

## **Why Implement the Online Employment Center**

Applicant attraction and screening have been buzzwords in the HR arena for years, but both topics require rethinking in today's internet driven world. Job boards have revolutionized the way employers attract job candidates, but the increased applicant flow they can generate creates potential problems for employers who are responsible for ensuring that their applicant selection processes are implemented equally for all candidates.

With the EEOC and OFCCP stepping up enforcement of laws and regulations governing employee hiring, promotion and compensation, it makes sense that an employer implement a standardized employee selection process. And, with the volume of candidates now available through internet based attraction, that selection process should include a solution that differentiates a jobseeker from a qualified applicant.

The Online Employment Center provides employers with a tool that encompasses a standardized screening process to ensure that all jobseekers are screened in the same manner to identify those jobseekers who are actually qualified for specific job openings. All appropriate data on all applicants is recorded and stored readily available for use in EEOC reporting or evidence in the event of an OFCCP audit or discrimination complaint. The Online Employment Center provides all of the necessary features of applicant tracking systems while incorporating a critical feature that they do not: the ability to proactively monitor each step of the selection process to ensure compliance with government hiring guidelines and regulations.

### **Features and Functionality**

The Online Employment Center is designed to have the same look and feel as an employer's current web site. It is then linked to the employer's site, typically through the Careers or Jobs section of the website. The Online Employment Center includes the following features:

- Increased applicant flow based on easier ability to apply
- Differentiating applicants from job seekers in accordance with government agency standards
- Collecting and housing needed reporting data
- Accomplishing electronic job seeker and applicant data retrieval
- Facilitating easy communications with applicants
- Providing a better experience for job seekers by automatically thanking them for applying
- For retail oriented employers via discount and coupon drives, building new customers and sales
- Providing better, more productive new hires
- Insuring control that other locations are choosing the most qualified applicants
- Applicant tracking system features and benefits
- Providing an inventory of job seekers and applicants to contact
- Mining those candidates for future contact for hard to fill job openings
- Providing objective, non-biased screening and differentiation of applicants from job seekers
- Providing EEO-1, OFCCP and VETS-100 reporting data
- Enabling an employer to proactively monitor compliance with EEOC and OFCCP compliance requirements
- Eliminating need for HR to review resumes and/or contact jobseekers to determine qualifications
- Reducing paperwork burden related to jobseeker applications, resumes etc.

### **Functionality – How the Online Employment Center Works**

Basically, The Employment Center is a web based system that provides an employer a resource for attracting job candidates, qualifying them for job openings, and taking the candidate through

the employer's application process. Additional screening and information gathering can be included in the process so that the employer has obtained all of the information needed to make a decision about the qualification of an individual for a job opening. All information is gathered online in an automated format utilizing no resources from the HR function until the data gathered is reviewed.

The Employment Center has two basic segments of functionality: Applicant Screening/Data Collection and Job Posting and Applicant Data Review/Reporting. A detailed description of each follows:

### **Applicant Screening/Data Collection**

Employer directs jobseekers to their Employment Center site through advertising. Upon visiting the employer's custom Employment Center, jobseeker will be able to:

1. Review information about the employer and benefits of working for the employer
2. Review available job openings, including job descriptions
3. Select job openings to apply for, differentiated by location
4. Provide name and contact information
5. Opportunity to voluntarily complete Affirmative Action Data Form that gathers the data required for EEO-1 and Vets-100 reports, and is required by the OFCCP in compliance audits. This information is collected at the beginning of the data collection process to provide evidence of an attempt to gather this required data prior to any jobseeker screening function. Jobseekers have the option to decline to provide this information. If they do decline, a record of their desire not to provide the data is captured in their file. All data collected under this function is restricted so that the employer cannot access the data except as required for reporting/compliance.
6. Complete job specific pre-screen questions that determine whether a jobseeker meets the minimum qualifications for the job. Prescreen questions can be scored so that the most qualified applicants appear first. Those that do not meet minimum qualifications are notified that they do not meet the minimum qualifications at this time and are not allowed to proceed further with application process, though data collected from them up to this point is retained
7. Complete employer's employment application, including attachment of a resume if available
8. Complete new hire tax credit questionnaire to determine eligibility of applicant for new hire tax credits
9. Complete other forms and/or provide consent for release of pertinent data for background verification as required by employer
10. Complete assessment to determine job fit
11. Applicant is thanked for applying

### **Job Posting and Applicant Data Review/Reporting**

Employer is provided access codes by location or operating unit. Appropriate personnel use the codes to add/delete job openings, access applicant data and utilize the applicant tracking features of the Employment Center:

1. Employer may add or delete job openings by inserting or deleting job descriptions and associated prescreen questions. Tools are provided to assist in posting job descriptions and deriving prescreen questions.
2. Applicant data for a location or operating unit is sorted by name of applicant, with the most qualified applicants appearing first if scoring of prescreen questions is utilized. By clicking on an applicant's name, the entire data file for that individual can be viewed including answers to prescreen questions, resume, application and assessment results.

3. An email function is provided to allow an applicant's data to be readily emailed to another party.
4. Applicant tracking functions are provided to allow an applicant's data to be moved to folders representing specific steps in the selection process.
5. The Folders function is integral with the OFCCP function. The OFCCP function, when utilized with the Folders function, allows analysis of each step of the employer's selection process. The OFCCP function analyzes each stage of the selection process for potential adverse impact. This analysis is critical for OFCCP compliance.
6. The EEO-1 and VETS-100 function provides the data needed to compile these reports
7. For those employers using integrated Background Verification services, the Employment Center provides a portal to allow quick selection of applicants for whom background verification reports are desired
8. Once an applicant is hired, the Employment Center provides a portal for notification to the Tax Credit Processing Center for purposes of recovering possible new hire tax credits

### **EEOC Compliance**

The EEOC is responsible for enforcing Title VII of the Civil Rights Act, The Equal Pay Act the Age Discrimination in Employment Act, and the Americans with Disabilities Act. Virtually every organization that has employees falls under EEOC jurisdiction. If your business or organization is subject to EEOC jurisdiction, then there are obligations you must meet as an employer. The obligations vary depending upon the number of employees in your organization, but include access to records and site of employment, following the Uniform Guidelines on employee selection procedures, following sex discrimination guidelines, following guidelines on discrimination because of religion or national origin, and providing annual reports to the EEOC to verify compliance.

### **EEOC Record Keeping Requirements**

Every employer, employment agency, and labor organization subject to EEOC jurisdiction shall (1) make and keep such records relevant to the determinations of whether unlawful employment practices have been or are being committed, (2) preserve such records for such periods, and (3) make such reports there-from as the Commission shall prescribe by regulation or order, after public hearing, as reasonable, necessary, or appropriate for the enforcement of this title or the regulations or orders there-under.

### **EEO-1 Report Filing Requirements**

On or before September 30 of each year, every employer that is subject to EEOC jurisdiction and that has 100 or more employees, shall file with the Commission or its delegate executed copies of Standard Form 100, as revised (otherwise known as "Employer Information Report EEO-1"), in conformity with the directions set forth in the form and accompanying instructions.

In summary, to comply with EEOC requirements, employers must apply consistent applicant selection procedures and maintain the records necessary to provide a defense of those procedures and to comply with reporting requirements, if applicable. The Online Employer Center can help you meet these obligations. With its standardized screening process that treats all applicants equally, the Online Employment Center provides a crucial first line of defense in avoiding claims of discrimination. And, by storing all relevant applicant data and providing tools to allow you to analyze each step of the selection process, the Online Employment Center is a repository for the records needed to prove the absence of discrimination or identify it before a claim ensues. Of course, the Online Employment Center provides all the data needed for EEO-1 reporting as well. An important aspect of EEOC compliance is differentiating a qualified applicant

from a jobseeker. The Online Employment Center is unique in its ability to accomplish this critical task. See the following OFCCP Compliance discussion for more information on this feature.

### **OFCCP Compliance**

On February 6, 2006, the OFCCP definition of an internet applicant became effective. Employers are advised to adopt this definition for all applicants. And, though the definition was issued by the OFCCP, the EEOC is likely to adopt it as well. So the new definition has ramifications for all employers subject to EEOC jurisdiction. The OFCCP defines an internet applicant as someone who meets the following criteria:

1. The individual submits an expression of interest in employment through the Internet or related electronic data technologies.
2. The contractor considers the individual for employment in a particular position.
3. The individual's expression of interest indicates the individual possesses the basic qualifications for the position.
4. The individual at no point in the contractor's selection process (prior to receiving an offer of employment from the contractor) removes himself or herself from further consideration or otherwise indicates that he or she is no longer interested in the position.

Based on this new definition, it is critical that employers adopt a system that allows them to differentiate a jobseeker from a qualified applicant. All reporting and defense of potential discrimination claims hinge on the ability to make this distinction.

The Online Employment Center is the only online screening system that automatically differentiates a jobseeker from a qualified applicant according to the new OFCCP definition. A patent is pending on the Online Employment Center for its unique ability to accomplish this function. By allowing employers to implement screening questions specific to a job, jobseekers applying for that job are assessed for their ability to meet the minimum qualifications required by the job. Those that meet the minimum qualifications and do not remove themselves from consideration are considered applicants for the purposes of reporting and compliance. Those that do not meet the minimum qualifications or remove themselves from consideration are merely jobseekers and are not included in the applicant pool. The Online Employment Center captures and retains the data on both jobseekers and applicants to prove the differentiation.

The OFCCP also requires that certain contractors provide data on veteran applicants in a report known as the VETS-100. The online Employment Center collects all the data from applicants needed to complete this report.

### **Discrimination Claims**

Even with a standardized applicant selection process in place, employers often face claims of discrimination. With the Online Employment Center, defense of such claims is made easier by the ready access to the data of the individual making the claim relative to the entire job seeker group who applied for the job, including the records as to who was hired and the reasons why.

The Employment Center stores and categorizes all job seeker data in electronic files, whether qualified or not. Consequently, if the employer is filed against for discrimination in the hiring process, that data can be accessed by job seeker name, social security number, job category applied for or date of application, and the entire complaint data file is readily constructed for proof that the job seeker did not meet the job requirements. The electronically maintained data file will contain all the data on both the job seeker who did not meet the job requirements and the applicants who did, and will reflect the employer's action regarding each applicant. Thus, the

employer has an “audit trail” of the actions taken with each applicant. This data is also readily available for compiling EEO-1, OFCCP and VETS-100 reports.

### **What Makes the Online Employment Center Unique**

The Online Employment Center is unique in that it provides an automated method for screening job seekers and determining whether a job seeker is a qualified applicant for possible employment, and the ability to collect and retain the data required for EEOC and OFCCP record compliance regarding a qualified applicant for a job. Any other system that provides these unique features will be in violation of the pending patent for the Online Employment Center.

There are other systems that offer some of the screening and data collection features provided by the Online Employment Center, but they lack the ability to differentiate a qualified applicant from a job seeker. Comparisons of the Online Employment Center to other systems follows:

### **Comparison of the Employment Center to Job Boards such as:**

Monster  
Hot Jobs  
Career Builder  
Brass Ring  
Job.com

Many job boards now offer some form of prescreening questions to help qualify jobseekers. However none offer the ability to completely tailor these questions to differentiate an applicant from a jobseeker per the OFCCP’s new guidelines. Further, the job boards do not allow the use of the employer’s own employment application or the ability to include assessments and other forms as required by the employer to have one, complete applicant data collection system. Nor do the job boards store the data on all jobseekers for immediate retrieval as needed. Any data received from job board postings must still be integrated into some form of applicant tracking and analysis system for retrieval to compile EEO-1, Vets-100 and other required reports. The Employment Center eliminates this additional step by providing a one-stop applicant attraction, screening, data collection, analysis, storage and reporting system.

Another critical component the job boards lack is the ability to electronically monitor each step of the selection process for possible adverse impact as the Employment Center does. This function is paramount for employers that must comply with EEOC or OFCCP regulations, and most employers do.

### **Comparison of the Employment Center to Applicant Tracking Systems such as:**

SonicRecruit  
ICIMS iRecruiter  
Kenexa  
PCRecruiter  
PeopleClick  
RecruitSoft  
MaxHire

Applicant Tracking systems offer the ability to collect applicant data electronically and some provide prescreening capabilities as well, though they generally consist of resume screening. Their primary function is to manage the steps of the selection process such as interview scheduling etc. and store data. However, they typically lack the comprehensive data analysis capabilities required for EEOC and OFCCP compliance.

The Online Employment Center provides many of the features of most applicant tracking systems, such as the ability to organize applicants according to stages of the selection process, while also providing superior jobseeker/applicant differentiation and the ability to analyze each step of the selection process for possible adverse impact.

**Comparison of the Employment Center to Job Matching Systems such as:**

Jobmatch.com  
Fillthatjob.com  
Freshjobs.com  
Matchwork.com

Job matching systems specialize in mining resume resources for potential “matches” to job openings employers have posted. They generally lack the specificity that systems offering customized prescreening capabilities provide. Employers utilizing these services typically must still incorporate the data on applicants into some other system for data management and analysis. Much like job boards, job matching services can only serve as the first step in the selection process whereas the Online Employment Center can handle all of the steps from applicant attraction to EEOC reporting.

**Comparison of the Employment Center to Large Scale Screening Systems such as:**

UNICRU  
Deploy

These large-scale systems offer many of the benefits of the Online Employment Center, albeit at a substantial cost. Some require six figure initial investments while others require several thousand dollars per installation. The Online Employment Center can provide the same features for an initial investment that is significantly less.

**Comparison of the Employment Center to Enterprise HR Solutions such as:**

People Soft  
Oracle  
SAP  
Siebel Systems

These large, internal Human Resource systems normally sell with installation at \$1 million or more with a basic focus on keeping employee records, benefits, training and payroll information. They're great and much needed systems for large companies to use to house employee and applicant data, but they weren't designed for applicant attraction and screening. Consequently, they don't do what the Online Employment Center does, but they are ready to house the data from the Employment Center, whether applicant or “new hire” data. Consequently, they are quite compatible and totally non-competitive to the Employment Center.

**Economic Reasons for Implementing an Online Employment Center**

**Cost Savings Case Studies**

The Employment Center can generate substantial cost savings by eliminating the need for personnel to screen resumes and applications for qualifications. Consider the following case studies as examples:

### **Case Study 1**

An employer has an opening for a programmer. A recruiter is assigned to review applications and resumes. The recruiter's annual salary is \$ 35,000.00. The annual salary for the programmer is \$ 60,000.00. Following is a calculation of the recruiting costs for this position with and without the Employment Center:

#### **Recruiting Costs Not Using the Employment Center**

##### Advertising Costs:

Monster	\$ 130.00
Hire.com	110.00
Paper	<u>200.00</u>
Total	440.00

##### Recruiter Costs:

Time allocated to application/resume review:

Recruiter has three job openings averaging 60 days to fill, and spends 50% of time reviewing applications/resumes:

$$(50\% \times 60/3) \times (35,000/12/21) = 1388.88$$

Time allocated to candidate qualification:

Recruiter has three job openings averaging 60 days to fill, and spends 50% of time qualifying candidates:

$$(50\% \times 60/3) \times (35,000/12/21) = 1388.88$$

##### Opportunity Costs:

Productivity lost while job is open 60 days

Programmer analyst salary/work days open

$$60,000/12/21 \times 60 = \$ 14,285$$

Total cost for this hire: \$ 17,501.00

#### **Recruiting Costs Using the Employment Center**

Utilization of the Online Employment Center reduces recruiter time to screen applications and resumes by 25%, saving \$ 694.00 on this hire alone. By decreasing the time-to-hire by the typical 40%, another cost savings of \$ 5,713.00 may be realized.

### **Case Study 2**

In analyzing the use of the Employment Center by one nationwide employer for a ten-month period of time, some very interesting facts were observed:

During this period of time:

Approximately 34,500 job seekers were processed by the employer's web-based applicant screening system.

Of the 34,500 job seekers, 24,182 were screened out effectively and efficiently by the pre-screen questions to determine minimum qualifications (and the records maintained and housed in the event of future potential need).

Approximately 10,000+ qualified job applicants remained, and the system ranked these based on their answers to the pre-screen questions yielding approximately 50% that were chosen for further consideration.

In summary, 34,500 job seekers were screened. Approximately 5,000 of the 34,500 were the most qualified applicants and their data files were collected automatically, requiring no screening by HR personnel. The employer saved almost 2,000 hours of HR department time by utilizing the Employment Center to automatically screen 34,500 job seekers to obtain 5,000 qualified applicants.

### **Case Study 3**

The Employment Center includes optional New Hire Tax Credit Processing. Tax credits recovered for employers that hire eligible employees can be as much as \$ 8,500.00 each with the typical credit averaging \$ 1,300.00 per eligible employee hired. These credits represent a dollar for dollar credit against the employer's income taxes payable and their recovery can quickly pay for the use of the Employment Center.

### **Case Study 4**

The first three case studies show the economic benefits of implementing the Online Employment Center. Case Study 4 focuses on the costs associated with not using a standardized selection process like the Online Employment Center.

In a recent compliance audit case handled by the OFCCP, a soft drink bottling plant in Texas was fined \$ 228,000.00 for failing to hire sufficient numbers of women and minorities. The plant was required to comply with OFCCP selection guidelines since it was selling product to an organization that was a prime contractor even though the plant itself was not a prime contractor. This is typically the situation in which many organizations find themselves as well. It is important to note that this fine covered only one soft drink bottling plant location. The implication is that one location of an organization that is providing a product or service to a prime contractor could result in a similar compliance issue for the organization. Having a system in place that standardized the selection process and allowed monitoring for compliance could have saved this soft drink bottling plant \$ 228,000.00.

### **Case Study 5**

Like Case Study 4, Case Study 5 provides an example of the costs associated with not having a system in place to collect and retain the records required for EEOC and OFCCP compliance.

A large construction equipment dealer was recently selected for an OFCCP compliance audit. The dealer did not have an automated system for collecting or retaining applicant data, so all records requested for review by the OFCCP auditor had to be retrieved manually. An independent consulting firm was retained to help the equipment dealer analyze their selection processes for potential adverse impact and prepare the data requested by the OFCCP. Fortunately for the dealer, the OFCCP found no compliance issues. By the time the audit was complete, however, the dealer had spent approximately \$ 50,000.00 in consulting fees and labor hours to satisfy the OFCCP's audit requests. The HR manager of the dealer commented that the Online Employment Center would have eliminated the need to retain the consulting firm to analyze the dealer's applicant selection process, and dramatically reduced the time invested to pull records for review by the OFCCP auditor.

These case studies show that the nominal investment in the Employment Center can be quickly recovered in direct cost savings from improved efficiency of the HR function, reduced costs associated with compliance and possible fines, and additional revenue in the form of tax credits.

The typical savings represent a return on investment measured in months rather than years as is the case with competing systems.

### **Summary: Why Invest in the Online Employment Center**

The Employment Center is the most economical and efficient system available to an employer today. The Employment Center goes beyond applicant attraction and HRIS systems in use today. These systems do their tasks well, but they were primarily created to house applicant and employee records. They were not designed, from a front-end standpoint, to deal with the intake and finite screening of job seekers and then differentiate an applicant from a job seeker, as the Employment Center does. Companies using these systems for job seeker information flow require that resumes be emailed in by job title or opening, or faxed, in which case the fax number converts into an "E" file, or that paper resumes must be scanned in. These systems can process thousands of resumes, but those resumes still must be screened.

By utilizing customized, job specific questions and required answers to determine whether a job seeker is truly qualified as an applicant or not, and asking those questions "up front" via the web-based applicant process, an employer utilizing an Employment Center can eliminate the labor effort involved to determine which job seekers are job applicants and which aren't.

Proper, legal and effective differentiation of an applicant from a job seeker is critical. Employers with Affirmative Action plans who must file EEO-1 and OFCCP reports must compile applicants (not job seekers) versus hires in computation of the 4/5ths rule to determine whether discrimination exists in their hiring process. Thus, keeping non-qualified job seekers out of the qualified applicant pool to use in the computation is critical. EEO-1 and other state or federal reporting requirements consider only qualified applicants relative to those hired. Unqualified job seekers are not considered.

### **Good Business Sense**

Aside from the ability to monitor the selection process and comply with EEOC and OFCCP regulations, implementing the Online Employment Center makes sense for the following reasons:

- Consolidation of records for employers with branch locations
- Consistency of record keeping
- Ensuring that branch locations are consistently applying the employer's standardized selection process
- Reduction in advertising costs due to ability to communicate with a retained applicant pool by job category
- Eliminate paper applicant files and records retention

The Online Employment Center is a single resource that allows for the attraction of jobseekers, differentiates the qualified applicants from the jobseekers per the OFCCP definition, collects and retains data required for EEOC and OFCCP compliance, and allows proactive monitoring of each step of the employer's applicant selection process for possible adverse impact. Such technology is a boon to employers, allowing them to reach their goals through the selection of better, more productive employees, while improving the productivity of the HR function and reducing the potential for costly discrimination claims or fines resulting from failure to comply with federal hiring guidelines.