



The Costs of Hiring the Wrong Person

By Steven J. Austin, Director of Communications for Laborchex, Jackson, MS

Do you know any logistics, trade, and transportation professionals who run their businesses using only fully obedient robots that don't require training or benefits, always show up on time, and never abuse drugs? Not happening.

Whether you are a trucking company, warehouse operation with locations nationwide, or a small consulting firm, you depend on your workforce to deliver services to clients in a professional, safe, and efficient manner. These are real people who assume every type of task imaginable, and are called upon around the clock to keep your operation running smoothly.

In these tough economic times with more and more people out of work, it would seem that any employer, private or public, could have its choice of the best candidates for almost any position. In some ways that is true. But when jobs are scarce, those looking for employment may not always be fully honest about their background, including work history, educational accomplishments, and criminal & driving records. People who are desperate will often take desperate measures. It's their problem. But it can be yours, too.

Think of all the money and time you and your HR team spend to recruit, train, onboard, and evaluate a new employee. Then think about the money and time you spend when that person doesn't work out. Maybe they can't do the job properly because the skills they claimed don't exist. Maybe they show up late more than they should. Or worse, maybe they attempt to sell drugs to a coworker or client, or even start a physical altercation with someone while on the clock. Turnover costs are huge...and are even higher if a lawsuit is involved.

Consider these sources of turnover costs:

- Administrative/Separation Costs
- Vacancy Costs
- Recruiting/Replacement Costs
- Training/Legal Costs

[Click here for a detailed list of these costs:](#)

So, how can you reduce these turnover costs? Try to hire the right person the first time around!

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Background screening should be a standard step in the hiring process. You test-drive a truck before you buy it, right? You approve a bottle of wine before you allow the server to leave it at the table. You visit a college with your children before you sign that big check. So, doesn't it make sense to spend a small amount of money and time to screen a potential employee who represents your operation in more ways than you probably can think of?

Laborchex is a 100% woman-owned company, based in Jackson, MS and in business since 1991. Our clients nationwide represent every industry imaginable, and they rely on us to help them make wise hiring decisions through the legally compliant background screening of job applicants, while at the same time minimizing the many risks inherent in today's demanding and complicated employment process.

The industries associated with trade, logistics, and transportation have very similar needs to other industries when it comes to the background screening process. Basic due diligence dictates it's necessary, particularly in industries with enhanced safety concerns. The fact is that most businesses in the U.S. are not required by any federal or state law to conduct background checks. Those businesses do it because it's smart. But for some businesses that have state and/or federal contracts, background screening may be a necessity in order to get and retain the contract. And those who hire commercial drivers must comply with D.O.T. Federal Motor Carrier Safety Regulations, including Parts 382.413 and 391.23, which require specific background checks on those applicants who have CDL experience.

What are some of the ALERTS that show up in reports Laborchex sends to our clients every day?

1. A CDL applicant with multiple DUI arrests, and a horrible drug testing history.
2. A construction worker on probation for property theft.
3. An AR/AP applicant who embezzled money from a previous employer.
4. A salesperson who is a registered sex offender from another state.
5. A forklift driver without the proper certificate and safety training.
6. A computer programmer who lied about his/her educational accomplishments.
7. A VP candidate who has misrepresented his/her prior employment.

A growing number of federal and state laws are heavily influencing how background checks can be used to determine an applicant's worthiness to be hired. For example, some states restrict access to certain criminal records. Others don't permit employers to obtain and review credit reports. And now even the EEOC has issued guidance telling employers that having general policies about criminal record convictions and their relationship to job function must be weighed to meet the needs of certain groups of the population.

Without dedicated, honest, and skilled employees no business, agency, or municipality can succeed. One day our federal government may actually attempt to tell you who you can hire. Hopefully, those days will never come to pass.

But for now, why take the chance? Compared to turnover costs and other issues, the relatively minimal costs of background screening make sense in every hiring scenario.

Laborchex clients never pay any sign-up fees. There aren't any minimum order requirements. Orders are placed via our secure website, and results are posted and/or emailed for any designated persons to view. Our advanced technology easily accommodates clients who operate multiple sites and many departments within those sites.

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