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Why Automated Reference Checking Works

By Kevin Williams, Chief Science Officer, Chequed.com

The conventional wisdom in HR is that reference checking doesn't work, that it's next to impossible to get a call-back—much less get past a reference's legal concerns.

But automated reference checking (ARC) works. It combines what we have learned from research in psychology with advances in online assessment technology.

It brings the reference check back to life in a form that provides much better candidate data—and provides it much more easily than the old phone-based model.

Let's look at the three primary reasons ARC works better than antiquated reference checking practices.

1. Data is aggregated so references have anonymity.

With ARC, candidates email requests to multiple references (typically, at least 5), who each complete an online questionnaire. All responses are averaged and compiled into one report. Individual ratings cannot be identified by the employer, so the reference knows her responses are in confidence.

Anonymity reduces legal concerns, which means references are much more likely to respond—and because they know the system won't identify their individual responses, they are also more likely to be candid enough to provide useful information.

Another factor contributing to the accuracy of ARC is the minimum number of responses stipulated by most programs. An average of multiple responses paints a clearer, more accurate picture than just one response. Having a minimum-level of input generates richer data and a more precise prediction of candidate performance.

The number of data points is further increased by having candidates send requests to references themselves. There is reason to believe that receiving a request from a former colleague (rather than an HR representative) improves response rates, thereby further enriching data quality.

2. Behavioral basis of the questionnaire improves data quality.

A scientifically-based ARC tool draws on a data bank of questions that assess the skills and abilities that research studies show differentiate highly effective from ineffective performers. These questions are written to reflect incidences of critical behaviors—or specific behaviors that occur in the workplace that are relevant for success.

A critical behavior that supports the competency of leadership, for example, would be mobilizing the efforts of workers toward a common goal.

A company can use the data about critical behaviors to develop benchmark behaviors of an ideal candidate, which best support high performance in the position and in the company. These behaviors are complemented by particular personality characteristics and skill sets, which are also included in the benchmark.

Once this benchmark is in place, ARC draws the appropriate questions to point a reference's attention away from subjective considerations of what they think a candidate is capable of and toward more objective considerations of what they have seen the candidate do. The reference does not know what benchmark the candidate is measured against, which also increases the objectivity of the ratings.

One of the ways the old phone-based model goes wrong is in the use of general questions like, "How would you rate this person's organizational skills?" This question is more subjective, and hence prone to bias, than "Does this candidate prioritize tasks according to their importance?"

Questions that focus on specific behaviors rather than general traits elicit information that is more objective and gives you data on the candidate's actual, observed behaviors.

While it's impossible to eliminate all bias, it can be much reduced by rating forms that focus on the behaviors that fit with a benchmark profile, established at the beginning of the recruiting process. By determining who the ideal candidate is on the front end, companies move through the process less influenced by candidate qualities unrelated to job performance, and the data they collect from references based on this benchmark will be more objective and job-relevant.

3. Combining aggregation, anonymity and behavioral-based questionnaires reduces score inflation.

Score inflation is common in phone-based reference checking. Consider the dynamic—if you get a call from someone you don't know, asking about a friend who used to work with you, it's typical of human nature that you'd want to help your buddy out. That impulse usually leads to a tendency—conscious or unconscious—to view your colleague's performance through rosier glasses.

But if you receive an online, anonymous questionnaire that focuses on specific behaviors that you may have observed, you may be more likely to offer honest, more accurate responses. A further check on bias is provided by questionnaires that focus on objective behaviors, where the socially desirable way of responding is not as easily apparent.

Improving the Quality of New Hires

Ultimately, ARC allows companies to take advantage of a web-based technology that generates better data automatically. It eliminates the labor-intensive practice of tracking down references and collects data empirically linked to high performance.





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Applied early in the recruiting process, ARC helps companies focus their time and attention on candidates whose references have already indicated that they have performed well in previous positions.

These benefits are compounded when ARC is combined with a personality assessment. This narrows the candidate field to people who not only have demonstrated high-performance behaviors but whose fundamental character makes them a good fit with your company's culture.

Using the two tools together, your company can predict more accurately than ever how well a candidate will perform. The resulting data allows companies to apply hard science to the recruiting process. And science trumps "gut feeling" every time.

About Chequed.com

Founded in 2008 by some of the foremost experts in employee selection and development, Chequed is an emerging leader in the rapidly growing market for Predictive Employee Performance™ technology. Specifically Chequed delivers a software as a service (SaaS) technology used for behavioral assessment and automated reference checking. Chequed's revolutionary Performance Engine™ delivers *rapid, accurate predictions* of a new hire's performance.

Chequed has commercialized innovative research developed in partnership with The Research Foundation of The State University of New York and The University at Albany's world-class Department of Psychology. Complementing these research innovations is the software's practical, real-world emphasis. Chequed's experienced management team, board of directors and advisory committee have helped hundreds of startups and growing companies hire talent that made them industry leaders. Their extensive expertise has fortified the Chequed software to meet the day-to-day challenges of human resource managers facing competitive markets for human capital. Further information can be found at www.chequed.com or at 888-412-0699.

Footnote:

In addition to his role at Chequed.com, Kevin Williams serves as Chair of the Department of Psychology at the University of Albany, SUNY.