

## Find Out What References Are Really Saying About You

By Barbara Mende

Keith O'Rourke of Reno, Nev., was concerned about the references he'd get from his last employer, a small start-up in the San Francisco Bay Area, where he did sales and operations management.

"I reported to the [vice president] of finance and had a good relationship with her, but I had a personality conflict with the owner," he says. "So I wasn't sure what the VP would say when people called [to ask] her about why I left the company." To find out, Mr. O'Rourke hired JobReference.com, a Philadelphia reference-checking firm, to call the vice president and ask for a reference on him. The comments turned out to be good. With a lighter conscience, Mr. O'Rourke found a sales position and moved to Reno.

Mr. O'Rourke's concern isn't unusual. Employers, recruiters and background-screening firms are checking out job candidates very thoroughly these days. Three fourths of companies surveyed this year say they check applicants' criminal, employment and educational histories, while nearly two-thirds contacted references, reports Human Resource Executive magazine. Asked how their screening programs had changed over the past three years, 64% noted that requirements had been increased or enhanced.

Greater concern about security since Sept. 11, 2001, and publicity about corporate executives and professional sports coaches who faked credentials have prompted the increased scrutiny, says Lester Rosen, president of Employment Screening Resources (ESR), a background-checking company in Novato, Calif. The Sarbanes-Oxley Act of 2002 also requires employers to assume greater accountability for new hires.

The recent employer's market also has allowed companies to be more choosy, says Richard Taylor, chief executive officer of Taylor-Rodgers & Associates, a Stamford, Conn., executive-recruiting firm. And it's a good thing, too. "We're seeing unbelievable scams, like people hacking into an educational institution's system and changing the records," Mr. Taylor says.

### Levels of Reference-Checking

Technology has made the process easy, notes Lisa Gallagher, operations vice president of HireRight Inc., an Irvine, Calif., screening firm. "It's so much less expensive now than it was in the past that it's foolish not to do a background check on everyone," she says.

Employers may verify employment, education, credit and criminal records as well as contact references. Much of this work is outsourced. Providers range from The Work Number, a St. Louis database company which helps employers verify employment and income of potential hires, to the attorney-led ESR, which conducts thorough background checks and provides advice on such issues as compliance with government rules. For instance, employers must get a candidate's permission before they can conduct background checks or outsource the process to a screening firm.

Many companies will verify only former employees' dates of employment, position and salary. But reference checkers try to circumvent this policy. "I can't simply tell a client I talked to the head of HR and confirmed that [someone] worked there," says Mr. Taylor, who checks references and writes a subsequent report for his clients.

One way to get around this barrier is to heed what references are really saying while appearing to adhere to the policies, says Heidi Allison, managing director of Allison & Taylor Inc., a background and reference-checking company in Rochester, Mich. “They’ll say, ‘Are you sure she gave you my name?’ or “Check his references very, very carefully,” or ‘Hang on, let me get the legal file,’ “ she says. Employers who like former employees and want to help them find other jobs will break company policy, as will employers who dislike past employees and don’t want to see them rehired, she says. A former manager who sticks to the bare facts “probably doesn’t have anything good to say,” says Ms. Gallagher.

Mr. Taylor says he asks candidates for a list of references and then asks those people for other names. And if a candidate doesn’t give him permission to conduct a background check, “the alarm bell goes off,” he says.

### **Screening Top Executives**

Ms. Allison says references are more likely to provide negative information for higher-level jobs, although she isn’t sure why.

Employers appear to trust what top-level candidates say about their backgrounds and don’t always check them thoroughly, says Mr. Rosen. “The higher up people are in a corporation, the less likely they are to be screened,” he says. “There’s a country-club attitude that says that where a person is being hired at a VP or C-level, it’s just impolite to do background screening.”

The country-club mentality can hinder reference checking at that level, especially if a hiring manager does background research personally. “If I’m a CEO and fairly well networked, I’ll trust my own list of contacts more than anyone else,” says William Bliss, president of Bliss & Associates, Inc., a leadership-consulting firm in Wayne, N. J. For instance, a CEO might ignore a prepared list of contacts in favor of cold-calling connections in the candidate’s old company.

### **Be Upfront With Employers**

People who left a job on poor terms sometimes avoid disclosing the name of their prior managers. This rarely works. It’s better to manage the process by explaining what happened, says Mr. Taylor. Recruiters understand that most executives have mismatches at some point in their careers. “I ask candidates whom they reported to,” he says. “If they don’t give me that name, I ask what happened.”

If you’re worried about your references, you can dilute negative issues by preparing a diversified reference list. Mr. Taylor says he asks for seven to 10 names -- two to three supervisors, two to three peers, two to three subordinates, and personal references, although he may not call all of them.

If you anticipate a poor reference, take pre-emptive steps by asking the manager, perhaps at the exit interview, “When someone calls, what will you say?” Getting a letter of reference, although few prospective employers are interested in them, is wise because then your former manager has committed to a position in writing.

### **Conducting Your Own Check**

Hiring a background firm to check your references is a smart move, especially if you haven’t been receiving offers, says Mr. Rosen. “If you’ve had great first interviews and can’t understand why you’re reaching dead ends, it’s a valuable service,” he says. An alternative is to ask a trusted friend to make some calls.

Knowing your rights also is helpful. If a background-checking firm has screened you, you can request a copy of your report from the firm, Mr. Rosen notes. If the report is negative, the employer is legally required to send you a copy and a statement of your right to contest it. “No one gets blacklisted without knowing about it,” he says. The provision, however, doesn’t apply when employers do their screening in-house.

About half of the references Ms. Allison's firm investigates for job hunters are mediocre to negative, often to the job hunter's surprise, she says. "People they believe are giving them a good reference are not," she says, "and just as many who have assumed they are getting a bad reference are not."

Allison & Taylor charges job hunters fees ranging from \$69 for a basic reference-check to \$99 for an executive-level report, which includes what references say about the job seeker's strengths and weaknesses. Its approach is straightforward. "We simply state that we are calling to do an employment verification and reference check," Ms. Allison explains. Typically, the reference assumes the caller is considering hiring that person or has been retained by a prospective employer. (Allison & Taylor also does background checks for employers.) The identity of the client is never disclosed.

It's unlikely you'll learn anything to justify a lawsuit, although former employees often suspect they'll find grounds, says Mr. Rosen. "A lawsuit costs a lot of money. No lawyer will take it on contingency unless it's really outrageous," he says. "Then you become the one on trial and have to prove you were a wonderful employee."

### **Countering Negative Remarks**

Determine what may be causing your lack of offers. If there's bad blood between you and an ex-boss, tell interviewers you might not receive a good reference from this person but can provide names of four other bosses who will.

Or, you might say, "He's not my best reference because we didn't see eye to eye on some issues," says Mr. Ely. Be generally positive about this manager and brief and specific about your differences. Ask the employer to also call your best references. You might say, "If you call this person, please call XYZ as well," he adds.

Mr. Rosen recommends being up front with the potential employer. "If you lie or omit things, that'll hurt you," he says. "Talk about why you can do the new job, and explain why it was a mistake for you to have been in the last one. There's no rule that says you have the right to hide negative information."

Reference-checking pros offer these additional tips:

- Don't delete negative experience from your resume. Most likely it will be discovered during a thorough background check, possibly after you are hired. In that case, you'll likely be dismissed.
- Keep references in the loop. Let them know the progress of your search and prepare them for possible calls. References who don't know the types of jobs you're seeking won't be able to put you in the best light, he says.
- Maintain good relationships with potential references. Call or e-mail them periodically even when you don't need anything. It's awkward to ask someone you haven't talked with in five years for a reference.