

# Evaluating Employment Verification and Background Screening Services by TPA



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*The Human Resource Departments of companies are largely dependent third party administrators for the verification of educational and experience credentials of candidate. The background check and verification of educational and experience credentials of potential candidate has become an essential task for HR so that they can avoid recruiting wrong person by any means. There is need to evaluate the services by inputs from HR officers, TPA, employees and college principals. We propose framework for evaluation of these employee verification services by TPA.*

**Keywords:** TPA, Employment Verification, Background Screening, Evaluation

## 1. Introduction

In the age of outsourcings, Human Resource Management departments of industries are no exception. The recruitment activities are outsourced to professional companies for searching right candidate for the job. The verification of educational and experience credentials of candidate is a key task in selection process. The background check and verification of educational and experience credentials of potential candidate has become an essential task for HR so that they can avoid recruiting wrong person by any means. If no such background check is conducted or educational and experience credentials are not cross checked, company may have to pay big prize if candidate has provided misleading information or is of bad character.

## 2. Review of Literature

Virginia Commonwealth University in document with topic 'Update to Reed Group - New VSDP Third-Party Administrator' stated that, The Virginia Retirement System (VRS) has selected Reed Group as the third-party administrator for the Virginia Sickness and Disability Plan (VSDP), effective Friday, May 1, 2015. This action will require a conversion from Unum (the current third-party administrator) to Reed Group. Any short-term disability claims incurred before May 1, 2015 remain with Unum until the claim closes or moves to long-term disability. When an employee on short-term disability enters long-term disability, the claim transitions to Reed group. VSDP benefit provisions remain the same. An updated VSDP handbook with the new third-party administrator will be posted on the VRS website

Rima Česnyienė in paper 'The Most Recent Trends and Emerging Values in Human Resource Management Comparative Analysis' summarized that, the global trends in human resource management are shaped by competitiveness, downsizing, outsourcing, more diverse work force and an ageing population. On the contrary, the cultural differences significantly affect many aspects of human resource management, such as recruitment and selection, performance appraisal and compensation, career development. The problem is in balancing the global trends in human resource management with the influence of national cultures. The extent to which human resource management activities are successful across cultures will largely depend on manager's abilities to understand and balance other culture's values and practices as regards such things as the importance of work, its relationship to the whole person and to the group, how power and status is conferred, the desirability of change, the perceived value of experience versus formal classroom management training and other fundamental difference.

Employee Ease in post Kenco Solves HR's "Bermuda Triangle" writes that, we had at least 10,000 faxes coming into three different departments each year from our 90 field sites said Scott Mayfield, vice president of Human Resources and Payroll. When a vice president began calling it 'The Bermuda Triangle,' it really hit home that we needed to improve our infrastructure and streamline our processes. Largely through a commitment to its people, Kenco has grown its revenues and employee base approximately 20 percent annually in recent years. Such rapid expansion, and anticipated future growth, drove the need to update HR practices.

PWC Saratoga in document titled 'A new vision for growth Key trends in human capital 2014' writes that, Today - the story is very different. The regions hit hardest are accelerating out of recession and organizations are focused again on growth. But the recovery has brought with it some familiar problems: low employee engagement, wage inflation in some markets and most importantly, skills shortages. Many business leaders will say they've walked this road before – that the race to recruit as the recovery takes hold is what organizations need to do. But this recovery is unlike any other. The rules have changed. That means that you need to think again about what you think you know: about the behavior of organizations during a recovery, about the nature of emerging markets, about workforce management and the role played by diversity and trust, even about the impact of HR itself.

### 3. Employment Verification and Background Screening Services by TPA

**Background Check of Candidate for Selection for job by HR Department:** When an employer runs a background check, they may be looking for salary history, criminal activity, credit scores, professional licenses or designations, drug use, or professional and personal references.

While there are plenty of creative ways on an interview to evade disclosing your salary history, a prospective employer can ask your former employer or request copies of your income tax forms.

An employer may choose to conduct their own background check or to use an agency. Background investigation companies often work with other agencies that pull criminal histories, check applicant credit, perform drug testing, and collect fingerprints.

Background investigation companies also have their own information collection and reporting policies they may set their own limits for how far back into an applicant's history they will look, they may not report low level misdemeanors at all, and they will almost always require derogatory claims in writing for instance, if a previous employer says they wouldn't rehire you, the agency would request that as a written statement as opposed to just accepting the information as part of a phone call.

If the employer is conducting their own background investigation, they may not check out of state criminal records or run detailed credit reports but they might be more likely to get an off the record negative reference from a former employer.

Just because something unfavorable shows up in a background check doesn't mean you won't get hired. The truth is that most people leave at least one job on bad terms at some point in their career. And state laws determine how information discovered during a background check can be used for example, under Pennsylvania law, an employer can only make hiring decisions based on an applicant's criminal record if the convictions relate to the person's suitability for the position.

An employer must receive your written permission to conduct a background check before even beginning the process. If they choose not to hire you based on findings in a background check, they have to provide you with the report along with contact info for the consumer reporting agency. If there's anything inaccurate on the report, you should immediately contact the agency and ask them to correct it. Regardless of whether the employer conducts an in-house or external background check, job seekers still cannot be denied a position for any reason that falls under certain protected classes.

**International Rule:** In Pennsylvania, discrimination includes race, color, sex, age, ancestry, national origin, religious creed, handicap or disability, or relationship to a person with a disability. If candidate have been a victim of employment discrimination, candidate has the right to file an employment discrimination complaint.

**Constraints on Background Check:** An employer may ask you for all sorts of background information, especially during the hiring process. For example, some employers may ask about your employment history, your education, your criminal record, your financial history, your medical history, or your use of online social media.

Unless the employer is asking for medical or genetic information, it's not illegal to ask you questions about your background, or to require a background check. Employers aren't allowed to ask for medical information until they offer you a job, and they aren't allowed to ask for your genetic information including family medical history except in very limited circumstances.

However, when an employer asks about your background, it must treat you the same as anyone else, regardless of your race, national origin, color, sex, religion, disability, genetic information including family medical history, or older age.

For example, an employer is not allowed to ask for extra background information because you are of a certain race or ethnicity. If an employer treats you differently because of your race, national origin, color, sex, religion, disability, genetic information (including family medical history), or older age, or asks you inappropriate questions about your medical status, medical history, or family medical history, then you may contact the legal authority.

**Employment and Education Verification:** The past employment verification and education verification is the common practice for selection of new employee by companies. And outsourcing is done to a large extent.

It is very essential to cross check the employment record claimed by candidate regarding job period, role played, salary etc. Also the educational qualifications need to be verified with respective colleges and universities.

The methods adopted to perform background check and verify educational and employment information are – By telephone to official, by email, by post or courier and in person

### 4. Need for Evaluation and Proposed Framework

The human resource selection is a routine management process being conducted at industries.

The human resource selection is an important part of human resource officers. They have to recruit employees for variety of roles and candidates that apply for job are from variety of domains, qualification and experience. The role to be offered, salary to be paid depends on credentials of the candidate. The candidate provides relevant details of qualification and experience. The HR departments want to cross check, verify these credentials claimed by candidate. Also backgrounds check character, criminal record of candidate, if any needs to be tested. The HR department conducts this task on their own or outsource to third party. The practice of getting job done from third party administrators is common. However there is high need to evaluate such employment verification and screening services by third party administrators for its utility, efficiency and effectiveness.

The research methodology to be adopted for this study shall be on the basis of established research methodology followed in management research. The research method will be descriptive and analytical in nature. The library and field research methods will be used for this study.

The research practices will comprise of sampling, data collection, data editing, data classification, tabulation and interpretation of data with the help of statistical tools recognized in management.

**Data Collection:** Both primary data and secondary data sources of data collection will be used.

**Primary Data:** Primary data will be collected from various respondents in Pune District including HR officers of the companies who outsource their employment verification and background screening activities to third party administrators, third party administrators in employment verification and background screening activities, employees or probable employees who go through employment verification and background screening by third party agencies, with the help of structured questionnaire, administrators of colleges who respond for educational verification and experts in the area of HRM for expert opinion with the help of structured questionnaire.

The questionnaire will be designed so that following objectives will be satisfied - To understand importance of employment verification and background screening by third party administrators in human resource selection process - To study the view of HR officers of the companies who outsource their employment verification and background screening activities to third party administrators, to know the experience of third party administrators in employment verification and background screening activities and to understand the perspective of employees or probable employees who go through employment verification and background screening by third party agencies, to study the Problems associated with employment verification and background screening practices by third party administrators and suggest remedies.

## 5. Conclusion

The efficiency and effectiveness check of employment verification and background check processes by third party administrators is an important study from the point of view of industries, third party administrators, employees, heads of educational institutions, government policy and law makers. The study will focus on current practices in Pune District, which is having one of the leading revenue generation industrial areas in the state of Maharashtra. We can summarize that such employment verification and background practices need to be strengthened. As there is high importance of employment verification and background check processes for HR as key selection activity, this study will prove very helpful for all its stakeholders.

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