

6 Ways to Protect Your Company From Bad Hires



It's hard to assess a person's personality and skills in one, or even two, interviews. Even if you're an experienced interviewer, there are still things an interview won't reveal. Developing a solid pre-employment screening process that includes a comprehensive background check by a trusted, reputable agency will contribute to your company's hiring success. Here are six things you can do, together with an employment screening company, to help you make more informed hiring decisions.

1 Dig deeper to save time, money and trouble.

"Companies should screen candidates so that employers can verify that the person being presented is the person who will be hired," says Jeff Jones, division president, Insperity™ Employment Screening. "Pre-employment screening has become the norm, instead of the exception, among employers."

Pre-employment screening may save a business a great deal of time, money and trouble, making it doubly valuable as a smart business expense and a wise investment in your business.

2 If it sounds too good to be true, it just might be.

Most employers aren't aware that as many as one-third of resumes contain some degree of falsehood to make them sound better. Businessweek found that 16 percent of executive resumes had false academic claims and/or material omissions relating to educational experience.

According to a survey from Right Management, a career management consulting firm, 42 percent of its survey respondents said that the cost of a bad hire is at least three times the employee's salary.

A thorough verification improves your chances of hiring better talent by uncovering any potential falsehoods.

3 Protect yourself from fraud.

Big businesses aren't the only ones that should be concerned about potential exposure to fraud and questionable accounting practices. According to the Association of Certified Fraud Examiners (ACFE), the average fraud loss for businesses with fewer than 100 employees is \$200,000. The ACFE's report also found that businesses in general lose \$994 billion to fraud.

Small businesses may be at an even greater risk. Since it is well known that larger companies have screening programs in place, those applicants with something to hide are more likely to target smaller employers. Employment screening is a critical tool that can help identify such individuals long before you offer them a job.

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4 Check backgrounds and avoid lawsuits.

If a company doesn't properly screen its employees, it can leave itself vulnerable to negligent hiring lawsuits. According to HR Management magazine, the average settlement of a negligent hiring lawsuit is nearly \$1 million.

If a company isn't screening employees and something happens, such as fraud or workplace violence, then the company may be held responsible.

A reliable and consistent screening policy and pre-employment screening process can help businesses easily avoid these scenarios.

5 Ensure compliance and outsource to the experts.

Even the most diligent and professional HR employee can't keep up with everything going on in the changing landscape of pre-employment screenings. Strict laws dictate employment screening procedures. One slip-up can be damaging to your company's reputation, and can be grounds for legal action and huge fines.

Companies that regularly provide employment screening services for a fee are considered consumer reporting agencies (CRAs) and are required to adhere to federal and state laws governing the release of personal information for employment purposes, Jones says. However, employers should note that these laws are constantly changing, especially at the state level.

"Employers should make sure a provider has the mechanisms in place to remain compliant as a CRA, to help clients understand their own responsibilities, to monitor potential/passed new laws or changes and to be able to react swiftly to maintain compliance," Jones says.

6 Follow best practices.

A pre-employment screening program is invaluable to avoid potential hiring disasters and employer liability. Most standard employer background checks focus on the basics: employment history, educational background, credit history, motor vehicle history and criminal background.

Using a professional screening provider will ensure that you get accurate and relevant information about an applicant well beyond what's on a resume. Truly knowing a person's qualifications and background goes a long way in determining if they'll be a good fit with your company and its values.

Learning everything you can about job candidates before you hire them protects your company and your culture. By arming yourself with relevant information, you can make a more informed hiring decision.

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