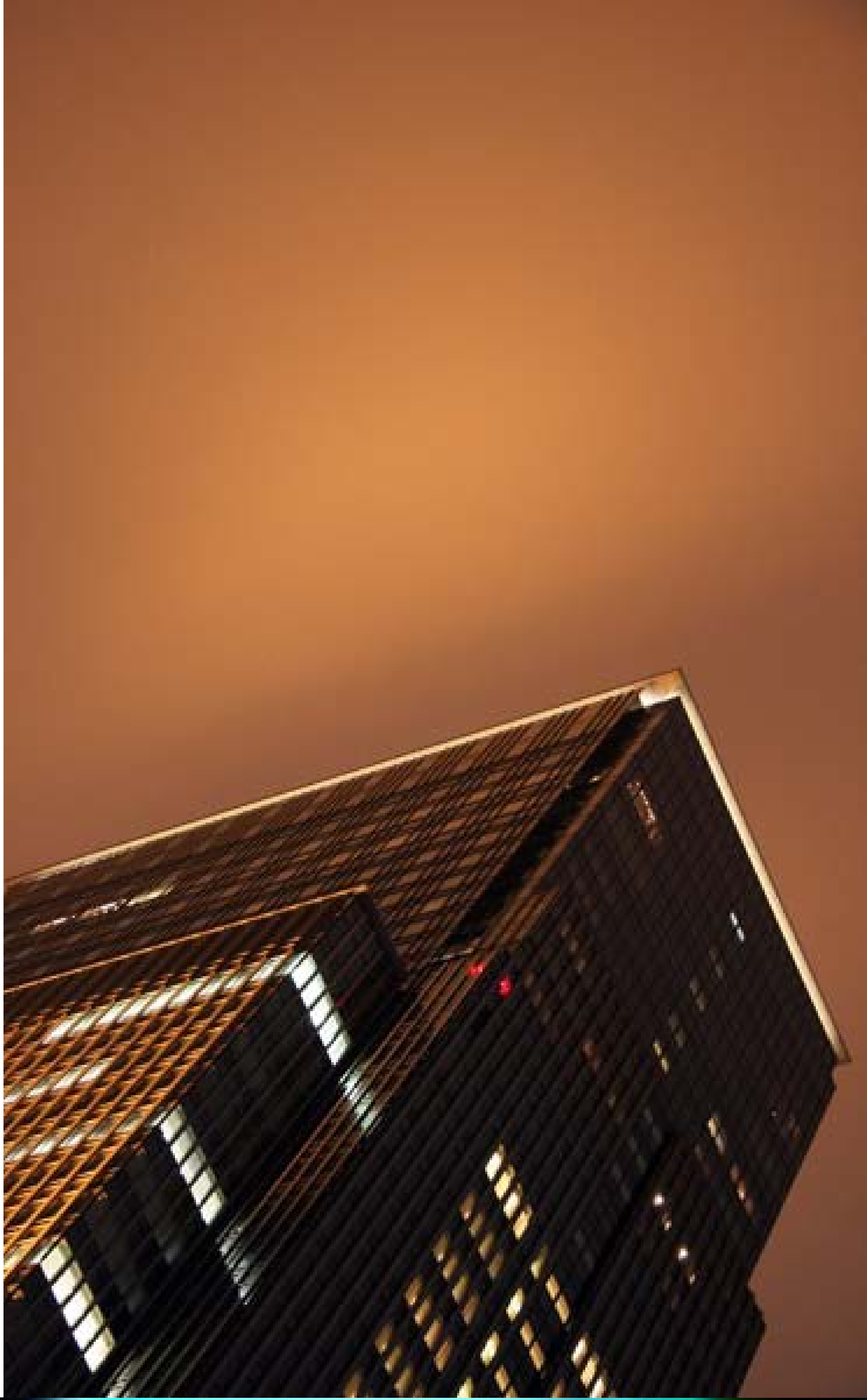
- very agile;
- uses practical, easy-to-learn human resources software;
- and, likely has enviable statistics when it comes to ratio of number of offers extended to accepted and turnover.

Talent Leader - True Pre-Employment Screening Superhero

These companies are completely passionate about attracting and hiring top talent…having employment brand ambassadors from entry-level employees all the way up to the CEO. The return on investment for pre-employment screening efforts has repeatedly been proven as well as scaled as the business expands (and expansion for small business can often mean a pretty drastic percentage increase in growth)…thanks in part to savvy reporting tools available in hiring software such as applicant tracking systems and online reference checking software. Other companies will look to this organization to mimic its hiring techniques and try to steal talent…but the latter attempts will often fail as the leading company has done a great job of pre-screening talent and engaging candidates and employees in the process. The talent leader will have little trouble fielding applicants for most job postings due to its reputation as a choice employer.

Does your business fall into your preferred category when it comes pre-employment screening maturity? What resources can help you move ahead on the pre-employment screening process maturity curve?

See the following page to contact ExactHire for more information. Our hiring technology solutions can help you improve your pre-employment screening maturity so that your company can emerge as a top-talent-hiring superpower...perhaps even capable of leaping tall buildings.[10]



ExactHire
Technology for Hiring

WANT MORE INFORMATION?

ExactHire helps SMBs automate and improve the pre-employment screening process.

Job seekers are smarter, more tech savvy, and better informed than ever. They seek out companies with amazing employment brands. ExactHire's software solutions can help elevate your brand to superhero status.

- **Reference Check Software**
- **Applicant Tracking System**
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- **Employee Onboarding Software**
- **Employee Assessments**

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