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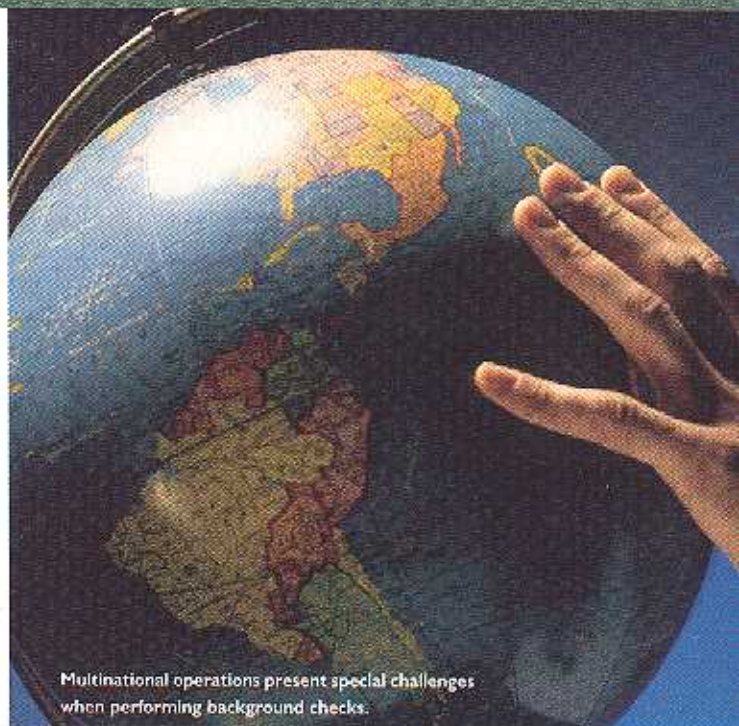
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Navigating Global Background Checks

Explore the challenges and solutions for effective background screening around the world.

By Betty Hirsch



Multinational operations present special challenges when performing background checks.

As more companies open international operations or offer services on a global scale, the need to recruit employees from other countries to work at offshore locations or to take positions in the United States has increased. Companies that perform background checks on U.S. employees also want to maintain this policy for international employees. However, doing a simple background check in the United States is common practice, but an HR department may not feel as confident when charged with background screening on a global scale.

Doug Young, vice president of sales for Verified Person, Memphis, says, "The company performing the background checks has to have a relationship with someone in the country where the background check is being done. That is the biggest challenge."

Terrance Corley, president of Global Screening Solutions Inc., Kennesaw, Ga., says, "As a multinational organization, it's critical that the company uses care when selecting an international screening partner. Aside from simply looking at the technology, cost and turnaround times as compared to how U.S.-based service is measured, multinationals should closely evaluate the level of experience and knowledge the screening provider maintains about the countries involved, their compliance with data privacy, and the legal and proper access to information sources overseas. The ideal international screening partner acts as vital resource to multinational organizations, helping them navigate not only service-related

issues in vetting candidates but also many of the legal and cultural barriers that may exist when introducing such programs at the local level."

The Challenges of International Background Checks

"In the United States, we are probably 50 years ahead of other countries from a reporting standpoint," Young says. "The Freedom of Information Act allows us to pull docket information. However, in many foreign countries, information is not collected. In some, there is military rule and they are a police state, so

"Companies need to evaluate whether what they are paying is worth the cost."

— Doug Young,
Verified Person

information is not for public consumption. For countries that have been riddled with war, public buildings may have been destroyed, so records are gone. In certain countries, once someone is released from prison, their record is wiped clean. In others, a third party cannot perform a background check; it must be done by the applicant."

Jason Morris, president of Background Information Services, Cleveland, adds, "In some countries, you can go into a police sta-

tion or courthouse to get the information you need, while others don't keep such records. Also, beware that due to corruption in some countries, records may have been altered or eliminated. You need to have the expertise to know what is available."

Young notes that the language barrier and inconsistent information are additional challenges. "Just connecting with foreign jurisdictions can be a daunting task if there is a language barrier. Another problem with international background checks is a lack of consistency in information. When you pull a record, there is no reporting structure. Finally, it is difficult to verify the results of a background check done in a foreign country."

Morris notes the technical challenges that can get in the way. "Another potential obstacle to be aware of is that many countries with good record-keeping systems never intended for those records to be searched. A system might recognize a search by case number, but it may not be able to search by name," Morris says.

Set Goals and Objectives

Although many challenges exist, a company can begin to wrap its arms around implementing a global background screening program by first setting goals and objectives. Marco Piovesan, vice president of marketing and international screening and authentication services at ChoicePoint, Alpharetta, Ga., says, "Ensure a fundamental review and updating of corporate policies and procedures with regard

to a global and enterprise-wide background screening program. It is critical to ensure respect for candidates and associates and make sure that privacy and data security are critical components of any policy. It is important to understand what your organization's philosophies and objectives are with regard to a global screening program." Piovesan explains that a company's objectives for performing background checks can range from ensuring a fluid global mobility of qualified and vetted talent, mitigating financial risk and damage to company reputation, or complying with industry regulations. The nature of the industry in which the company is involved and the particular position that is being recruited for can also play roles in an organization's decision to do background checks.

Culture Plays Critical Role

A lack of understanding of the cultural differences and customs around privacy can derail a global background screening program. "One needs to consider the acceptance and perception of these types of programs. Yes, the world is changing and becoming flat, but cul-

tural characteristics cannot be ignored. They need to be respected," Piovesan explains.

Morris says that some cultures consider verification of a person's background as an insult, so it is important to understand the customs of the country you are working with.

Business Environment Versus Needs

In addition to culture, differences in economies and workforces can affect how a global background screening program is implemented.

Piovesan says, "Consider the business environment of the country. What has leverage? Demand or supply of talent? If it is a country with a shortage of talent, you need to consider how to make a background screening program as efficient as possible. Is contingent hiring a possibility? Can you hire without a background check and terminate if results come in down the road that are negative?"

Regulatory Considerations

One of the most daunting tasks involved in global background screening is managing the

varying regulatory environments around the world. "Each country and each region has its own regulations with regard to privacy and data security," Piovesan says. "Also, constitutional laws and legal cases are different in various countries. Some countries have no or very gray areas around privacy and background screening. So, what regulations should apply? Should EU Data Protection Directive policies be followed, should OECD [Organization for Economic Co-operation and Development] policies be followed, should UN human rights policies be followed or should FCRA [Fair Credit Reporting Act] policies be followed?" Piovesan asks.

The regulatory environment also includes questions around background screening data elements. For example, what data is legally permissible to collect and how reliable is that data? Piovesan says that other areas to consider are whether the candidate's consent is needed, how the data will be collected, how the data will be used and the rules for transferring data across borders.

Corley adds that recent U.S. legislation, *continued on page 10*

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including the USA Patriot Act and the Foreign Corrupt Practices Act, requires corporations to use reasonable and responsible due diligence when choosing international applicants. "While there are limitations on accessing criminal and credit-related data throughout the world, we recommend to our clients, when limitations exist in certain countries, offering options based on best-available means from these countries enables them to meet their due diligence responsibilities," he says.

Communication Is Key

"The most important aspect is to engage all of your global teams located in the other countries of interest, such as HR, legal, compliance and security, prior to rolling out any program," Piovesan states. "If you are operating in 25

countries, it is critical that you engage the HR professionals in each of those countries and regional head offices. Make sure they understand the corporate policy for background screening. Make sure that they are voicing their opinions and that you are respecting their opinions. Some tweaking and customization of a standard screening program may need to take place to use it in each of the countries." Piovesan also recommends involving legal counsel to ensure that the program meets cultural, business, environmental and regulatory requirements.

Best Practices

Benchmarking best practices can help put perspective on a global background screening program. Piovesan suggests that employers

ask the following questions: What are other organizations in similar industries currently doing with their global screening programs? Do they have standard background screening programs? What searches can be processed in what countries?" He explains, "A best practice may be to not conduct background checks in a specific country, because legally you are not allowed to collect personal information on an individual through a third party."

Consider Contingent Hiring

International background checks can take significantly longer than those done in the United States. During this period, an employer can lose a qualified employee to another employer. Piovesan says that one solution may be to explore whether it is possible to hire workers on a contingency basis until their background checks clear.

ROI of Background Checks

The challenges of global background screening present the need to weigh the pros and cons of doing background checks and what value the company is getting in return.

Young explains, "Companies need to evaluate whether what they are paying is worth the cost. If the hit rate is 10 percent, and you don't know if the result is accurate, it may not be worth doing background checks for large numbers of employees.

"If you are using a consultant, analyze the amount of money you are spending. Background checks are done for two reasons: security and to gain information that helps make a better hiring decision. For international background checks, employers must determine whether this is worth the cost, especially when they consider the type of information they are getting back. Employers should be especially aware if they are not getting any hits from a particular service or consultant," he concludes.

Conclusion

Performing background checks around the world presents many challenges. However, with careful planning and an experienced screening partner, companies can balance regulatory requirements, cultural differences, business needs and information gathering. **HC**

Betty Hintch is the editor of Human Capital.

Behavioral Assessment Offers Insight into New Hires

When little information can be found on a candidate, which is often the case with international background checks, employee assessments can provide some feedback on an applicant's behavior patterns and offer insight into his or her fit for a position.

Mike Lindblom, human talent developer, The Rainmaker Group Inc., Bismarck, N.D., says, "To measure how a person behaves, we use what we call a 'DISC profile.' DISC is an acronym for dominance, influencing, steadiness and compliance. This helps us determine how a person responds to things like problems, people, the pace of their environment, and rules and procedures set by others. For example, if someone is an extremely dominant person, he or she may have a short fuse, which may be an indication that person will have difficulties dealing with multiple problems at one time. Or, if they're very low on the influence scale, they're not going to be very talkative. That is just one way that behavioral assessment can help organizations determine what potential challenges they might face with a particular candidate."

Other factors can indicate job fit and performance, including motivators and values, talents, and how people view themselves and the world around them. Lindblom says, "We also measure what motivates and inspires people. When we know what motivates them, we can determine the 'why' of their behaviors. We measure six different values, or motivators, including how they view money, power, knowledge, form and beauty, people, and rules and regulations. For example, an individual who has a high social value will likely be good in positions that require them to help people, while a person with a high utilitarian attitude may make a good salesperson. Values help determine what motivates a person and how he or she can be inspired."

Assessments can also point to issues in a candidate's personal life that may help an employer understand where to probe for additional information. "The internal view measures how they view themselves and their roles in the world. For example, we can find out if a person is having issues at home because of their sense of self and their role awareness," Lindblom says. **HC**