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**Since Spartan stores started using computerized job application kiosks in 2002, it has dropped its turnover rate from nearly 100 percent to about 59 percent.**

## **Firms go high-tech to screen applicants**

Security, liability concerns help drive snooping industry

By Karen Dybis / The Detroit News

Employers are becoming bloodhounds when it comes to digging up resume fudging, criminal records, even the overdue bills of potential hires.

In today's risk-conscious workplace, job seekers face increasingly invasive inspections, including personality tests designed to identify whether someone is likely to blow off work or dip into the till.

Is Big Brother working overtime? It depends on whom you ask. Companies say more sophisticated screening methods are crucial to avoiding bad hires who can cripple productivity or even lead to lawsuits.

Some job seekers, though, wonder what ever happened to second chances and fresh starts.

Linda Durham, a 50-year-old Detroit, said she lost a salaried auditing job when a background check showed she had a poor credit history and credit card debt.

"That did hurt. If I had gotten the earnings I needed, I could have gotten straightened out," said Durham, who now works as a mortgage loan officer on commission. "There's nothing you can do. Everyone is doing it now."

During the last decade, employment screening has evolved into a billion-dollar business. Technology has made the process easier, faster and relatively inexpensive. For as little as \$25 and a few hours, screening companies with access to millions of personal public records can find out nearly anything about a potential hire.

"These days, we take hiring very seriously," said Kerry Christopher, a spokesman for General Motors Corp., which puts salaried employees through a three-step interview process — including problem-solving role playing — before extending an offer. Drug tests and background checks follow.

At grocer Spartan Stores, its 54 retail outlets use a high-tech application process to ask probing psychological questions, such as whether candidates believe it is OK to give friends a discount. Answer the wrong way, and the Grand Rapids chain could label you as "red" or a poor potential hire.

Fear of hiring the wrong person convinces many businesses to retain ChoicePoint Inc., Kroll Inc. of New York, First Advantage Corp. of St. Petersburg, Fla., or Automatic Data Processing's Screening and Selection Services, some of the nation's largest screening companies.

"How do you know that the person sitting in the next cubicle is really who they say they are?" said Chuck Jones, spokesman for ChoicePoint Inc., which boasts a data warehouse of more than 17 billion public records.

Last year, ChoicePoint of Alpharetta, Ga. conducted 6 million background checks. ADP of Roseland, N.J., performed more than 3.7 million checks last year, up 26 percent from 2002.

"Business is booming," said Christian Felton, a private investigator and vice president of business development for A.S.K. Services Inc. in Canton Township, a records research company.

Felton said screening requests have increased during the past three to four months as Michigan's economy improved. He said most companies are interested in background checks for criminal, driving and educational histories.

## Counter checks

Workers can even check themselves out. For \$24.95, ChoicePoint will run a background check on your resume, showing potential employers it has been prescreened to confirm its accuracy. If a bad review is holding you back, Rochester Hills-based Allison & Taylor Inc. will call your references to see what they say about you at a cost of about \$75.

Industry officials justify the intrusive screening by pointing to a minefield of problems that can stem from a mis-hire. Forgoing background checks has put some companies on the losing end of negligent-hiring lawsuits with courts noting that employers should have discovered issues such as a violent past.

High-profile slips also have made employee screens a priority for large, public companies. For example, handgun maker Smith & Wesson Holding Corp. chairman, James J. Minder Jr., resigned earlier this year when his conviction for a series of Metro Detroit armed robberies was discovered.

"Every business at every level has a responsibility to know as much as they possibly can about the people they're hiring or sending into your home," said William Greenblatt, CEO of New York-based Sterling Testing Systems Inc., another nationwide screening service.

ChoicePoint, Sterling and others tell many of these stories and quote startling employment statistics: One in 10 people have a criminal history. Between 30 percent to 40 percent of all resumes contain mistakes, like the wrong job title or the months of employment.

ADP says it found that half of all applicants showed inconsistencies on their resumes or a judgment, lien or bankruptcy in their backgrounds.

These numbers point to why background screening has grown at nearly 10 percent annually during the last decade, according to Lehman Brothers analyst Jeffrey T. Kessler.

## Heavy screening

In southeastern Michigan, half of the 270 companies surveyed by the American Society of Employers said they conduct criminal record checks. Some 82 percent check a potential employee's references, said Kevin Marrs, director of survey services.

However, Kessler and others estimate only 20 to 25 percent of all companies do a full background check on job candidates, looking beyond references and into identity verification, driving records, criminal histories or credit reports.

Privacy advocates worry companies who do background checks have too much access to an individual's private information. However, industry experts say there are safeguards in place. For example, employers must get a candidate's permission to use certain consumer reports through the Fair Credit Reporting Act.

Industries that handle consumer finances such as banking or insurance have long done background checks on their employees as have most government agencies. Today, companies that invest heavily in training or have high turnover rates are looking at background screening as a cost-cutting measure.

Spartan Stores, for example, receives about 25,000 job applications annually at its 54 stores, said Beth Baumgartner, regional human resource manager for the grocery store chain. Since it started using the computerized job application process in 2002 — which includes psychological screening — Spartan has lowered its turnover rate from nearly 100 percent to about 59 percent.

The kiosks are created by Unicru Inc., a Beaverton, Ore.-based company that specializes in employee screening software, online applications and systems like the employment kiosks that are also used by CVS Corp., Kroger Co. and Blockbuster Inc.

The Unicru system had unexpected benefits, Baumgartner said. Paper applications are sometimes hard to get at a busy store, but the kiosks are open to every candidate. As a result, the company feels it has reduced the risk of a lawsuit by the Equal Employment Opportunity Commission for discrimination, Baumgartner said.

Holiday Market in Royal Oak still relies on old-fashioned interviews. People who made mistakes can be good employees given the chance, said Tom Violante Jr., store director for the family-owned grocer.

"Background checks take management out of the equation. We watch an employee's performance and consider their values to see if they're a good fit," he said. "They either stay and advance or move on."

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