

Outsourcing Pre-Employment Background Screening

Background checks are becoming an increasingly important part of today's hiring process. It's a game of high stakes for companies trying to handle these checks on their own. So it's no surprise that many human resource departments and agencies are turning to screening firms, finding it more cost-effective to outsource background and drug screening procedures.

Jennifer Madden, owner of Ironwood Human Resource Services and a seven-year veteran of the industry, thinks outsourcing is the best way to handle the issue, especially for small businesses. "I don't see how small to mid-size businesses can afford not to outsource," she comments. "Although it is an employer's responsibility to improve the employee selection process, most realize the real challenge is to create a system that is both efficient and effective. Screening agencies offer efficiency while reducing an employer's exposure to legal problems because that's their focus, and they do it all day long."

In fact, hiring a third-party investigative agency actually gives a company more legal protection than if they performed the searches themselves. The Fair Credit Report Act (FCRA), the primary federal legislation governing background checks, provides a certain amount of legal protection to employers who hire outside screening agencies. Screening firms understand that complying with the FCRA centers around two main requirements: first, an applicant must be notified of, and agree to a background check before it is performed and, second, the information gathered must be used in an appropriate manner.

Another benefit of outsourcing is that it gives applicants and employees a greater sense of privacy. Outsourcing educational background and professional credential checks instills objectivity into the process. Also, as Ms. Madden points out: "During slow economic times, when downsizing forces many HR and personnel departments to take on added responsibilities, their ability to handle everything with 100% accuracy eventually wears thin. Search agencies benefit companies that understand the practicality of 'letting go' and allowing professionals in those areas to assist.

Ms. Madden sees this relationship expanding over the next few years. "A new relationship will emerge from the evolution of HR departments. The organizations that will be successful are those that realize they have taken on too many responsibilities and will begin to partner with third parties to tap their expertise. There are a variety of service agencies that provide quality services, and they should be viewed as a valuable and resourceful tool for continued growth."

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