



Background Screening and the Candidate Experience

February 18, 2010

The economy is steadily improving and employers need every advantage they can get as the competition once again heats up for top talent. It's a long-held notion that onboarding programs improve new employees' engagement and productivity while increasing an organization's overall performance. Yet employers are only beginning to grasp the importance of the *candidate* experience, and within that world lies the critical stage of background screening.

In recent months, several companies made unwanted headlines when their background check process broke down:

- Michael Ray Brown of Bell Buckle, Tennessee was denied a part-time job last December when a New York background checking company determined he had a criminal record and informed his prospective employer. The problem: the records were for a different individual with the same name and birth date.
- That same month, Kevin Hutchinson of North Philadelphia became an "innocent felon" when a background screening company mistakenly uncovered a felony possession charge and a 10-year prison sentence. He'd openly admitted an old misdemeanor charge on his application, but he was stunned when his manager fired him for nondisclosure of a felony conviction.

Both cases were caused by sloppy background checks that didn't take the extra steps to ensure they had identified the right people. Worse, the victims had to pursue their own investigations to uncover the truth and clear their names. By then it was too late: they couldn't regain the jobs they'd lost. From an employer standpoint, these errors wasted precious time and money spent recruiting the individuals and now they had to start over again. Further, both stories made national news and generated bad publicity for their employment brands.

Why Should Employers Care?

The Aberdeen Group's 2010 study, *Onboarding: The First Line of Engagement*, found that the initial experiences of a new employee have a direct impact on an organization's productivity and profitability. Aberdeen reported that organizations with a formal onboarding process saw a 60% greater year-over-year improvement in revenue per full-time employee, and a 63% greater year-over-year improvement in customer satisfaction than those with an informal or ad-hoc onboarding process.

...initial experiences of a new employee have a direct impact on an organization's productivity and profitability

Onboarding has become a competitive necessity and that extends to the candidate phase. Every person who interacts with an organization is a potential employee, customer, vendor or influencer, according to Aberdeen's 2010 *Talent Acquisition Strategies* report. Regardless of whether a job candidate is the right fit for an organization or a particular position, it's in an

employer's best interest to ensure a positive candidate experience from a recruiting, legal and employment brand perspective.

Background screening is a critical component of the recruitment and hiring process, and the consequences of mistaken results or poor communication can be devastating to not only the candidate, but also to the employer's reputation. When choosing an employment background screening provider, the following are key steps that organizations must keep in mind:

Candidates as Employees and Clients

Job candidates that reach the background check stage are not only outstanding individuals that you wish to hire – they may already be clients or consumers of your product, or they might be in the future. To your recruiters, these people will become walking, talking, texting and blogging billboards for your employment brand . . . good or bad. Make a good impression and you can be considered an employer of choice. This will make life a lot easier as the economy continues to improve and employers find themselves competing for the best talent.

Make a good impression and you can be considered an employer of choice.

Let's Start With the Basics

The first thing that your organization can do to ensure an ideal candidate experience related to background checks is to be transparent with your screening policies and practices. A background check can be a scary process for candidates, even those who have nothing to hide. Take time to explain the entire process to your candidate. Will you search criminal records? Credit reports? If you have a policy of checking social networking sites, let the candidate know what you'll be looking for.

The next step is to provide each candidate with a clear and concise applicant release document that demonstrates who will conduct the background check, what they will look for, and how to request a copy of the background check. It will also explain who to call if the candidate has questions about the process. The release should be provided in an easy-to-read format and an employer might also consider having it translated if English is not the candidate's first language. Take the time to educate the candidate about the screening process and ask if they have any questions about the document. Remember, most candidates are unfamiliar with such documents and view them as legal mumbo-jumbo.

Many of today's employers are using technology to streamline the onboarding process. One way to expedite the process is to have the candidate electronically complete all the data fields necessary to initiate a search. Another idea to elevate the experience is to include an applicant release that can be digitally signed in this process. These steps will save candidates an extra step of filling out multiple sets of documents.

Often, an employer will request that the screening provider contact an applicant on their behalf when they receive incomplete or missing information. It is imperative that the provider acts as an extension of the employer, providing every applicant with the same professional and friendly service they would extend to their own clients.

Verify Information Before It's Reported

Another way to ensure a positive candidate experience is to verify any adverse information such as criminal records or resume/application discrepancies. A little-known fact is that consumer reporting agencies (CRAs) don't have to verify the accuracy of a record before it's reported to the employer. Instead, a screening firm can provide candidates with contemporaneous notice – essentially sending a copy of the report via mail to the candidate after reporting the findings to an employer. What happens if that record doesn't actually belong to this particular applicant, or the record was supposed to be expunged and by law cannot be reported? By the time the candidate disputes the findings, the odds are high that the employer will have moved on to another individual.

In the case of an employment verification, it is important for consumer reporting agencies to identify discrepancies. For instance, let's say that a candidate reports that they earned a total of \$50,000 at their most recent job. When the CRA contacts their employer, they are informed that the person made \$35,000. Here's where a good CRA will stand out from the rest. Rather than closing out the search and branding the applicant a liar, they will ask a follow-up question such as, "Did the person receive a bonus?" If the answer reveals that they received a \$15,000 bonus, it's not a discrepancy. However, if those questions aren't asked, it's anyone's guess what happens next.

Of course the candidate can dispute incorrect information in either instance, but they will likely walk away with an unfavorable opinion of the employer and ultimately seek employment elsewhere.

Data Protection and Data Control

In this age of rampant identity theft, employers must protect a candidate's personally identifiable information and hold it in the strictest of confidence. From a physical security standpoint, this means granting access to this information only to those who need to know. It also means storing hard copies of this information under lock and key. When it comes to information stored on internal systems, it means ensuring that data is safely protected by encryption and other means. Organizations should demand the same precautions from their background screening providers. The last thing a company wants is a data breach that can hurt their wallet and tarnish their reputation as an employer of choice.

The last thing a company wants is a data breach that can hurt their wallet and tarnish their reputation as an employer of choice.

While it is important that the CRA has a well documented data protection policy, that's only half the battle. Many employment screening companies offshore and/or outsource applicant data to increase profit margins. But once this data leaves the company, how do they ensure that it is being handled with the same care that the client demands? The more that data moves from place to place and from company to individual, a greater opportunity exists for breach. In fact, the state of California just passed a law (SB 909) that requires employers to inform their applicants when their data is being sent offshore and get their consent before doing so. As mentioned before, a background check is a rather daunting process for most candidates. Sending their personally identifiable information overseas may only bolster their concerns.

Timely, Friendly Disputes

Under the Fair Credit Reporting Act, candidates have the right to dispute the findings of their background check. And CRAs have an obligation to do so in less than 30 days' time. It is important that your screening firm takes this responsibility seriously and respects your applicants throughout the process. In these cases, your partner should act as an extension of your team, because you never know when a dispute may arise. Perhaps the information was inaccurate or was never supposed to be reported. You don't want them to feel like the screener was unwilling to help them through the process.

...your partner should act as an extension of your team, because you never know when a dispute may arise.

A good consumer reporting agency will respond to all disputes in a matter of days, not weeks. They will take the time to listen to the candidate's dispute and offer suggestions for how they can remedy the report. If they realize that something requires further investigation and they know the candidate has received a pre-adverse action letter, they will contact their client to let them know that the report could change. Often, the candidate might not have been turned down for the job, but still wants to know why something appeared on the report. Again, this person is now someone the company endeavors to hire, so it's imperative to maintain the positive experience.

Know the Laws

Partnering with a reputable screening firm that is dedicated to best practices and compliance is imperative when it comes to protecting your organization. The best way to ensure this is to hire an employment screening organization that's accredited by the National Association of Professional Background Screeners (NAPBS). Accreditation is achieved by a small percentage of providers; it reflects their commitment to excellence, accountability, high professional standards and continued institutional improvement.

Many don't realize this also contributes to a positive candidate experience. Let's say that your organization is based in California and your screening company reports a record that is older than seven years. However, by California law such a record cannot be reported and cannot influence the hiring decision. If they had known this, they could have saved you from making an adverse decision that ultimately has to be rescinded. Even when the record is taken off the report, clearing the hurdle for your candidate to be hired, are they still going to want the job? Have they already moved on to a competitor?

Looking ahead, employers must prepare for a world where they need to compete for the best employees. Background screening is a critical component of the recruitment, hiring and onboarding process. The consequences of misinformed applicants, poor communication and/or mistaken results can be devastating to not only the candidate, but also to an employer's reputation. By following the above steps, employers can increase the odds that new employees are engaged and productive before they begin their first day of work.

EmployeeScreenIQ is a Cleveland, Ohio-based employment screening company offering a variety of employment screening services to mid- and large-cap organizations throughout the world, including those in North and South America, Europe and East Asia. For more information visit www.employeescreen.com.



EmployeeScreenIQ is NAPBS Accredited.

This accreditation has been earned by only 1% of all employment screening companies.