

Reference Checking Keys

Do You Know Who You Are Hiring?

Surveys estimate that as many as 25-33% of applicants seriously lie on their resumes or applications. Some of the most commonly falsified pieces of information include: length of employment; past salary; criminal record; and past job title. Because good hiring decisions require as much information as possible, and to prevent potential legal problems, we strongly encourage clients to implement a comprehensive reference policy. The question really isn't "should" you check references but "how." A few keys to consider are summarized below.

- Do you have a written policy in place that establishes reference checking procedures? Is it included in your HR policy manual?
- Have managers been trained and do they understand your reference procedures?
- Is reference checking "centralized" and does a designated member of HR conduct the checks? (This is often advisable as managers who check references infrequently may be less skilled in the process and less familiar with the legal implications.)
- Have you developed a reference form/format? (It's important that a consistent process is in place. While it's useful to customize a check to a particular position, all checks should include the same basic questions.)
- Do you make it clear to all applicants that you do check references?
- Do you have applicants sign releases authorizing a past employer to provide information, acknowledging the checks, and releasing you and the past employer from liability?
- Have you established strict standards of confidentiality regarding all information obtained, especially regarding background reports?
- Does your policy state that you will only make a hire after references are checked? Or are you an anxious employer who wants to fill a position and checks references after an offer is made and then receives negative reference information?
- Are you careful not to ask the past employer anything that you couldn't ask the applicant under various EEO laws?
- Do you understand the considerable requirements of the Fair Credit Reporting Act which applies to employers that use "consumer reports" (credit and employment history, driving records, criminal background checks, outsourced reference checks, etc.) from consumer reporting agencies?
- Is the process well documented and do you document all reference checking attempts, even those where the past employer is unwilling to talk to you?
- Are you familiar with the doctrine of negligent hiring and how you can protect yourself from its "grip" by establishing sound reference checking procedures?