



STAFFING INDUSTRY BACKGROUND CHECK BEST PRACTICES

A WHITE PAPER FROM FIRST ADVANTAGE

INFORMATION YOU NEED. PEOPLE YOU CAN TRUST.



First Advantage

A Symphony Technology Group Company

Overview

Few industries are as complex and cyclical as staffing. These powerhouse agencies serve clients across all industries ranging from high-turnover manufacturing and retail markets to the highly-regulated healthcare and financial sectors. Yet, nearly all staffing firms agree on one overarching need: they must be able to quickly fill positions, or they risk losing candidates—and clients—to their competitors.

It's all about speed in staffing: how fast can you move candidates through the hiring process and get them into the job seat. When establishing or updating a background screening program within the staffing industry, all energy should be focused on how to fill those seats faster—through process automation, search packages or other means—while still providing effective risk protection for your firm and your clients.

Don't misunderstand; risk mitigation remains paramount. Placing workers with criminal histories, substance abuse issues or inadequate education, skills and experience in sensitive areas of the workplace without performing due diligence can jeopardize all parties involved—employers, employees, the public and the staffing firm.

Crime affects everyone and employers are not immune.

Knowing a candidate's criminal history is important especially regarding how it relates to the job position. While the timing or type of offence may be less of an issue if you're placing manufacturing line workers or outdoor day laborers, it becomes especially critical that you know about a criminal past if you're filling seats in a childcare environment or accounting positions.

- **100 million:** The number of Americans with some type of criminal record—as many as one in three people. In 2014, more than 1.5 million Americans were incarcerated in state and federal prisons.

<http://www.sentencingproject.org/wp-content/uploads/2015/11/Americans-with-Criminal-Records-Poverty-and-Opportunity-Profile.pdf>

- **\$44 billion:** Annual losses for American retailers due to shrinkage in 2014. Employee theft is identified as the second biggest cause of loss to retailers, behind shoplifting.

<https://nrf.com/resources/retail-library/national-retail-security-survey-2015>

Substance abuse can also have a negative ripple effect throughout the workplace.

Frequent absenteeism and tardiness, increased risk of accidents and decreased productivity and morale are just the start of workplace issues caused by employees with substance abuse problems.

- **1 in 10:** the number of Americans age 12 or older who used an illicit drug within the prior month. Illicit drug abuse includes the abuse of illegal drugs and/or the misuse of prescription medications or household substances. These drugs includes marijuana, the use of which is on the rise, and the nonmedical use of prescription pain relievers, such as Percocet, oxycodone and Fentanyl, which is gaining increased public attention. Of that population of illicit drug users, which equals 27 million people aged 12 or older, 22.2 million people were current marijuana users and 4.3 million people reported current nonmedical use of prescription pain relievers.

<http://www.samhsa.gov/data/sites/default/files/NSDUH-FRR1-2014/NSDUH-FRR1-2014.pdf>

- **60.9 million:** the number of people aged 12 or older in 2014 who were binge alcohol users in the past 30 days. An additional 16.3 million people aged 12 or older in 2014 were heavy alcohol users.

<http://www.samhsa.gov/data/sites/default/files/NSDUH-FRR1-2014/NSDUH-FRR1-2014.pdf>

Change is good for you, your candidates and your clients

The workplace is fluid, with worker demographics and profiles constantly in flux. For years, baby boomers dominated the workplace. Today, it's millennials, who now



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represent one in three American workers (<http://www.pewresearch.org/fact-tank/2015/05/11/millennials-surpass-gen-xers-as-the-largest-generation-in-u-s-labor-force/>).

What worked with other generations, in terms of engaging and retaining a quality candidate pool, may not work with the high-tech Millennials who can't remember a world without the internet or smart phones.

Markets are also changing. The employment rate continues to struggle for millennials (<http://www.newsweek.com/2015/06/05/millennial-college-graduates-young-educated-jobless-335821.htm>)—which may directly impacts staffing volumes. In addition, globalization is constantly expanding the labor pool. This “push-pull” means staffing agencies must be ready with highly-scalable services that can help them efficiently and effectively screen fluctuating volumes of candidates, who could have an address or work history as close as Chicago, or as far away as China.

Like people and markets, technology is evolving. Background checks that were manually performed five or 10 years ago can now be automated. More data sources and processes have become digitized. Best of all, many technologies can now seamlessly integrate to give candidates, onsite employees and management personnel access to one, centralized platform for recruiting, screening and hiring. For staffing firms, this means background checks that took a week or more, can now be done in hours, even instantly in some cases. For those checks that were already instant, they're now more comprehensive and up-to-date thanks to new, direct connections with digital data sources.

HAS YOUR PROGRAM CHANGED?

Many staffing firms implemented a background screening program at the start of their business, but have neglected to update it. Is it time?

These factors and others—things like hiring compliance within client-specific industries such as healthcare—are informing how today's staffing companies take their business to the next level. Next, we explore best practices for the staffing industry aimed at helping firms of all sizes quickly fill seats with the most secure, qualified candidates while also efficiently addressing risk and the many different screening and hiring requirements of their clients.

Technology, experience and insight fuel today's best practices for staffing firms

Based on our decades of experience working one-on-one with staffing agencies large and small—including those that specialize in certain industries and those focus on a specific region or area—First Advantage has compiled this list of current best practices for the staffing industry.

RISK, SPEED. SPEED, RISK.

Which is the top priority? In a word, both. But for many staffing firms, it's a challenge to implement a screening program that delivers on both counts.

Ensure scalability in terms of screening volume and search types. Being able to easily scale your screening program up or down to accommodate unexpected hiring spikes or additional background check components, such as international checks or verifications, keeps your placement process running smoothly, and helps you quickly put more candidates to work.

If you're establishing a new program or updating an existing screening program, start by asking your provider about their annual screening volumes, system “up-time” and availability, the variety of background checks offered and drug testing collection site coverage. This should give you a baseline idea about their ability to handle varied and

expanded requests from your agency. Here are a few other areas to probe.

- Discuss how sharp fluctuations in your screening volume will affect your turnaround times.
- For corporate firms with branch offices, be sure a screening provider has adequate coverage within areas where you're considering expanding new offices or acquiring new clients with substantial hiring volumes or unique background check requests.
- Inquire about global screening, as it's becoming increasingly necessary given the unprecedented mobility of today's workforce. Ask about country coverage, compliance support and if international screening integrated with the provider's domestic screening service, or if it requires a separate interface and contract.

Automate processes whenever possible.

Anything you can streamline by removing manual tasks—things like data entry or reviewing screening results—will substantially accelerate your screening and placement process, while also establishing greater overall efficiency, consistency and accountability. Today, there are several ways to integrate automation into the hiring and screening process.

- **Build pools of quality, pre-screened candidates by implementing an automated adjudication matrix.** This process involves working with a screening provider to determine a high-level list of screening results that can be pre-classified into categories or scores such as “meets hiring requirements”, “does not meet hiring requirements” or “needs further review”. The key is that the adjudication matrix is high-level enough to apply to most, if not all, staffing clients in order to help you build up a list of candidates who meet the minimum screening requirements for all clients.

The adjudication matrix will automatically perform those minimum background screens on all applicants and return simple, straightforward scores. This saves you the time of ordering the checks and reviewing the results. Your pre-qualified pool will come from the group of candidates with the “meets hiring requirements” results. You can then choose candidates from this pool as needed and run more in-depth searches if required. This saves you the additional time and expense of performing in-depth, client-specific screening packages on every single candidate.

- **Establish job-specific compliance screening packages** that automatically perform all required searches and request all accompanying forms and paperwork for certain positions. For instance, healthcare staffing agencies must sometimes perform specialized screening for doctors. Instead of manually ordering these services, onsite personnel would simply check the “doctor” package, which automatically sets in motion all required screening and any accompanying forms or paperwork. Likewise, a different screening package could be created for medical administrative staff and so on. It's even possible to create packages with specific “statewide” searches in order to meet industry background check regulations.

The same principle of creating automated screening packages applies in other industries such as retail, finance, nonprofit and more. The packages don't necessarily have to be job-specific, but can simply represent groups of positions such as “entry-level”, “management level” and “executive”. Regardless of how they're grouped, using packages versus a la carte ordering helps speed up the ordering of background checks and also promotes more equitable and consistent screening practices.

Consider outsourcing manual, resource-intensive tasks.

Although staffing agencies deal in employees, traditional human resource paperwork probably isn't your core competency, which makes that a good task to outsource if possible.

- **Outsource the management of adverse action** and more specialized individualized assessments. Extremely time consuming yet critical, these processes are required measures that help protect candidates and give them (and employers) a chance to prove or dispute the appropriateness of a criminal record job exclusion. Outsourcing these processes to an experienced screening provider can significantly streamline hiring efficiency by allowing a dedicated team of professionals to focus strictly on adverse action compliance and individualized assessments. For example, some screening platforms offer the ability to easily customize, prefill and upload Adverse Action forms for candidates.

Apart from driving a faster, more compliant screening and placement process that stays on track regardless of candidate-specific issues, it allows your internal resources to remain focused on creating the best possible candidate and client experience possible, instead of juggling critical, time-sensitive paperwork.

Integrate screening technology into your current hiring process, platform or system.

Most, if not all, of today's applicant tracking systems (ATS) and human resource management (HRM) systems are designed to easily integrate with other services such as background screening. If you're still using separate systems, there's never been a better time to update.

By tracking, managing and engaging with candidates at every step of the hiring and screening process through one centralized interface, instead of moving back and forth between multiple systems and websites, you can shave hours and days off the placement process. What's more, you'll provide a noticeably better experience for candidates that helps you attract and retain the best talent for your valued clients. Here are a few points to consider.

- If you use multiple screening providers, consider creating an integration "hub" where providers can easily plug in to your in-house system versus building separate integrations for each provider.
- Ask screening providers if they are integrated with courts or if they have a national criminal records database, which will significantly speed up turnaround times for local, state and federal searches.

Make it easy for candidates to work with you.

Your candidates today are very different from those 10 years ago, mainly because the Millennials have now come of age and flooded the workplace. Unlike all prior generations who are familiar with slow, paper-driven hiring protocols, this group of workers—who span the ages of 19 to 35 in 2016 (<http://www.pewresearch.org/fact-tank/2016/04/25/millennials-overtake-baby-boomers/>)—expect instant, electronic access to practically everything and have little patience for "in-person" processes.

To attract the best talent in this crowd, give them simple, 24/7 online access to view and apply for your open positions. Screening tools are available today that allow candidates to complete applications over the Internet by entering their own data online. They can even provide flags that won't allow candidates to submit their applications until all missing fields are completed. Candidates can also complete all required consents and other forms, and even submit wet signatures via the Internet. Once all fields and

forms are submitted by the applicant, background checks are automatically launched.

The time and resource savings associated with this type of tool are immeasurable. By allowing candidates to initiate and complete the screening process independently without human intervention, you preserve priceless time and resources, lower your costs and speed up the turnaround of your screening results.

- **Rescreening** is another key area to expand for this demographic, and others. Due to their current place in life and shorter time in the workplace, these young, mobile candidates may prefer short-term assignments. Consider rescreening your employees on a periodic basis. Of course, discuss this and all other best practice recommendations with your legal counsel.

Rethink drug testing.

The traditional paper-intensive drug testing process is also changing, and the quicker you can incorporate new technologies into your screening process, the better. Here are a couple of ideas.

- **Convert to a digital chain of custody.** The traditional drug screening process is riddled with faxes, snail mail and hard-to-read handwriting on paper forms that can cause delays and errors with zero process transparency. You could be waiting days for results without ever knowing if the candidate even showed up at the collection site.
- The digital chain changes all that by digitizing the drug testing forms, pre-populating form fields with candidate data from your screening request and providing real-time updates to let you know when the candidate arrives at the collection site and more. By swapping faxes and snail mail for instant electronic form transmission and updates, you can slash drug testing turnaround times from weeks to hours, in the case of negative results. Simply not having to print, mail or manage paper forms delivers additional time and cost savings.
- **Switch to an oral swab.** Using an oral swab, where you swab the inside of the candidate's cheek, can save you a lot of time by providing instant negative results onsite at your staffing office without the hassle of scheduling, collecting and processing a traditional urine sample. It's one way to move to a faster, less expensive, yet highly accurate drug screen that helps speed up screening and candidate placement.

Looking ahead: partner with a screening provider you trust

Apart from understanding and following industry best practices, it's critical that staffing firms fully vet any and all screening providers and only partner with the ones that you trust can deliver on all your needs. Your industry is unique in that it's your job to serve other industries, which means your screening needs are often defined by your clients' diverse requirements. You need a provider who understands your imperative for speed and risk mitigation, but can also connect you with the client-specific searches, tools and services required to meet your clients' dynamic and varied needs.

At First Advantage, we understand and we're ready to help. From start to finish, at every stage of the relationship with our staffing customers, we offer fresh, current best practices along with proactive technology, product and program recommendations via personal, onsite visits. This helps keep your program optimized all times for faster screening and job placement. As your needs evolve, we're prepared to meet the changing demands of your business with our vast suite of screening tools that include criminal checks, drug testing, verifications, fingerprinting, international screening and more, along with our market-leading screening technologies, tools and processes.

Whether you have an immediate screening need, or you simply want to discuss some of the ideas presented in this document, we encourage you contact us anytime. At First Advantage, advancing the success of your staffing business is our first priority.

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

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