

8-25-2014

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## Repository Citation

Mallory, Mya, "A Research Proposal: Negligent Hiring and Fraudulent Resumes" (2014). *MBA Student Scholarship*. 32.  
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A Research Proposal: Negligent Hiring and Fraudulent Resumes

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RSCH 5500: Business Information & Decision Making

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August 25, 2014

**Abstract**

Resume fraud and misleading information on applications are more common than ever. Applicants who feel they are ready for a position that might not have the credentials will misrepresent information, giving them an advantage over other competition. Such fraud can also lead to internal and external theft or a violent individual in the office. Employers could be held liable for actions made by employees for not considering the most effective screening and hiring practices. Effective pre-employment screening should be a necessity for a successful business. This research proposal considers effective screening practices companies must be aware of, what information is needed, and what to do with it.

*Keywords:* Resume fraud, negligent hiring, misrepresentative information, screening practices, pre-employment screening

### Statement of the Problem

Resumes are designed to elicit a positive response from the employer. The application form is made to create a favorable impression. Resume fraud and misleading information on applications is very common. “Resume fraud” is used in the broad sense of any intentional misrepresentation in the application process. If more companies did effective pre-employment screenings this would lower the risk of hiring someone not as qualified for the job.

Applicants who are anxious for work will convince that they are perfect for the job and may falsify some information to enhance their chances for hire. People will do this even if the application states that submitting false information will cause for discharge at any time after hire. Falsifications can include bogus credentials, reasons for leaving a job, rounding up a grade point average, dates of employment, etc. Applicants lie because they feel that it will help them gain an advantage over others that may have been competition for a particular job. If companies fail to thoroughly examine the backgrounds of applicants, they run a risk of negligent hiring.

Businesses are willing to spend big money on training managers how to hire and interview more effectively. Traditional screening tools like personal interviews, application forms, and letters of reference are not designed to detect violence or bad behavior. Personal interviews are the most commonly used screening device, and can actually be considered the weakest. This practice might show an applicant’s social skills and communication abilities, but does not detect trustworthiness and honesty.

### Research Questions

Is resume fraud becoming more common because screening practices have gotten less effective?

How often do individuals provide misleading information?

### Background Literature Related to the Problem

Resume fraud and negligent hiring has gotten to be a very serious business issue. According to Half (1989) from analyzing his own company records, over 30% of job seekers lie on their resumes. Other studies have found higher percentages like Industry Week Magazine™ found that 80% of applicants found misleading information involving job histories. Later studies found that applicants also falsify academic backgrounds 30% of the time.

When scrutinizing an application recent studies show that only 17.5% of 229 employers contacted references of candidates for executives and middle management positions. A company estimated that only about 10% of United States employers check any credentials. Sloane (1991) stated that 36 of the 51 respondents reported that they had faced at least one instance of resume fraud. Of these 36 people, job responsibilities were falsified 14 times, job titles 17 times, salaries 18 times, stated reasons for leaving 5 times, name of past employers 2 times, and length of time spent in previous position 25 times. Education information was lied about 18 times and 5 times about the name of school. Also, 4 candidates had false ages and in 3 situations military records had been distorted.

When hiring, many jobs don't believe that someone would "exaggerate" their resume to make them seem more qualified for the position over another possible candidate. If companies don't conduct the proper practices including effective screening practices and hiring techniques they could be held liable for negligent hiring. As a hiring manager, you are responsible for finding the best possible person for that job.

Resume fraud can give dishonest candidates an unfair advantage over applicants who could be more qualified and more productive. If a company fails to thoroughly examine the

background of applicants they have the risk of negligent hiring and if they analyze too much they may violate a candidate's right of privacy.

A growing list of employers have been found guilty of insufficient pre-employment screening. In Rhode Island, a security guard company was held liable for employing an individual who was judged guilty of planning to steal gold from one of the firm's customers. A Fort Worth, Texas cab company was held accountable for the negligent hiring of a taxi cab driver who raped and robbed a female. A Virginia court ruled that a church could be held responsible for the negligent hiring of a worker who was charged with raping and sexually abusing a child.

According to Effective Employment Screening (1998) traditional screening tools like letters of recommendation, personal interviews, data sheets, and application forms are very inadequate in preventing negligent hiring. These practices are completely not designed to sense tendencies towards violence or other behavioral patterns. Since applicants usually select references to be contacted, the applicant will only provide those who will give positive feedback. Equifax Services of Atlanta, Georgia audited 100 resumes and revealed that 68 of them contained 129 items of inaccurate information. It showed 41 incorrect dates of employment, 26 incorrect dates of education, 11 instances of incorrect salary, 11 nonexistent employers, and 7 incorrect grade point averages. To catch and avoid accepting a fraudulent resume a company must develop effective screening practice that will also protect the employer from over stepping the rights of job applicants.

Following this checklist from Bahls (1988) gives a safeguard on how to avoid negligent hiring without jeopardizing the law. First, ask your attorney if your state allows one to inquire into police records without applicant's permission. If so, check for previous crimes. Don't

employ anyone whose criminal conviction bears on the job you are hiring for. If a license is required for the position, make sure they are licensed and make sure it's not expired or been revoked. Ask references if applicant abuses alcohol or drugs, or is prone to violent behavior. Also, investigate thoroughly into any gaps in employment history. This could be something that you can bring up in the interview process. You should always keep a written record of what the references say and you shouldn't take references over the phone unless they are able to verify name and position of the caller. You should check several references if not all given references. Always be sure to ask employers why the applicant's employment ended. Maybe use integrity tests to detect proneness toward drugs, violence, and theft. An integrity test can determine someone's honesty and devotion to ethical principles. Lastly, maintain liability insurance in case you lose a negligent lawsuit. Another helpful hint would be to have the candidate sign the resume and application, confirming the information given is valid.

Bible (2012) stated that a 2009 study showed that 46% of resumes had discrepancies in education and employment history. These results were 5% higher than in 2007. Another study surveyed college students and revealed that 95% would lie to get a job and 41% had already done so.

Resume fraud is actually increasing from its already high base. This issue may inevitably rise even higher in troubled economic times. The competition between applicants become more intensive and individuals are tempted to give themselves an edge. Even under the best possible investigative conditions, there will always be a percentage of resume fraudulent that gets away undetected.

## Method

### Research Design and Instrumentation:

The purpose of the research is to find out how many applicants are falsifying information to help exceed past competition. Participants would include a company with over 300 employees. To be provided the most accurate information a quantitative methodology approach would be utilized to collect data. The data would be collected primarily using the survey method online and paper. A sample of questions might include:

Have you ever falsified information on an application?

Were you ever notified about your inadequate information?

Were all your references previous employers?

Have you ever exaggerated previous job duties to make the job seem more “hands on”?

Have you ever falsified age or marital status?

The survey would not ask for name, gender, or age because the information received would remain completely anonymous and confidential to be strictly used for data purposes only. If time permits a panel of five managers from different companies might be invited to comment on the draft of the entire instrument regarding its content validity.

### Data Collection:

Surveys taken online will be generated through an online website that allows participants to submit one survey, such as SurveyMonkey™. This allows accurate data collection through the process. Most of the survey will be dichotomous (Yes or No) questions. A Likert scale, for opinions and attitudes might also be used, but the data/information received is more difficult to analyze and obtain results.

### Procedure



An email would be received by all employees, employers, and management team asking them to complete the online survey with a link to the website attached. When the survey was completed they would be released from the email group, those who have not completed the survey will then receive another email reminding them to complete it. This data collection would last about 2 months before all data was accurately accounted for. Since we are targeting companies a multistage sampling design would be employed. First a list of companies would be enumerated, and then a systematic sampling procedure would follow for selecting companies. Then from within each of the companies a random sample would be obtained until a target sample size of  $N = 1000$  was obtained. Estimates of sample error using this method would be 1% to 2%. Actual usable surveys might only be in the neighborhood of  $N = 500$ , giving a 50% response rate.

#### Data Analysis:

The study would focus on any individual with a job within the studied company. Tables, charts, and figures would be the best way to construct the data collection. Frequencies of responses and percentages would be analyzed from survey questions and observed data. Any statistical test would use the standard alpha level ( $\alpha = .05$ ). This information would hopefully help companies realize that effective screening practices lower risk for negligent hiring, loss of customers, and maintain effective hiring.

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