

White Paper



First Advantage
C O R P O R A T I O N

Leveraging First Advantage Technology for Strategic Advantage in the Field of Human Resources

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Overview

Over the past decade, the Human Resource (HR) professional's role has changed greatly from one that is highly administrative to one that is recognized as highly strategic and imperative to the overall success of the organization. The role of the HR strategist is now squarely focused on mechanisms to streamline the HR function in order to contribute to the overall organization's success.

This paper outlines the benefits inherent in leveraging First Advantage technology to streamline processes, outsource administrative activities, improve efficiencies and reduce costs. With its user friendly and technologically advanced solutions, First Advantage is positioned to make a significant contribution to helping HR professionals in the pre-employment screening arena.

Background

On the whole, HR professionals continue to perform many of the same activities that they did a decade ago, e.g.: recruiting, training, managing, retaining and paying employees. The Internet, however, has had a significant impact on the way that HR professionals accomplish these tasks today. Where in the past, HR activities were largely paper intensive and highly manual, the function today has been transformed into a sophisticated computer-based process. Technological improvements, where successfully implemented, allow HR professionals to spend less time on administrative tasks and more time with employees or employee candidates. As labor laws increase in complexity, HR professionals are increasingly looking to external legal specialists and technological advancements to reduce the burden of legal compliance. As competition intensifies and cost cutting becomes widespread, HR professionals experience intensified pressure to contribute to their companies' bottom line by streamlining HR functions. First Advantage technology has focused on an important aspect of the HR function, that of the recruiting process, where very real pressures exist on the Human Resources Department to reduce the time- and cost-to-hire the right candidates.

The Internet's Impact on the Recruiting Process

The Internet has had a significant impact on the hiring process. In the past, job opportunities were posted in newspapers; today these same job positions are advertised on the web. Candidates who once mailed paper resumes now email electronic documents or complete application forms online. Resumes once sorted by hand can now be filtered and sorted by predefined criteria. 'Good fit' candidates previously contacted by phone are now being contacted via email. Background verification applications, once faxed or mailed to employment screening companies, are now being completed over the Internet. Advanced technology such as ApplyDirect, First Advantage's online application form, actually allows candidates to submit their own personal information and provide consent for a background check entirely online. Background screening companies that primarily sent individuals to court houses and relied on telephone conversations to screen applicants are now devising technological solutions that will aggregate data from multiple sources in minutes and reduce the time required to complete the screening processing. Organizations that once employed large numbers of employees to conduct employment screenings are now outsourcing the

entire process to background screening companies so that they can concentrate on core strategic processes. Even the traditional interviewing process may be fully or partially automated by subjecting candidates to web-based personality, cognitive, and skills tests that can accurately assess job suitability and overall success of the candidate in the advertised position.

Recruiting and Pre-Employment Screening Activities		
Task	Manual Process	Automated Process
Job posting	Newspaper	Internet based Job Boards
Resume submission	Mail, fax	Email, online application forms
Resume sorting/selection	By hand	Predefined matching criteria, profile matching, resume rank ordering
Candidate contact	Phone, fax	Automated email
Application completion	Paper-based in person	Self serve web-based
Background consent	Paper-based in person	Self serve web-based
Background investigation	Phone, onsite visits	Web-based direct Internet connection to Court houses and other databases
Skills verification	Phone	Database Query
Interview	Phone, in person	Video Interviews, web-based personality, cognitive and skills testing

Next Generation Technology

Next generation employment screening technology should provide organizations with various innovative solutions that deliver high quality information for intelligent hiring. This goal is achieved through: (i) automation; (ii) delivery of leading edge user friendly products; (iii) verification; (iv) notification; (v) real time information; (vi) centralized policies and decentralized execution; (vii) policy management; (viii) auditing and reporting; (ix) interoperability; (x) legal compliance; and (xi) fully outsourced solutions.

Automation

First Advantage's patent-pending technology promises to revolutionize employment screening by replacing many of the traditionally manual components of background investigation with automated data retrieval processes. The goal of this technology is to return real time actionable results to HR professionals in order to make effective and timely decisions.

Leading Edge Products

First Advantage offers two best-in-class applications designed to automate and streamline the employment screening process, namely ApplyDirect and ScreenDirect.

ApplyDirect

ApplyDirect moves customers' paper-based employment application process online. The application eliminates the need for HR personnel to enter applicant data, streamlines communications, improves accuracy, reduces cost, and expedites the hiring process. ApplyDirect enables qualified applicants to give their consent to undergoing a background check and allows them to electronically send required personal information directly to First Advantage for processing. A customizable messaging system allows recruiters to maintain contact with applicants throughout the recruiting process.

Before the introduction of online application forms, candidates completed paper-based forms that were faxed, mailed or completed in person on the hiring organization's premises. This same information was typically faxed or reentered online so that a background investigation could be conducted. Today with the advent of ApplyDirect candidates complete application forms online. Through legally compliant digital signature technology, consent is provided for a background screen to be conducted. The form is then encrypted for non-repudiation purposes. Entering data into a secure database allows employment data to be easily accessed at any time, eliminating the need to file and retrieve paper, which is time consuming and tedious. Best of all data that is entered on an application form may be transferred to any other Human Resource Management or Information System, eliminating redundancy and increasing efficiencies. Table 2 indicates expected costs saves per candidate after the introduction of the ApplyDirect system.

	Traditional paper-based application	Typical ApplyDirect application	Expected cost savings
Completion of application form	Applicant completes paper based form	Online form completed by applicant	\$0.25
Validation of information	Recruiter reviews the information to ensure that all appropriate information is completed	Form validation ensures that the correct information is entered	\$2.00
Convenience	Application form is mailed or faxed to the candidate or is complete in person during business hours.	Can be completed online from anywhere at any time. May be completed via a browser or in kiosk setting	\$2.00
Non Repudiation	Document is manually signed	Document is digitally signed and both the document and signature are encrypted	\$0.00
Consent required to conduct background investigation	Candidate signs form which is faxed to background investigation company	Consent via digital signature is instantly available to background investigation company	\$2.00
Information reentered for background investigation	All paper-based information needs to be re-keyed or faxed before the background investigation	Information is instantly available to the background investigation company. No re-keying of	\$2.00 - \$10.00

	may begin	data is required	
Filing	Paper-based forms need to be filed in filing cabinets	Data is automatically stored in a database	\$3.00
Application Forms retrieval	Paper-based forms need to be searched and retrieved from filing cabinets	Instant file retrieval from database	\$2.00
Integration with HRIS or Applicant tracking systems	All paper-based information needs to be re-keyed before it becomes available in the companies HRIS or Applicants Tracking System	Information may be instantly transferred to the companies HRIS or Applicant Tracking System	\$10.00
			Cost savings in excess of \$30 per candidate

Table 2. Traditional paper based application vs. First Advantage online application process

ScreenDirect is an industry-leading Web-based order and retrieval system. The system's highly customizable interface easily serves customers with numerous office locations. An FCRA module enables clients to automatically generate FCRA compliant letters and track actions, including dispute resolution status. ScreenDirect makes the employment screening process easy for HR professionals, from start to finish.

Employment screening function	Traditional manual employment screening process	Automated ScreenDirect order and fulfillment technology
Verifying and validating candidate data	No data validation exists to determine whether the data is accurate or complete.	Data is verified as it is entered. All required data must be completed before a case is accepted.
Notification of results	No notification exists throughout the investigation process.	Sophisticated, easy to use, user defined notification system, alerts users at different stages of the investigation or only when adverse information is uncovered.
Real time information	The investigation includes telephone and in person visits no real time information is available.	Patent-pending technology connects directly to credit bureaus, court houses the social security administration and departments of motor vehicles to retrieve data within minutes rather than hours and days.
Centralized enforcement of policies with decentralized execution	Enforcement is through written policies and procedures.	Enforcement is built into the system. User defined access levels ensure that users input and review only the information pertinent to their needs.
Reporting and auditing	Reporting is non existent or minimal	All aspects of the employment screening process is audited which means that sophisticated reports can be run at all levels of detail from turn around time to high level management reporting.
FCRA letter generation	Slow, tedious and conducted by	Handled by ScreenDirect and

	hand	includes multiple letters that may be selected based upon the adverse condition.
Integration with other systems and departments	Data handwritten on application forms needs to be reentered into company databases.	Data entered into ScreenDirect may be automatically transferred to other HR management or HR information systems.

Table 3. Manual vs. automated employment screening

Harnessing the next generation power of a highly sophisticated web-based employment screening product such as ScreenDirect can help streamline the recruiting process by substantially increasing accuracy, reducing costs and improving time to hire.

Verification

First Advantage's systems validate, verify and ensure the integrity of candidate data to guarantee quality results. First Advantage technology ensures that data entered is automatically verified to ensure completeness and accuracy.

Notification

Highly customizable systems are designed to provide proactive notification of results containing decisional data. Notification services are highly customizable and allowing HR professionals to define how and when to be notified.

Real Time Information

HR personal may view updated reports at anytime throughout the fulfillment process. This keeps customers informed at each step in the background investigation process.

Centralized Policies, Decentralized Execution

Sophisticated User Access allows different users access and rights throughout our system. This granular approach ensures that policies are consistently enforced throughout the organization and that appropriate users may input and review only the information relevant to their needs.

Auditing and Reporting

First Advantage's systems keep track of all aspects of the background investigation process. Our robust management reporting allows for comprehensive analysis and in-depth productivity assessment.

Interoperability

At First Advantage we have a strong interoperability philosophy. Our systems comply with the standards put forth by the HR XML-consortium and are designed to easily and seamlessly integrate with all major HR systems. Our ExchangeDirect technology has been designed for seamless exchange of information between First Advantage and all partners utilizing an XML-based framework.

Legal Compliance

First Advantage's Legal Compliance Division, led by on-site legal counsel, is focused on ensuring compliance with the Fair Credit Reporting Act (FCRA) and other federal and state laws related to employment screening. First Advantage provides regular guidance to clients and makes every attempt to update them of regulatory changes. First Advantage's technology helps ensure compliance and reduces cases of discrimination by guaranteeing that background checks are conducted in a uniform manner. Customers' written background verification policies may be incorporated into the First Advantage technology to ensure consistent employment screening implementation. In concert with regulatory changes, technical features within ScreenDirect and ApplyDirect are routinely updated to assist even the most novice users in remaining legally compliant.

Fully Outsourced Solutions

Management Services is a unique program that allows companies to completely outsource their background investigation function to First Advantage. Initially, First Advantage consultants develop a screening program suited to client-partner criteria. Next, First Advantage performs all the work: from screening to analysis of background investigation data, from management of FCRA communications to direct applicant contact. Our legal team manages the program to ensure ongoing compliance with all federal and state laws regarding employment screening. Outsourcing employment screening to companies whose core business is employment screening allows HR personnel to concentrate on core strategic activities. The outsourcing process can save companies hundreds of thousands of dollars in labor and overhead costs associated with staffing this function.

Conclusion

Leveraging the efficiencies inherent in Internet-based employment screening technology can help facilitate the changing role of Human Resource professionals from a predominantly administrative function to a highly strategic function. Redundant administrative tasks will be eliminated and data entry tasks will be assigned to the candidate who will now fill out an online application form, not a paper one. Once the data is captured, next generation employment screening technology is slated to revolutionize the recruiting process by automating background information retrieval. Not only will this improve turnaround time, but the systems also are designed to improve accuracy by ensuring that the data entered is verified and validated. HR personnel will be able to spend more time analyzing sophisticated management reports and less time faxing or entering data. All of these improvements promise to increase accuracy and efficiency, and they will reduce the time and cost of the hiring process.