



Hiring Right: Build a Process, Get Results Now and Later

Susan E. Barbee

SPHR, AAI, CWCA, CWBA

Risk Management Advisor

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Selection - Primer

- Why?
 - Issues
 - Costs
 - Benefits
- How?
 - Brand
 - Needs
 - Process

Why? –How you got to Today

- Visualize your key employees



- How many of them came to your firm in their current role?
- How many of them grew into this role?
- What skills did they bring with them?
- What skills do you wish they had?

Why?-Inherited Problems

- Think about your most recent questionable workers' compensation claim
 - Do you suspect you inherited a prior injury?



What is your workplace Culture?

- What is it now?
- What do you want it to be?
- How do we hire for our workplace culture?



Why?-Hidden Landmines

- An employee is perfect for their introductory 90 days, then they turn into Regan from "The Exorcist".
- Employee is hired to be a receptionist, has technical skills, but lacks interpersonal skills to work on a team with the people in the office.

Cost of Miss Hire

- Time
 - Recruiting time
 - Staff time
- Cost of attraction
 - Marketing
 - Branding
 - Selling

Cost of Miss Hire

- Training Time
 - Hard Costs
 - Soft Costs
- Benefits Administration
 - Enrollment
 - Termination
- Human Resources Time
 - Termination, exit, staff damage control



Net Cost Assessment

1-4 times the annual salary of the employee to terminate and replace a miss hire.



**Take the time NOW to make
the Right Selection!**

Start at the Beginning.....

- Comprehensive, accurate ADA compliant job descriptions
 - Start with good tool
 - Spend time and effort to do this right
 - Allow current employees and managers to review



Next – Create the Recipe for Success

- Beyond the job description, which is task oriented, determine what are the *Critical Performance Traits™* for this position
 - Define these factors and develop behavioral interview questions to determine candidate skills with respect to both job description and the desired CPT's
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Set the Stage

- Determine who should interview and verify they know how to interview an applicant



- Create a plan for the interview
 - Choreograph the event

Set the Stage

- Prepare a scorecard for post interview
- Physically prepare for the interview.
 - Avoid interruptions
 - Allow sufficient time



Post Interview

- Rate and score employee immediately following interview
- Rely upon your empirical evaluation
- Schedule time for de-brief
- Meet as an interview team and debrief. Bring your scorecards and discuss candidates.



Plan the Offer

- What are your other persons in that job being paid?
 - What do you want to offer?
 - How will this impact your organization?
 - Prepare written offer and plan the delivery of it
 - Prepare to sell your company and why the employee should work for you
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Finally....

Treat this process as though the future of your company depends upon it...

Because it does...



Contact Info

Susan E. Barbee, SPHR, CIC, CWCA, AAI
Risk Management Advisor

sbarbee@whitehurstsp.com

919-395-7518

Background Investigations

Christine L. Peterson, CPP, ISP

Executive Vice President

Risk Management Associates,
Inc.



What is security?

- The protection from injury or loss by deliberate action caused by people
- It begins with a philosophy
 - People
 - Processes
 - Technology

Why are background investigations a key component of any business plan?

- Not doing a thorough background investigation is the equivalent of trying to cross I-40 at rush hour with your eyes closed
- Increases productivity and morale
- Decreases turnover and business disruptions
- Protects assets and increases profits

What do we know?

- Theft and fraud
 - Cause nearly 30% of all business failures
 - 70% of these crimes are by repeat offenders
 - Estimated cost of employee theft or dishonesty to U.S. businesses is \$60 to \$120 billion per year
- Cost of even one bad hire can exceed \$100,000
 - Time recruiting, hiring, training, inadequate performance
- 30-80% of resumes and job applications contain lies and/or exaggerations
- 75% of internal theft is undetected

What do we know?

- Litigation
 - G.L. v. Kaiser Foundation Hospitals, Inc.
 - Hospital is liable for employee's misconduct only if the hospital was itself negligent for employing or retaining employee
 - Doris Louise Haight v. Savoy Apartment
 - Apartment complex has duty to investigate employee's background
 - Employee had a prior felony conviction



Background investigation policies make good business sense because...


- Attract higher quality applicants
- Discourage applicants with something to hide
- Provide better information for hiring decisions
- Reduce liability and show due diligence
- Encourage applicants to reveal “true self”
- Comply with applicable federal and state mandates
- Provide a safer work environment

What are the goals of a pre-employment background screening?

- Confirmation – potential employer attempts to verify information provided by the applicant (identity, personal history, credentialing)
- Investigative – potential employer looks for information that applicant may try to hide (previous termination, criminal history etc.)

How do I get started?

- Require all applicants to complete a compliant and thorough employment application form
- Do not accept incomplete applications
- Do not accept a resume in place of an application
- Require attesting and signature on application
 - Protects employer
 - Warns potential applicants
- Include a separate release form

 **Employment Application**

Applicant Information

Full Name: _____ Date: _____
Last First M.I.

Address: _____
Street Address Apartment/Unit #
City State ZIP Code

Phone: _____ E-mail Address: _____

Date Available: _____ Social Security No.: _____ Desired Salary: \$ _____

Position Applied for: _____

Are you a citizen of the United States? YES NO If no, are you authorized to work in the U.S.? YES NO

Have you ever worked for this company? YES NO If yes, when? _____

Have you ever been convicted of a felony? YES NO

If yes, explain: _____

Education

High School: _____ Address: _____
From: _____ To: _____ Did you graduate? YES NO Degree: _____

College: _____ Address: _____
From: _____ To: _____ Did you graduate? YES NO Degree: _____

Other: _____ Address: _____
From: _____ To: _____ Did you graduate? YES NO Degree: _____

References

Please list three professional references.

Full Name: _____ Relationship: _____
Company: _____ Phone: _____
Address: _____

Full Name: _____ Relationship: _____
Company: _____ Phone: _____
Address: _____

Full Name: _____ Relationship: _____
Company: _____ Phone: _____
Address: _____

Why do I need a resume and an application?

- Potential omissions are at least as important as submissions
- Applications provide needed additional information:
 - Social Security Number
 - Full names, including maiden names or aliases
 - Previous addresses
 - Personal/character references
 - Additional information about former employers
 - Signed acknowledgement attesting to the accuracy of the information provided
 - Signed release authorizing the release of records for a background investigation

Is a “Record Check” the same as a “Background Investigation”?

- Absolutely not!
- Public records
 - Civil records
 - Criminal arrests/convictions
 - Driver’s history
 - Military records
 - Professional licenses and associations
 - Worker’s compensation claims
 - Vehicle registration
 - Voter registration

What is included in a Background Investigation?

- Check of criminal records of individual
 - How is this done?
 - NCIC (a few select jobs)
 - State databases (which ones?)
 - Local courthouses, CCBI's, Clerks of Court (which ones?)
 - Record checking services
- Employment verification
- Education verification
- This is the bare minimum!



Included in a good Background Investigation

- Social security number verification
- Address verification – a must for a good criminal record check
- Personal or character references
- Developed references** (more important than references)
- Civil records, bankruptcy, etc.
- State licensing records if applicable

Last but not least

- In some cases additional investigation may be required
 - Credit reports
 - Military records
 - Regulatory sanctions
 - Sexual offender indices
 - Terrorist lists
 - Vehicle registration

Pre-employment Background Screening Policy: Screening Levels

- General employees
- Professional employees
- Executive employees

A screening policy needs to meet the needs of the organization, be legally sound, and be consistently applied

How do you perform a Background Investigation?

- An employer may choose to perform it in-house
 - Database searches, popular because of ease
 - References checking
 - Employment verification
- An employer may use a background service
 - May be the best answer because of experience
 - Will have the ability to evaluate data gathered
 - Provide additional layer of liability protection



Restrictions

- If the background information is being used to make a hiring decision, avoid discrimination
- You may have to show that information requested, other than basic identifying information, is job-related
- Be sure to get a release from the applicant because it is the signed notification of the process
- Just arrests, without convictions, are almost never reportable but.....

Restrictions

- Privacy guidelines will apply if not waived
- The federal Fair Credit Reporting Act places restrictions on employment screening, but only for those checks performed and reported by an outside agency
- The agency must make a good faith effort to verify

FCRA Restrictions

- Applies only to third party checks
- Information allowed to be reported:
 - Records of arrest for the past 7 years (moot point)
 - Criminal convictions are reportable indefinitely
 - Bankruptcies in the past 10 years
 - Civil suits, judgments, etc, in the past 7 years
 - Paid tax liens or accounts for collection in the past 7 years
 - Other negative information, except convictions, in the past 7 years

Restrictions

- If an adverse action is going to be taken, the employer must (third party only)
 - Give applicant a pre-adverse action disclosure
 - Provide a copy of the report
 - Let the applicant know that he has the right to dispute any inaccurate information

Exceptions

- The Fair Credit Reporting Act does not apply to jobs with salaries over \$75,000 per year
- Some records are still confidential – medical, some education, some military, etc.
- Some of these confidential records can be released with specific authorization

What are the “Red Flags” of falsification?

- Address problems
 - Post office boxes
 - Mail drops
- Dead ends
 - Records that are not available for some reason
 - Business that no longer exist
 - Working for relatives
- “Holes” or missing information
 - The most common type of falsification is to simply omit unflattering information....to “forget”



Limitations of Background Investigations

- Incomplete information
- Applicant was never caught for crimes committed
- Applicant was guilty of a crime but was acquitted or charges were dropped
- Applicant plead guilty to a lesser charge
- Past employers are reluctant to provide honest evaluations
- References provided by applicant are not aware of applicant's dishonest acts

Choosing a Background Investigation company

- Someone who will comply with the law
- Someone who will report verified information
- Someone who has the ability to evaluate the information as it is being gathered
- Someone you can count on to provide a complete report

So what are your “take-away’s”?

- A secure workplace begins with a security philosophy
 - It should be everyone’s job
 - Top down and bottom up
- A Background Investigation policy is an asset protection policy
- Employee Background Screening is directly related to the success and sustainability of the business

Questions?

- Would you cross I-40 during rush hour with your eyes closed?
- Do you know the difference between a records check and a background check/investigation?
- Did you know that there is **no such thing** as a national criminal records check?

Questions?

