First Advantage

Background Screening Integration into Applicant Tracking

Integrations Free Up HR Staff to Focus on What They Do Best: Human Capital Systems

Table of Contents

Executive Summary

In an effort to streamline the talent management process, human resources departments are seeking to automate the entire recruiting lifecycle by integrating their applicant tracking systems (ATS) with their background screening services. The ideal outcome is a comprehensive solution that both reduces bad hiring decisions and offers greater operating efficiency. There are considerable challenges to making these separate technologies work seamlessly together, but with client understanding and control, along with vendor cooperation, a successful integration is possible.

The Talent Management Market

Automating the recruiting function is not a new concept. In fact, applicant tracking solutions that automate the approval of requisitions for open positions and track applicants throughout the hiring process have been on the market for more than 15 years. Companies have realized the significant benefit of automating what has traditionally been a manual process.

During the late 1990s, the Internet changed the focus of applicant tracking systems. Not only did the Internet give customers the ability to reach a broader audience of potential, active job seekers, but it also streamlined the process of hiring these individuals. The Internet enabled customers to advertise using more cost-efficient methods than traditional advertising media, such as posting open positions to their corporate Web sites and job boards. It also allowed companies to provide self-service capabilities to candidates, including a job search function and resume posting. As ATS applications evolved to include Internet-based candidate acquisition functionality, they became known as e-recruitment solutions. Today, many e-recruitment solutions support a paperless recruitment process and the automation of the entire requisition-to-hire process.

As ATS and e-recruitment solutions continue to adapt to organizations' talent acquisition needs and hiring goals, companies are looking to these providers to be a "one-stop shop" for all the components of the hiring process. Understandably, one of their top priorities for integration with the ATS application is the inclusion of the background screening process. For integration of the background screening process to be successful, companies must collaborate with their ATS and Background Screening providers to ensure the ATS system collects all of the necessary data, conducts the proper validation, and is able to easily share the data with the background screening system.
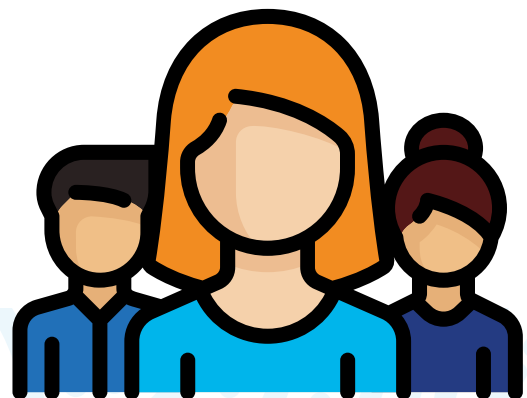
What is Background Screening?

Background screening (or background checking) is a key part of the on-boarding process for many organizations. It helps to attract and hire quality employees and increases the efficiency of the hiring process. Having a quality background screening program in place can also help to reduce an organization's liability and keep the workplace a safer environment for all employees. A good background screening program can also boost productivity because it allows your human resources managers to focus less on internal paperwork for FCRA (Fair Credit Reporting Act) compliance, such as adverse action letters, and more on finding the most qualified candidate for each open position. In addition, background screening providers help companies in various industries, including transportation and financial services, satisfy regulatory screening requirements.

Here are a wide variety of background screening solutions, ranging from basic to comprehensive screening packages. the most common products and services used for background checking programs include the following:

- **Social Security Number Verifications**
- **Criminal Records Check (Database and County Courthouse Searches)**
- **Employment Verifications**
- **Education Verifications**
- **Credit Checks**
- **Motor Vehicle Reports**
- **Professional License Verifications**
- **Drug Testing**

Most organizations understand the importance of background checks. Thorough screening can protect companies from the risk of hiring the wrong applicant and can reduce the potential liabilities associated with making poor hiring decisions. This is why more and more companies are turning to professional background screening providers that can help them streamline the process.

A study by the Institute for a Drug Free Workplace indicated that 75 percent of all drug abusers are employed, creating potential safety hazards for themselves and those around them. A background screening provider can help protect an organization from the vulnerabilities associated with high-risk employment candidates and help the company promote overall safety within the workplace. From working with countless organizations to identify key areas of risk, a background screening provider can

help identify the pitfalls to avoid. Leveraging this experience, they can recommend the necessary screening components and depth of investigation for mitigating risk within each unique organization. A good program will enable companies to quickly identify potential issues on a "pre-hire" basis, ultimately helping reduce cost-per-hire by lowering employee turnover rates linked to high-risk workers.

A good background screening solution can also help companies operate more efficiently. By automating the process, a screening program can speed up turnaround time on reports and reduce the need to dedicate internal resources for background screening.

Because compliance is critical to the success of many industry-specific businesses, such as transportation, organizations are increasingly choosing providers with proven experience in compliance management. With a knowledgeable partner on its side, a company can reduce its dependence on internal resources and allow human resources departments (HR) to focus on its core capabilities: recruiting and retaining quality employees.

The Importance of Data Quality

Quality data is the most important element in achieving successful background screenings. If the data submitted is incomplete or inaccurate, the background screen cannot yield accurate results. Many Background Screening products require a unique set of data elements crucial to the accuracy of the report. For example, the services listed below provide insight into the required data elements to properly complete the service:

Employment verifications provide an individual's employment history and verify the position the individual held. The first step in handling an employment verification is locating the previous employer(s) to establish contact, which requires address information. In order to successfully complete an employment verification, the previous employer's address and phone information are also required. If this information is not provided, the background screening provider will not be able to verify employment.

Employment Verification Required Data Elements
- Employer name
- Dates of Employment
- Employer City
- Employer State
- Contact
- Position
- Permission to contact if Present Employment

Education verifications verify the accuracy of an applicant's educational claims on an application. The background screening provider would contact the educational institution(s) listed on the application to confirm information relevant to the employer, such as dates of attendance, major course of study, type of degree earned and GPA. For a provider to complete an education verification, the potential employee's name, date of birth, Social Security Number (SSN), correct spelling of the school name and location would be required.

Education Verification Required Data Elements
- School name
- Dates of Enrollment (Start & End Dates)
- Degree
- School City
- School State

Motor Vehicle Records (MVRs), are used to determine if a potential employee has any speeding and/or reckless driving violations.Driving responsibility should be defined beyond driving a company car, to include driving a personal vehicle on company time or for company purposes. Pulling an MVR is a standard practice in many industries, but is a mandatory requirement in the Department of Transportation (DOT) regulated industries.

Motor Vehicle Verification Required Data Elements
- License Type
- License Number
- State Issued
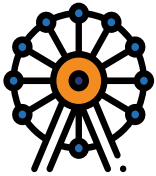
Criminal records searches help organizations gauge risk by identifying an individual's criminal history. Many criminal records can be listed in multiple repositories listed under married names, maiden names, nicknames, aliases, misspelled names and more. It is important to request and capture the potential employee's alternative names and previous addresses if possible.

Criminal Records Required Data Elements
- Address Information (including dates)
- Date of Birth
- State Issued

What is an Applicant Tracking Systems?

An applicant tracking system (ATS), also called a candidate management system or e-recruitment system, is a software application designed to help companies recruit employees more efficiently. An ATS can be used to post job openings on a corporate Web site or job board, screen resumes and generate interview requests to potential candidates by e-mail. Other features include individual applicant tracking, requisition tracking, automated resume ranking, customized input forms, pre-screening questions, and response tracking and multilingual capabilities. It is estimated that roughly 50 percent of all mid-sized companies and almost all large corporations use some type of applicant tracking system. As the e-recruitment software market matures, there is considerably more functional parity around recruitment automation to improve efficiency. There is a comprehensive Gartner report that details ATS functionality and respective ATS companies.

Completing the Applicant Lifecycle: the Convergence of Applicant Tracking and Background Screening Systems

Today, Application Tracking Systems (ATS) can automate a major portion of the recruiting lifecycle, dramatically improving the efficiency of the process, but they typically do not offer seamless integration with the Background Screening Systems that can help protect companies from the liabilities associated with bad hiring decisions.

E-recruitment applications and Background Screening solutions can work together to create the ideal solution for managing the applicant lifecycle. This integration can be—and is being—done, but there are challenges to making them work together efficiently.
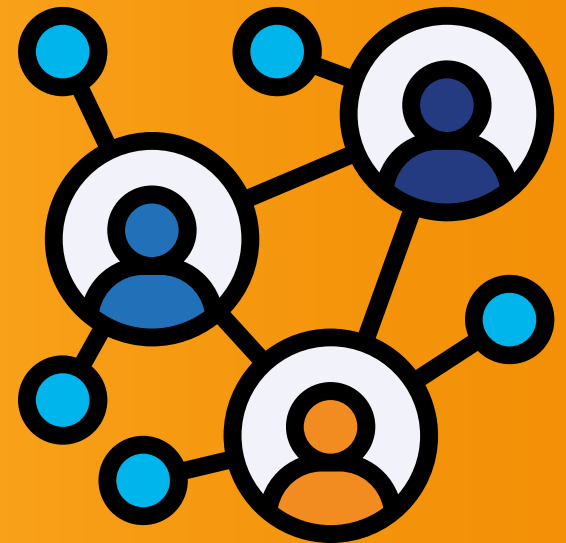
The Challenges of Integration

Integrating two inherently different technologies or solutions always requires adjustments and modifications; converging ATS applications and background screening providers is no different. Each of the following challenges impacts the quality of a background check and the time it takes to complete one

Challenge #1. Missing Data.

As previously discussed, successful background screenings require the collection of a unique set of data elements, which an ATS may or may not capture. Even though an organization can customize its ATS application to capture all sorts of data, often times an ATS does not allow certain fields to be "required," so there is no guaranteed collection of the data needed to satisfy the employer's background check requirement.

Common examples of missing data include the following:

• **Date of Birth**

• **Driver's License Number**

• **Previous Residential Address History**

• **Employer's Location (City/State)**

Challenge #2. Lack of Data Validation.

Data originates within the ATS system. This is where the raw data is collected and stored for future use by the ATS, as well as other systems and services that impact the applicant lifecycle. Therefore, it is critical, and in the client's best interest, for data validation to take place here because it ensures the data supplied to all systems is current and accurate. Unfortunately, many e-recruitment systems offer little validation or quality assurance at the point of collection, so the background vendor must perform validation once it receives the data electronically. Many times this results in validation failure, bringing the entire process to a halt. The data must be corrected before the background check can be reinitiated, which often involves reaching out to the individual who provided the data initially— the employer, the recruiter or the applicant.

Common examples of data validation failure include the following:

• **Date of Birth with dates in the future**

• **Incomplete Employment or School Dates**

• **Incorrect City/State combinations**

Challenge #3. Sharing Data.

Even when all the necessary data is collected and validated properly, some ATS applications limit the data allowed to be transmitted via integration. These restrictions require either the organization to provide the missing information or the background vendor to reach out to the individual applicant. Other challenges include data capture and storage. The use of User Defined Fields (UDFs) often lack standard data capture or storage rules, which can complicate the extraction and sharing of data with the Background Screening provider.

Each of these challenges can prolong the background screening process, create confusion for applicants, and even leave a poor impression of a disorganized company. More importantly for the client, these complications can result in data quality issues at the source.

Unless the HR professional, recruiter or applicant goes back to manually rectify the information once the Background Screening partner acquires the accurate data, the source data will remain inaccurate, creating inconsistencies throughout the recruiting and employment lifecycle.

A Roadmap to Help Ensure a Successful Integration

As complex as it sounds, successful integration is achievable with a strong client leader and a certain level of cooperation between vendors. When ATS and Background Screening providers work together for the benefit of the client, the result is an ATS with comprehensive, accurate data necessary to run background screens and a smooth, seamless background screening process—as well as a more productive human resources staff and satisfied applicants. There are several aspects to ensure a successful integration. The following is a logical roadmap to plot your path forward.

1. **Determine your requirements.** What are you and your company looking to accomplish with an Applicant Tracking System and with Background Screening? Assess your current situation and then strategize for the future. Picture your ideal end-state in terms of process flow and improvements, productivity improvements, cost savings and risk mitigation. Identify the benefits of this type of program. Do they include smarter and faster hiring, talent to job matching, candidate satisfaction with the hiring process, regulatory compliance and a safer work environment?

2. **Engage the right stakeholders.** There are several groups that need to determine requirements and ensure a successful implementation. These groups include human resources, security, technology, legal, compliance, recruiting and all the various business units. Ensure that every group has a voice in making the right decision and being a part of the implementation.

3. **Follow a rigorous vendor evaluation process.** Once you determine your requirements and have buy-in for moving this program forward, the next critical area is to evaluate the solutions provided by reliable vendors. A diligent and disciplined process is required to ensure that you find the right partners that can help you find the right solution to meet both your short-term and long-term requirements. Considerations include: technology, usability, reliability, scalability, ease of integration, successful previous implementations and so forth.

There are several ways to find a good provider. Asking HR professionals employed within other organizations who have implemented an ATS is always a great way to find providers and get input on what you should expect with an implementation. You can also ask an industry expert and conduct an on-line search to find appropriate vendors. Once you find several possible partners, begin narrowing the number down by determining their capacity to understand your requirements and their ability to offer you a detailed and honest response.

Complete a thorough assessment of their technology, product, customer support, quality and other critical criteria. Evaluate both the ATS products and the background screening capabilities. Ensure that they follow the standards of the HR_XML consortium. One important capability to consider is the provider's ability to integrate using HR-XML, which is the industry standard. The HR-XML Consortium's "HRcertify program" certifies HR solutions that conform to the HR-XML Consortium's interoperability standards. HR-XML certification indicates that the solution provider is a technology leader and is ready to integrate flexibly with customers and other partners. To determine whether a company is certified to properly utilize these industry-standard protocols, be sure to ask if they are an "HR-XML Consortium Certified" provider. For more information, visit hrcertify.org.

Another important distinction to look for in a background screening provider is whether they are a member of the National Association of Professional Background Screeners (NAPBS) Association. This professional organization of qualified, leading background screening firms helps set standards within the broader industry. Employment and background screening providers who are members of NAPBS are able and willing to conform to standards and to meet the highest expectations of customers and law-makers. To learn more about NAPBS, visit www.napbs.com.

4. **Learn about previous integrations.** Ask all potential partners about previous integration projects. Determine who the customers were. Were they customers in your industry? Did they have a similar current situation and were their requirements similar to yours? Research how the implementation program went, what the obstacles were, how long it took and what the end results were.

Find out from the potential vendors if they have completed these integrations before.

5. **Evaluate the implementation project teams.** Ask to meet and discuss requirements, project plans and integration experience with all project teams. This includes your team, the ATS team and the background screening team.

    Ensure that there is good matrix coordination between all the teams.

6. **Candidate Access.** Make sure the partner you choose has a defined process for giving candidates direct access to them, and give your vendor the authority to contact candidates when necessary. Comprehensive services offer toll-free numbers so candidates can provide necessary information verbally. When critical information hasn't been collected by the ATS or HRIS system, give applicants the ability to easily supplement the missing data online.

7. **Email Capabilities.** Choose a system that automates the process of notifying recruiters and candidates when data is missing or invalid.

8. **Set clear expectations.** Ensure that there is clear accountability and responsibility for completing the integration project. It is important that there is a single responsible point of contact from each company. There should also be a clear back-up team for all aspects of the program. Set expectations around deliverables and make sure that all companies stick to this program.

9. **Quality Control.** Before launching the integrated process, take the time to do thorough testing to make sure that it is working to your expectations.

10. **Ongoing Monitoring and Quality Improvements.** It is vitally important that metrics are maintained by your company and by the vendors, where applicable. Once a quarter, at the very least, you should have a partner meeting to go through all production metrics and look for improvements to the process, the quality and the cost savings.

Success Starts with HR's Awareness and Control

When a company fully understands the requirements of the background screening process, they can work with their ATS provider to ensure the collection, validation and sharing of the proper data. Ideally, clients should gather their chosen providers at the outset to determine what modifications or accommodations need to be made to their ATS system to fulfill the requirements of their background screening solution.

It is also critical to establish a process for addressing errors, especially if validation cannot occur upfront within the ATS. Someone must be responsible for monitoring the process, identifying when an error occurs and handling the resolution. This keeps the process in motion and helps eliminate confusion for applicants.

Summary

Clearly, a company can realize significant benefits by integrating the background screening process and the applicant tracking system. A successful integration requires the cooperation of the background screening provider and ATS vendor to ensure that the software works seamlessly together. It also requires a strong project manager , usually from human resources, at the helm to manage the process. In addition to choosing partners that buy-in to the notion of working together, engage a background screening provider that offers the most current technologies and implementation methodologies available. By working together, ATS developers and background screening providers can free up the HR staff to focus on what they do best: hiring the most qualified talent available, as quickly and efficiently as possible.

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We can help. For more information, contact First Advantage today:
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