

What You Don't Know Will Hurt You: Background Checking

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In recent issues, I've concentrated on such recruiting and hiring topics as the importance of checking an applicant's background. While background checking may seem time-consuming and expensive, if it saves you from making a poor hiring decision, it's more than worth the time and effort. An incompetent employee costs you money. A dangerous employee could hurt you and your company in more ways than one.

Sometimes we think we know all we need to know about a prospective employee. Perhaps they have been referred to you by a trusted friend, relative or business associate. In a small community where everyone "knows" their neighbor, you may think you know more about a person than you really do. The truth is, and I say this from personal experience, you cannot afford to base your employment decisions on such notions.

You have a duty to your employees, customers and yourself to find out what you legally can about the people who may join your company. A background check is a tool you should utilize. The most common background checks include:

- • prior employment verification
 - reference check
 - criminal record check
 - driving record
 - education verification
 - license or certification verification
 - credit check

What should you check? The first three items on this list should apply to EVERY applicant you are seriously considering. Beyond that, look at the specific requirements of the job. If you are hiring an accountant and a degree is required, check to see if they really have one. If the job requires driving – even on a short errand – check driving records. If you need a certified welder, verify that they actually have a current certification.

While background checking services are available for hire, you can actually do most of these checks yourself. I strongly recommend that you conduct your own prior employment verification and reference checking. If you utilize a service, you will receive a written report with the answers to standard questions. However, if you make the call yourself, you can often have a dialogue with a prior employer or reference that is more informative. There are several techniques for getting good information that I will explore in my next article.

A compelling reason to conduct some type of criminal record check is to protect yourself from charges of "negligent hiring." This type of lawsuit occurs when one of your employees harms a co-worker or customer. This can be verbal or physical assault, sexual harassment, theft or misappropriation of property – including identity theft. By conducting a "reasonable" background check in this area, you can mitigate your liability

– although “reasonable” is a word that is defined on a court case-by-court case basis. This remains an area where certain rules apply. I will provide more details in a future article.

From my work with various implement dealer associations over the past six years, I know that there are very few employees who don't do some driving on behalf of the dealership. It doesn't matter if they drive a personal or company vehicle. You are still responsible if they are driving for some work-related reason. Your casualty insurance carriers are usually eager to conduct driving record checks for you. PLEASE, take advantage of that offer before you hire someone with multiple moving violations. Driving incidents account for a large percentage of calls to the HR Help Line and unfortunately, you call me after the problem arises.

There are some things you need to do before you implement background checking. First, publicize the fact that you do background checks. Put a sentence in employment ads stating that a complete background check will be conducted. Applicants with something to hide often “self-select” and do not apply to your company. Second, require every applicant to complete your application form that (if it's a proper form) contains a release for conducting the background check. The application also provides necessary information to verify prior employment – resumes don't volunteer information you need such as “What was your last rate of pay?” or “Do you have a criminal record?”

The Fair Credit Reporting Act (FCRA) applies to some elements of a background check. Under Equal Employment Opportunity Commission (EEOC) rulings there are also some restraints on how you can use criminal records information. These topics will be discussed in a future article.

Background checks can take some time which means you could run the risk that a perfect fit for the job won't be available when you get all of this done. Here's a tip: Hire the person and make their retention contingent upon a satisfactory background check. You may need to explain what you are checking, but if that person has nothing to hide, this really should not deter them from accepting your offer. In fact, it may prompt them to give you more information. If you need to use this technique, it's a good idea to put something in writing.