

## **Companies Using a Secret Weapon for Hiring**

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### **Companies using screening services or software find better candidates, reducing the pain and waste of bad hires. Matt Bolch reports.**

As the sluggish US economy shows signs of recovery and companies begin hiring again, they are bringing more objective analysis to those who are applying for jobs. "Any corporation realizes that key talent is the most important differentiator," said Julie Denardo, manager of corporate and investor relations at Recruitsoft, based in San Francisco.

When looking for that key talent, paying upfront for an applicant screening program or running assessment or background checks is money well spent, most in the industry contend.

Recruitsoft targets global 1000 companies of more than 5,000 employees with products and services to help them find quality hires faster and for less money than traditional hiring methods. Recruitsoft products take a best practices approach to support the staffing process, from requisition management, sourcing, resume management, searching, and pre-screening to reporting and retention. Resumes of current workers also can be incorporated into the system, allowing internal candidates to easily apply for new positions within the company.

By powering career Web pages for clients, Recruitsoft software can quickly sort through resumes submitted online and send alerts to appropriate hiring personnel when a quality candidate has been identified. Denardo says the price for the service is based on the number of employees in a company; an average installation is \$500,000.

According to an iLogos Research study, 98% of global 500 manufacturing companies use their corporate Web sites for recruiting purposes. A division of Recruitsoft, iLogos analyzes best practices and innovative staffing technologies to help large corporations optimize the assignment of human capital assets. "Companies are increasingly utilizing the Web to recruit, retain, and redeploy talent," said Alice Snell, iLogos Research vice president. "Manufacturing companies need to think about integrating the recruiting and staffing supply the same way they integrate the supply chain of materials. "Good reporting is key," she says. "If you can break down the variables of the process, you can optimize the parts that are lagging."

Another method of assessing candidates is to pre-screen them using Web-based interviews or computerized phone interviews, such as those used by Spherion Corp. of Fort Lauderdale, Fla. Spherion provides recruitment, outsourcing, and technology services. Companies of more than 5,000 employees where a large number of people do similar jobs are the target market, said Pat Rowe, vice president of Spherion's Assessment Group.

Rowe describes any company's hunt for new workers as a five-step process: defining how many employees are needed and what skills are required, crafting a strategy for finding candidates, selecting the appropriate candidates, selling the successful candidates on the company and the job, and assimilating those hired into the company culture.

Spherion can help identify ways to find people, then group those who apply into three grades: best candidates, those who meet minimal qualifications, and least matches. The company employs industrial psychologists to validate interview goals by developing standards and looking at high-performing workers already on the job.

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"It's a best-kept secret," Rowe said of the ability to pre-screen job candidates. "The value proposition is compelling." It can reduce hiring time by 40% or more while decreasing the cost of hiring by 25%. Turnover can decrease by 50%, and job tenure is improved by hiring the right candidate the first time, Rowe said. After paying a setup fee that identifies questions for several jobs, the company pays Spherion for the number of people who use the system and the length of time they use it.

Atlanta-based Qwiz provides testing services in 10 vertical categories as well as general skills assessments and a custom assessment builder that companies can use to design their own tests. "Companies of any size can take advantage of our products," said Noel Sitzmann, president and COO. "Whether a company has one employee or 100,000, the value proposition remains the same." The lion's share of business is derived from pre-employment background, personality, and competency testing. But a growing part of the business has become post-employment testing, which involves evaluating a company's current work force to determine who is the best fit for promotions or transfers given the skill set required. "[Companies] make money because they're more efficient," Sitzmann said. "HR departments are more ROI focused, and we can help them see the benefits of testing."

Manufacturing companies lag other industries somewhat in checking the backgrounds of prospective employees, said Gary Schneider, executive vice president at American Background Information Services in Winchester, Virginia.

Testing is most prevalent in the health care, finance, and retail segments, followed by the property management and hotel industries. The technology segment is a growing market, Schneider says, as companies that got burned by hires during the dot-com boom become more cautious.

American Background can provide a variety of checks to help organizations manage their human capital risks, Schneider said. Those tests include local, state, and federal criminal checks; verifying previous employment, education, professional licenses, personal references, motor vehicle records and Social Security information; and drug testing.

He notes that more manufacturing companies are checking up on their job applicants than in the past. What companies need to assess is why they want to do background checks. "Once we understand the reason, we can help them pick the right products," Schneider said. Reasons can include limiting a company's liability in case of a lawsuit or protecting a company's corporate culture. Information can be checked instantly or can take up to five business days, depending on the type of screening required.

"There is a continual awareness among companies that they need to do this," Schneider said. "Once a company starts background checks, they don't stop."