

July 2005: Drake Webinar Series - Volume 10**Avoid That Lawsuit Waiting To Happen.
Do You Really Know Who You Are Hiring?**

To many organizations, hiring new employees may seem like a relatively safe process. But hidden dangers may be lurking in the background. Is your organization prepared to face them? Or better yet, do you know how to avoid them?

Pre-employment Checks on prospective employees are one way of preventing disaster, but many organizations end up in a confused state trying to figure out acceptable ways of conducting them. While the temptation of avoiding this step may be strong, there are powerful business and legal reasons for thoroughly investigating the suitability of applicants beyond the interview stage. Not only will an organization reduce the number of bad hires, but it will have a significantly positive impact on the company's performance and reputation.

The most common type of Pre-Employment Check is the Reference Check. Reference Checks verify the facts surrounding the skills and experience given by the candidate on their resume or during the interview process. These checks are usually completed by contacting previous employers and/or co-workers of the candidate who can verify their skills and behaviours, as well as confirm dates, positions, responsibilities and results.

Background Checks refer to other types of verifications that extend beyond the scope of Reference Checks. These may include:

- Education and professional credentials – Verified by contacting the institution of issuing body.
- Criminal record search – Used to verify if the candidate has a criminal record. This is done by contacting the local police and must be done with the candidate's consent. Furthermore, the information obtained cannot be used as a reason for not hiring if a full pardon has been granted.
- Credit check – Done to obtain information through credit agencies. The candidate must receive written notification that this information will be sought and be notified if not hired as a result of the check.
- Media check – Done to verify any mention of the candidate's name on the Internet, in newspapers or any other public channel.

Depending on the type of position an organization is trying to fill, all of these checks may not be required. However, it is critical for an organization to put forward all efforts to check the background of a potential candidate.

Some may ask why Pre-employment Checks are so important. Recent studies have uncovered that as many as 35% of candidates have lied about their education or previous work experience. The falsification of education credentials itself accounts for over a quarter of this fraud. In addition, by not properly investigating a candidate, an organization may hire someone who has a history of violence on the job and expose the company and its employees to serious risks and liabilities.

Today, candidates are often well prepared and well coached to face interviews. They research hiring companies and are ready to deliver answers that may please the employer, but may not reflect reality. By completing comprehensive Background and Reference Checks, an organization can be assured the candidates are who they say they are. Furthermore, the legal landscape has changed greatly in the past few years, and organizations are the ones who may have to defend themselves for not conducting appropriate Pre-employment Checks. By failing to conduct these checks during the hiring process, an organization could face claims of negligent hiring.

Every time a candidate is considered for hire, Pre-employment Checks should be done. Reference Checks can be done over the phone, by mail, fax, email, in person or online. The most common way to conduct a reference check is by phone, as it represents a quick, low-cost and interactive method of verifying information.

However, when considering the most appropriate method for your organization, one must take into account the type of information required, the timeframe, as well as the associated costs.

A template of reference questions should be created for each type of position, tailoring them to specific roles, behaviours and situations. It is important to gather comparable information for given positions and to avoid questions that may lead to claims of discrimination or have no direct relation to the position.

By using open-ended questions, you create the flexibility to gather specific feedback, however, one should start with factual questions that will confirm dates, position titles and responsibilities. Following this, the questions can be formulated to integrate the referee's opinions on the key elements of the position. These questions can also be formulated to "grade" a candidate on key selection criteria (i.e., by using a scale of 1 to 5).

Finish your session with questions that allow the referee to provide any additional information they feel is important. One of the final questions should be to ask if the referee would ever rehire the candidate.

A recent survey indicated that HR professionals most commonly conduct Background and Reference Checks. They bring expertise to the process, but the hiring managers are often better qualified to know what is required of a candidate. In terms of time coordination, marrying these two levels of professionals can often be a challenge; this is why many organizations choose to outsource the Pre-employment Checking process. After explaining the candidate's history and the position responsibilities, a third party can improve on the quality of the information gathered. This can also prove helpful in the case of internal referrals, where questions of impartiality may be brought forward in the future.

Third-party interviewers are trained to gather the necessary key information and are committed to staying up-to-date, maintaining confidentiality and respecting privacy legislation. Thus, the organization can obtain all the required and necessary information while protecting the firm and its employees from any legal repercussions.

The quality of new staff can have a significant impact on your company's bottom line. By taking short-cuts in your process, or avoiding Pre-employment Checks altogether, an organization opens itself to negative repercussions. Always make sure you know who you are hiring and avoid those pesky lawsuits waiting to happen.

To find out more on how **Drake's suite of HR Services** will improve your hiring process and help find the right fit for your organization, please visit: www.drakewebinars.com or call Paul Hindle, V.P. of Sales or Louisa Jewell, Consultant - Drake Business Solutions Team at 416-216-1000.