

How Comprehensive Screening can Improve Workplace Security While Raising Employee Quality

In recent years, workplace security has emerged as one of the most serious challenges facing businesses, no matter what their size. While workplace violence and harassment receive the biggest headlines, organizations are also increasingly vulnerable to a host of other security-related risks including:

- Theft of proprietary or sensitive information via Internet or intranet
- Theft of physical or intellectual property
- Employee negligence, misconduct, or fraud
- Damage to company property

The Risks Of Not Screening Employees Can Be High.

Though many companies have taken extra precautions to limit entrance into their buildings – via security badges and electronic badge readers – a surprising number have not taken advantage of one of the most effective security measures of all: the use of thorough employee background screenings.

According to the Society for Human Resources Management, just 70% of corporations conduct even minimal background checks on candidates for their regular full-time

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positions.¹ And estimates indicate that far fewer companies require the most basic screening of their contingent workers. Since close to 90% of businesses use temporary employees and a total of two million people work each day in temporary positions², this represents a potential threat to U.S. businesses.

How big a threat? Consider the facts:

- The average business loses 6% of its annual revenue to employee theft³
- Companies lose \$400 billion annually to employee fraud⁴
- In a 1999 survey on human resource issues, 43% of respondents said the resume falsifications they’d uncovered were significant to extremely significant⁵
- While approximately 20% of American workers have criminal records, 13% of applicants do not disclose criminal history⁶
- Each year, 25% of workers report they have been attacked, harassed, or threatened in the workplace⁷
- American businesses lose approximately \$36 billion per year as a result of workplace violence⁸

A Problem Of Significant Legal And Business Dimensions.

Aside from the facts listed above, workplace security has become a significant legal issue for businesses. More and more, states are holding companies responsible for investigating job applicants and ensuring a safe work environment. Businesses can be – and have been – held liable for problems that occur as a direct result of failure to thoroughly screen candidates before hiring them. Several of these “negligent hiring” cases have already been tried in courts, with the resulting legal judgments awarding plaintiffs millions of dollars.

The damage caused by security breaches goes beyond monetary losses, harming a company’s most important business assets: employee morale, productivity competitive

advantage, and reputation. Thorough background screening of all employees – both permanent full-time and temporary – can give you a critical edge in protecting your business and providing a safe and productive work environment for all.

Can Businesses Afford Not To Screen?

While many businesses may cite cost of screening as the reason for not implementing a quality process, the potential risks and legal liabilities would seem to indicate you can't afford *not* to screen. For your permanent full-time employees, you can purchase background screening from a variety of providers and the costs range widely - from as little as \$15 to as much as \$125 per employee(7) - depending on the thoroughness of the screen requested.

When it comes to contingent labor, it's likely you will ask your vendor(s) to provide this service and for many firms, it can be added on to the service they provide for an additional cost. Other vendors, such as Veritude, include the background screening with the basic service offered. When selecting a temporary staffing vendor to work with, the quality of their background check should be a key criteria included in the evaluation. Your business can't afford anything less.

How To Evaluate And Improve Your Background Screening.

A good place to start is by evaluating the screening process used for your permanent full-time employees. If you're not using a process, or if you're not sure your procedure is comprehensive enough, consider the seven key steps provided here when developing the process to ensure it meets your organization's specific needs.

Seven Elements Of A Quality Background Check Process.

A quality process gathers and confirms at least seven key types of information on each candidate, including:

- 1) Credit check
- 2) Employment history
- 3) Education history
- 4) State, county, and federal criminal background
- 5) Military service record
- 6) Overseas background check, if needed
- 7) Industry-specific information
(e.g. health insurance businesses may require government sanction checks for temporary customer service representatives, while a financial services firm might require license checks or other searches on high-level temporary financial analysts).

Once your new process is established for your permanent full-time workforce, you should evaluate the procedures used by your temporary staffing firm (or firms). Because your staffing firms usually serve as the employer of record for the people they place, you've probably been relying on the firms to screen your temporary employees. But you may not be aware that there are no staffing industry standards for background checks of temporary employees. Therefore, the process – and the quality of the results – varies widely from firm to firm.

Too often, in the interest of filling a temporary position quickly, a staffing firm will do a minimal screening, performing personal reference checks only. And, if you use more than one staffing company – as many businesses do – the problem is further exacerbated by the inconsistencies of multiple processes. If you use your contingent workforce as a temp-to-hire pool, you could be opening your company up to potential problems – maybe even legal liability.

Some Key Questions To Ask Your Temporary Staffing Vendors.

1. Does the firm do anything more than perform a reference check? (Many staffing firms do not).
 - Some firms may try to justify cutting corners on background checks by touting their

ability to fill job orders fast – implying that you have to sacrifice safety and security for speed. However, you'll find that firms which conduct thorough background checks as part of their standard process usually have pools of qualified, prescreened candidates that can be tapped into quickly.

2. Does the firm do any kind of criminal check? (Many staffing firms do not).
 - Be sure they are not just performing a cursory criminal check. Unfortunately, there's no standard nationwide database for criminal records. That means for a thorough background check, you need to search at the county level. This type of search will uncover a criminal record dating back between five and seven years in the candidate's county of residence. So you should be sure the application process requires a candidate to list all the counties in which he/she has resided for the past seven years).
 - To uncover state- and federal-level offenses like embezzlement, bank robbery and drug trafficking, you'd need to supplement that with additional searches.
3. Can the firm's background search be customized to meet your individual needs?
 - Typical customizations include additional checks for higher-level employees or specialized positions that may deal with more sensitive data.

To ensure consistency across your entire contingent workforce, you might consider providing all staffing firms with a standardized process to use when working with your company. Or you might consider consolidating your entire temporary staffing program under a single vendor in a Managed Services Program. By doing this, your Managed Services provider can ensure all other vendors you work with are complying with the background screening process you've chosen, while at the same time minimizing your administrative burden in this area.

Finally, every company should consider developing a corporate security policy that stipulates that no employee - either permanent full-time or temporary - can be placed without a thorough background check having been performed. This is the best way to ensure workplace security. And should you ever become involved in a 'negligent hiring' lawsuit, proof of your stringent policies and processes will go a long way toward proving you've done everything possible to provide a safe and secure workplace.

A Look At A Best-in-Class Screening Process For Temporary Employees

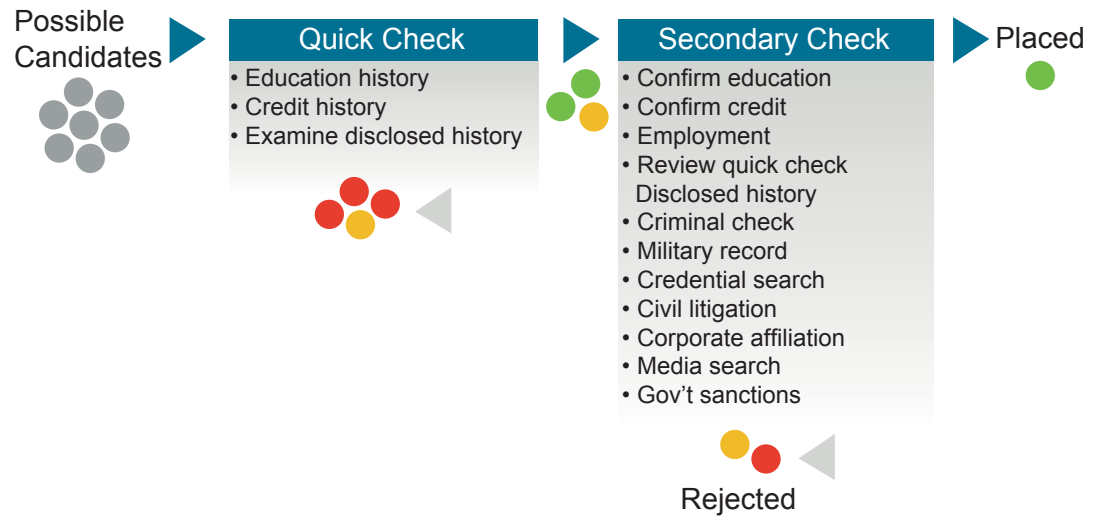
Since its inception, Veritude has provided one of the most comprehensive background checks in the staffing industry. This procedure was initially developed for Fidelity Investments, for whom we were acting as the in-house staffing firm, and was designed to meet strict SEC guidelines regarding the screening of all employees - both regular full-time and temporary - prior to hiring. The two-step process gathers and then double-checks vital personal information, and it is now part of our standard product offering.

Step One: The Quick Check

The quick check enables us to weed out unsuitable candidates early in the hiring process. Within 24 hours of meeting a candidate, Veritude conducts an initial check and analysis. The client then receives a background summary and status update based on the preliminary results.

Step Two: The Secondary Check

Once an offer of employment is accepted, Veritude begins a thorough background investigation based on the confidential personal history statement provided by each



candidate. This enables us to validate a wide range of additional information and also to reconfirm the initial quick check results. Every Veritude temporary associate is required to go through this screening before receiving any assignments. In addition to this standard process, Veritude has the ability to customize the background check to meet the needs of specific positions or broader company or industry regulatory requirements.

World-Class Background Screening - A Business Asset You Can't Do Without.

Now more than ever, it's vital to have all the pieces for a solid corporate security program in place. And thorough, world-class background screening for all employees is a key element of that process.

If temporary employees are part of your staffing strategy, it's important to remember that you don't have to give up high security standards for the flexibility you gain with a contingent workforce. Even more critical, you don't have to sacrifice security in order to fill open requisitions quickly. When you work with a vendor that consistently implements thorough background screening, you'll find the process moves with remarkable speed.

Once you have your background screening in place, you'll also discover another key benefit of ensuring a safe and secure work environment: higher employee quality. Many businesses have found that the same filter used to screen out high-risk workers, also helps to ensure you're getting a more reliable, dependable employee.



Want to Learn More about Veritude and Background Screening?

Contact your Veritude Sales Representative or call **800-597-5537** to schedule an appointment to discuss our superior staffing services and learn how we can put them to work for you.