Importance of Reference Checks When Hiring

Finding the right candidate who fits your job opening is a big achievement; more often than not, we are in a hurry to get the candidate on board and close the deal – and we miss the crucial step of reference checks for the candidate.

As an employer, you must insist that your HR manager completes the reference check process before hiring people, which helps to enhance trust and integrity of your company’s recruitment process. Reference checks are part of a company’s homework before recruiting someone. So far, you had been listening to what the candidate had been telling you through his resume and personal interviews. But it’s time now to go out and get feedback on the candidate from the outsiders - which is likely to be more genuine and upfront.

Reference checks protect employers from legal liabilities in case a candidate with a wrong past is hired! Someone who played foul with the finances of his ex-company is never going to mention this in his resume or let anybody else get this information to you unless you go out and check about his integrity with his ex-employer, yourself. Reference checks, thus, can help you dig out the true story behind your candidate.

**The Importance of Conducting Reference Checks:**

- The best indicator of future performance is a candidate’s past performance, and his ex-employer is the best source of this information
- Employers get additional information on the candidate’s performance, behavior, attitude and other traits, which makes the hiring decision, smoother.
- Employers can avoid hiring an undesirable candidate with timely information through reference checks, and save their company from undue risks or harm to other employees. The obvious reasons for not conducting reference checks are lack of training, busy HR schedules, or awkwardness in verifying integrity of the people who may soon join your company. However, the cost of hiring a wrong candidate because of negligence in checking references can be really high. As an employer, you waste money and of course, time, and may have to go back to the start of the recruiting process if a wrong person was hired. In this case, you or your HR team can hire third-parties to do reference checks. However, only you know what questions must be asked about the candidate to be sure that he/she fits the job role and your work culture. So, if you are outsourcing the task, make sure you tell them the information you are seeking and give them a list of specific questions to be asked.

Reference checks can be done through phone, in writing, by email or fax, or in person. Sometimes, people at the other end may not find it comfortable to give you information about their ex-employees in writing. So, getting information over the phone may be the right thing to do.

**Conclusion:** Hiring, inducting and training a new employee involves a lot of time, efforts and cost. Reference checks are a wise thing to do before you take the final decision about hiring a candidate. It is good to know your candidates’ strengths and weaknesses before you hire them to ensure their success and your company’s satisfaction out of their performance.