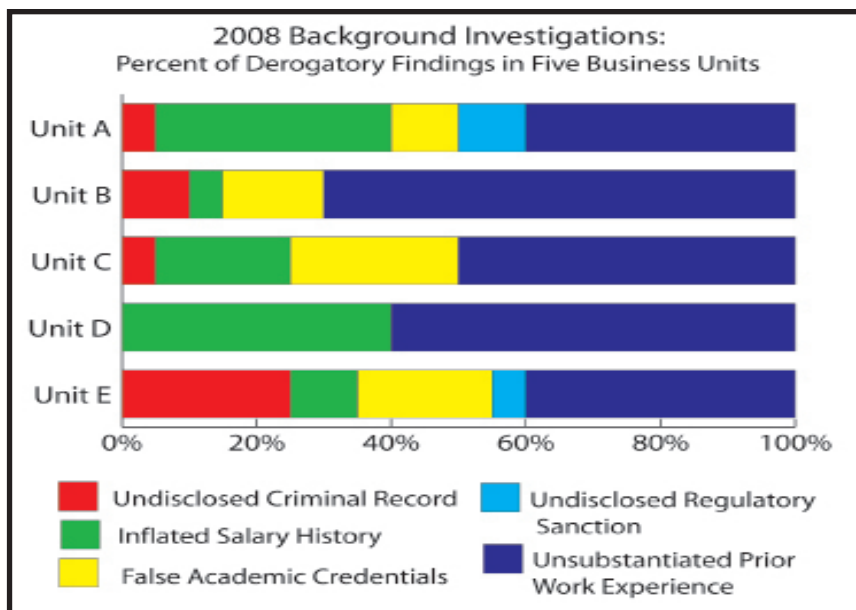


Demonstrate a Need for Stronger Background Vetting

By George Campbell



A comprehensive background investigation program is critical to the health and integrity of any enterprise — in good times and especially in bad. A worsening of the economy can have a striking impact on the honesty of the employee candidate pool, and it can also affect the quality of internal and external background vetting.

Objective: We need to demonstrate to management and HR the impact of the current recession on background investigations and their results, in order to urge greater due diligence in the selection process.

Strategy: If we look at business contraction from our unique perspective of enterprise risk, we will see several potential implications:

- When the business is doing poorly and hiring has stopped or slowed, hiring managers may seek to be exempted from hiring freezes by citing a critical need for an essential position. They may exert pressure to lower investigation standards to streamline the process on new hires, and they may overlook blemishes they would find undesirable in more competitive times.
- Outsource providers may push back on contractual requirements for background investigations altogether or attempt to impose their own less-stringent standards of selection.
- Even in the best of times, headhunter agencies encourage creative writing and embellished work experience to maximize their candidates' qualifications. Today's job pool is alive with unemployed professionals being represented by these agencies.
- During recessionary periods like the one in which we now find ourselves, there is strong evidence that the honesty quotient in the employment pool declines and the unemployed may embellish their personal histories and qualifications.

We need to feel confident that our background vetting programs are effectively verifying candidate assertions of prior salary and experience, education, supplementary compensation (bonus, perks, incentives, etc.) and benefits. We need to be tracking the ratio of cases with no derogatory findings against ones with various types of potential disqualifiers, also focusing on the variance between different business units.

The chart above clearly shows some switches that need to be reset with these business units and the HR staffing team. The hiring managers are not effectively probing interviewees on the veracity of their personal histories, and the HR recruiters are simply leaving any semblance of vetting to Security's background investigators. These candidates have fabri-

cated their prior experience to suit the job descriptions and held up the hiring manager by inflating their prior salary history. This picture also should alert the reader who employs outside background investigation vendors to ensure they are getting the truth lest every step in the process would fail.

These trends will tell stories about the level of due diligence being done by HR recruiters, headhunters and hiring managers, and you may need to use this data to reset some switches. You may find data for measuring these trends in your investigative postmortems and employee termination-for-cause statistics.

Stay on top of what your background investigation data is telling you about the candidate pool in your company and for your key vendors, especially those providing services around critical business processes with reputational impact. I'm often struck by the companies I talk to who are not using the basic safeguard of background vetting. If you are one of those, you need to engage senior management on the need. Try telling them that the people you are not screening are the ones that have been rejected by your competitors, who are doing a good job in background reviews. ■



George Campbell is emeritus faculty of the Security Executive Council (SEC) and former CSO of Fidelity Investments. His book, "Measures and Metrics in Corporate Security," may

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