



## Contingent Considerations

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### Why organizations should be screening all employees, not just permanent ones.

By Debbie Bolla

Recent research expects that within the next three years, 45 to 50 percent of the total global workforce will be considered non-employee, independent, or temporary. But according to the 2015 *HireRight Employment Screening Benchmark Report*, only 29 percent of respondents leverage background screening for non-employees. Where is the disconnect?

“These workers often have the same access to sensitive information or valuable corporate assets as regular full-time employees,” says Justin Raprager, senior solutions executive for background screening provider SmartStart Employment Screening. “In fact, the risks of not screening contingents can be even greater than not screening direct hire employees.”

However, Raprager says organizations face several obstacles when trying to execute background screening on non-employees: limitations in HR policies, cost restrictions on staffing agencies, and gaining approval to invest the same amount for screening an employee who is only going to work for the organization for the short term.

Another issue is that contingent workers are often not sourced and placed by HR, but rather the department that needs the temporary help, including engineering, IT, operations, and accounting. Because of this, these employees may not experience the standard onboarding experience supported by HR, explains Rachel Trindade, vice president of marketing for HireRight.

“As a result, contingent workers often slip undetected into an organization by well-intentioned hiring managers that are trying to be operationally nimble and quickly facilitate their staffing needs,” she says. “Instead (they) are saddling the company with the heavy burden of risks associated with contingent workers that might maintain employee-like access despite having eluded the background check process.”

Staffing and third-party placement firms can also inflict challenges. Raprager says don’t assume that background screening always occurs when using outside sources to place employees. “While some staffing or placement firms may conduct screening, the contingent worker may be screened to a lesser degree than that required by the company, or in some cases may not be screened at all,” he warns.

### Weighing The Risks

While screening contingent workers is still considered uncommon and has its challenges, the risks of not screening contingent workers are similar, if not worse. Organizations face several issues around liability since these non-employees often still have access to sensitive company data.

“There are all kinds of liability risks that you open your business up to when you don’t screen every employee,” says Mark Owens, owner and CEO of HR ProFile.

There is the concern of workplace violence. “The question you want to ask yourself is: Are you OK hiring people who have a history of theft, violent assault, sexual deviancies, drug and alcohol abuse, or any number of criminal behaviors?” says Owens. “If you decide not to run background checks on all employees, then you are opening your organization up to increased risk by hiring people with this type of behavior in their background.”

Crimes in the workplace—such as data and property theft—can’t all be prevented, but organizations can increase their odds when they screen all types of employees. Project workers often don’t have a direct manager and frequently go unsupervised, so they need to be more than just trusted. “Companies spend a great deal of time and resources to create a safe, stable and productive culture, not screening your contingent workers can destroy it,” he says.

And it can also come down to underperformance. Organizations frequently look to highly skilled temp workers to fill gaps: Verifying the accuracy of the

candidate's experience and education is critical. "This information is the most often falsified and results in the greatest reward to the applicant. If an applicant lies on their resume about their experience and does not perform to expectations when hired, this creates a substantially negative effect on the employer far greater than the lost wages," points out Raprager.

Performing standard background screening on temporary employees can be beneficial in the long run if companies have plans to convert these non-employees into a full-time position.

"These individuals may have negative information in their backgrounds, which may preclude them from passing a comprehensive background check when being brought onboard as a full-time employee in the future," notes Robert E. Capwell, chief knowledge officer for EBI. "This could save a lot of time and unnecessary training for someone that has been working for a considerable period of time."

### **Best Practices**

"For contingent workers, it's important that companies ensure that they are screened to the same extent and held to the same standards as traditional employees," says HireRight's Trindade. Organizations will experience the same types of benefits when screening non-employees: reduced risk, a greater level of compliance, and increased safety and security.

"Best practices for a policy would include very specific parameters of screening everyone who has access to your establishments premise, property, or data," advises Raprager. Here are some other guidelines to follow when screening the contingent workforce.

**Get HR involved.** Even though contingent workers are often sourced by the department that needs them, HR should have a role in the onboarding process to ensure they are properly screened, says Trindade. "Additional controls, like linking compliance to the organization's screening program for contingent workers to the accounts payable process, may be an important safeguard for companies engaging contingent workers," she adds.

**Consider scope.** "The minimum an organization should be doing is a full criminal search," advise Raprager. He also recommends county and federal searches within a national database, a social security number trace, and address history. Don't limit the number of counties or federal districts that are searched, he warns: "It controls the provider's cost, but not your liability."

**Assess the position.** "I would advise looking at the composition of your workforce," says HR ProFile's Owens. He provides two examples: "If I'm hiring an accountant, it would make sense to do a multi-county criminal check, along with education verification, license verification, and credit history. If I'm hiring a truck driver for my company, I would want to run the multi-county criminal check but I would also want to verify his license and check his driving record."

**Spell everything out in your contract.** If leveraging a third-party staffing company to help source and place temporary labor, Trindade recommends having clear definitions of the screening requirements in your written agreement. Details that outline the type of screens— criminal, employment, drug, education verification— and how those results affect the hiring decision should be included. "The look and feel of the background screening conducted will likely vary depending on the level and type of position that's being filled, so these details must be clearly spelled out in the contract," she says. "To ensure the contractual obligations are being met, companies should conduct routine audits with their vendors to validate that background screening that meets their expectations is being conducted."

Raprager warns of other vendors who may subcontract the background screening process to other individuals. "It is important to properly convey to your vendors what your guidelines are and have penalties in place to ensure they are properly vetting their workforce," he says. "This is where having a solid relationship with a flexible background check company is beneficial. You should have access to all the reports for your contractors. Verification of every worker's background check report before they start is paramount to a successful screening program."

POSTED JUNE 12, 2015 IN MSP / CONTINGENT LABOR

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