

## **Small businesses are getting sued, but how you ask?**

Small business owners have a greater need for security measures than most other businesses because they have a higher rate of being sued by employees than most companies. This is a bold statement to say the least, but it is true according to the U.S. Labor Department in 2009, they state that 62% of small businesses were sued by an employee during that year.

This comes mostly from the fact that the hiring and termination practices by small businesses are not up to par and gets them sued, costing around 5 billion dollars a year in costs. So what are these small business owners to do? They need to have clearly written and followed policy and procedures on how they hire, retain and terminate employees to stay out of court situations.

The facts are that each employer is mandated to follow the law in how they hire, retain and terminate employees, using the Fair Credit Reporting Act and other laws, guidelines must be followed to do this. If you do not have a human resources department, then you should really hire a competent company to do it for you. Make sure they have the expertise and working knowledge that must be used to do this to the letter of the law, it reduces your liability and you can stay out of a costly court situation.

There are many companies both in each city and on the World Wide Web that do these types of services. Check them out before hiring them to handle your work. Remember one thing, if you use cost as the only factor in your hiring to do these types of checks, you could actually be putting your company at risk and raising your liability instead of reducing it.

You can only use the information that is directly responsive to the job position you're trying to fill. You cannot use a driving record against a person you are hiring for a non-driving job as the sole decision to not hire them. On the same hand you can use it as a decision tool against a person you are hiring for a driving job. They cannot be the sole reason for not hiring a person; they can only be used with other pertinent information to base a no hire case.

This is why a small business owner should always hire a professional to handle this type of situation. It saves you both time and money and a possible trip to a lengthy court case. The most used types of background checks are as follows:

- Criminal History
- Credit Checks
- Education Checks
- Employment Checks
- Reference Checks
- Driving History

You need to have a set policy and procedure for hiring people to work for your business; it doesn't matter if they are employees, independent contractors, part-timers or temporary employees, if you don't follow the law it may cost you a very large lawsuit in the end.

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