

Rewriting History: Résumé Falsification More Than a Passing Fiction

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People often tell me that companies cannot afford ethics until they are well-established. Only then does a business have the luxury of doing the right thing. This type of comment makes it seem as if business ethics are nothing but a nice public relations gloss or perhaps a kind of makeup seen on the corpses of unsuccessful businesses. Nothing could be further from the truth. Good ethics are an essential part of successful businesses. In this first article of a series exploring the relation between good ethics and sound business, I consider the costs of what might be considered a mere peccadillo--falsifying a résumé. Résumé falsification by employees includes a variety of behaviors--falsely representing one's educational credentials (e.g. claiming to have a college degree when one does not), lying about why one left a previous job, omitting previous jobs and employers, giving an incorrect job title, overstating one's responsibilities in earlier positions, and claiming to have had a job that does not exist. Such misrepresentations are disturbingly common. A recent study showed that 9% of job applicants had lied about education credentials and prior job responsibilities, while 11% had misrepresented why they had left a previous job. Another study looked at one thousand résumés and found that 25% were inaccurate in some way.

Nor is résumé inflation and falsification limited to the lower ranks. During the Clinton scandal, we repeatedly heard that businesses would never tolerate perjury or lying by a senior executives. In fact, about one-third of candidates for executive positions (salaries of \$150, 000 or more) lie about past degrees, jobs and responsibilities. Both sexes are guilty of this behavior, although a recent Toronto study revealed that men lie about twice as often as women. Sixty-seven percent of the male résumés drawn from a variety of professions were false or inflated, while women's résumés were inaccurate thirty-three percent of the time.

Such falsification has become more common for several reasons. In fast-paced industries with high turnover (e.g., information technology), candidates assume that employers are desperate to hire personnel. The applicants assume that human-resource people will have neither the time nor the incentive to do a thorough background check. As fierce competition drives up salaries, all sorts of people come out of the woodwork. The Internet has made it easier for people to create false résumés and the supporting documentation. The increased job turnover means that it is more work to investigate the job history of candidates. Plus many résumés are so packed with technical terms and jargon that it is hard to interpret people's job history.

Résumé falsification is extremely costly to individual firms and to the business sector as a whole. The costs are both obvious and subtle.

* If a company hires a person who is lacking in the requisite skills, the company soon finds that it needs to hire again. Each job search is costly, tying up human resource personnel and the time of all the other employees who now must vet another candidate.

* If the person is grossly incompetent, he may wreak havoc with the company's assets or products. A computer programmer who, in fact, cannot program will make a number of mistakes and likely slow down product roll-out.

* A person may have lied about a felonious past. Let us assume the party was dismissed from a prior job for assaulting co-workers. In this case, résumé falsification may lead to a corporate tragedy. The emotional trauma and legal lawsuits may drag a company down for years.

* Widespread résumé falsification drives companies to launch more elaborate and thorough investigations into job candidates' history. In the past, many firms simply trusted the applicant and did not do a background check at all. If they did check, they consulted two or three references. Some now recommend

contacting a dozen or more referees in order to maximize the odds that one will unearth any lies. The costs of vetting employees is climbing steadily. One study showed, that in 1997, firms spent approximately \$10,500 to hire an employee, up from \$9,300 in 1996. These costs are probably understated. They include advertising and recruiters' fees but do not capture the monetary value of all of the time spent by a firm in interviewing and then processing a candidate.

* Employers have a right to fire employees whom they catch in some significant lie. Courts have ruled that employees who have falsified their résumés and then been terminated do not have a right to sue their employers for wrongful termination or discrimination. An employer may be legally justified in firing an employee who has omitted a previous employer on the résumé, lied about education and experience on the job application, falsely claimed during the job interview to have a non-existent college degree, or failed to reveal a prior felony conviction. However, although the employer may be in the right in firing the person, litigating a wrongful termination suit is never cheap.

The costs listed above are just the tip of the iceberg. If a popular corporate leader turns out to have lied about her credentials, her colleagues likely will feel betrayed. Betrayal often is accompanied by anger, and the anger in such a case will be directed not merely at the fired employee but also at the firm who saw fit to put a liar in a position of responsibility. Job productivity may drop as employees vent their anger. Internal candidates who were passed over in favor of hiring a fraud will be doubly irritated. The firm failed to see their merits and saddled the company with a charlatan.

If a company wants to thrive and to deliver life-enhancing products and services to its consumers, the company must care about the ethics of its employees, including senior executives and board members. Indeed, perhaps it should devote most of its efforts to vetting thoroughly those at the top. Companies who are serious about their mission statements need leaders who govern honestly and with integrity. Those who lie about their résumés may act dishonestly in daily corporate life and at a time of crisis.

Smart businesses will check and double-check employee references and résumés. They should do internet searches using key words from candidate's résumés to see whether the candidate has simply copied job descriptions. Finally, they should start a corporate-wide dialogue about the high costs of a lack of ethics. Creating awareness of the high costs of unethical behavior is a first step toward altering people's behavior inside and outside of the firm.