

Top 10 reasons why to conduct background checks

As **employees and managers**, you already know why it is so important to have top performers in every position in your company. It is how you go from being a good company...to a great one.

Unfortunately, along the way we're all going to have people issues – it comes with the territory. However, none of us want to spend time dealing with people problems that could have been prevented. While it's impossible to be able to predict when and where all of the problems may develop, there are some early warning signs of potential problems.

Those warning signs include: problems with previous employers, problems in school, poor credit, a criminal record, a poor driving record – and not disclosing these on a job application.

Simply put, in the long run it pays to know whom it is you are hiring.

After all, do you really want to hire someone who, unknown to you, has a suspended or revoked driver's license and give him or her the keys to a company vehicle?

Do you really want to unintentionally hire someone with a documented history of seriously violent behavior and place them in contact with the public (or for that matter, other employees)?

Successful organizations perform background checks on every employee. These checks help us to prevent many of the people problems that ultimately wind up consuming our time and energy, not to mention often times placing our companies in serious legal jeopardy.

Background checks provide facts to help you make your most important business decisions – your hiring decisions.



Here are ten reasons you should start doing Background Checks on every final candidate or new hire:

10. People Exaggerate Their Resumes

95% of college students admit that they are willing to include false information on their resume to get a job.

The most common “exaggerations” are: inflated titles & salaries, inaccurate employment dates, unfinished degrees and out-and-out lies regarding specific roles and duties.

The resume is a marketing document.

9. People Lie on Applications

The application is a legal document.

Some say that up to 40% of applications contain false or inaccurate information.

SHRM study says:

Nearly half of job applications contain false information.

Almost one quarter had misrepresented employment or education.

By the way, most of our applications warn people that false information is grounds for dismissal, etc. Use it!

8. Criminals Don't Advertise

Have you ever seen a criminal record listed on a resume?

How many people will volunteer that they have lost their license because of an OWI conviction?

Two out of ten applicants have criminal records.

Thirteen percent of those screened had failed to disclose a criminal background.

7. Theft

Fraud is real → \$600 billion annually and rising!

48% of theft of money and inventory comes from your employees.

One in 5 employees witnessed crime in the workplace:

37% taking of office supplies, shoplifting

25% stealing of product or cash

18% claiming extra hours worked

8% inflating expense accounts

6% accepting kickbacks from suppliers

6. More Theft (Subtle but Very Costly Forms of Theft)

Theft doesn't only include money and property. Wasting time, unauthorized time off, Internet surfing, punching a time clock for another employee...all cost you money.

5. And Even More Theft (of Intellectual Property)

One study says that 69% of white-collar workers admitted to stealing commercially sensitive material when they left a company, including: E-mail address books, customer databases, and even more importantly, your organization's sales proposals and presentations.

4. Poor Hiring Decisions Could Cost You

As employers, we can be liable for the misconduct of our employees. Lawsuits alleging negligent hiring and retention are on the rise. Negligent hiring occurs when an employer fails to check an employee's background and that employee's actions result in injuries to someone. Negligent retention occurs when an employer becomes aware that an employee may be unfit for employment, and yet continues to employ the person.

Our liability hinges on how well we investigate an applicant's record. We want to be able to demonstrate that we took reasonable precautions, including performing Background Checks. We should document our efforts to check the applicant's background.

3. You Are Not Likely to Win in Court

Thirty-three percent of businesses have been (or are being) sued over an employment issue.

Fraudulent Worker's Compensation claims are costing American businesses more than \$5 billion annually. Employers lose the majority of all "negligent hiring/supervision jury trials."

2. Background Checks are Easy

All you need is for your candidate to sign a consent form. Submit the candidate's information – online or by fax. We then review and verify (depending on your requirements):

- Previous employment
- Education/degree documentation
- Criminal records
- Civil records
- Motor vehicle records
- Professional certifications/licenses

- Credit history
- Social security number
- Sex offender registry

Results can be available in as quickly as 24-72 hours!

1. Background Checks are Inexpensive

Considering it costs about \$7,000 to replace an entry, level employee and up to 150 to 250% of an annual salary to replace a salesperson or manager. By paying just \$15-\$35 to do a countywide or statewide criminal record search, \$15-20 to do an education or employment verification, and less than \$100 for a comprehensive background check makes a lot of sense - doesn't it?

As I stated earlier, successful organizations perform Background Checks on every employee. These checks help us to prevent many of the people problems that ultimately wind up consuming our time and energy, not to mention often times placing our companies in serious legal jeopardy.

Background Checks not only provide the facts necessary to help us to make good hiring decisions, they...

- show that the company exercised due diligence in hiring.
- discourage applicants with something to hide.
- encourage applicants to be honest on the application and during the interview.

For any further information or questions regarding our Pre-Employment Services, please feel free to contact us.

Article written by Daniel P. Conroy, Director of Investigations