



Reference Checking

The right reference check process is critical in the hiring process

By **David G. Jensen**

EDWARD ANDLER IS A GURU IN THE reference checking business. His 40 years of experience are boiled down into a fat new release from Amacom entitled *The Complete Reference Checking Handbook*.¹ As I recently read this large volume, I wondered why so many hiring managers look askew at references. While most firms check references in some way or another, another 20% don't bother checking references at all. This is often due to an individual manager's belief that the process is "fixed" in the candidate's favor.

It is my belief that you are missing vital information if you hire without references! Good managers use the reference check process to learn more about their candidates, not only to assist them in making the final selection. They also like to find out what makes their selected new hire "tick," because knowing more about how previous supervisors have motivated and inspired their employee can be a great help down the road in getting a new person to perform at his or her best.

Here are the three types of references that are most commonly used:

- **Industry Trade Reference**—a contact by telephone with a person who is a former boss, colleague, or report of the candidate.
- **Written Letters of Reference**—a holdover from the world of academia.
- **Third-Party Reference**—recruiters or outside agencies performing a variety of services that range from light trade references all the way through exhaustive searches of public records.

Regardless of which type of reference your organization is using, you need to have certain goals for the process. These might include learning more about work patterns (consistencies as well as inconsistencies), interpersonal relations, personal attributes (strengths and weaknesses), environments in which the person is most and least effective, and of course the candidate's professional competence in a given skill area.

While all three types of reference checks can help shed light on these goals, there are some things that make them unique and a few ways to make them more effective.

Industry Trade References: This is an easy one for most hiring managers. It may be that you simply pick up the phone and make contact with an old friend about his thoughts on a former employee. However, it can also be very dangerous for your organization if there is no official permission granted to you to

make such calls. Never pick up the phone and make a "discreet" inquiry concerning a candidate without thinking about the potential for leakage (especially in the candidate's current company!). Could there be any possible damage to this person by this unauthorized reference? Sometimes a simple whisper concerning a person who is "in the market" can cause that individual a great deal of downstream difficulty. This is the stuff of which lawsuits are made, so always make certain that the H/R department has this candidate signed-off for permission to reference check.

Written Letters of Reference: Although many managers request these, they are without much merit in our industry unless they are followed up with additional information gleaned through correspondence or directly via phone. I refer to one type of reference letter as the L.I.A.R. letter (Letters of Inconspicuously Ambiguous Reference) . . . A letter like this says something like "John was a continual influence on those around him." Just what does that mean? While it sounds positive, it is proof that absolutely anyone can provide letters of reference. Think about some of the things that you have written in letters of reference for marginal employees and you'll recognize why phone contact is the way to go.

Third-Party References: The quality here varies tremendously. Recruiters provide references upon request, but it is usually only the retainer-based search firms that go deep into the reference checking process; they generally provide pages of detail from numerous sources and add their own editorial opinion to the mix as well. Any recruiter (contingency or retained) who has earned your company's trust is not going to provide references that are manipulated. However, even when you have these references in your hands, it often pays to do some follow-up of your own. Let's face it . . . third parties do not know your technology requirements like you do. A phone call or two regarding specific questions can be made to the folks who have already been contacted by the third party, and this is highly recommended. At the minimum, suggest a few special questions that need to be asked by your recruiter in order to clarify any concerns.

Threat Of Reference Checking

Bradford Smart's book on interviewing, *The Smart Interviewer*,² includes an interesting section on references. Smart believes,

and I would concur, that the real effect of the reference checking process comes at the moment in the interview when you candidly tell the applicant that she can expect to be reference-checked, and that this will occur as a matter of course. Smart calls this idea the TORC process.

This “threat of a reference check” has the effect of getting your interview conversations on the straight and narrow. Salesmen suddenly think twice about those inflated sales numbers, and prospective employees of all levels carefully monitor the dates and job titles that they discuss with you that day. It can also add a refreshing twist to the salary discussion that comes before an offer, because when a prospective employee knows that the new company will verify earnings with the pre-

Reference Suggestions for the Candidate

If you are going into the job market, your references will be checked. Here are some ideas on improving your attractiveness to employers that I have distilled from Edward Andler's book, *The Complete Reference Checking Handbook*:

- ❑ Choose your references before your interview. Find people who are knowledgeable about your abilities and performance. This means former managers, peers, subordinates or clients. Identify a broad range of references, and then choose those recommended references after you've interviewed and know more about the job responsibilities.
- ❑ Try to select people with good communication skills who can and will converse with someone about you. People who are hard to reach, unclear or evasive may hurt your efforts.
- ❑ Keep your references updated on your employment situation and always inform them of pending calls. Try to find out the name of the person who will be calling, and more about that person's perspective in asking for your reference.
- ❑ If your company has a policy of not providing references, contact former managers or co-workers who have joined other companies or who have retired and ask them to provide a recommendation.
- ❑ If you have had a negative or poor relationship with a former company or manager, you'll need to talk about this in the interview and defuse the issue before the reference calls are made. By being honest and open, you may just add to your credibility. If you hide it, it will be discovered during the reference process.
- ❑ A good reference, someone who is knowledgeable about you and enthusiastic, is one of the most powerful advantages that you have in your job search. Cultivate and maintain those reference contacts!

vious employer, the “current earnings” question becomes a non-issue. Whether the company intends to do so or not is really not as important as the fact that the candidate is reminded of this possibility at a strategic time.

One great interview question, recommended by Smart (our firm has used this question for several years with great success) is: “What is your best guess about what your supervisor thought at the time were your strengths, weaker points, and overall performance?” Coming after the TORC reminder, it puts your candidates in a very open frame of mind.

Reference Call Checklist

Before making the final cut, think about these things:

- 1) Does the H/R department know that you are checking references and do they have a signed statement from the candidate saying that it is OK to do so? Just sending a résumé is not enough.
- 2) Have you analyzed the feedback from your colleagues and supervisor regarding this candidate to determine whether there are special questions that must be asked in order to clarify or diminish any objections from their viewpoint?
- 3) Do you have an agenda that will get you in and out of the conversation with what you need in less than 15 minutes?
- 4) Many companies do not allow their managers to give references. While this is the “company line” in many organizations, most managers will close their door and spend a few minutes with you by phone. Many of them would actually prefer to be contacted at home. Has your candidate supplied the home numbers of his or her references? If so, you'll get a much better result from your call.
- 5) What special questions can you develop that might aid you in determining if the candidate fits your corporate culture?
- 6) One of the most valuable parts of the telephone reference gathering process is the subtle change in tone or wording. This can relay volumes about how that person really feels. Don't simply gather notes like words on paper . . . listen to what that person is really saying.

In many pharmaceutical companies, managers have well-developed antennae for the hiring process. They can spot a good hire in a short period of time. These folks hire by a combination of gut feeling and instinct. The best managers, however, combine that instinct with outside information gathered through the reference checking process. It doesn't hurt to sharpen this particular tool in the manager's toolbox! ■

References:

1. Edward C. Andler, *The Complete Reference Checking Handbook*, Amacom, NYC, 2003.
2. Bradford Smart, *The Smart Interviewer*, John Wiley and Sons, Inc., NYC, NY 1989