

Haste makes waste – and bad hires

Due diligence critical when conducting background checks

BY CINDY CATHCART

Everyone has heard the same horror story: A company hiring a candidate who seems to be the perfect fit rushes a basic background check — confirming education and references — and since everything seems fine, goes ahead with the hire.

But it quickly becomes evident the new employee does not have the skills claimed on the resumé. Suspicions arise around the hire's behaviours and skills and other employees express concerns about breaches of client-sensitive information. Eventually, the employer discovers he embellished his job title and responsibilities from a previous job and he did not graduate from a reputable university — but produced a fake degree bought off the Internet for \$500. The new employee was also convicted of fraud for involvement in an identity theft ring three years ago.

Scenarios like this happen everyday in organizations of all sizes. So how can a company protect itself? At the heart of every good human resources or risk-management hiring strategy should be a comprehensive employment background screening program.

In addition to showing a company's due diligence to reduce liability, detailed background screening can drastically reduce theft, workplace violence and high turnover rates. Many statistics show a diligent background screening program can save the smallest company hundreds of thousands if not millions of dollars

in costs associated with reduced turnover, theft and the possibility of litigation due to violence or harassment issues.

Everyone is feeling the pressure to do more with less in the current economic climate. Expenses are constantly being cut as companies try to balance budgets and stabilize workload. More and more it seems companies are settling for minimal reference checks and even fewer are doing criminal record searches, education verifications and employment confirmation. Ironically, these "cost-saving" measures can end up costing much more over the longer term.

When a criminal record search uncovers very serious convictions, it is easy to see the value in the screening process. But these discoveries are relatively rare and the real bang for a company's buck usually comes from less dramatic investigative results. A good screening program will not only uncover red flag issues but highlight critical information regarding issues such as work ethic, experience, attendance and punctuality, potential for advancement and strengths and weaknesses.

It will also identify which of the candidates really is the best choice based on their competencies and prior work experience. The screening process can also provide information to help match a candidate to an organization's values and culture.

5 best screening practices

The best practices approach to setting up a robust background screening program should include five compo-

nents.

Professional reference interviews: Don't use the candidate's list. Always try to interview his past direct supervisors. These individuals are by far the best source of information regarding a candidate's performance, core competencies and areas where improvement is needed. It is important to always verify the supervisor's identity after speaking with her to ensure you were not speaking with a peer, friend or relative posing as a former supervisor.

Confirm the candidate's education: Always call the institution and speak directly with the registrar's office to confirm a candidate's degree and dates of graduation. Viewing a copy of a candidate's degree or transcript is never enough due to the growth of diploma mills easily found on the Internet, which will sell a candidate an indistinguishable, false diploma.

Verify employment: Directly contact the HR department to confirm past employment details such as dates of employment, positions, reasons for leaving and, most importantly, eligibility for rehire. Verifying these details can reveal inconsistencies in a resumé.

Conduct a criminal record search: Do a national criminal record search. Although most candidates will not have a record, this simple and relatively inexpensive search proves due diligence and, every once in a while, exposes a candidate with criminal convictions who may have proven disastrous to a company.

Do a credit bureau analysis or driver's abstract: These searches

can provide information to show personal financial mismanagement or help avoid liabilities related to driving offences. Careful analysis of the credit bureau report can also turn up undisclosed employers the candidate deliberately left off the resumé to hide negative past job experience.

Another best practice gaining momentum is outsourcing the screening process to an experienced background screening company. These companies are fully aware of the intricacies of privacy laws concerning areas such as consent, storing information and confidentiality requirements. These firms also have specially trained interviewers who are experts at digging for the kind of information that will best help HR choose a candidate. When considering a third party for outsourcing, choose a company that does in-depth screening and is flexible to suit the needs and initiatives of a firm.

A properly set-up screening process will cover all five of the above items. It is a 360-degree approach that not only uncovers any skeletons in a candidate's closet but also illuminates the specific skill-sets and behaviours a candidate has shown in the past that better predict her success in the new position.

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