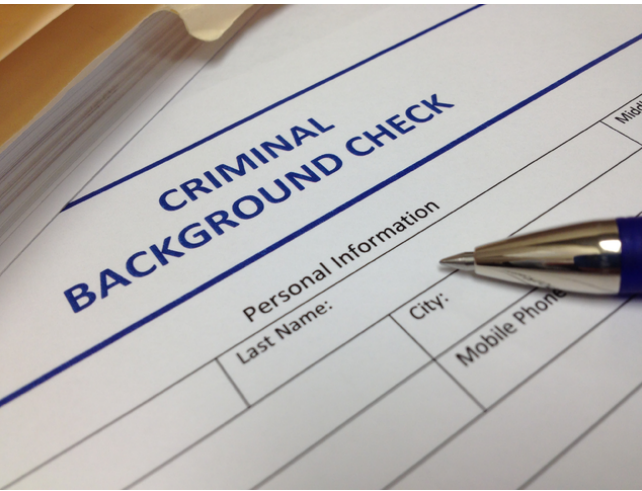




# Background Checks: *A Considered Approach*



**Background checks are used to create a workplace that is more compliant, safer, and more productive. In such a workplace, employees are happier, more productive, and more innovative.**

Clients often ask about the merits of running background checks on new employees. The most commonly asked question is about costs. The most commonly un-asked question centers around whether there is any value that justifies the cost. Both inquiries are important, but the answers are rarely simple and require consideration of multiple factors.

Background checks are just like power tools, neither good nor bad. It all comes down to what you need them to do.

Cost is a concern for every organization, and justifiably so. There would be no reason to invest in a four-story office building if your entire workforce is homeshored. Employee screening operates similarly: you only want to invest in the right tools that get you what you need. A common misconception, however, is that cost-per-hire has no bearing of quality-of-hire, and that additional onboarding expenses do not result in additional value.

Employment is not transactional. As we consider cost-per-hire, it is important to remember that all people have intrinsic value.

Onboarding costs are real. They should not inspire fear, however. They can be quantified, and just like any other organizational expense, they should be well-defined and budgeted. If you have not determined specific dollar amounts corresponding to your onboarding costs, take some time to sit down and figure it out.

Well-planned onboarding costs yield increasing returns. Selecting the right options for your employee onboarding process, such as drug screening, skills assessments, reference checks, or background checks, increases the organization's return on investment in terms of productivity. Quality-of-hire, employee retention, and engagement increase significantly, while turnover, negligent hiring, and other risks decline dramatically.

Negligent hiring refers to scenarios in which an employee causes harm to others, and the employer either knew or should have known about the employee's propensity to engage in harmful behavior, but the employer did nothing to reduce or eliminate the risk. For example, if an employee engages in sexual harassment, and if the employer did not run a background check that could have determined a history of related behavior, the employer might be financially liable for the huge monetary penalties associated with negligent hiring.

Background checks reveal details about a candidate's criminal history as recorded by law enforcement organizations and judiciaries such as theft, violence, drug trafficking, stalking, etc. This can allow an employer to identify patterns in a candidate's behavior that would increase the risk of similar behavior in the workplace. Background checks allow an organiza-



### Background checks are neither good nor bad inherently. Each employer chooses what to include in a background check:

- County Criminal record search
- National Sex Offender record search
- National Criminal record search
- Education verification
- Employment history verification
- Reference checks
- SSN Trace

tion to reinforce employee safety, asset protection, information security, and other initiatives designed to protect the company and create a more amazing workplace.

Another potential source of liability is non-compliance with regulatory agencies. Many industries and professions are required by regulatory agencies to run background checks on employees. As much as we try to be proactive, and to not do the bare minimum as required by Big Brother, these are requirements we have to comply with. If you are in one of these

*A more amazing workplace is one that is compliant, safe, and productive, where employees are happier, more reliable, more productive, and more innovative.*



industries (like healthcare, mining, finance, etc.), determine exactly what is required. One size does not fit all when it comes to background checks. Make sure you are doing what the government requires, at a minimum, but do not be bound by that minimum. If there are other steps that would make your workplace even better, take those steps.

By the way, background checks come with their own set of regulatory requirements that govern how they are conducted, how the information is used, and what information is shared with the job candidate. A good background check vendor, though, and a well-crafted Company policy make it easy to comply with these requirements.

In the end, however, we do not need to be draconian in our use of background checks. A criminal record does not need to automatically disqualify a candidate – that is not in anyone’s best interest. A consistent background check process does, however, let you know the information you need to make a well-informed, responsible decision about each candidate. And knowing is half the battle.

**Reach out today to talk about background check challenges.**