

Background Checks for Staffing Agencies

When it comes to staffing agencies and temporary workers (or “temps”), to whom does the responsibility of vetting a candidate fall?

The staffing agency needs to make sure it is hiring skilled and qualified people so it can serve its clients effectively. When it comes to checking a candidate for things like criminal history, are staffing agencies expected to run background checks? Should the businesses that engage the services of the staffing agency run their own background checks on temp workers?

Every company has its own standards for what is acceptable in a candidate—and those expectations often shift depending on the job—so there is an argument for companies handling the checks on their end. In this white paper, we will look at background checks and vetting responsibilities from multiple angles.

The Question of Responsibility

Who is responsible for the background check: the staffing agency or the employer?

This question has been posed time and time again when businesses have relied on staffing agencies to fill temporary or emergency roles within their organizations. The most important consideration is transparency. Regardless of whether a staffing agency vets its employees, it is essential for clients of that agency to know what the vetting policy is, so they can plan accordingly.

Over the years, it has become something of an expectation that staffing agencies will screen their workers thoroughly. Many staffing agencies today do run background checks on their workers—and many businesses that rely on the services of staffing agencies have started to take background checks for granted. When a company hires a temp worker through a staffing agency, there may be an assumption from the employer that the agency has already vetted the employee thoroughly.

This point has two areas of significance. First, not running background checks on temporary workers could damage a staffing agency’s image. Skipping the background check can come across to prospective clients as a form of cost-

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cutting. No staffing agency wants to have a reputation for prioritizing cost over safety and exemplary service. As such, more staffing agencies are doubling down on worker background checks to stay competitive.

Second, staffing agencies should be vigilant to avoid a situation in which the employer thinks a temp has been vetted and skips a needed background check.

Say you oversee a staffing company and you place a temporary worker in a business without 1) running any sort of background check on that worker or 2) disclosing to your client the fact that you skipped the vetting process. Several bad circumstances could play out in this situation.

If something were to happen with your worker that could have been prevented with a background check, your client might hold you responsible. Perhaps the temp worker had a violent criminal history and ended up hurting a coworker. In such a situation, your agency may be held legally liable, either for breaching contract or for not doing its due diligence. Even absent legal liability, the situation will irreparably damage your business relationship with the client.

Finally, remember bad news travels fast! Dissatisfied clients tend to talk, and you can bet the story of a staffing agency's bungled background check—and complete lack of transparency on the subject—will make it to the ears of other businesses that may have eventually sought out those services.

Staffing agencies should see it as their responsibility to conduct a background check for every temp and worker. If there is a compelling argument for a staffing agency not to vet its workers, it's that every business has a different background check policy. The staffing agency might not be able to anticipate all the types of background checks a business will want to be run on a temporary employee.

Even if staffing agencies can't run all the checks an employer might prefer, they can still look for things like serious criminal history issues and resume inaccuracies. These details tend to be of relevant interest to all employers—and if a business hiring a temp worker wants to run additional checks on that person, they can do so on their own.

The Benefits of Background Checks for Staffing Agencies

Beyond market expectation, ethical responsibility, and general best practice, background checks are a good thing for staffing agencies. They may seem like an added expense or an extra hassle—especially at first—but this feeling is natural for most businesses beyond the staffing industry, too.

Staffing agencies enjoy substantial and noticeable benefits by implementing a worker background check policy. These benefits include:

- Background checks tell a staffing agency more about who their workers are
Leaving aside the criminal history portion of the background check process, a well-rounded background check policy can tell a staffing agency a lot about who their workers are. Different checks can reveal details like work history, education, any professional licenses or certifications the candidate might hold, and the person's strengths according to previous employers. These details can help the staffing agency better match employees with job opportunities.
- Background checks help staffing agencies provide safer hires for their clients

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Businesses that use a staffing agency's services—either once or on a regular basis—rely on that agency to provide trustworthy people to fill vital roles. Checking for criminal offenses can help staffing agencies verify the selling point that they are recommending vetted candidates.

- Background checks help staffing agencies build stronger client relationships

Vetting can help a staffing agency to recommend workers to clients with more confidence. Collectively, these checks help to weed out liars, dangerous individuals, and poor workers. In turn, clients have a better experience with a staffing agency's temps, encouraging them to work with that staffing agency again in the future.

- Background checks help staffing agencies deliver faster hires

Often, when a client comes to a staffing agency seeking a temp to fill a role, they are in a hurry. The business needs a temporary worker and needs to hire ASAP. When a client is in a hurry, it is extremely helpful for them to know they can hire a worker without immediately implementing their own background check or waiting for an internal background check to process.

Only staffing agencies that can offer pre-vetted candidates can deliver this baseline peace of mind to their clients. This extra perk often helps widen their pool of clients.

The Legality of Staffing Agency Background Checks

When it comes to background check legality and compliance, the obligations of a staffing agency are not so different from the obligations all other businesses face. Staffing agencies are expected to comply with the same background check laws and limitations of more conventional employers.

For instance, staffing agencies are not exempt from the Fair Credit Reporting Act (FCRA). When vetting a new hire, these businesses must still disclose their intention to run background checks and obtain written permission to do so. They must provide a disclosure and obtain consent using standalone forms that cannot be lumped in with a general job application form.

If the staffing agency decides not to hire a candidate based on background check information, it must provide the candidate with a copy of the background check report and a summary of his or her rights under the FCRA. The list of obligations here goes on, so it is crucial for any staffing agency—and any business of any type—to review the rules of the FCRA before setting up a background check policy.

Staffing agencies must also comply with the rules and guidelines laid forth by the Equal Employment Opportunity Commission (EEOC). The EEOC fights against discrimination in employment—including subconscious discrimination. The best way for most employers to avoid confrontations with the EEOC is to use only background check information that is expressly relevant to the job at hand.

For staffing agencies, this point of compliance can be more difficult than it is for other companies. A temp might take on dozens of different roles in his or her time with a staffing agency, each with a different business. However, even if a staffing agency doesn't know the exact position a person will be serving, the company should still know that person's specialties and abilities enough to know the basic type of job they would be qualified to work. The staffing agency can design its background checks accordingly.

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Finally, staffing agencies must adhere to state laws and limitations. Examples may include ban the box ordinances, which not only bar companies from asking about criminal history on job applications but may also delay when in the hiring process a company can initiate a background check. Other relevant laws might include limitations on an employer's ability to use arrest history, credit history, and other types of background information.

Ultimately, the legal background check requirements facing a staffing agency are primarily the same as they would be for any business. Staffing agencies should prepare for these legal requirements by familiarizing themselves with local and state hiring laws.

What Should Staffing Agency Background Checks Include?

One of the biggest arguments for staffing agencies not running background checks is there just isn't enough consistency in the roles a temporary worker may be asked to perform. Given the variation of these roles, wouldn't it be best for employers to run checks after contracting the services of a staffing agency and one of its temps?

In truth, most of the procedures included in a staffing agency background check can stay the same from one type of worker to the next. These must-haves include the following.

- **Criminal history checks:** The criminal background check is the core of most employment-related background checks, and that fact holds true for temporary worker organizations. Staffing agencies should run a mix of county criminal checks, state checks, federal checks, and multi-jurisdictional database checks to ensure the most thorough results possible. Address history searches can help the agency identify the counties and federal jurisdictions where the candidate worked, zeroing in on where to order location-based checks.
- **Verifications for key resume facts:** Just as every employer wants to know if an employee has a serious criminal history, they want to know whether the candidate has been honest on his or her resume. Verification checks for employment, education, and references are a must to determine if a candidate is qualified to serve the temporary needs the staffing agency will be called upon to meet.

On top of these two primary background check categories, staffing agencies should also add role-specific checks based on the kinds of environments their employees will be entering. For instance, if the staffing agency is hiring someone who may serve as a temporary worker for jobs within financial institutions, a credit check might be appropriate to assess that person's financial past. Other examples include driving record checks, professional license verifications, and drug screenings.

At backgroundchecks.com, we offer [an easy-to-follow solution for staffing companies](#) including many of the checks listed here.

Conclusion

Background checks are essential for maintaining a safe workplace, limiting legal liability, and ensuring quality hires. None of these statements loses resonance when applied to staffing agencies.

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A staffing agency's hires will have more of an immediate impact on the workplace safety and staff productivity of client businesses than on the staffing agency. However, this point just makes background checks more important for staffing agencies. Without a thorough vetting policy, no staffing agency can serve clients safely, responsibly, or ethically.

Do you operate a staffing agency? Have you been looking for an effective and logical background check solution? Check out [backgroundchecks.com's staffing agency package today](#).

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