

FOOL'S GOLD OR THE REAL THING?

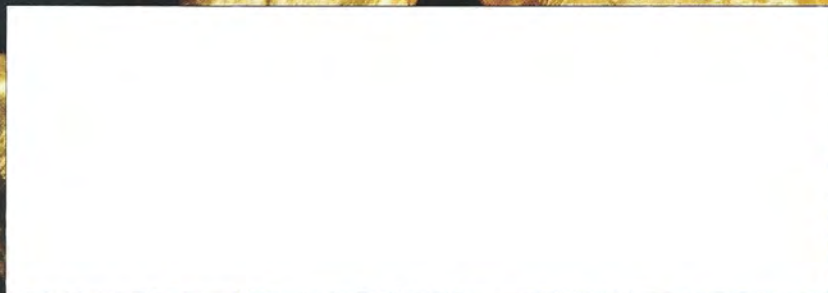
Screening for the worst, searching for the best

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High Five

A market report reveals the most prevalent trends in backgrounding.

By Kelsey Corcoran Galarza

Employment screening continues as one of the most ubiquitous hiring practices in American business. It will become even more central in 2013 as companies strive to close the hiring gap and find the “right” candidate for a growing number of available positions. The *HireRight Employment Screening Benchmarking Report*, an annual study of screening practices that surveys more than 2,200 professionals from large, medium, and small businesses, in both regulated and unregulated markets, gives hiring professionals a look into significant trends in employment screening.

This year’s report uncovers these five trends:

1. **Compliance challenges.** One of the primary reasons companies use background screening is to achieve compliance with federal, state, and local regulations. Shifts in regulations and laws governing screening, however, frequently put organizations between a rock and a hard place—facing the potential of Equal Employment Opportunity Commission action for discriminatory practice on the one hand and the possibility of lawsuits for negligent hiring in the face of a criminal action by an employee on the other. The most sensitive areas tend to be criminal and credit checks. While the potential pitfalls are many, companies are advised to create policies regarding criminal and credit checks that emphasize establishing screening criteria tailored to the position and conducting individualized assessments before determining that a specific applicant does not satisfy those criteria.
2. **Growth in social media.** Often considered the minefield of employment screening, the use of social media for hiring continues to grow. The number of companies that reported using or planning to use social media for recruiting candidates increased from 42 percent in 2011 to 61 percent in 2012, and the trend is expected to continue. Using social media for sourcing is both inevitable and considered a “safe” practice by most employment law specialists. The risk to companies occurs when recruiting professionals use social media to screen applicants. While only about 15 percent of companies reported using social media information in this way, it remains concerning because, of those that do, 77 percent don’t have a defined policy on the practice. This unstructured approach to screening with social media leaves companies vulnerable to litigation for discrimination and invasion of privacy, and may artificially limit the available hiring pool.
3. **Systems integration.** There has been large growth in the number of respondents indicating that their systems, applications, or processes are integrated with employment screening: 57 percent this year, up from 27 percent in 2011. Efficiency, time-to-hire, and applicant experience are driving the adoption of integrations. While large companies are leading this, there has also been a growth among those surveyed in midmarket and small business over time. Regulated industries such as transportation and healthcare are also more likely to be integrated.
4. **Drug testing.** Drug testing adoption remains about the same. In 2012, 78 percent of those surveyed in the HireRight study reported performing drug and alcohol testing on some portion of their workforce. This figure is commensurate with 2011. Clearly, the same companies continue to recognize the negative impact on productivity, absenteeism, and safety that employee drug use represents. Interestingly, companies drop off drug testing of current employees to 66 percent, which can represent a risk to both safety and morale. And as medical marijuana continues to make the news, only 22 percent of companies currently distinguish between the use of medical marijuana and unauthorized use of the drug or plan to do so, while the remaining organizations surveyed do not.
5. **Global screening.** It’s been a long-term trend that companies are moving to check the international backgrounds of their domestic applicants as well as roll out screening policies and programs for their global operations. Global screening is defined as the review of candidates sourced for offices outside the U.S. as well as candidates in the U.S. who have lived, worked, or studied in other countries. Of those surveyed, 23 percent perform global screening, most on U.S.-based individuals with foreign experience and a much smaller percentage on people located outside the U.S. The main checks performed globally are identity checks, criminal histories, and employment verifications but even these are only performed by less than 25 percent of global screeners. The increase in global employment and the improvements in the simplicity, accuracy, and availability of global screening services should combine to increase the practice of global workforce checking.

Kelsey Corcoran Galarza is senior director of emerging enterprise for HireRight, a provider of on-demand employment screening solutions.