

# Phone-Based Reference Checking Isn't Working: Five Reasons to Automate the Process



References are an integral part of the hiring process. However, phone-based reference checking is costly for several reasons. Since it's time consuming, it takes longer to fill positions and healthcare organizations lose out on quality talent. In addition, the labor intensive nature of playing phone tag means that talent acquisition teams aren't adding as much value as they could in the recruiting process. Perhaps most importantly, the information provided through phone references is usually superficial and not very useful. There is a better way, however. Leading healthcare organizations have found that an automated reference checking system is a great solution to their hiring challenges.

In this white paper, we'll explore five reasons why automating the reference checking process is beneficial for HR, hiring managers, and candidates alike.

## About Our Contributors

### Avera Health

- Avera Health is a regional partnership of health professionals who share support services to maintain excellent care
- Avera Health is headquartered in Sioux Falls, South Dakota and has five regional centers in South Dakota and Minnesota

### Children's Hospital of the King's Daughters

- Children's Hospital of the King's Daughters (CHKD) in Norfolk, Virginia is a regional pediatric referral center
- CHKD is a 206 bed hospital with more than 2,000 employees providing comprehensive primary, specialty, and surgical care for children

### IU Health Bloomington Hospital

- IU Health Bloomington Hospital in Bloomington, Indiana is a 293-bed, not-for-profit general medical and surgical hospital that serves a patient base of more than 415,000 people in 10 south central Indiana counties

### Tomah Memorial Hospital

- Tomah Memorial Hospital in Tomah, Wisconsin offers medical care and surgical care for adults and children, as well as swing bed care, respite care, physical therapy, occupational therapy, speech therapy, and cardiac rehabilitation

### West Virginia University Hospitals

- West Virginia University (WVU) Hospitals, headquartered in Morgantown, West Virginia, is a 531 bed tertiary care center that serves as the primary teaching destination for West Virginia University's health professions school

## Phone-Based Reference Checking Isn't Working

Checking references is usually the last step in the recruitment process and it's the most onerous. Phone-based reference checking is the norm at many healthcare organizations, but the return on the time invested is low. Most HR teams encounter these common problems when checking references by phone:

- Former employees are sometimes hesitant to be candid and provide information that would be useful to a prospective employer.
- The information provided isn't reliable. References may provide a glowing review of a bad candidate, or nothing but confirmation of the candidate's position and dates of tenure.
- Reference check questions may not be linked to attributes required for good performance which invites subjectivity rather than accuracy.

In addition to these weaknesses in the process, phone-based reference checking is both time consuming and labor intensive. If an organization hears back from 4 in 10 references, it is doing better than most. However, that still means that 60% of calls are wasted time. "Conducting phone references can be like running into a brick wall—it is frustrating. It might be the least favorite part of recruiters' jobs," said Brenda Reinert, Human Resource Director at Tomah Memorial Hospital in Tomah, Wisconsin.

Long turnaround times for phone references translate into longer wait times to fill open positions, as well as longer wait times before offers can be made. In a competitive labor market, quality candidates interview with multiple employers at once and the organization that makes an attractive offer first is more likely to capture the best talent.

Automating the reference checking process is a proven way to transform and improve the way references are done. "Year after year, we tried to decrease the turnaround time required for references by changing our processes," said Deveran George, Human Resources Manager at West Virginia University Hospitals in Morgantown, West Virginia. "We exhausted the possible changes that we could make and needed an alternative, so we decided it was time to investigate an automated reference checking solution like [HealthcareSource Reference Assessment](#)."

## Gathering the Right Information about Candidates

There's no one source for identifying candidates that will be a natural fit. No single tactic, question, or interview technique will accurately predict performance every time. The key is to choose the most predictive indicators from three categories:

**1. Can they?** In this category, healthcare recruiters typically consider indicators related to education and experience. They match information on the candidate's resume with the job description. This alone doesn't provide a complete picture about whether the applicant will be a good cultural fit, however.

**2. Will they?** Using tools like behavioral assessments and structured behavioral interview guides is a proven way to gather more information to assess cultural fit.

**3. Have they?** The most effective way to determine whether candidates have performed well in the past is to use a structured reference checking process. This is not the traditional phone-based model of reference checking, but a practice of developing objective, job-validated questions to pose to references.

## Reason 1: Better Quality References

Automated reference checking solutions leverage the power of the internet to request references from individuals identified by candidates. One of the most powerful aspects of an automated solution is that references provide more candid and comprehensive information than they do over the phone. That translates into higher quality references to support hiring decisions. Healthcare organizations that have adopted HealthcareSource Reference Assessment highlighted the following benefits:

- **References appreciate that they can complete the questions on their own time.** With phone references, busy healthcare professionals often feel like they're caught off guard. "When references can complete the questions on their own time, they don't feel like they're 'on the spot' and are under pressure to say the first thing that comes to mind," said Elizabeth Anderson, Talent Acquisition Specialist, Avera Health in Sioux Falls, South Dakota. When [people can complete references online at their convenience](#), they are more likely to provide comments and thoughtful responses. The process typically takes no more than five to ten minutes. Lisa Nguyen, Recruiter and Interim Consultant at IU (Indiana University) Health Bloomington Hospital in Bloomington, Indiana noted, "Our HR department is open from 7:30am to 5:00pm, but most references work full time and they can't have unexpected phone calls interrupting their day. It's much more convenient for them to complete references online, at a time that works for them."
- **The reference questions are structured in a way that elicits better information.** Providing six point answer scales, for example, motivates more thoughtful responses. "We've found that using a sliding scale for answers works better than yes/no questions. That question format offers us the opportunity to get more useful information," said Britnie Rewey, Human Resource Generalist at Tomah Memorial Hospital. The best reference checking solutions also allow organizations to include custom questions that are aligned with job-specific or organization-specific concerns.
- **References are more likely to be honest when they know their input is anonymous.** With an automated reference checking solution, references are notified that their responses will be combined with those of others in a summary report. Anonymity means that references are more likely to respond in a candid way and give honest feedback.
- **Automated reference checking systems provide safeguards to prevent bad hires.** There's no question that candidates can look great on paper and interview well, but their references might tell a different story. Some organizations worry about candidates "gaming the system" and falsifying online references to prevent the truth from emerging. It's important to find an automated reference checking system that offers safeguards against that. [The Reliability Indicator](#) in HealthcareSource Reference Assessment, for example, flags candidates if their references are submitted from the same IP address.

## 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 the 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 candid 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

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"It's helpful that Reference Assessment provides us with a tool that allows us to take a more in-depth look at references," said Beverly Jacobson, Director of Recruitment at Children's Hospital of the King's Daughters in Norfolk, Virginia. "Often there are valid reasons why the Reliability Indicator is low, but we must do due diligence to make the best hires possible."

The higher quality information provided through automated reference checking gives recruiters and hiring managers a 360 degree view of candidates. "The reference reports that we provide now are viewed as an excellent service to our hiring managers. Using HealthcareSource Reference Assessment has notched up the professionalism of Human Resources," said Jacobson.

## Reason 2: Reduced Time to Fill Open Positions

Implementing automated reference checking software eliminates the cycle time associated with the phone tag that goes along with phone-based references. At IU Health Bloomington Hospital, the volume of references was so high that phone-based reference checking slowed the process for making offers. "The time associated with phone-based reference checks created a domino effect and that increased time to fill," said Angela Smallwood, HR Consultant. "In addition, doing phone references consumed 75% of the time for one full time employee. To address these issues, we decided to adopt HealthcareSource Reference Assessment."

With automated reference checks, organizations often receive feedback from references before the candidate interviews with the hiring manager. This enables recruiters to make offers same day, in some cases. "We start the reference process as soon as the HR interview is over. As a result, managers usually have feedback from references by the time they meet with candidates," said Kymberlie Gillespie, HR Manager, Recruitment and Retention at West Virginia University Hospitals. "By adopting HealthcareSource Reference Assessment, our time to fill decreased by almost eight days." Making offers and hiring quality talent faster is essential as competition for healthcare professionals increases.

## Reason 3: Time Savings for the HR Team

In addition to reducing time to fill, automated reference checking also reduces the amount of time that the talent acquisition team needs to spend obtaining employee references. That means more time can be spent on the higher value aspects of recruiting, such as evaluating candidates and determining if they will fit the culture of the organization. "With HealthcareSource Reference Assessment, the user experience for HR is very easy," said Deveran George. "We can quickly login, initiate the process, and check on the status of references. We no longer have to take time to check with the administrative staff to see if references have been completed."

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.

Automated reference assessment uses five steps to significantly reduce the internal resources required to collect data:

1. HR sends the candidate an email inviting them to initiate the reference checking process.
2. The candidate emails reference requests directly to his or her colleagues.
3. The 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 and job family.
5. The results are combined into a single report that includes candidate ranking.

Gathering past colleagues' perspectives 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.

### Reason 4: More Focused Interviews

Many HR teams strive to get reference information for candidates before they come to meet with the hiring managers. This is easier to accomplish with an automated reference checking solution. "The summary report we receive from HealthcareSource Reference Assessment provides us with actionable information," said Andrea Soehlen-Ohman, Recruiter at Children's Hospital of the King's Daughters. "We look at the competency rankings based on job and we can point out the candidate's strengths and weaknesses to managers."

Automated reference checking systems make it possible to have more targeted conversations. Not only can reference information be obtained prior to the interviews, the feedback that is provided is more valuable because it is based on structured, job-validated questions. At Tomah Memorial Hospital, managers now rely on the [reference report from HealthcareSource Reference Assessment](#) and consider it an integral part of the interview process. Hiring managers at IU Health Bloomington Hospital feel similarly. "Our managers appreciate getting references the day of the interview and the ability to make same day offers is extremely valuable," said Angie Frye, HR Consultant.

### Reason 5: Insight into Candidate Ownership and Accountability

Because automated reference checking is an applicant driven process, it gives HR and hiring managers insight into candidate accountability. When applicants immediately contact references and then follow up to make sure that the reference data is completed, it provides potential employers with a view into how proactive candidates are likely to be on the job.

## Better Quality References Thanks to Behavioral Based Questions

Automated reference assessments draw on a data bank of questions linked to competencies that predict high performers in specific healthcare positions. Input from responses reveals incidences of critical behaviors that occurred in the workplace and predict success.

HealthcareSource Reference Assessment 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 seen the candidate perform on the job.

"Candidates appreciate the fact that references are in their hands—they know that information is a key part of our approach to hiring," said Tammy Anderson, Director of Talent Acquisition at Avera Health. "Since candidates own the process and can track when references have replied, it gives them the feeling that they are part of the process." Online reference checking processes also resonate with candidates, especially the younger set that grew up on the internet. "We've heard positive things about HealthcareSource Reference Assessment from new hires. They are tech-savvy and prefer an online approach to phone calls," said Deveran George.

## Conclusion

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. Online reference assessment solutions help HR teams and hiring managers more accurately predict how well a candidate will perform on the job. The resulting data enables organizations to apply hard science to the recruitment process and avoid making hires based on "gut feeling."

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## About HealthcareSource

With more than 2,300 healthcare clients, HealthcareSource is the leading provider of talent management solutions for the healthcare industry. The HealthcareSource Quality Talent Suite<sup>SM</sup> helps healthcare organizations recruit, develop, and retain the best workforce possible in order to improve the patient and resident experience. The company's cloud-based talent management solutions include applicant tracking, behavioral assessments, reference checking, employee performance, compensation, competency and learning management, and eLearning courseware. A private company focused exclusively on the healthcare industry, HealthcareSource consistently earns high marks for client satisfaction and retention. KLAS Research recently named HealthcareSource a category leader for Talent Management for the third consecutive year, in addition to recognition in Healthcare Informatics 100, Modern Healthcare's "Healthcare's Hottest," Inc. 500|5000, Deloitte Technology Fast 500, and Becker's "150 Great Places to Work in Healthcare" list.



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