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***White Paper***

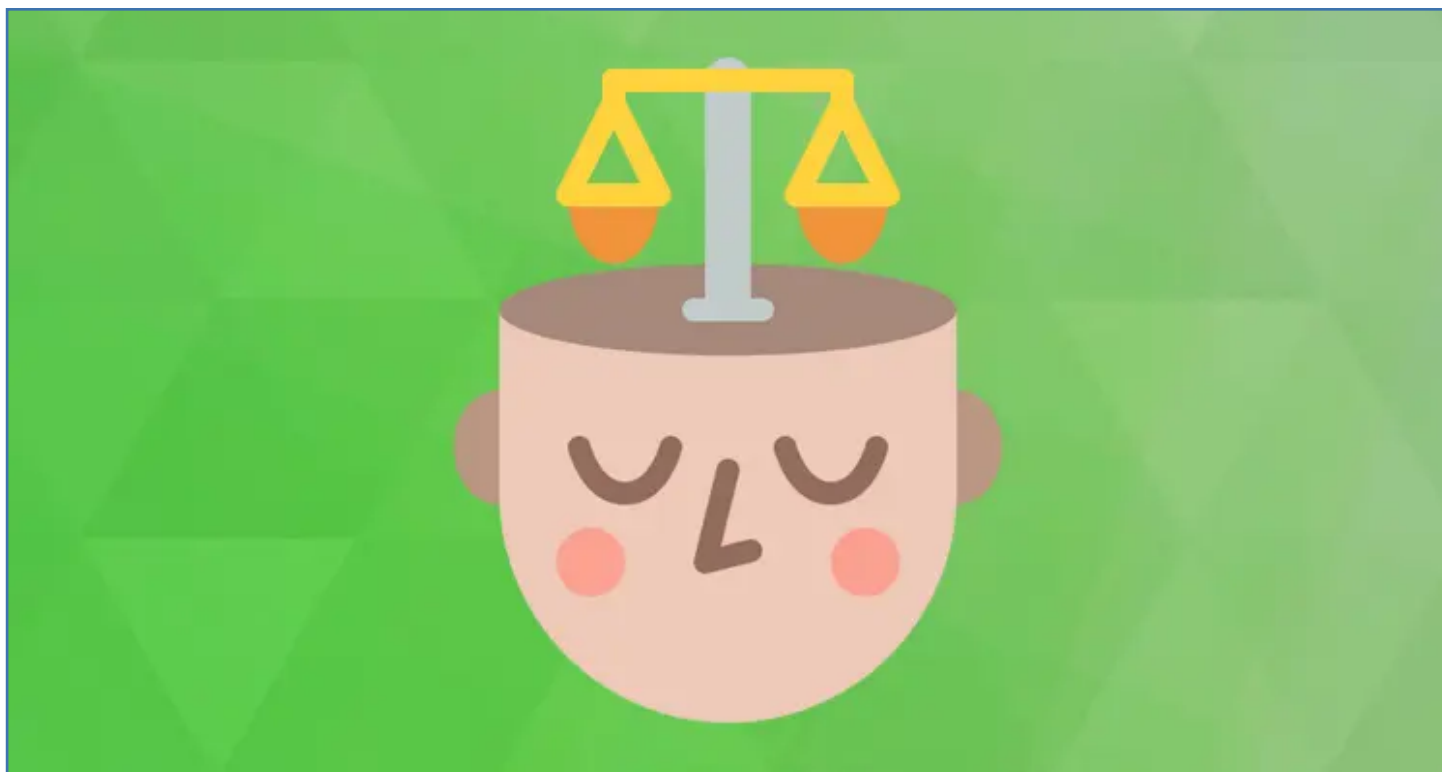
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# How to Find and Hire Ethical and Honest Employees

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# INTRO



It seems as though it's every day that there's a new story about employees in some industry or another committing fraud, either to benefit themselves or to bolster their company. Sometimes it's as simple as a cashier stealing from the till, and sometimes it's as nefarious as Wells Fargo employees opening bank accounts for people without their knowledge, to bolster their numbers and make the company look better.

While there are certainly outside pressures in society that lead people to commit such unethical acts, you can minimize it happening in your company by focusing on hiring not just talented and experienced employees, but honest and ethical employees.

The question is... how? We're all familiar with the personality screening tests that are often part of a modern job application, used as an ethical screener for applicants. The trouble is, while ethical people answer honestly, unethical people simply learn the answers and tell you what you want to hear. No self-assessment is going to appropriately screen applicants. You need to do something more.

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# Make Ethics Part of Your Core Brand Image

Ethical people want to work for ethical companies. Honest employees burn out quickly when they're faced with a career working with dishonest people, with no avenue to address those issues. A corporate or institutional policy of ignoring low-level dishonesty, or high-level unethical behavior, further exacerbates that behavior.



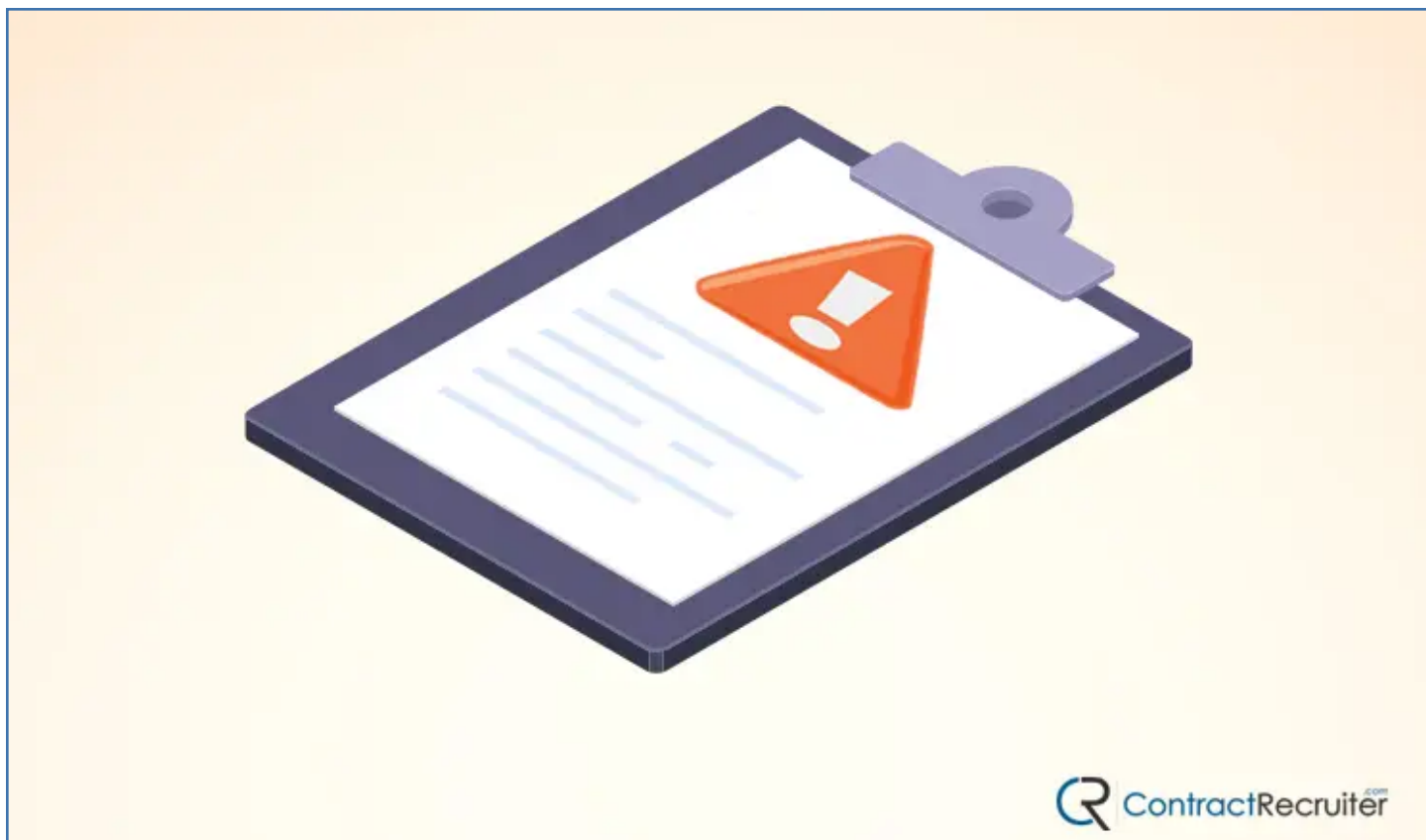
In order to attract ethical applicants, you need to make ethics one of your core values. This goes above and beyond simply listing it on your website as a value. You need to make sure a culture of ethical and honest behavior is present at the core of your business. Don't just tweet about ethical choices; put your money where your mouth is.

- Make sure your product is manufactured ethically. This can mean anything from making sure your factories are ethically run to making sure your software developers don't experience "crunch".
- Make sure your messaging is free of bias, dishonesty, and institutional racism.
- Solicit feedback on company ethics and strive to make real changes when issues are brought up.
- Strive to make ethical behavior and honesty one of your core values.
- Support and give back to your community, particularly to the marginalized and disenfranchised segments of that community.

It often feels as though modern companies care more about appearing ethical than actually being ethical, so by striving to make real changes, you can position your company as one of the best.

# Provide an Anonymous Means of Reporting Violations

While establishing your company as visibly ethical is important, you also need to make sure you're ethical within your ranks as well. It doesn't matter how many charitable donations your company makes if all of your managers are known for casual embezzlement or dishonesty. If your employees feel like no one cares about ethical violations, or that there's no way to report such violations, they won't feel like your company is truly committed to the culture you espouse.



One of the best things you can do to address this issue is to establish a process for reporting ethical violations and dishonesty within the company. Whether it's a phone tip line, an anonymous email address, a document dropbox, or some other process, establish some way your employees can report ethical violations they witness in their workplace.

# Investigate Violations and Hold Everyone Accountable

The corollary to the previous point is that you need to do more than just allow employees to report violations. You need to make it clear that all accusations are taken seriously and will be investigated. You do this not by saying as much, but by doing as much.



Whenever a report of dishonesty or unethical behavior is reported, investigate that report. Dig as deeply as is necessary to determine the truth of the matter, and make sure the actual truth is what you unearth.

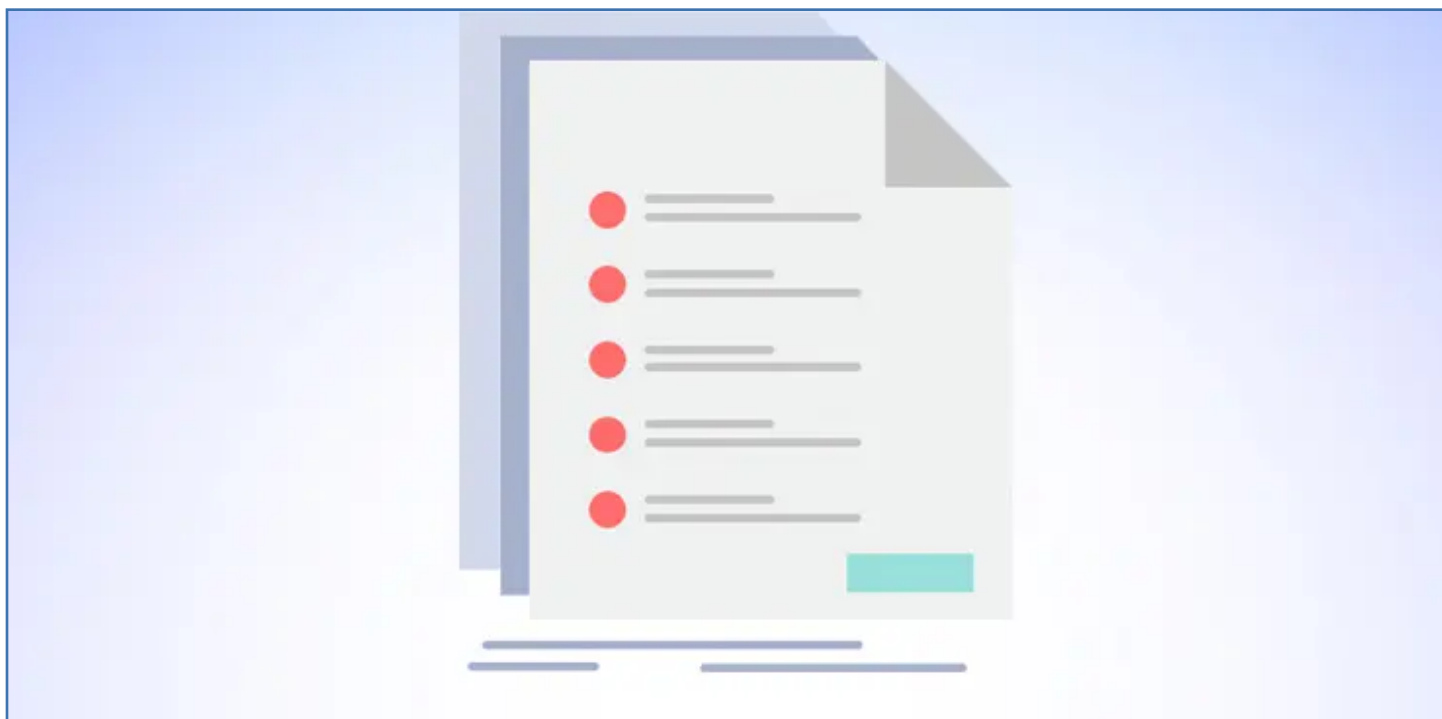
It's all too common for an organization to turn back an accusation on the accuser, which dissuades other employees from reporting what they see. Conversely, if every report results in the reported employee being fired, unscrupulous people may use the process to make up behavior to report to remove people they don't like, regardless of ethical behavior. Thus, you need to make it clear that false reports are a sign of unethical behavior themselves.

This is a very complex task, and it's not a process you can establish overnight. It's not an easy thing to piece together an ethics board, instill it with the authority necessary to investigate and make judgments, and ensure that the board itself is ethical.

It's also crucial that everyone, from the top C-levels to the lowest entry-level workers, is equally beholden to the ethics board. If higher-ups in the company have seeming immunity from consequences, the entire process fails.

# Put Ethical Requirements at the Forefront of Job Listings

Once you have your internal affairs in order and have worked to establish yourself as one of the most publicly ethical companies, you can start requiring ethics standards in your job applications. Every job posting typically has a line paying lip service to honesty, but how often do you see it listed in the bullet points at the end of a job description?



This is a two-part process. First, you need to write a detailed description of what ethics and honesty mean in your organization, and how they play into successfully applying for, being hired for, and successfully working in a role in your organization. Second, you need to make sure not to compromise.

One of the greatest pitfalls in ethical hiring is deciding to let ethical standards slide in order to hire an employee with a promising skill set and experience level. Unfortunately, this fails in two ways. First, it shows that you're willing to compromise on ethics, which sets a bad precedent for your existing and future employees. Second, unethical applicants may be embellishing their resumes, so you're not actually getting the value you hoped to get by relaxing your requirements. Don't settle for anything less than fully ethical and honest new hires.

# Look for Ethics Training or Experience on Applications

While the pre-screening tests don't necessarily work, you can get a good sense of an applicant by the information they put on their resume and in their application, and in what they leave out.

First, look for the good signs. Look for certifications or training in ethics and honesty. Organizations like the ECI, NASBA, and MSI provide ethics training and certification tests; if an employee has taken such tests and can list those certifications, it's likely a good sign.

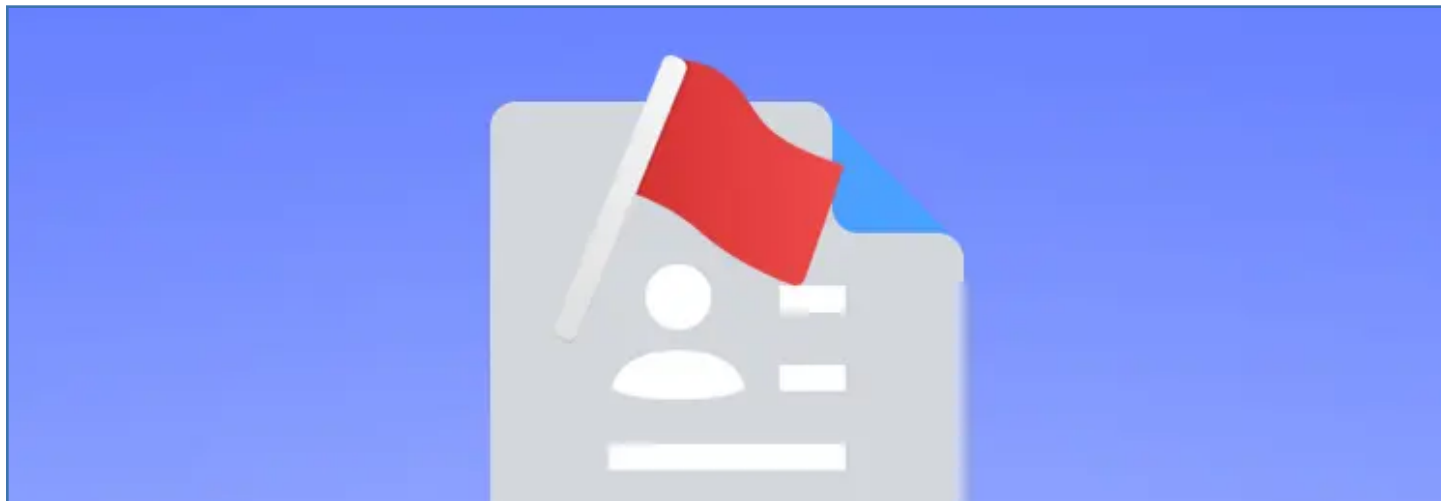


Second, consider watching for work history in known ethical companies. Lists like this one provide an overview of companies that are recognized for their integrity and honesty. Applicants with work history with these companies may be more promising and worth pursuing, as long as the reason they left isn't that "they didn't fit the culture."



# Watch for Red Flags on Resumes

Conversely, it pays to look for the red flags. What might stand out on a resume as a sign that there's an ethical issue at play?




Here are a few examples:

- Unusual career transitions. Some people make abrupt career shifts because they're unhappy with their direction, but others are blacklisted from entire industries due to their conduct, and it's important to discern which is the case.
- Long gaps in work history with no explanation. Gaps in work history can have reasonable explanations, especially with issues like the Great Recession and the Coronavirus Pandemic causing huge spikes in unemployment. Look for gaps in work history that lack a reasonable explanation; the applicant may be hiding something.
- Disproportionate job titles for their experience. Someone with only a year or two of experience is unlikely to have a C-level position earned honestly. They may have been given the position without earning it, or they may be inflating their job title to make their resume look better. Neither is a good sign.
- Failure to follow directions. One trick you can use to filter candidates is including a specific requirement for resumes or cover letters. If the applicant doesn't customize their documents for your application, they're self-filtering.

There are other red flags you might find in a resume that might indicate a poor quality employee without necessarily indicating an unethical employee, as well. Be sure to familiarize yourself with those red flags so you can spot them when they come up.


# Pay for Good Background Checks

Background checks should be part of any hiring process, once you've reached a point where you're considering interviewing candidates.


 **Criminal Report**

**Applicant Data as Entered**  
**Name:** Mark Hansen

**Requested By:** Automation Criminal  
**Property:** Automation\_criminal  
**Date/Time:** 8/27/2014 4:27 AM (Mountain)

**MARK HANSEN**  
  
Photo Unavailable

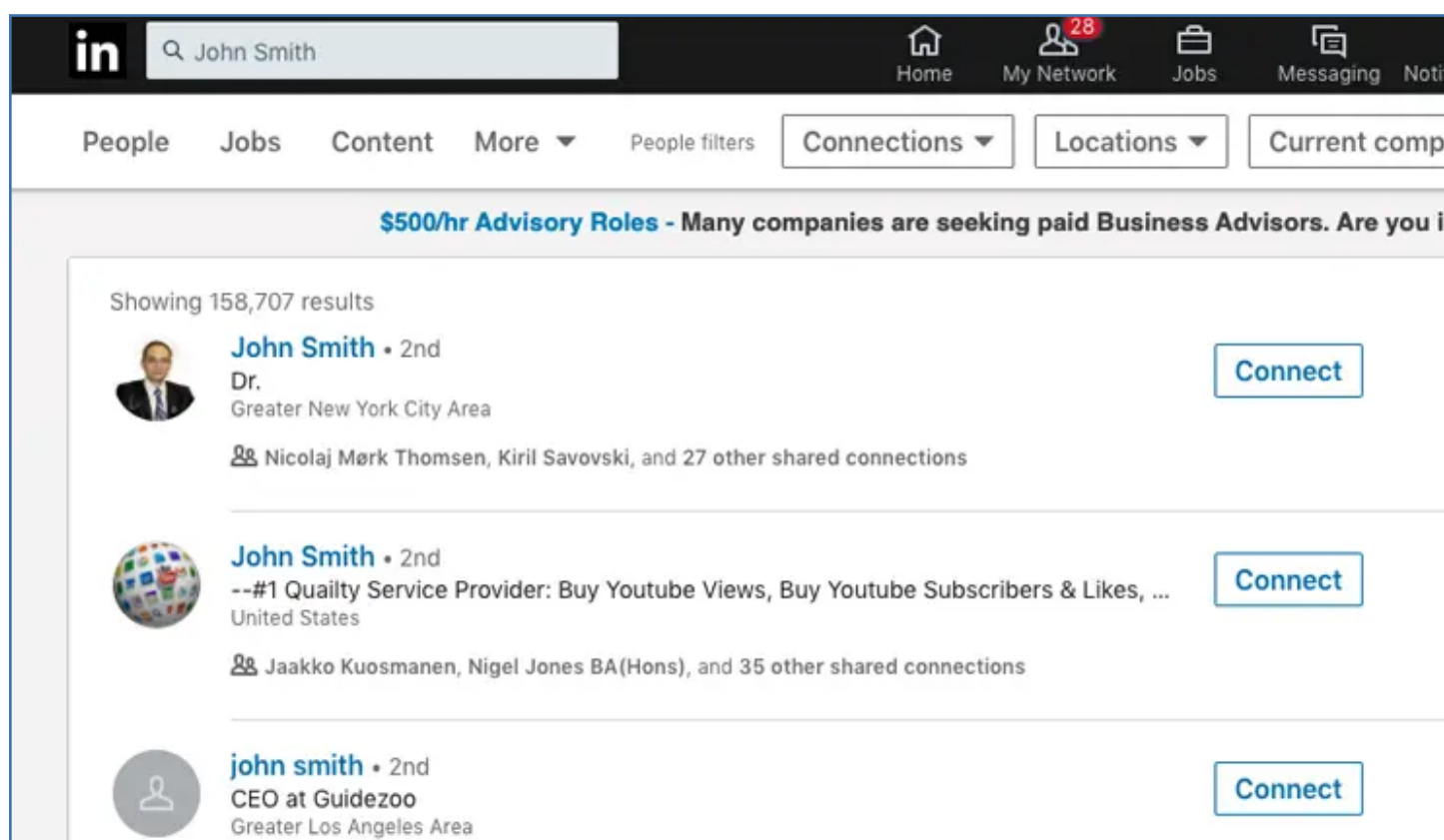
**State:** New York  
**Age:** 35  
**Aliases**  
No aliases found  
**Physical Features**  
PHYSICAL DETAILS  
**Sex:** M  
**Height:** 5'07"  
**Weight:** 170 lbs.  
**Race:** Caucasian  
PERSON PHYSICAL FEATURES  
No physical features listed



Unfortunately, the quality of a background check can vary wildly. Sometimes a background check can miss something as obvious as a public criminal conviction. It's worthwhile to make sure you're incorporating good background checks into your hiring process.

# Look for Candidates on Social Media

In addition to systematic background checks, it can be worthwhile to do some simple research. It's becoming more and more common for companies to simply Google search their potential new hires. It's becoming increasingly common for unethical employees to be reported to their workplaces and suffer the consequences for their public opinions.

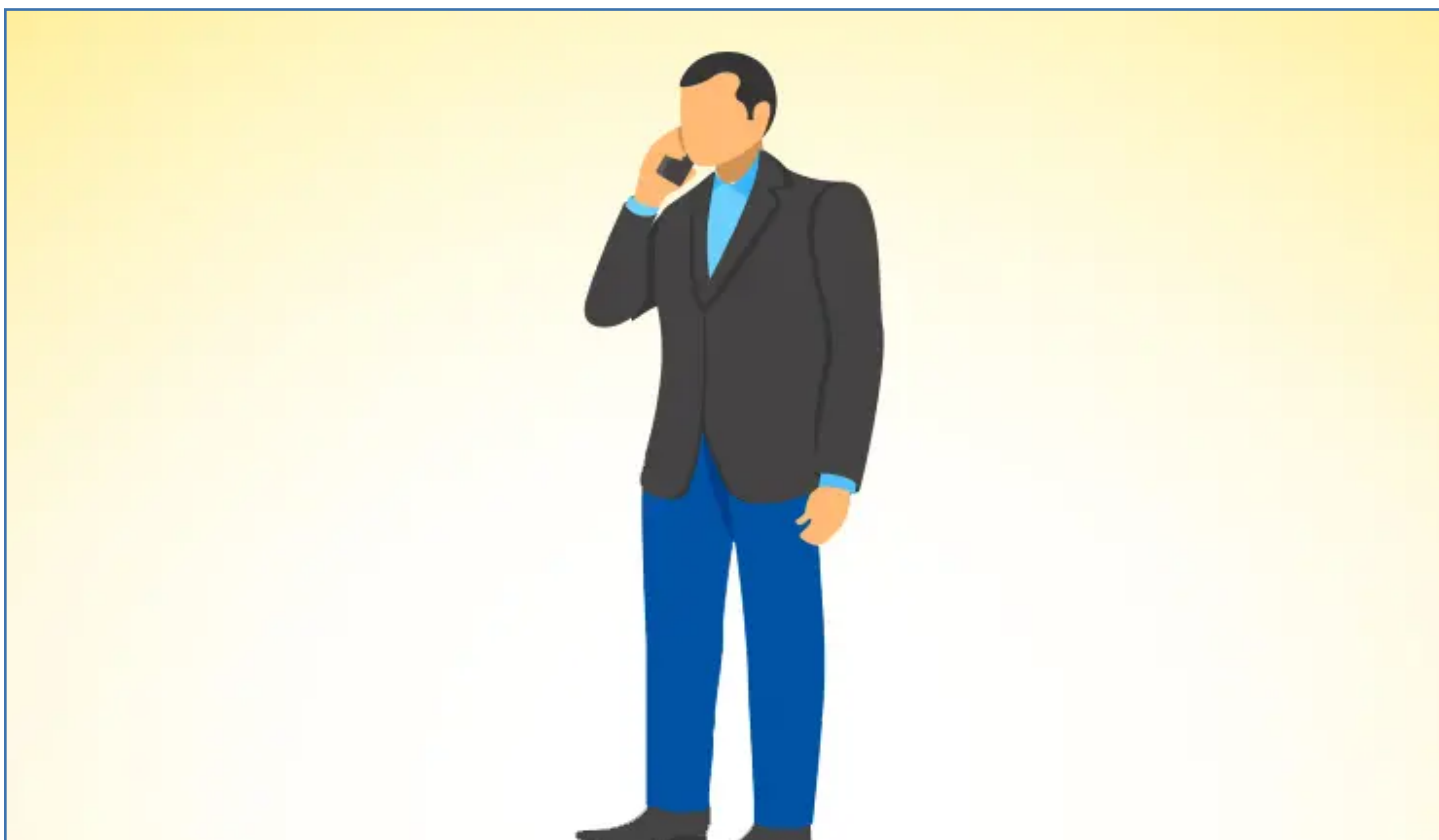


That's not to say that you should attempt to compromise social media accounts that aren't public, demand access to private accounts, or otherwise commit a breach of privacy in order to research your applicants. It's enough simply to see how a prospective new hire presents themselves online.

Often times, a simple Google search can reveal if an applicant has been involved in any scandals or criminal cases in the past, and that information can be used to make a judgment on a candidate. It is, however, important to search for the context in the information that comes up. Don't make a judgment on someone based on name alone, for example, in case you have the wrong person.

# Take the Time to Contact References

Many companies make hiring decisions without ever calling references or checking with previous employers. Yes, it's a lot of work to go through for each applicant, and it's easy to want to ignore it for at least your low-level non-management employees. It's important to use the information you're given, though, to make a sound decision.



Obviously, anyone listed as a reference is going to be someone with a generally positive opinion of the candidate. That's why they're listed. You can glean a lot from how a reference answers questions, how exuberant they are, and how honest they are in their assessment.

When contacting previous employers, there are limits on what you can ask and how you can use the answers you receive. You can, however, make a judgment based on how questions are answered. If the employee was good, their employer will likely be more than happy to expound upon their virtues. If their employer is careful to give only the bare minimum of facts with no compliments or personal assessments, it may be a warning sign.

# Incorporate Ethics Questions in Interviews

When an applicant has made it through your screening and to the interview stage, you're given the opportunity to judge their ethics and honesty in a person. This is where ethical questions are much more effective. Rather than judging a written answer to a common question, you can judge a response delivered in real-time.

Questions such as “when was a time you had a disagreement with a manager, and how did you resolve it?” and “have you ever been asked to do something you disagreed with? What did you do?” can be a good way to judge an applicant's character, not just based on their answer, but based on the situation, their response to it, and how they deliver their story.





# Involve Your Best Employees in Interviews

If you've established your company as honest and trustworthy internally, you can involve your most ethical employees as part of the interview process. These employees, tasked with thinking about honesty and culture fit, can help judge the character of an applicant and how their personality will fit with the team you have already established. They will have different concerns and different perspectives than you do while conducting the interview and can offer their opinions on to of more objective measurements of a candidate's suitability.



Make no mistake: hiring ethical employees requires a lot more than a simple employment screening. It's a lot of work and may require broad shifts in your entire hiring process. Once that process is established, however, the benefits compound upon themselves for as long as you can maintain your ethical standards.