

Fourth Quarter 2016



Should You Use Credit Checks To Screen Job Applicants?

A growing number of Canadian employers are using credit checks as a standard part of their screening process. In the past, these checks were typically only used in the financial services industry, but we are now seeing this screening practice spread across other sectors.

The Federal government recently introduced mandatory credit checks as part of a new security screening procedure for public servants. Based on feedback from Public sector unions, it seems members are not on-board with this new protocol, but it will move forward nonetheless.

Private sector companies, meanwhile, are increasing their use of credit check services such as Equifax and TransUnion in an attempt to further screen final-stage candidates prior to on-boarding.

The argument in favour of credit checking is that people who can't pay their bills on time don't make the most reliable employees, and may be more tempted to commit fraudulent acts in the workplace (although there is no real evidence of this!). Those against credit checks say it is an unnecessary invasion of privacy, and unfair to those candidates who have been struggling financially and who are the most in need of employment.

INSIDE THIS ISSUE

- 1 *Should You Use Credit Checks To Screen Job Applicants?*
- 2 *Engaging Generation Y in Your Workplace*
- 3 *End of Year Compliance Check-list*

Continued, please see Credit checks, Page 4

Engaging Generation Y in Your Workplace

Within the next five years, Generation Y (aka “Millennials”) will make up more than 55% of the working population. This is something for employers to think about, because Generation Y is proving to have different workplace expectations than their Gen X predecessors.

This growing population of employees born after 1977 is creating a generational shift in the workplace that is centered largely around different communication styles. Managers need to be aware that Gen Y is making use of different communication outlets than their Gen X and Boomer counterparts. For example, Gen X and Boomers are more likely to communicate via email and phone, while Gen Y tends to prefer texting or using Facebook Messenger. When a face-to-face meeting is required, older generations are more comfortable meeting in person, while Gen Y prefers to use video conferencing technology such as Skype or Facetime.

To promote productivity and engage this growing element of the workforce, employers are increasingly embracing the same social media tools that people are using to connect with others in their personal lives. Facebook and Twitter (as examples) have a growing number of business groups that users are taking advantage of to communicate, collaborate and connect with one another online.



Continued, please see [Generation Y, Page 3](#)

Generation Y

(Continued from page 2)

In their book titled “The 2020 Workplace: How Innovative Companies Attract, Develop, and Keep Tomorrow's Employees Today,” Joanne Meister and Karie Willyerd write about integrating these tools into daily work activities to keep Gen Y’s engaged. Some of their suggestions include:

1. Start with goals. Once you’ve identified your business goals you’ll be able to better integrate them into enterprise social media tools where they can be cascaded through the day-to-day workflows of employees. Keep in mind that usage is heavily dependent on integration into employee activities – so make sure this is a core component of your daily workflow.

2. Understand how social media technology can enhance your ability to recruit top talent. Survey your new hires. Understand their digital expectations when joining the organization. Becoming a truly connected organization also creates the need to develop a new set of digital literacy skills for your employees; these will be increasingly in demand in the future.

3. Create guidelines and policies for employees’ usage of social media. Team alignment needs to be clear, with defined goals and processes. Becoming highly connected has the potential to create improved business results, such as increases in collaboration, innovation cycles, and attraction of Millennial prospective new hires to your company. At the same time, it is important that you clearly establish policies and maybe even new roles and responsibilities as you begin to educate your workforce on social media and monitor usage.

4. Be a Joiner: Remember to join the world of social media yourself! Once you have created your own online presence, start looking for friends and topics you want to keep abreast of – jump in by following thought leaders in your industry on Twitter, connecting with colleagues on LinkedIn, and adding new friends and business groups on Facebook.

Credit checks

(Continued from page 1)

While it has been reported that there are several Canadian retail chains which use pre-employment credit checks, one national clothing and sports goods chain agreed to stop carrying out credit checks in 2012 following a complaint to Alberta's privacy commissioner. The retailer said credit checks helped assess the risk of in-store theft, but the province ruled the credit information wasn't "reasonably required" to determine whether someone might steal from the store.

So are credit reports a reliable predictor of a prospective employee's suitability to join your team? As a general rule, we only recommend credit checks when hiring for positions where the incumbent will be in contact with financial resources.

What if you do carry out a credit check and there is a red flag? Generally speaking, if there are no other reservations about their candidacy, and their references are very good, a questionable credit score may only be reflective of poor economic times. Being downsized from a job and falling behind on bill payments is an unfortunate set-back that some people experience, often through no fault of their own. The key is to look at these situations in context. Is this a one-time setback or does the candidate have a long history of financial turmoil and living beyond their means? Is the candidate going to be your CFO, or a Delivery Driver? Context matters.

Some might argue that criminal background checks are a better predictor of whether you will be able to trust an employee, however these processes are also vulnerable to privacy concerns and complaints, so you need to carefully organize the implementation of these processes if you're thinking about making them part of your candidate selection processes.

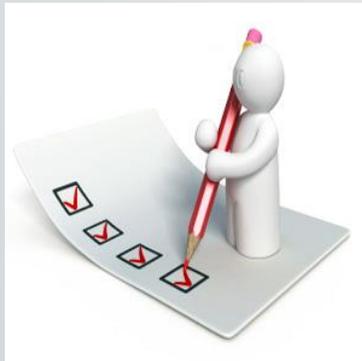


End of Year Compliance Check-list

AODA, WHMIS, & Workplace Harassment Changes

As we approach the end of 2016, it's a good time to double check that you have addressed any compliance issues from an employment perspective before you start the new year.

For Ontario-based employers, new regulations were introduced this Fall to address workplace harassment prevention. We have written extensively on changes to Accessibility [AODA] standards – and for all employers, WHMIS has been streamlined in a global protocol.



Here's a year-end checklist reminder:

Workplace Harassment and Violence Prevention: Several regulatory changes were introduced in September through the implementation of *Bill 132*. New definitions for workplace sexual harassment, harassment investigations and related processes, were key among these changes. If you haven't done so already, we also recommend that you implement staff training to address these issues and the new requirements [*our online modules for clients have already been updated to the new standards*].

Workplace Hazardous Materials Information Systems (WHMIS): 2015 and 2016 were transition years to the new Globally Harmonized Standard protocol [GHS]. Make sure your policies and any training you currently conduct with staff reflect the new GHS information. Our online modules have this new information included.

AODA: if you are a regular subscriber to our newsletter, we have provided ongoing updates regarding the standards. By now, all employers in Ontario should have implemented policies and training to address the customer service and integrated accessibility standard regulation [*IASR*] requirements. For those of you that employ 50 or more staff, you are also required to have developed a multiyear plan.

(Email us today for a free preview of any of our online compliance training modules.)

THE SHRP SENTINEL



Thank you to all of our Clients for your business in 2016

Wishing you a Joyous & Peaceful Holiday and a Happy New Year !

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