

HIRING SMART:

RESURRECTING THE REFERENCE CHECK



Trust but Verify: A Foundational Principle of a Smart Hiring Process!

It's amazing how employers will make the decision to hire someone without first speaking to someone who has seen the employee perform up close and personal.

From my perch, skipping that important step in the hiring process, no matter how much you “love the candidate” is likely to create some post hire surprises, if not out and out mistakes. Call us old fashioned, but the “trust but verify” mantra has always been an integral part of our hiring process. It’s a mantra that’s not always easy to do, but it’s always important.

That said, we know there are reasons that have led recruiters to rationalize the decision not to check references. Let's check them out...

Legal Concerns About Reference Checks.



For sure there is legal buzz about the liabilities attached to an employer who gives a reference that ultimately damages an employee's chances for employment.

These legal concerns have resulted in policies limiting "reference" responses to dates of employment and eligibility for rehire. If you go thru HR to get a reference, that is more than likely the response you get.

But if you go directly to a supervisor, particularly a supervisor who has been asked by the candidate to provide a reference, you can often do better....particularly if the person being reference checks asks the reference provider to comment candidly.

Are Reference Providers Candid?



Another reason for not checking references is concern that a previous employer will not be candid – that their comments will either deceptively put the candidate in a bright light, or the opposite – purposefully do them harm.

These concerns often get fueled by the candidate themselves. “I’m not quite sure what they will tell you about my work. They were pretty upset when I gave them notice.” Oh, to hear the full story behind that comment!

The Facts About Reference Checks



**There 5 important
things Recruiters Need
to Know About
Reference Checks.....**



You're Hiring Process Looks Serious.....

The requirement to check references BEFORE hiring, is seen by candidates, current employees, and the courts as a sign you take the hiring process seriously.

Checking references is not just a way to detect candidates who are not as they seem, but also a way to uncover factual issues about a candidate's work or life history that need to be uncovered to avoid claims of negligent hiring, should something go dramatically wrong with your hiring decision! .

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The Reference Provider's Legal Risks are Actually Pretty Low...

The chances of a reference provider being held legally liable for their comments during a reference check are not great. To show liability the employee would have to prove that 1) the information obtained was false, 2) it was provided with the malicious intent to damage the employee, and 3) the reference resulted in damages to the employee.

Proving all three elements is not a challenge that most attorneys are quick to take on.



References Offer Some Unique Info That You Can't Get Elsewhere....

The reference report is the only information obtained during the hiring process that isn't provided by the candidate themselves. Think about it. The interview, the application, all the show and tells of an effective hiring process start and end with info provided by the candidate. Only the reference check elicits information from a third, and supposedly neutral, party.

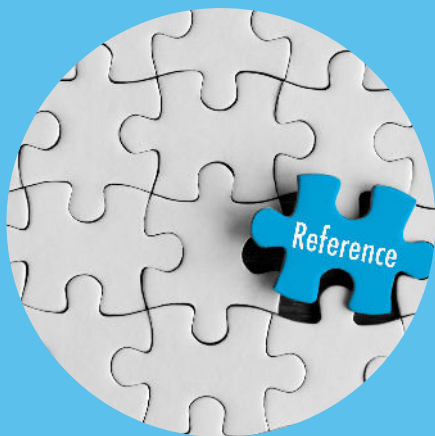
In that context, a reference check is considered an invaluable source of information about the candidate.

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You Learn Some Important Stuff....

The information gathered during a reference check can enhance the hiring decision and facilitate better employee retention in those critical first 90 days post hire. It can level the playing field for all candidates, particularly candidates who are more introverted or haven't taken the latest "how to interview" class. It can provide helpful insights into how to best manage the employee once hired.



You Make a Difference....

A good recruiter has a lot more control over the candor of the reference provider than they think. It all depends on how they tone up the reference, the quality of the questions they ask, and how deeply they are willing to go to uncover what's real.

One More Thing...



Do I Need to Get the Candidate's Permission to Check a Reference?

The Fair Credit Reporting Act (FCRA) requires companies to notify candidates that they are going to use a third party to gather up background information. But, if the company is going to check references themselves, the FCRA requirements do not apply, and theoretically no notification is required. We always recommend keeping candidates informed of all information you are going to collect pre hire and let them know how it will be collected. As an overview of FCRA requirements, if you are going to use a third party to contact previous employers, you will need to do the following:

- Use a stand-alone document (not part of the application) to notify candidate that you will be checking their reference, that the outcome of that reference check might impact a hiring decision, and that the candidate has the right to view and dispute all of the information collected.
- Ask the candidate to sign off on the authorization document before you proceed to request the reference check.
- Provide the candidate with notification that the information obtained has had negative impact on a hiring decision and provide candidate with a copy so that they can contest its accuracy.

So, let's talk technique.



Here's some "best practices" used by the PACE team to get reference contacts to provide us with useful info. These are practices we know work.



Be Transparent About Your Reference Check “Policies” – Early and Always!

We always let candidates know up front that as part of our vetting process we will be talking to their former employers. To give that claim substance, we ask candidates to sign a consent form authorizing us to contact a former employer and releasing us (and our clients) from any liabilities ensuing from our open exchange of reference check information

And the whys behind this part of our vetting process aren't just legal. Studies have shown that candidates who know you will be checking references tend to self-report more accurately than candidates who believe their former employers will not be contacted.

By making the reference check a visible part of the hiring process right from the beginning, you can improve the candor of the candidate's responses throughout the process. As example, the question – What do you think your previous employer will tell us about how you get along with coworkers? – is much more likely to reveal the relevant truth about the candidate's behavior, than “How would you describe your ability to get along with coworkers?”

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Ask the candidate to provide a list of references.

Ask the candidate to provide the names and contact information for people who have directly supervised or managed their work. If they only provide the names of co-workers or friends ("my supervisor may not respond") file that away as a red flag and dig for more. If a current supervisor needs to stay off limits, make sure you get the names of supervisors on previous jobs.



Tee up your reference conversation strategically.

Let the reference provider know a little about the job the former employee is applying for, and that you are calling them with the candidate's awareness and permission.

John is applying for a job to work in our service department, leading a team of 2. We are an automotive parts distribution company and how we deliver service is extremely important to the success of our company. .

He gave me your name and permission to talk to you because he believed you would speak candidly with me about your experience of him as your employee. He felt you were in a position to verify certain pieces of information he provided us in his interview relevant to the job he is applying for.

Our goal is to make sure the job we're hiring for is a good fit for John and your comments might help me make the right decision for him and our company.

People are always more cooperative with people they like, so make a point to be your personable self. Not too formal, but serious!



Start the conversation with basic, factual, easy to answer questions

- ***John says he worked for you from _____ to _____. Is that about right?*** (Don't forget to confirm dates of employment. It's the only way you have to uncover gaps in a candidate's work / life history that you need to know about.)
- ***He said his role was _____. Is that right?***
- ***Did you directly supervise his work?***
- ***He said he gave notice to you when he left because _____. Is that right?***
- ***Did he report to anyone else while he worked for your company?***
- ***Is he considered re-hireable? (Why not?)***



NEXT - ask for comments on information already provided by the candidate

The key here is to demonstrate that you are invested in knowing as much about John as you can before you hire him. The fact that you have already taken the time to learn about John from John himself before calling them, will encourage their cooperation. They'll know your serious."

John has described for me what he considers to be his most important strengths in the job he did for you. I would be interested in comparing your observations with his self-assessment. How would you describe what made him successful at what he did for you? Tell me you thought were his most important strengths.

He said it a little differently – would you agree with his comments?

Your goal for this next level of questions is twofold – 1) to tap into your contact's insights about your candidate's actual behavior on the job, and 2) to either affirm or call into question the candidate's willingness to self-report accurately.



NEXT - go deeper into the former supervisor's observations

- When you replaced John, what qualities did you look for in the person who replaced him?
- How did his work compare to other people you have had in this role?
- Was there anything about John's work that you wished he would have changed but was never discussed between the two of you? Something that you just never brought up to him?
- What can you tell me about John that isn't on his resume?
- How did you see John grow as a professional during the time he worked for you?
- I'm curious, how long before John gave notice were you aware he was thinking of leaving?
- Did he show any signs of stress or dis engagement?



**Summarize what
you've heard and
how you will handle
the information
provided.**



Thank you so much for your time. I am hearing that you think John would be a good "fit" for the role he has applied for and that it would challenge him in just the right way. Your comments pretty much reflected what John told me about himself, so I feel really positive that I can count on him to give me accurate descriptions of the work and contributions he has made. You've suggested that we watch for signs that he might get impatient with the learning process, and we'll be on the watch for that.



"What if...?"



**Here's some tips on navigating
special cases when conducting
reference checks!**



Checking References After the Job Offer

When someone is currently employed, getting a reference from the candidate's current employer is usually not possible. One of the work arounds you might consider would be to make your offer of employment contingent on completing a "satisfactory" reference check with the employee's current supervisor after they have given notice. In this case the "satisfactory" reference is one that confirms that the factual information provided on the candidate's application and obtained during the interview process was accurately represented. The "opinion" component of the reference check should be waived.

This process is tricky, as obviously there is risk to the candidate that their reference either will be unwilling or unable to verify the information they have provided. The reasons might be any one of several – the supervisor simply doesn't want their employee to go to work elsewhere, their company policy might prohibit that type of information exchange, or the information the candidate provided was not accurate. If the latter the candidate likely will not be willing to accept a contingent offer, and you may have dodged a bullet. If one or both of the former, it would be important to understand the reason the candidate won't accept the offer up front and explore other options up to and including talking with someone in the company who knows of the candidate's work and would be willing to speak "off the record", or perhaps a former supervisor no longer working for the candidate's employer.

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The Evasive Reference

One of the things we've noticed is that a lot of people you contact for a reference won't return your call quickly. They either don't want to take the time to comment, don't have a lot of information to comment on, don't want to impact an average or below average employee in a negative way. They simply hope you'll go away.

Don't.

But do try to change venues....if you've been calling, convert to email. If you've been emailing, try the phone.

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Multiple Opinions

Whether the first reference you get is favorable or unfavorable, always get at least one second opinion. If your first reference extols the virtues of the candidate, you need to know how to interpret the accolades. Take your time to confirm that this reference wasn't so motivated to "help" the employee find a new job they simply aren't willing or able to give you a candid evaluation. And if all you are coming up with are glowing remarks, you might want to think again about how you are asking the questions. Are you so anxious to hire, that you want everything to come up positive?

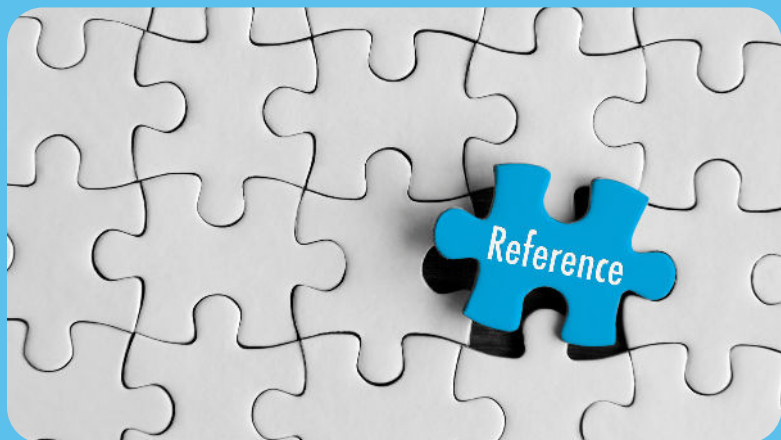
To get the full picture of the information you are uncovering, listen for...

Exaggerations..."I just can't think of anything negative about _____" may be a sign you're not talking to someone with a critical eye or even a balanced perspective. Your response? "If you could think of one thing, what would it be." Give more value to reference providers who are willing to call balls and strikes on the employees performance.

Omissions..."Jane was a cracker jack accountant" – doesn't tell you if Jane can manage an accounting staff, which is a different set of skills." Make sure your reference knows the details of the job you are trying to fill and make sure their comments are relevant to those details.

Gloss Overs..."John did excellent work". Ask for specific examples of what they consider "excellent"

Hesitations..."I heard the hesitation in your voice. Is there something you aren't sure you can share or how should I interpret that hesitation?"



When reference checks are done right they can be one of the most impactful sources of information in your hiring process – improving the quality of your hires, dodging the high costs of a hiring mistake . .

Done wrong, they add very little value and can sometimes do more harm than good.

We hope that the information we are providing in this blog will give you a heads start on ways to incorporate reference checking into your hiring process – helping you “trust but verify.”