

ERC Hiring & Selection Practices Survey Results Summary



This summary highlights key findings from the results of ERC's survey of organizations in Northeast Ohio, conducted in February of 2011, on practices related to hiring and selection. 117 employers in Northeast Ohio completed the survey.

General selection methods

- The most common selection methods include interview (100%), second interview (87%), background screening (82%), reference checks (81%), and drug testing (75%).
- Employment tests are used by 39% of employers and physicals are used by 33%.
- Nineteen percent (19%) of respondents use credit checks and work samples.
- The most popular and recommended vendors for background, reference, and credit checks are Acxiom, BackTrack, Corporate Screening Services, and Pre-Check.
- Concentra, OccuCenter, St. Vincent's Occupational Health Center, and the Summa Center for Corporate Health are the most common vendors used for drug testing.
- Employers use a wide range of employment testing vendors and many develop their own assessments.

Background, reference, and credit checks

- Nearly three-quarters (74%) of respondents conduct reference checks in-house.
- The most common information employers gather during reference checks are dates of previous employment (82%), job title or position held (80%), and place of previous employment (79%).
- Eighty-six percent (86%) of employers use background screenings to hire for all positions and 26% use credit checks to hire for all positions. Most, however, indicate that credit checks are reserved for executive, management, sales, and financial-related positions.

Drug tests

- The majority of employers use drug testing only when there is a reasonable suspicion of substance abuse (62%) or after an incident has occurred (67%).
- Random (30%) and follow-up (35%) drug testing are less commonly used by respondents.
- The most common follow-up actions or procedures taken by employers include referral to Employee Assistance Program (EAP), termination, mandatory substance abuse treatment or counseling, last-chance offer or agreement, suspension, or disciplinary action.

Employment tests

- Employment tests are most typically used to hire for administrative/clerical, management, executive, information technology, and production positions.
- Many employers use a variety of skill, knowledge, and ability tests to hire employees.
- Personality/style assessments are also fairly common, particularly for sales, management, and executive jobs.

Pre-screening interviews

- During pre-screening interviews, employers commonly ask questions about candidates' background, experience, and job responsibilities; type of job, manager, and organization sought; schedule, location, shift, and start date; knowledge about the company; reason for leaving; reason for looking; expected salary and compensation; and interest in the position.
- Some employers also ask questions about work quality; career goals, management, and motivation; and effectiveness of employment advertising and marketing.

Hiring decisions

- Most employers only communicate if testing or screening results adversely affected a candidate in the selection process for drug testing (62%) and background screening (49%).
- Thirty-eight percent (38%) of respondents indicate that a job candidate's current or previous salary (as reported on application) may be a reason that they would not hire him or her.
- Some respondents (15%) say that a job candidate's indication or request to not call a past or current employer may also be a reason that they would not hire him or her.

Sign-on and employee referral bonuses

- Only 19% of employers offer sign-on bonuses. The types of jobs for which sign-on bonuses are provided vary, but are typically reserved for hard-to-fill positions such as management, executive, and some professional jobs (such as sales, engineering, and other technical roles).
- Forty-one percent (41%) of respondents offer employee referral bonuses with amounts and policies differing widely.

Introductory periods

- Seventy-nine percent (79%) of employers have a probationary or introductory period in place for new-hires.
- Probationary or introductory periods are typically 90 days. However, some employers have a shorter or longer period in place.

Hiring metrics

- The average percent of offers extended to candidates that were accepted in 2010 is 84%.
- The average time to start, as reported by employers, is 14 days or two weeks.
- The average vacancy rate reported by employers is 11 positions.
- The average cost of a hire is \$2,233 and the average cost of a vacancy is \$1,612.

Hiring projections

- Ninety-percent (90%) of employers plan to hire in 2011.
- The most common positions in which employers plan to hire are manufacturing, engineering, information technology, sales, customer service, marketing, and office/administrative.