

ERC Hiring & Selection Practices Survey

March 2011

Conducted by ERC

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About ERC

ERC is Northeast Ohio's largest organization dedicated to HR and workplace programs, practices, training and consulting. ERC membership provides employers access to an incredible amount of information, expertise, and cost savings that supports the attraction, retention, and development of great employees. We also host the nationally recognized NorthCoast 99 program and sponsor the ERC Health insurance program. For more information about ERC, please visit www.ercnet.org.



Introduction & Methodology

This report summarizes the results of ERC's survey of organizations in Northeast Ohio, conducted in February of 2011, on practices related to hiring and selection. The survey reports trends in:

- General selection methods
- Reference, background, and credit checks
- Drug tests
- Employment tests
- Pre-screening interviews
- Hiring decisions
- Sign-on and employee referral bonuses
- Introductory periods
- Hiring metrics
- Hiring projections

All ERC members were invited to participate in the survey in early February via email invitation and other promotions, and participated in the survey throughout the month. The survey officially closed on February 25, 2011. In order to provide the most reliable and accurate information, data was cleaned and duplicate records were removed. Any outliers or invalid data were also eliminated, yielding a final data set of 117 participating organizations, only from Northeast Ohio. Qualitative data was coded where applicable or analyzed according to commonality or major themes, and all quantitative data was analyzed using statistical software to ensure data validity and reliability.

This report shows several frequencies and response distributions. Breakouts of data are provided for industry and number of employees. Codes for industry data are as follows: M = Manufacturing, NM = Non-Manufacturing, and NP = Non-Profit.

Frequencies of data responses may not total 100% exactly in some cases due to rounding of decimals or the ability for participating organizations to select multiple response options.

General Selection Methods

Percent of employers using the following selection methods to hire the majority of candidates

	Industry			Number of Employees				All Respondents
	M	NM	NP	1-50	51-200	201-500	Over 500	Total
Background screening	80%	87%	79%	70%	84%	84%	100%	82%
Credit checks	12%	32%	16%	30%	16%	16%	20%	19%
Drug testing	90%	60%	58%	57%	74%	100%	80%	75%
Interview	100%	100%	100%	100%	100%	100%	100%	100%
Second interview	85%	89%	90%	96%	84%	84%	100%	87%
Third interview	20%	27%	21%	17%	24%	26%	0%	22%
Employment tests (ability, aptitude, or job knowledge)	44%	43%	16%	22%	41%	58%	20%	39%
Employment tests (personality or style)	30%	41%	5%	13%	31%	42%	20%	29%
Physicals	44%	22%	16%	9%	34%	47%	60%	33%
Pre-screening phone interview	49%	81%	53%	61%	54%	79%	60%	60%
Reference checks	77%	84%	90%	83%	83%	79%	60%	81%
Simulations	2%	11%	0%	9%	4%	0%	0%	4%
Work samples or portfolios	8%	30%	32%	26%	16%	26%	0%	19%

Vendors used and recommended by respondents

Type of selection method	Recommended Vendors
Background checks	Acxiom*, ADP, Allied Data, American Background Alliance, Asurint, Back Track*, Background Research Group, Castlebranch, CBC Innovis, Chase Protective Corporation, Choicepoint, Cogent Systems Inc, Cole Group Corporate Screening Services*, CrimCheck, Employee Screen IQ, E-Verify, GIS - General Information Services, Informus, Intellicorp*, Intelligius, Kroll, MedGroup, Openonline, Pinkerton, Pre Check*, Professional PIs Inc., Safe Guard, Screenpointe, Search First, Security Essentials, Staffing Solutions Enterprises, Superior Background Screening, Tenable, Tricor Employment Screening, TrueScreen, Webcheck 4.0
Credit checks	Acxiom*, ADP, BackTrack*, CBC Innovis, Choicepoint, Corporate Screening Services*, Kroll, Open on Line, Per Check, Security Essentials, Search First, The Pre-Check Company, Tricor Employment Screening
Drug tests	ADP, Aultworks, Center for Corporate Health, Chase Protective Corporation, St. Vincent's Occupational Health Center*, Concentra Medical Center*, Corporate Screening Services, Inc., East Side Occupational Med Center, Employee Screen IQ, Euclid Hospital, LabCorp, Lake Health, Local Hospital / Medical Center, Lutheran Urgent Care, MedExam, MedGroup, MedSource, MedTox, Medworks, Occu-Center*, Omega Labs, Parma Hospital: Employers Health Source, Per Check, Quest Diagnostics, Safety Controls Technology, Solon Occupational Medical Center, Southwest Urgicare, Staffing Solutions Enterprises, Summa Center for Corporate Health*, Work Health
Employment tests (ability, aptitude, or job knowledge)	In-house test developed by vendor*, Bennett Mechanical Comprehension Test, HBMA, Human Capital Assessments, Industrial Edge, Kenexa Prove-It, Kurlan sales assessment, LCCC, London House, Nesco Temporary Agency, NOCTI, Pradco, Profiles International*, Proveit, SHL Solutions, Tooling University, Wonderlic*, Work Keys
Employment tests (personality or style)	Caliper, Candidate Resources, Inc., CMA Consulting, ERC, Forte Institute, Human Capital Assessments, Omnia, Pradco, Predictive Index, Profiles International, PSI view point 6, PsyMax, Select Linx, Watterson and Associates
Reference checks	Acxiom, BackTrack, Corporate Screening Services, Intellicorp, Pre Check, Security Essentials, Search First, TrueScreen

* = indicates most commonly used and recommended vendors

Reference, Background, & Credit Checks

Percent of employers evaluating the following information in reference checks

	Industry			Number of Employees				All Employers
	M	NM	NP	1-50	51-200	201-500	Over 500	Total
Place of previous employment	75%	81%	84%	83%	77%	84%	60%	79%
Dates of previous employment	77%	84%	95%	83%	81%	84%	80%	82%
Job title or position held	72%	84%	95%	83%	77%	84%	80%	80%
Job description or responsibilities	48%	68%	47%	57%	60%	37%	20%	54%
Salary or wage	44%	46%	47%	30%	49%	53%	40%	45%
Opinions about job performance	64%	87%	74%	83%	74%	53%	80%	73%
Opinions about personality, fit, style, or motivation	38%	60%	58%	61%	47%	37%	40%	48%

Other information evaluated in reference checks

- Re-hire eligibility
- Attendance
- Integrity
- Advancements
- Educational attainment

Percent of employers conducting reference checks in-house or with vendors

	Industry			Number of Employees				All Employers
	M	NM	NP	1-50	51-200	201-500	Over 500	Total
In-house	65%	82%	83%	84%	73%	63%	75%	74%
Through vendor	35%	18%	17%	16%	27%	38%	25%	27%

Percent of employers that use background screenings to hire for all positions

	Industry			Number of Employees				All Employers
	M	NM	NP	1-50	51-200	201-500	Over 500	Total
Yes	92%	74%	94%	68%	89%	94%	100%	86%
No	8%	27%	6%	32%	12%	6%	0%	14%

If no, positions in which background screenings are used

- Management
- Executive
- Sales
- Money and inventory processing positions
- Field positions
- Factory positions

Percent of employers that use credit checks to hire for all positions

	Industry			Number of Employees				All Employers
	M	NM	NP	1-50	51-200	201-500	Over 500	Total
Yes	18%	39%	13%	42%	32%	0%	0%	26%
No	82%	61%	88%	58%	68%	100%	100%	74%

If no, positions in which credit checks are used

- Executive
- Management
- Financial
- Accounting
- Payroll
- Sales

Drug Tests

Percent of employers that conduct drug testing for the following situations

	Industry			Number of Employees				All Employers
	M	NM	NP	1-50	51-200	201-500	Over 500	Total
Random drug testing	36%	16%	37%	9%	30%	47%	60%	30%
Drug testing only if there is reasonable suspicion	69%	49%	63%	39%	57%	95%	100%	62%
Drug testing post-incident	80%	49%	58%	39%	67%	100%	60%	67%
Follow-up drug testing	48%	14%	37%	4%	39%	58%	40%	35%

Follow-up actions or procedures taken when drug testing fails in any situations

(In order of most common; specific/full policies available upon request)

- Referral to Employee Assistance Program (EAP)
- Termination
- Mandatory substance abuse treatment or counseling
- Second chance or last chance agreement
- Suspension
- Other disciplinary action/corrective action

Employment Tests

Percent of employers that use employment tests for the following positions

	Industry			Number of Employees				All Employers
	M	NM	NP	1-50	51-200	201-500	Over 500	Total
Administrative/Clerical	31%	30%	32%	17%	34%	21%	80%	31%
Engineering	25%	3%	0%	4%	13%	32%	0%	14%
Information Technology (IT)	21%	32%	11%	22%	21%	26%	40%	23%
Sales	25%	27%	0%	13%	23%	26%	20%	21%
Customer Service	20%	32%	0%	13%	21%	26%	20%	21%
Production	39%	14%	0%	9%	26%	47%	0%	25%
Maintenance	28%	5%	0%	4%	14%	42%	0%	16%
Management	25%	35%	26%	17%	27%	37%	60%	28%
Executive	25%	30%	16%	13%	23%	42%	40%	25%

Other positions for which employment tests are used

- Accounting
- Electrician
- Field Support
- HR
- Inspection
- Inventory
- Law Enforcement
- Marketing
- Professional
- Project Management
- Quality Control
- Shipping & Receiving
- Truck Drivers

Specific assessments used in the hiring process

- Aptitude
- Competency and leadership
- Comprehension, proofreading and spelling
- Computer, typing, and writing
- General knowledge
- Job-specific knowledge
- Learning ability
- Specific assessments cited: Caliper profile, CRIW Achiever Assessment, Counterproductive Behavior Index Assessment, Wonderlic, Predictive Index, Watson Glazer, Gordon Personality Profile, Profile XT, Pradco Indices, The Achiever Personality Profile
- Machinist, welding, sewing, and electrical
- Mathematical skill or ability
- Mechanical ability
- Microsoft Office Tests (Word, Excel, etc.)
- Numerical and arithmetic reasoning
- Personality, behavior, and attitude
- Verbal reasoning

Pre-Screening Interviews

Types and standard questions asked in pre-screening interviews

Type of question	Specific questions asked by respondents
Background, experience, and job responsibilities	<ul style="list-style-type: none"> • Describe your work experience/education. • Describe current or past job duties. • What are your strengths? • What were your job responsibilities at current/previous positions? • What duties did you like most/least? • What are your current job responsibilities? • Walk me through your background. • Tell us about your background and experience related to the job. • Do your skills match our requirements? • How do your skills match our job description? • What are your current job responsibilities/typical day? • Tell me about your current position. • Share experience you've obtained in the specified field. • What previous positions have you held?
Type of job, manager, and organization sought	<ul style="list-style-type: none"> • What type of working environment are you looking for? • What type of work are you seeking? • What type of position are you looking for? • What type of company do you want to work for? • What do you look for in an employer? What criteria do you have? • What kind of company are you looking to work for? • What are you looking for in your next role? • What are you looking for in a new employer? • What are they looking for in their next job? • What kind of position are you seeking? • What you looking for in a manager/leader?
Schedule, location, shift, and start date	<ul style="list-style-type: none"> • Are you willing to relocate? • Are you looking for full-time or part-time? • Are you looking for full time? • Are you willing to travel? • Are there any times you are not available? • Are you a tobacco user? • What is your shift preference? • Is this location acceptable? • If selected, how soon would you like to begin? • How soon are you looking to start?
Knowledge about the organization	<ul style="list-style-type: none"> • What do you know of our company? • What do you know about our company? • What do you know about our company and products? • How did you hear of our organization?

Type of question	Specific questions asked by respondents
Reason for leaving	<ul style="list-style-type: none"> • How did you find us? • Have you researched our company? • How can you contribute to the growth of our company? • What kind of company are they looking to work for? • Why have you left previous places of employment? • Why did you leave your previous employment, or why are you looking? • Why are you looking to leave your current position? • What was your reason for leaving your last two positions? • What was your reason for leaving previous jobs? • Why did your employment end? • What was your reason for leaving prior positions/current? • Are you currently working? If not, why did you leave your last job?
Reason for looking	<ul style="list-style-type: none"> • Why are you looking for a new position? • Why are you currently looking for a new job? • Why are you changing positions? • What is your reason for applying with our company? • Why do you want to work for us? • Why did you choose us? • What is the reason for your job search? • Why you seeking a new employment opportunity?
Expected salary or compensation	<ul style="list-style-type: none"> • What is your salary range? • What is your desired salary range? • What are your estimated salary goals? • What are your salary requirements? • What are your compensation requirements? • What is your compensation history? • What is your expected compensation? • What have you been paid in the past? • Are you willing to work for our pay rate?
Interest in the position	<ul style="list-style-type: none"> • Why are you interested in this particular opportunity? • What interested you about this position, why did you apply? • What interested you about the job? • Why does this position interest you? • Why are you interested in working at our organization? • What caught your interest in our position? • Why did you apply for this position?
Work quality	<ul style="list-style-type: none"> • Provide some specific examples of how your skills were applied to produce exceptional results. • What qualities do you possess that would make you a valuable employee? • What do you consider to be your best work quality? • How do you stay up on current trends in your field? • Are you currently employed?
Career goals, management, and motivation	<ul style="list-style-type: none"> • What are your career goals for today and in 5 years? • What are your goals? • What motivates you? • What type of manager do you work best with? • Tell me about the best relationship you've had with a manager; what are you looking for in your next manager?

Type of question	Specific questions asked by respondents
Effectiveness of employment advertising and marketing	<ul style="list-style-type: none"> • Which job did you like the best and why that you have listed on your application? • What attracted you to the ad? • What appealed to you about our ad? • How did you hear about our job opening? • What are you looking for in a new position and in the future? • What is your overall professional background and expertise?

Hiring Decisions

Percent of employers that communicate if testing or screening results adversely affected their decision to not select a candidate for a position

	Industry			Number of Employees				All Employers
	M	NM	NP	1-50	51-200	201-500	Over 500	Total
Background screening	44%	54%	53%	39%	49%	63%	40%	49%
Credit checks	16%	27%	16%	26%	17%	21%	20%	20%
Drug testing	74%	41%	63%	39%	59%	90%	100%	62%
Employment tests (ability, aptitude, or knowledge)	13%	5%	26%	13%	7%	26%	40%	13%
Pre-employment testing (personality or style)	5%	0%	0%	4%	1%	5%	0%	3%
Reference checks	8%	11%	11%	13%	10%	5%	0%	9%

Percent of employers that indicate the following as reasons that they would not hire a candidate

	Industry			Number of Employees				All Employers
	M	NM	NP	1-50	51-200	201-500	Over 500	Total
Job candidate is a smoker; our organization has a no smoker hiring policy	10%	11%	0%	4%	11%	5%	0%	9%
Job candidate's current or previous salary (as reported on application)	36%	41%	37%	30%	39%	47%	20%	38%
Job candidate's indication or request to not call a past or current employer	13%	22%	11%	17%	13%	21%	20%	15%

Sign-On & Employee Referral Bonuses

Percent of employers who provide sign-on bonuses

	Industry			Number of Employees				All Employers
	M	NM	NP	1-50	51-200	201-500	Over 500	Total
Yes	15%	29%	11%	18%	18%	28%	0%	19%
No	85%	71%	90%	82%	82%	72%	100%	81%

Types of jobs for which sign-on bonuses are provided and the average amount of the bonus offered

- Commercial Sales Manager and QC Lab Manager (no average amount)
- Decided upon on a case-by-case basis (job-specific; candidate specific)
- Die Setter, Die Maker (Range: \$250 - \$1000 depending on skill level and shift desired)
- Engineering
- Engineering (Range: \$2500-\$10,000 with average around \$3500)
- Extra time-off if new employee will be having a vacation soon after hire
- Hard-to-fill positions (Director role)
- Management (Range: \$1,000 to \$5,000)
- Middle and upper management jobs (Average: \$10,000)
- Professional (\$2,000), Managerial (\$2,500), Executive (\$15,000)
- Sparingly but for insurance coverage/COBRA if an issue.
- Upper management. Extra vacation time and/or a monetary amount that varies.
- Very limited on position difficult to fill and candidate may incur other expenses by accepting position. (relocation, loss bonus)
- Would consider in rare situations for management positions (e.g., to 'buy someone out of' a bonus they would receive shortly if they remained with their current employer)

Percent of employers who provide employee referral bonuses

	Industry			Number of Employees				All Employers
	M	NM	NP	1-50	51-200	201-500	Over 500	Total
Yes	36%	60%	22%	26%	43%	53%	40%	41%
No	64%	41%	78%	74%	57%	47%	60%	59%

Maximum amounts of employee referral bonuses offered

Maximum bonus amount awarded	Description of policy and amount of employee referral bonus
Less than \$100	<ul style="list-style-type: none"> • \$50 after 3 months of employment • \$50 after 6 months of employment • \$50 after 90 days in position • \$50 • \$75 after 60 months of employment
\$100	<ul style="list-style-type: none"> • \$50 at 90 days and a second \$50 at 6 months • \$25 upon hire and \$75 after 90 days. We have a raffle for an iPod as well during our busy hiring season • \$100 after employee works 90+ days • \$100 for referral who remain employed past probation period • \$100 recruitment bonus to members of one of our unions if referred new hire works at least 90 calendar days. • \$100 • \$100; Application must have referring employee's name written on it. Applicant must earn direct hire and maintain employment for at least 90 days.
\$150	<ul style="list-style-type: none"> • Employee who refers a candidate who we hire can earn bonus over the 1st yr of new hire's employment. Referring employee gets \$25 after 90 days / another \$50 after 6 months / and \$75 if new hire stays 1 yr = total of \$150 Bonus is paid thru payroll to referring employee.
\$200	<ul style="list-style-type: none"> • \$200 after 90 days • \$200 bonus if referred employee completes 90 days. Employee must be proactive in providing referral(provide HR info) prior to application, applicant must put employee's name on referred by section of application • \$200 for referral when new hire reaches 90 days of employment. • \$200 if the referred is here after 1 year employment. The payments are broken down: \$25 after 90 days; \$75 after 180 days and \$100 after 360 days • \$200 to employee after referral successfully employed for 3 months
\$250	<ul style="list-style-type: none"> • \$250 after 6 months • \$250 after 90 days • \$250 after one year • \$250 on hire date • \$250 if employee hired stays with company 500 hours • \$100-\$250 after the hire celebrates their first anniversary with us • Applicant indicates employee's name on Employment Application. Ask during the interview if anyone who is currently working at XXX referred them. If hired, employee receives \$250 (taxable) after new hire completes their Introductory Employment Period (usually 90 days; longer if IEP is extended).
\$400	<ul style="list-style-type: none"> • \$300 paid after 90 days; \$100 paid if new employee still employed after 1 year
\$500	<ul style="list-style-type: none"> • \$500 for clerical/administrative positions filled • \$500 if employee stays working for us for 90 days • \$500 for skilled positions • \$250 net upon hire and \$250 net after 6 months • \$500 only for RPh • \$500; \$100 is paid on referrals hire date, then balance of \$400 is paid when new employees completes 6 months of service. • Generally \$500 for referred candidate hired paid after 90 days of continuous employment. • If a referred candidate is hired, \$500 bonus is paid to referring employee once new hire completes 90 days of satisfactory employment and both parties are still employed in good standing at company. • A recruiting award of \$500.00 will be paid to a current, regular full-time or part-time Company employee whose

Maximum bonus amount awarded	Description of policy and amount of employee referral bonus
\$750	<p>recommendation of another person for employment leads to the hiring and continued employment of that person. Paid out in three installments. 100.00 immediately, \$200 after 3 months, \$200 after 6 months.</p> <ul style="list-style-type: none"> \$250 when person is hired, \$250 after 90 days and the final \$250 after 6 months; total of \$750
\$1,000	<ul style="list-style-type: none"> \$1000 for technical, management, sales positions filled. In all cases, employee must be employed for 90 days before referral bonus is paid out. Can range up to \$1,000 - \$5,000 for difficult to fill positions \$1,000 if on for 90 days \$1,000 if employee stays for 3 months \$1,000 to the referring employee once the new employee has been on payroll for six months Up to \$1,000 for management For qualified candidates that reach the face to face portion, a \$25 gift card, for placement and successful completion of 90 days of employment, \$1000 paid to current employee
\$1,500	<ul style="list-style-type: none"> \$1,500 if referral hired; \$750 on hire; \$750 after 90 days
\$2,500	<ul style="list-style-type: none"> \$2,500 for a referral. Paid out after the candidate has been employed for 90 days.
\$5,000+	<ul style="list-style-type: none"> Typically \$2000 to the referring employee after the new hire is employed 90 days; but \$5000 after 90 days and another \$5000 after 12 months is the role is deemed 'critical' to fill

Introductory Periods

Percent of employers that have a probationary or introductory period in place for new-hires

	Industry			Number of Employees				All Employers
	M	NM	NP	1-50	51-200	201-500	Over 500	Total
Yes	87%	68%	79%	74%	80%	79%	100%	79%
No	13%	32%	21%	26%	20%	21%	0%	21%

Percent of employers that have a probationary or introductory period of a certain number of days in place for new-hires

	Industry			Number of Employees				All Employers
	M	NM	NP	1-50	51-200	201-500	Over 500	Total
60 days	16%	0%	0%	6%	8%	20%	0%	9%
90 days	80%	96%	79%	88%	87%	80%	60%	84%
120 days	2%	0%	0%	0%	2%	0%	0%	1%
180 days	2%	4%	21%	6%	4%	0%	40%	6%

Hiring Metrics

Average time to fill (average # of calendar days from the date a job requisition is approved to the date an offer is accepted by a hire)

	Industry			Number of Employees				All Employers
	M	NM	NP	1-50	51-200	201-500	Over 500	Total
Administrative/Clerical	46	34	40	37	44	36	38	41
Engineering	74	62	n/a	64	93	47	n/a	78
Information Technology (IT)	55	52	55	52	60	43	34	54
Professional (HR, Accounting, Marketing, etc.)	54	50	55	54	55	45	48	53
Sales	45	60	40	64	49	50	14	51
Customer Service	45	39	33	33	43	46	29	41
Production	26	29	n/a	27	31	17	8	27
Maintenance	41	33	36	39	41	38	24	39
Health and Human Service	n/a	n/a	66	60	57	68	90	62
Management	70	60	74	59	75	60	50	68
Executive	97	71	78	85	89	79	53	84

Average percent of offers extended to candidates that were accepted in 2010

	Industry			Number of Employees				All Employers
	M	NM	NP	1-50	51-200	201-500	Over 500	Total
Accepted offers extended to candidates that were accepted	84%	89%	76%	68%	88%	93%	89%	84%

Average time to start (# of days)

	Industry			Number of Employees				All Employers
	M	NM	NP	1-50	51-200	201-500	Over 500	Total
Average time to start (# of days)	13	12	17	14	13	15	13	14

Average vacancy rate (average # of vacant positions divided by total # of positions)

	Industry			Number of Employees				All Employers
	M	NM	NP	1-50	51-200	201-500	Over 500	Total
Average vacancy rate	14	9	6	5	14	9	4	11

Average cost of hire

	Industry			Number of Employees				All Employers
	M	NM	NP	1-50	51-200	201-500	Over 500	Total
Average cost of hire (all costs involved with a new hire)	\$1,860	\$2,090	\$3,642	\$1,772	\$2,024	\$1,250	\$5,467	\$2,233
Average cost of vacancy (costs of having work completed in absence of a staff member)	\$1,633	\$1,200	\$2,700	\$1,400	1,897	n/a	\$250	\$1,612

Hiring Projections

Percent of employers planning to hire in 2011

	Industry			Number of Employees				All Employers
	M	NM	NP	1-50	51-200	201-500	Over 500	Total
Yes	90%	92%	84%	70%	93%	100%	100%	90%
No	10%	8%	16%	30%	7%	0%	0%	10%

Respondent Demographics

Below is a breakdown of the industries and sizes that respondents represent.

	Percent
Industry	
Manufacturing	52%
Non-Manufacturing	32%
Non-Profit	16%
Organizational Size	
1-50	20%
51-200	60%
201-500	15%
Over 500	4%

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