Reference Checking isn’t a Waste of Time… You’re just doing it wrong
White Paper

Don’t take our provocative title the wrong way – many healthcare HR professionals are doing reference checking incorrectly. In this white paper, we’ll share some ideas on how to improve your reference checking practices and onboard hires faster.

Why Phone-Based Reference Checking Isn’t Working

Checking references — it’s usually the last step in the recruitment process and it’s the most onerous. It’s also an unreliable practice. Consider the fact that reference checking typically generates unreliable data or no data at all. Former employees are sometimes hesitant to provide information that’s actually useful to a prospective employer. Recruiters often hear a glowing review of a bad candidate or nothing but confirmation of the candidate’s position and dates of tenure.

Sometimes you do get a reference willing to talk honestly and openly about your candidate. However, in that case you still have two additional dynamics working against you. First, reference check questions that are not explicitly and directly linked to attributes required for good performance can invite subjectivity rather than accuracy. Second, the reference will inevitably feel loyalty to his former colleague. Intentionally or unintentionally, he will paint a rosier picture than is warranted by the candidate’s actual performance.

In addition to the nonexistent or unreliable data reference checks generate, they are also labor intensive. How many of your reference check calls are ever returned? If you’re hearing back from 4 in 10 references, you’re doing better than most. But that still means that 60% of your calls are wasted time. Many resources are invested in checking references and the quality of the collected information is generally poor. There has to be a better way.
Yes, there are quality issues with phone-based reference checking. However, while the perception is that by and large the only data you will get are inaccurately rosy reviews, the reality is that former colleagues can predict candidates’ performance if you get the right information from those references.

When you think about the hiring process, what you really want to know about your candidate is:

1. Do they have the skills and attributes to do the job?
2. Will they do the job?
3. Do they have the disposition to perform and grow in that position and to work well within your organization’s culture?
4. Have they done the job well before?
5. Is their past job experience transferable to your organization?

Here’s an example. Your nursing candidate may be perfectly capable of communicating with a patient during discharge. But he might not be willing to go the extra mile by explaining the patient’s medication and post-operative care in a friendly and caring manner. In your healthcare organization, what you need is a natural job fit. The goal is to have employees that are inclined to provide patient-focused care — not those that need to be taught to act this way.

There’s no one source for identifying the candidates that will be a natural fit. There’s no one tactic, question, or interview technique that is going to accurately predict performance every time. But the key is to choose the most predictive indicators from each of these three categories: Can they? Will they? Have they?

In the “Can they?” bucket, healthcare recruiters typically consider these indicators on the candidate’s resume and match them to the job description:

- Education
- Experience

But this does not provide us with the whole picture as to whether the candidate will be a good cultural fit for the organization. When we start to add in items from the “Will they?” bucket, the picture becomes clearer. To answer the “Will they?” question, consider utilizing:

- Behavioral assessments
- A structured behavioral interview guide

To get an even clearer view, you need to evaluate the “Have they?” category. The most effective tool to measure that is structured reference checking. It's important to note that this is not the traditional phone-based model of reference checking, but a practice of developing objective, job-validated questions to pose to references.

The insights of your candidates’ references are crucial to making good hires. The key is getting access to those insights by replacing traditional reference checking practices with structured and automated reference checking.
How Automated Reference Assessments Work

An automated reference assessment is a web-based tool that allows your organization to benefit from the predictive abilities of structured, job-validated questions and dramatically reduces the internal resources required to collect the data.

Here’s a high-level view of how it works:

1. HR sends the candidate an email inviting them to initiate the reference checking process.
2. Candidate emails reference requests directly to his colleagues.
3. References click the enclosed link and complete the online survey.
4. Data from all references are compared to the benchmark, which includes the predictive competencies for each healthcare Job/Job Family.
5. The results are combined into a single report that includes candidate ranking.

Gathering that past colleague perspective is key to enabling predictive data and a more effective hiring process. Automated reference checking provides further benefits by saving time and garnering better quality reference responses. Let’s look at the science behind the tool.

Data is aggregated so references have anonymity

With automated reference assessments, the data collected from all references is combined into one report. References are notified that all responses are combined with others to keep their input anonymous. Individual ratings cannot be identified so no one but the reference knows what their responses are.

Anonymity means references are more likely to respond. Also, because they know the system will not identify them individually, they are more likely to be candid. With relevant job questions that are tied to job-specific competencies, the responses are actually useful for the hiring process.

Requiring a minimum number of responses also means you get greater accuracy. Combining multiple responses always paints a more accurate picture than just one response. Having a minimum level of input generates richer data and a more precise prediction of candidate performance.

In addition to demonstrating candidate accountability, the number of references responding is likely to increase by having candidates send requests to references themselves. References are likely to feel more obligated to respond after receiving a personalized email from a former colleague, rather than an HR representative.
Automated reference assessments draw on a data bank of questions linked to competencies that predict high performers in specific healthcare positions. Input from responses reveal incidences of critical behaviors that occurred in the workplace and predict job success.

A critical behavior that supports the multi-tasking competency of nurses, for example, would be “displaying a high-potential for effectively managing multiple tasks.” The reference questions will use this information about multi-tasking and other critical behaviors to generate a Feedback Report and determine if the candidate’s previous behaviors support high performance in the role and in the organization.

Once this Job Success Benchmark is in place, the automated reference assessment solution 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 a more objective consideration of how they have actually seen the candidate perform on-the-job.

One of the ways the old phone-based model fails is in the use of general questions such as, “How would you rate this person’s ability to interact in a caring manner?” This is a much harder question to answer accurately than ranking the following statement, “He takes actions that demonstrate concern for the feelings of others.”

With the online reference assessment, as references complete the questionnaire, there is a 6-point scale they are responding to. This provides an indication on how strongly they feel about a particular statement. Questions like this elicit information that is more objective and gives you data on the candidate’s actual, observed behaviors. Data quality is further improved by having practices in place to prevent skewing of references that are friends, family, or “cherry-picked” colleagues.

The first practice to prevent skewing is specifying the type of references required. Your organization establishes this criterion and notifies candidates. Candidates are then responsible for obtaining their references’ contact information. Additionally, candidates must disclose where a reference provider currently works and the workplace in which they were together, which allows verification by email domain address.

Applicants will always submit references they believe to be favorable. However, the on-line data collection process provides anonymous feedback and a higher level of candor, even from those “cherry-picked” references.
Questions to Consider before Implementing an Automated Reference Checking Solution

1. Does the tool use questionnaires that are job relevant?
Ideally, an automated reference checking instrument will work in conjunction with a suite of tools that includes a behavioral assessment component. Look for a reference checking solution that integrates with behavioral assessments of healthcare workers who are already doing (and already have done) this job well elsewhere within your organization.

2. Does this tool protect the confidentiality of the reference provider?
Most references want to avoid saying something critical about former colleagues. Automated reference checking tools that protect confidentiality can get around this barrier by consolidating multiple references’ responses into one report. Tools that protect confidentiality inform the reference of this fact at the beginning of the questionnaire and generate more candidate responses.

3. Can you follow up with references for further information?
Another key to getting high-quality data from your reference check is to include a question that requests the opportunity to follow up with that reference for more information. A reference check may uncover information your hiring manager will want to explore further with the reference. Planting the seed in the reference’s mind that you may be back in touch (if they’re open to it) to ask follow-up questions regarding a candidate’s behavior will facilitate a quicker and smoother follow-up. In addition, in the highly specialized world of healthcare recruitment, a good reference checking solution should also allow you to offer the references themselves the opportunity to be contacted for future employment opportunities at your organization.

4. Is the report actionable, easy to interpret and can it be used for additional interviewing?
Automated reference checking tools ease the labor-intensive burden of phone-based reference checking. Further opportunities for time savings are available with tools that provide a clear path from data to next action by gathering information during the reference checking process. These reports show where a candidate fits well and where he’s off the mark. For example, if the candidate is hired, what areas would be good investments in terms of his development? The answers to questions like this one are clearly spelled out with tools that provide actionable reporting and a summary of the results in “plain English.”

One more note: Be sure to find out if the reference checking solution you’re considering allows you to use it in conjunction with a web-based behavioral assessment. This integrated solution should provide prescriptive data to create a thorough development plan for new employees.
Conclusion: Improving the Quality of New Hires

Ultimately, automated reference checking allows healthcare organizations to take advantage of web-based technology that generates better data automatically to improve the quality of new hires. It eliminates the labor intensive practice of tracking down references and enables references to provide useful feedback because they know their responses are anonymous.

The benefits of automated reference assessments are compounded when they are combined with behavioral assessments. This narrows the candidate field to people who have not only demonstrated high-performance behaviors but whose fundamental character makes them a good fit for your organization’s culture.

Automated reference checking also shifts the responsibility for soliciting references from the recruiter to the candidate. The candidate cannot see how reference providers scored them or what they wrote for comments, but they can see who has or has not participated and send out reminders to keep the process moving along. This process provides recruiters with a better understanding of how well the candidate takes ownership and handles accountability.

By using online behavioral assessment and reference assessment solutions together, your healthcare organization can more accurately predict how well a candidate will perform on the job. The resulting data allows organizations to apply hard science to the recruitment process, and the science of “can do,” “will do,” and “has done” trumps “gut feeling” every time.

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