Welcome Everyone!

To participate in today's webinar, you must:

1. **LOG-IN to SEE** the web portion; and
2. **DIAL-IN to HEAR** the audio portion.

Call: 866-740-1260.
Use the following access code: 7853891
You will hear hold music until 2:00PM

Reference Checking

Audio Dial-In Information:
U.S. & Canada: 866.740.1260
Access Code: 7853891
February 6, 2013

Melanie Lockwood Herman, Executive Director
Nonprofit Risk Management Center
Melanie@nonprofitrisk.org

Webinar Outline

- What is a Reference Check?
- Why are reference checks important?
- What are the **risks** associated with giving OR checking references?
- What are the **common methods** for obtaining references?
- What are some of the **challenges** associated with obtaining references?
- What are the **key steps** in checking references?
- What are the **best reference questions**?
- Final thoughts
What is a Reference Check?

- A reference check is an inquiry that yields information about:
  - An applicant’s ability to meet the duties and responsibilities of a position; and/or
  - Personal qualities or characteristics that may support OR potentially threaten a nonprofit’s ability to achieve its mission.

Why are reference checks so important?

- Opportunity to confirm information from someone other than the applicant
- Chance to get a third party “take” on relevant personal attributes
- Opportunity to find out how applicant performed in other professional or volunteer roles
- Chance to determine if there are disqualifying attributes or past behaviors

The mission of your organization is worth the time required to find most suitable applicant for a key position.

Sadly, many applicants lie about their past. Lying about getting a degree topped the list of common lies in 2006 story at www.Forbes.com (“Most Common Resume Lies,” by Kala DuBois Tomasic, 5.23.06.)
Why are reference checks so important?

• An applicant’s narrative descriptions of past experience and prior job titles tell an incomplete story. Many candidates describe themselves as the person they would like to be, rather than as they really are.

www.nonprofitrisk.org

Why are reference checks so important?

To minimize the risk of claims alleging negligent hiring, e.g., that you did not go far enough in your screening process and negligently hired someone who posed a danger.

 Employer had a duty to exercise care in selecting competent employees
 The employer knew, or reasonably should have known, that employee hired was dangerous or unfit
 The employee actually caused harm

www.nonprofitrisk.org

Are competence and ability important?

• To increase productivity. If you believe that past performance is an indicator of future performance, then you need to find out how an applicant performed in his/her former role.

www.nonprofitrisk.org
Finally...

What you don’t know… CAN hurt you! Check references to reduce the chance of hiring someone who has a propensity to commit violence.

www.nonprofitrisk.org

What are the risks?

• GIVING references:
  ▪ Perceived risk: lawsuit alleging defamation of character
  ▪ Defamation (libel = written defamation; slander = spoken defamation)
    ➢ False statement + publication + knowledge of falsity or reckless disregard for the truth + economic harm

www.nonprofitrisk.org

Manage Defamation Risk by:

• Giving only (1) truthful, (2) verifiable references
• Centralizing reference-giving
• Documenting your reference-giving practices

www.nonprofitrisk.org
• Get permission to give references:
  Use an authorization form on or at the time the applicant applies for a paid or volunteer position, include in the employee handbook, or use a form at departure
  “I acknowledge ABC Nonprofit’s policy on references. I waive my right to legal action against ABC Nonprofit or a prospective employer based on any information provided by ABC about my performance as an employee of ABC.”

GETTING references:
▪ The biggest risk is:
  ➢ skipping reference-checking
▪ Other risks include:
  ➢ Getting false, inconsistent, or misleading information
  ➢ Learning information about an applicant that can’t be used to qualify or disqualify
  ➢ Unavailable or uncooperative references
  ➢ Employers who fear defamation risk

How to Manage the Risks
▪ SKIPPING: Adopt a reference getting policy and “practice what you preach”
  ➢ Are there any circumstances when skipping references is ok? Should there be?
  ➢ What are the consequences for hiring managers that fail to check references?
▪ INFO YOU CAN’T USE: Using a script for reference checking calls, or a reference form
▪ UNCOOPERATIVE REFERENCE: Show/share the signed permission statement from the applicant
▪ FEARFUL EMPLOYERS: show that you have obtained permission from applicant; consider using a reference form
Caution!

• “ANY information about safety related issues, such as violations of policies and allegations of inappropriate conduct with clients or other staff—should be weighed heavily when considering candidates for positions involving contact with children or other vulnerable populations.” – John C. Patterson

Common Methods

• In-person meetings - $$$$  
• Telephone calls - $$  
• Written reference forms – $  
  • What’s new? Web enabled reference checks – e.g. www.SkillSurvey.com  
    – Pre-employment “360 degree” assessment  
      • Pros: turnaround, larger sample  
      – Cons: no opportunity to pose probing questions

Reference Check Challenges

“Checking references is an important component of due diligence in a comprehensive applicant screening process for paid and volunteer positions.”

“Unfortunately many efforts at reference checking lead to mediocre results. The information obtained may be based upon hearsay, be inaccurate, incomplete or deliberately falsified.”  
• John C. Patterson
Reference Check Challenges

- **The brick wall**: former employers who are unwilling to provide anything beyond a confirmation of dates of employment and final salary ("My attorney told us...")
- **No apples to apples**: you wind up with a sketchy basis on which to consider an applicant; you need to grapple with how to weigh inconsistent reference information

Reference Checking in 10 Steps

1. Obtain the applicant’s permission to verify any and all information provided on the application
2. Identify any legal constraints (employee versus volunteer)
3. Draft appropriate reference check questions
4. Select the method for obtaining references and assign responsibility
5. Obtain references directly from the applicant or based on the application; ask applicant if there are people that s/he does not want contacted, and if so, why

“Ten Steps” continued

6. “Qualify” references – consider nature of relationship, recency of relationship, and relevancy to the position sought
7. Check references: begin by verifying information—tip: don’t ask leading questions!
8. Continue by asking questions that help determine applicant’s qualifications and whether there are any disqualifying issues
9. Document the reference check
10. Determine if additional action is required, e.g., if references provide information that conflicts with information on the application
The Best Reference Checking Questions

• Have you seen the applicant’s current resume? May I read to you what it says were his/her duties and accomplishments at your organization?

• [Pause!]

www.nonprofitrisk.org

The Best Reference Checking Questions

• How well does the applicant relate to other people? Which employees does s/he work best with: superiors, peers or subordinates? Is s/he a team player?

• Would you have ANY hesitation placing this applicant in a position of authority and trust with respect to: (small children, vulnerable adults, large sums of money)

www.nonprofitrisk.org

Great Reference Checking Questions

• What is your business relationship with the candidate and how long have your known her?
• How did the applicant react in stressful situations?
• Are there any roles or situations in which you would avoid placing the applicant?
• If you could re-hire the applicant today, would you?
• What comments, suggestions or advice would you have for the applicant’s new supervisor? Co-workers?

www.nonprofitrisk.org
More Great Questions

- How did the applicant’s last performance review go? What strengths were noted? What areas were identified as needing improvement?
- How effectively did the applicant supervise others?
- What other people in your organization can I call about the applicant?

Final Thoughts

- Always check references and verify information about education or past experience before making a final job offer
- Follow up any discrepancies in information provided by the applicant
- Obtain as many references as feasible
- Be skeptical of silence or evasiveness by someone providing a reference. Investigate further.

Insist on Relevant References

- Insist that the candidate provide relevant references. If none are provided, either disqualify the candidate or check references that haven’t been provided by tracking down the applicant’s most recent supervisors.
Telephone Reference Checking Tips

• Listen “aggressively” – pay attention to what is being said plus how it is being said
• Use silence to your advantage
• Ask for other references to verify info provided
• Remember two steps:
  (1) verify information, then
  (2) inquire about performance and developmental issues
• Don’t “fill in the blanks” with assumptions
• If you don’t understand… say so

www.nonprofitrisk.org

Next Webinar

March 6 / 2 p.m.
Risk in the Cloud: Keep Your Assets Protected When Flying High

Are you leery of cloud computing? Many nonprofit leaders are considering the upsides of cloud computing, but remain concerned about data security in the cloud. This webinar will explore security risks in a cloud computing environment and offer actionable tips and recommendations to smooth your transition to the cloud. This content-packed webinar will address the risks of low information assets control; categorizing information in the cloud; and the confidentiality, availability, and integrity of cloud data.

www.nonprofitrisk.org

Thank you!

Melanie Lockwood Herman
Melanie@nonprofitrisk.org
www.nonprofitrisk.org
(202) 785-3891

www.nonprofitrisk.org