

Employers Face Employee Backgrounding Decisions

1995 Workshop Handout
by Glenn Hammer

Employers must deal with an epidemic of resume falsification. If *your* final candidates follow the national average:

- 20% to 25% of their resumes include **at least one major fabrication**
- 30% of their **education claims are false** (25% of the MBAs are bogus)
- 17% have **criminal records**
- 22% have **employment history errors**

What can you do?

1. You can ignore the problem and *hope* nothing happens this time.
2. You can attempt to background the candidates yourself.
3. You can use a professional backgrounding service.

IF YOU TRY TO IGNORE THE PROBLEM, you face significant legal and financial risks, including:

- **Negligent Hiring Liability.** The relatively new legal doctrine of Negligent Hiring Liability effectively *requires* that an employer check a prospective employee's background. While it may seem unfair, courts hold employers responsible both for what they *do* know and what they *should* have known about their employees.
- **Costly Turnover.** The cost of a \$30,000 employee who must be replaced in six months is \$75,000+.
- **Workplace Violence.** More than 50% of workplace violence is committed by employees against fellow workers.
- **Employee Theft and Fraud.** Employee theft and fraud account for 80% of crimes against businesses and cause 30% of all business failures.
- **Bungled Projects.** Often, employees with fraudulent credentials cannot properly do their jobs.

IF YOU DO THE BACKGROUND CHECKS YOURSELF, there are several problems to address, including:

- **Lack of Critical Information.** Most employers do not have access to the information required to background employees.
- **Inefficient Use of Resources.** Background checks can be tedious and time consuming.
- **Delayed Hiring.** Few firms have staff trained to quickly obtain background reports.
- **Outdated Procedures.** It is difficult to stay current with local, state, and national laws.

PROFESSIONAL BACKGROUNDING SERVICES, can make backgrounding:

- **Inexpensive.** The typical cost is \$30 to \$75 per final candidate.
- **Easy.** Simply fax your request, job application, and release to the backgrounding service. Employee Backgrounding Management software is available from some services.
- **Comprehensive.** Most backgrounding services offer a variety of reports and services, including: prior employer verification, education verification, credit check, social security number scan, criminal record check, civil record check, driving record, license verification, and drug screening.
- **Flexible.** Backgrounding services usually allow you to select the reports that meet your specific needs.
- **Quick.** Most reports are available in three days or less.

Recommended Background Checks

Personal & Professional Reference Checks	All	Education Verification	If Degree Is Required
Prior Employer Verification	All	Credit Report	If Handles Money
Social Security # Scan	All	Driving Record	If Drives On Business
Criminal Record Check	All	License Verification	If License Is Required