FEDERAL LAWMAKERS, ENFORCERS SET SIGHTS ON BACKGROUND SCREENING

Employment screening and hiring practices, including pre-hire testing and background screening of applicants' credit reports and criminal histories have come under increased scrutiny from the media, state legislatures, the U.S. Equal Employment Opportunity Commission (EEOC) and the U.S. Congress.

Recent EEOC hearings and the agency's first lawsuit arising from screening practices have provided momentum to the federal government's move to restrict background screening of applicants' credit and criminal histories.

Current federal law requires employers to have written permission from applicants to check their credit history, but legislation to further restrict employee credit checks has been introduced that would amend the Fair Credit Reporting Act (FCRA) to prohibit the use of consumer credit checks against employees "for the purposes of making adverse employment decisions".

Amending the FCRA

U.S. Rep. Steve Cohen, D-Tenn., introduced H.R. 3149, the Equal Employment for All Act, a nationwide bill that proposes to amend the FCRA to ban employers from using credit reports entirely in making hiring or promotion decisions. The new law would prohibit employers from checking credit reports, even if the employee signs a consent form. There would be some exceptions to the new law, keeping it legal for employers to use credit reports in certain situations. Credit reports would continue to be used for positions that require national security or Federal Deposit Insurance Corp. clearance, jobs with state and local government agencies that already use credit reports and certain positions at financial institutions.

Takeaways for HR

Avoid blanket applications of credit checks for all positions.

Be selective on which positions to subject to a credit check.

Be able to articulate a rational reason on why a credit check is needed for predicting job performance and related to the business functions.

Ensure that your managers use only the information relevant to the job in question that is needed to make an employment decision.

Allow your candidates to explain the reasons for negative credit information.

Given the myriad of state law requirements, the pending federal legislation and the EEOC's renewed interest in pre-employment screening and hiring practices, it is important that employers review their pre-employment screening processes to ensure that they are seeking credit and criminal information from applicants in appropriate circumstances and in a lawful manner.

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EMPLOYMENT BRANDING

Simply put, employment branding is the outcome of the intentional and unintentional messages conveyed about employment at your organization. Employers can control some of these messages through website and employment advertising. But, these messages are also conveyed by your current employees as well as your job applicants. Since most organizations have contact with many more job applicants than actual employees, applicants have a greater impact on the overall employment brand than may be expected. Employers who ignore the job applicant perspective may have an unrealistic view of their employment brand. Here are some key areas that employers should consider as they manage their employment brand.

Website/Job Seeker Site:
The employment section of the company website should clearly convey your organization's distinct employment advantages. Even during periods of high unemployment, good candidates will have options to consider and you will have only a few seconds to succinctly communicate your

organization's strengths in a meaningful way to a job applicant. Applicants should be able to easily locate your Careers section with a single click. Burying the Careers section in the About Us or Contact Us section of your website immediately conveys a message that you're not all that interested in applicants. Once the applicant has arrived at the Careers section, current job openings should be viewable and the postings should contain enough information to allow an applicant to determine if they have interest and the proper requirements.

Application/Evaluation Process:
Today's applicants strongly prefer an online application option that is quick and easy for them to complete. They should be able to complete an electronic application in about 10 minutes or less, without having to download or copy manual documents that require additional transmission steps. In the absence of an online process, many of the best applicants will simply ignore the job openings. Each subsequent step in the hiring process must be

conducted in a professional and effective manner including assessment testing, interviewing, reference checking, background screening and the offer. If these steps appear disconnected, time-consuming and poorly managed, this will convey a negative employment brand image.

Onboarding:
Onboarding is the series of events that occur post-hire and often include the completion of several required documents that are cumbersome for the new hire to complete. Employers should carefully consider ways to streamline and automate the onboarding process to reinforce your employment branding message. Automated tools linking data from the application to other systems is one effective way to make the onboarding process quick and easy for the new hire.

By paying close attention to the all the contact points with job applicants, employers can improve their employment brand. This will lead to better job candidates and ultimately to higher quality hiring decisions.

> "TODAY'S APPLICANTS STRONGLY PREFER AN ONLINE APPLICATION OPTION THAT IS QUICK AND EASY FOR THEM TO COMPLETE."

TOP 5 RECRUITMENT METRICS

You've heard it before and probably said it yourself, "You can't manage it if you don't measure it". The statement is valid for recruiting too, but unfortunately many organizations don't collect any recruitment data and if it is collected, it's rarely analyzed. Here are 5 important metrics that can and should be measured in your recruiting process.

1. **Effectiveness of Job Postings**. Do not rely on the applicants to answer this correctly. Most will simply pick the first item on the list. To effectively measure this, you will need some automation and analytics to track applicants accurately. Fortunately automation and analytical tools are avail-

able and cost effective for employers of almost any size.

2. **Source of Hire Data**. Unless your organization is hiring thousands of new employees annually, the most effective approach is to simply ask each new hire how they really heard about the job. Once asked, record and track

the answers to find out which sources are producing the most hires.

3. **Quality of Hire**. You should be comparing Source of Hire data to Quality of Hire data. While a source, like employee referrals, may be providing a high *quantity* of hires, does this source provide high *quality* hires?

4. **Time to Hire**. This metric is usually expressed in days, and it may vary widely by type of position. If time to hire is excessive, conduct an analysis to determine where the delays occur. Once determined, find ways to streamline and/or automate the process.

5. **New Hire Satisfaction**. This is a measurement of newly hired employee's satisfaction with the recruitment and selection process. By gathering this information while the memory is still fresh, organizations can gain valuable insight about weaknesses in their hiring process. Many organizations use an automated, confidential survey process initiated by their applicant tracking system to gather this information.
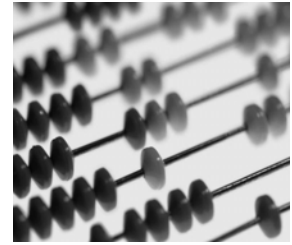
DOES YOUR HRIS HAVE APPLICANT TRACKING?

Many employers utilize a Human Resources Information System (HRIS) which may include an optional applicant tracking module. Since it is part of the HRIS system, integration is included and this has some value. However, don't assume that everything which is called applicant tracking has the same functionality. Make sure the HRIS applicant tracking module will meet your needs. Here are some key questions to ask about HRIS applicant tracking module capabilities.

Key Capabilities:
- Provides a branded job seeker site that is linked to the company website
- Supports a branded internal job seeker site linked to the company intranet
- Supports multiple languages
- Manages resumes
- Prescreens applicants
- Interacts with social networks and job boards and includes performance analytics
- Collects EEO and other compliance information and reports
- Integrated with background screening, behavioral assessments and electronic I9
- Tracks applicants through the entire hiring process
- Automates interview appointments with applicants
- Automates email communication to applicants
- Manages the onboarding process
- Supports configurable hiring processes by location, position or internal vs. external candidates
- Manages requisition approval
- Send mass email to applicant pools
- Share applicant data with colleagues for review
- Supports electronic offer letter
- Supports remote access
- Supports configurable user rights

Most stand-alone applicant tracking systems can be integrated with HRIS systems, allowing employers to realize the benefits of a best in class applicant tracking system and still benefit from integration with the HRIS.

> "DON'T ASSUME THAT EVERYTHING WHICH IS CALLED APPLICANT TRACKING HAS THE SAME FUNCTIONALITY."

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