

The Hire Authority

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Background Screening Integration with Applicant Tracking (ATS)

In just a few short years, the vast majority of employers have implemented some form of background screening. In the early days, background screening was a largely manual process and often took several days. But in recent years the internet and advanced web technology have enabled employers to automate the screening process saving time and money. Today, most background screening providers offer web-based applications that enable employers to submit orders, retrieve background check reports, and run management reports from anyplace where the internet is available.

Trends point towards even greater automation and integration of systems and applications. One of the emerging trends is the integration of applicant tracking systems (ATS) with background screening. ATS systems are typically web-based applications that allow applicants to complete on-line job applications, submit resumes, and complete pre-hire questioning and testing. More sophisticated systems enable the applicants to schedule interviews and electronically authorize the background check at the appropriate time in the hiring process. By integrating ATS with background screening, employers can save time and reduce the likelihood of errors.

There are two basic types of ATS integrations with background screening. Some are custom solutions and these often involve considerable cost and implementation time. Some ATS integrations have been built as a product that can be deployed across many

customers. This model is more cost effective and can be implemented in less time.

When considering an integrated solution an employer should look at four key elements.

1. **Functionality** – key features should include seamless workflow, applicant self-service, real time updates, management reports, and summary dashboards.
2. **Security** - background screening reports contain sensitive information requiring adequate security protocols for storage, viewing and transmission of data.
3. **Support** – by definition the integration involves moving data between two applications. Employers should have a clear understanding of the support responsibilities of the providers.
4. **Flexibility** – when evaluating options make sure the integrated solution is likely to meet future integration needs such as I9 or payroll/HRIS applications.

Integrated ATS/background screening solutions allow employers to accomplish more with less, apply better controls over their business processes, and compete more effectively for top talent. Web-based integration solutions exist which are cost effective for employers of all sizes. It is likely that in the coming years integrated hiring solutions will be as common as background screening is today.

Special points of interest:

Background Screening Integration
with Applicant Tracking (ATS)

Pre-hire Assessment Testing

Adverse Action

Top 10 Job Application Flags

Layer of Protection

Pre-hire Assessment Testing

CNN Money has reported that 79% of respondents to a survey admit they have stolen or would consider stealing from their employer. Of those, only 5% actually had a criminal conviction on their record.

The American Management Association reports that 41% of companies test job applicants for basic literacy and math. More than 1/3 of those tested lack sufficient skills to perform the job they sought.

With unemployment at record levels your organization may be experiencing a large increase of unqualified applicants for job openings, placing an even greater burden on human resources and hiring managers. Without the proper tools, this can cost your organization valuable time and money while delaying the ultimate hiring decision.

The goal of any selection process is to identify job applicants that possess characteristics and skills that are critical for job success and will result in a high degree of employee-job fit. Research has found that assessment testing is 4 times more predictive of job performance than interviews, 3 times more predictive than job experience, and 5 times more predic-

tive than education. Given the cost of a hiring mistake, pre-hire assessments can save both time and money.



No matter how great an applicant looks on paper or how smooth they appear during the job interview, many are experts at fooling the most experienced recruiter. Difficult personality characteristics, low skill levels and even issues with integrity may not surface until you have made that costly hiring decision. The employer must then deal with the emotional strain and potential legal problems associated with having to terminate a bad hire, not to mention all the hard costs associated with having to recruit again, time spent on interviews, re-training and loss of productivity.

The use of assessments can help predict the ability of an applicant or an existing employee to perform a job function within the organization's required parameters for success. In addition a good assessment will evaluate the applicant's behavioral traits to determine if they are a good match for the job. By measuring aptitude and behavioral traits the organization can reasonably predict the future success of an applicant.

“Research has found assessment testing is 4 times more predictive of job performance than interviews.”

Adverse Action

Adverse Action is the term used by the Fair Credit Reporting Act (FCRA) to describe the denial of employment based on the information contained in a consumer report or background check. The FCRA is very clear about the process employers must follow to deny employment in a fully compliant manner.

If the background check contains a criminal conviction, driving infraction, poor credit history, unsubstantiated employment or education history, poor references, or other identified risk factors, an employer may deny employment. However, employers are required to consider the underlying behavior rather than the specific record. In addition, the employer must be able to adequately explain why

the underlying behavior represents unacceptable risk. In some cases the decision is obvious. An applicant with a felony theft conviction is probably not a good candidate for employment in a bank because they have demonstrated a prior behavior of dishonesty. Other cases may not be so clear cut, and employers should closely examine each applicant and their record based on their individual merits.

Once the decision has been made to deny employment, the FCRA has defined a very specific written notification process. The Adverse Action process contains two steps. In the first step, the applicant is sent a letter advising and reminding them that a background



check was completed. This letter does not indicate a denial of employment. The letter must also include a copy of their background check report and a document prescribed by the FCRA called “Summary of Rights”. The purpose of this first letter is to allow the applicant the opportunity to review their report and identify errors if they believe the report is incorrect.

The FCRA allows the applicant a reasonable period of time, usually 3 to 5 business days, to raise concerns about the accuracy of the report. If the applicant does raise questions about the accuracy of the report, the background screening provider which conducts the background check is obligated to resolve any questions, at no cost to the applicant or the employer. If the information in the report is found to be incorrect, the report must be corrected, and this may or may not have an impact on the decision to deny employment.

If the applicant does not question the report in a reasonable amount of time, the second notification step takes place. In the second notification letter, the applicant is told that employment has been denied based on the information contained in their background check.











Many employers rely on their background screening provider to conduct the Adverse Action notification. This ensures that the process is followed in a timely and compliant manner. If the applicant questions the accuracy of the report, the background screening provider is best equipped to research the report and make changes if required.

The Adverse Action notification process protects both the applicant and the employer by making sure that the proper steps and communications have been conducted according to the FCRA.



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Top 10 Job Application Flags

-  Applicant does not sign the application – if the applicant has something to hide they may believe this will protect them from accusations of falsification.
-  Applicant does not sign consent for background screening – this may indicate the applicant has something to hide. Note: employers using a third party screener must utilize a separate disclosure and authorization for a background check.
-  Applicant leaves criminal convictions questions blank – this may also indicate the applicant has something to hide.
-  Applicant self reports a criminal conviction – the applicant may self report inaccurately or incompletely.
-  Applicant fails to explain gaps in employment – the applicant may be trying to hide a past location of residence where a criminal conviction is stored.
-  Applicant provides insufficient information about past employers – the applicant may be providing inaccurate information about past employment.
-  Applicant fails to explain reason for departure from prior jobs – the applicant may be trying to hide prior performance information.
-  Employment gaps and reasons for leaving don't make sense – this should be clarified in the interview.
-  Excessive corrections and changes – may indicate the applicant is fabricating the records.
-  Applicant cannot remember prior supervisor names – the applicant could be hiding poor performance information.

Layers of Protection

In the US criminal records are stored in a variety of locations and jurisdictions. There is no single location or database where all the conviction information for an applicant is stored. To conduct a good criminal record check, the employer must understand how and where criminal records are stored.

The most comprehensive source of criminal records is the county courthouse. While comprehensive for a specific county, this search does have drawbacks. An applicant may have a conviction in a county of non-residence in the same state or in an adjacent state. Also, most counties only retain records for seven years, so a county search may not reveal an older, yet important conviction record.

Employers can mitigate these gaps by searching adjacent counties or conducting a statewide criminal record check. Many employers in large metro areas search a group of counties that comprise the full metro area. Adding a statewide check can also reveal convictions in counties of non-residence. The statewide check has advantages and disadvantages. Statewide checks include convictions from all counties in a specific state and they often include older information not retained at the county level. However, most statewide checks do not include simple misdemeanor convictions, so they do not provide a complete record of the applicant's criminal convictions. As such, the statewide check is a good augmentation to the county check, but it is not a good stand alone search.

The nationwide criminal record check is a very popular item on the internet because it is fast and inexpensive. Employers often do not understand what it includes and what it does not include. The nationwide check is not a court record search. Rather, it is a database search that includes records purchased for resale from states. Generally

it only includes serious offenses such as felonies. Even though there are records from all fifty states, the database does not contain a complete conviction record for an applicant.

The nationwide check does have a purpose however. It can identify serious offenses in states that may not otherwise be checked. Once identified, these records should be verified with a county level search to be sure the records belong to the candidate in question. In addition many nationwide checks include all 50 state sex offender registries. The nationwide check is a valuable addition to a good background check, but it is not adequate as a stand alone search.

If a person receives a federal conviction, those records will not be stored at the county or state level. Federal convictions are only stored in federal courts within the applicable federal jurisdiction. It is quite possible for an applicant to have a federal conviction which can only be found by conducting a federal jurisdiction search.

Criminal records can also be obtained from foreign countries, although the type of information available varies widely. Assessing criminal records in other parts of the world can be difficult and in some cases illegal. Specialized assistance is always required to obtain foreign criminal records.

Employers who want to conduct the most comprehensive criminal record check should utilize county, state, federal, and nationwide database searches in order to cast the widest net for an applicant. Each search element provides an added layer of protection while increasing the amount time and cost for the background check.



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