



## How another company's downsizing negatively affects YOUR hiring initiatives

*An ominous trend could make it more challenging to hire the most qualified candidate*

In today's economic climate, companies that can hire have a distinct advantage. As unemployment soars, talented employees are available simply as a result of corporate downsizing. Individuals that were nowhere to be found at 4% unemployment are abundant at 8%. Trusted with conducting the employment verifications, a screening partner plays a vital role supporting these talent acquisition initiatives. As healthy companies position themselves for an economic upturn, it is necessary to validate whether the qualifications of the star performer who fell in their laps are true.

Here's where things are beginning to get dicey. With the increase in organizations that are downsizing, we are finding an alarming trend. Often, these organizations are no longer adequately staffed to be able to provide verifications in a timely manner, if at all for former employees. It makes sense this function would be lost on the cutting room floor. It doesn't add any value to the company and can be a time drain. Employees are encouraged to focus on tasks that help make money or cut costs. And providing dates of employment, job titles or the salary does neither.

So as companies refocus their efforts, employeescreenIQ anticipates a further shift in personnel, human resources, and accounting departments. In honor of the typical experiences of the door to door encyclopedia salesman, here's how the employment verifier could soon be as rare as a shelf full of Britannica's.

- Try back later. Information that was once provided in one day with one phone call will now take one week and multiple phone calls.
- We're not interested. An organization still says they will cooperate and provide information but doesn't jump when the phone rings.



- No one is home. That department full of administrative staff that supported back office business functions has been laid off. Obtaining a verification, or a even a return phone call, is unlikely.

Looking beyond the salesman and the 9 year old who doesn't get to learn about aardvarks and antelopes, what's the broader impact of the downsized company's disinterest? It's the potential employee and the hiring company that are the big losers. The candidate misses out on an opportunity through no fault of their own. A company runs the risk of hiring an inferior candidate because their background check is "complete" even though another candidate has a stronger, yet unverified history. But even if information is obtainable, its quality is another worrisome trend potential employers may be faced with as is the time it takes for them to respond.

Many companies provide dates and title only, but you'd be surprised how many continue to provide information on the candidate's performance, attitude, skills and experience. This information usually comes from that candidate's direct supervisor and employeescreenIQ passes along any insight this person offers. But if your candidate was downsized, chances are his boss was as well. Which means information available may be limited to what is in the payroll system. No more insight into whether he was a star performer or let go because of sticky fingers.

More and more companies outsource this verification process to a third party provider, like *The Work Number* and refuse to provide any information directly. In today's economic environment, we project this to be the "fastest growing" segment of employment verifications. This third party administrator simply provides the payroll data that their client, your candidate's former employer, uploaded to their system.

But if the data provided by these automated third party systems is materially different or confusing than what an applicant claims, employeescreenIQ will, as an added, free service, contact the company directly and attempts to clarify what was provided. Usually, the original company would take the phone call. We anticipate, as a function of downsizing, fewer companies will do this going forward and the number of companies unable or unwilling to provide deeper insight will grow.



Let's face it. At the end of the day, a former employer does not make money providing verifications. It is a common courtesy, and may be an unaffordable luxury right now. Therefore, we work very hard to ensure this is a pleasant, professional process. We train our team to work with organizations and strive to do so in the most cordial, cooperative manner possible. We hope that these measures are enough to maintain our 93% success rate on verification requests. We will continue you to monitor this trend a will report our findings related to the effects on turnaround time and success rates.

Thank you for your interest in this employeescreenIQ White Paper. If you have any questions or comments about the material presented or would like to discuss your current screening initiatives, please feel free to contact us at (800) 235-3954, email us at [info@employeescreen.com](mailto:info@employeescreen.com) or visit us at [www.employeescreen.com](http://www.employeescreen.com)