

FINANCIAL REVIEW

Lies, damned lies, and job seekers

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There's a booming business in checking the resumes of those eager to land a job, writes Susannah Moran.

Victorian marketing company ISS Marketing found out that its financial controller had lied on his resume last year only when he defrauded the company of \$250,000. The CV failed to mention he had served time in jail for charges including theft and obtaining property by deception.

The case is an extreme example of a growing corporate anxiety about how far companies should go in checking that job applicants are not lying on their CVs. The price of failing to check is high, ranging from the burden of carrying or replacing incompetent employees to extreme cases of fraud. The problem is so serious that South Australia recently made it a criminal offence to misrepresent qualifications.

Companies are increasingly hiring recruitment agencies to screen staff and there is a growing sub-industry of probity checking. But that can fail too. For example, the light-fingered financial controller was referred to ISS by top-flight recruitment firm Hamilton James & Bruce and the two companies recently settled a \$1 million claim out of court over who was to blame for failing to check the background details.

Of course, many of us tell white lies in our job applications, so finding the balance can be hard. A new survey released by Australian Background a company that specialises in pre-employment screening finds that 21 per cent of job seekers lie about their qualifications. They may not necessarily be hiding a criminal past, but are perhaps fudging the truth about why they left their previous employer.

The survey of 1000 candidates finds that applicants in the banking and finance sector are the worst offenders. Most frequently, applicants lied about university qualifications they didn't have, dates of previous employment, and positions they never held. Applicants in the building, construction and manufacturing industries are most likely to falsify their qualifications; 30 per cent were found to have lied.

Australian Background's Evelyn Willard says she is no longer surprised by the high level of dishonesty.

"Once I was," she says. "We are giving people a comprehensive form to fill out so it is an opportunity to come clean, and I could only speculate as to why people say [for example] 'I don't have a criminal record'. They might think the offence is minor."

At a basic cost of about \$330, the company verifies a broad range of information such as education, the entitlement to work in Australia, criminal history and references. For recruits at a senior level, Willard might also be asked to provide a media and shareholder check or see whether a candidate has been disqualified from being a director.

The checking can be tricky. A lot of background data can be accessed only with an applicant's permission. And referees identified by mobile phone and direct lines need to be verified through a company's switchboard number. Background Australia passes on information it discovers about a person to the company.

However Willard says she does not advise on whether a person should be hired.

"You need to be very careful about how you use that information," she says. "It has to be relevant to the business."

KPMG Forensic partner Gary Gill says he is finding that "close to 15 per cent" of people have lied or failed to disclose relevant information.

"It varies from the fairly innocuous, gilding the lily, to one person who gave us a certified copy of a document by a JP, but he had forged the signature of the JP."

A recent survey conducted by KPMG Forensic of 270 applicants for one client found that 10 per cent had lied about professional qualifications and others had claimed to be members of professional bodies. One person had even purchased his supposed degree over the internet.

While there are certain exaggerations that can be accepted from a candidate, consultants are trained to catch out lying candidates by asking competency-based questions and ignoring the chronological order

of past jobs, says Sinead Brady, general manager of the Brisbane office of recruitment agency Robert Walters. If candidates have lied about their past work history they are more likely to get found out when asked random questions about dates.

In one instance, she says, a man claimed to have been working for the Department of Corrective Services a closer check revealed he had actually been inside a jail cell at the time.

Making it harder to check the history of a candidate is the fact that many corporations refuse to give references for their past employees for fear of litigation, according to Brady.

"It started in the UK a few years ago and it is becoming more relevant here," she says. "All you get is a letter stating the term of employment, they are saying it is company policy not to give references."

Ernst & Young is one company that provides a "statement of service" and not a specific reference, says Ernst & Young's director of people and culture, Steve Dorian. "Mainly because of the possible legal repercussions". For example, if a reference was non-complimentary and resulted in the applicant not getting the job, that person could potentially sue for defamation. Or if the person was hired and then went on to defraud or commit a crime, the company could also be potentially liable.

However, a National Australia Bank spokeswoman says the bank allows managers to give verbal references if requested, and also provides a certificate of service stating the length of service and position of appointment.

Recruitment companies argue that they will not carry out full background checks unless asked by the company. Hamilton James & Bruce chief financial officer John Martin says it is standard procedure to run reference checks, speak to prior employers and run probity checks "as and when required" by the client.

Organisational psychologist Jim Bright agrees that companies have to be careful about lying applicants, but also highlights the ways employers misrepresent the job on offer.

While there is no excuse for lying on a resume, "somehow it is perfectly acceptable for a company to describe a job as being fast-paced when the company is laying people off like crazy and the job is boring", he says.

Bright says he is surprised by the high level of dishonesty reported and wonders whether some of the transgressions were of a minor nature.

"In my experience the biggest problem that candidates have is self-confidence and selling themselves," he says.
