

10<sup>th</sup>  
ANNUAL

# HireRight Employment Screening Benchmark Report

2017 EDITION

# 10<sup>th</sup>

## ANNUAL

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## Foreword

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### 2017 marks the 10-year anniversary of HireRight's Employment Screening Benchmark Survey.

The report explores key issues, trends, and underlying business drivers affecting background check programs in U.S. organizations and compares these findings over the last decade. A complete review of the methodology can be found in the survey overview and methodology section at the end of this report.

## Key Themes Over the Years



### Candidate experience

Over the past decade, the job market has steadily improved and, with organizations now competing for the most qualified candidates, more emphasis is being placed on candidate experience.



### New regulations

Although the types of background checks have stayed relatively consistent over the last decade, new regulations such as Ban the Box, may have affected how that information is used.



### Global screening policy

Despite the world becoming more interconnected, few organizations have developed a formal global screening policy.



### Contingent, contract & temporary workers

More organizations are employing contingent, contract or temporary workers to meet hiring demands – and screening this population has become commonplace.



### Marijuana landscape

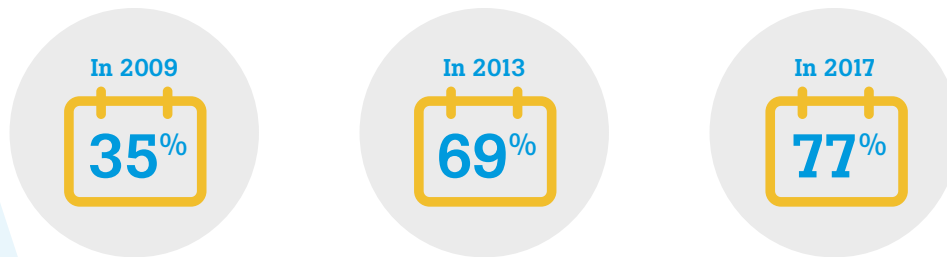
The marijuana landscape has changed dramatically over the last 10 years – but organizations' drug policies have not. The methods they're using to test drug use, however, are evolving.

## Key Findings and Top Trends for 2017

The positive economic outlook holds steady, as employers focus their efforts on expanding their workforce, competing to land top talent

Things have certainly changed since the financial crisis of 2008, as organizations went from laying off workers, to moderately increasing their workforce, to competing to land top talent.

Percentage of organizations that planned to grow their workforce:



2017 projected organizational growth:



**Best practice:**

**A comprehensive screening program is an essential part of any hiring strategy.**





Talent acquisition and retention have become a bigger challenge – nearly all companies surveyed plan to invest to improve the hiring function

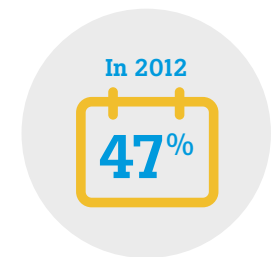
### Planned investment for 2017:



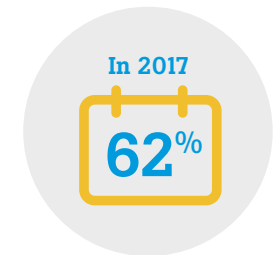
**47%** cited employees/employee turnover as a business challenge. Even more respondents (60%) plan to invest in keeping good employees in 2017.



of respondents cited talent management as a top business challenge



said finding/retaining talent was a top business challenge



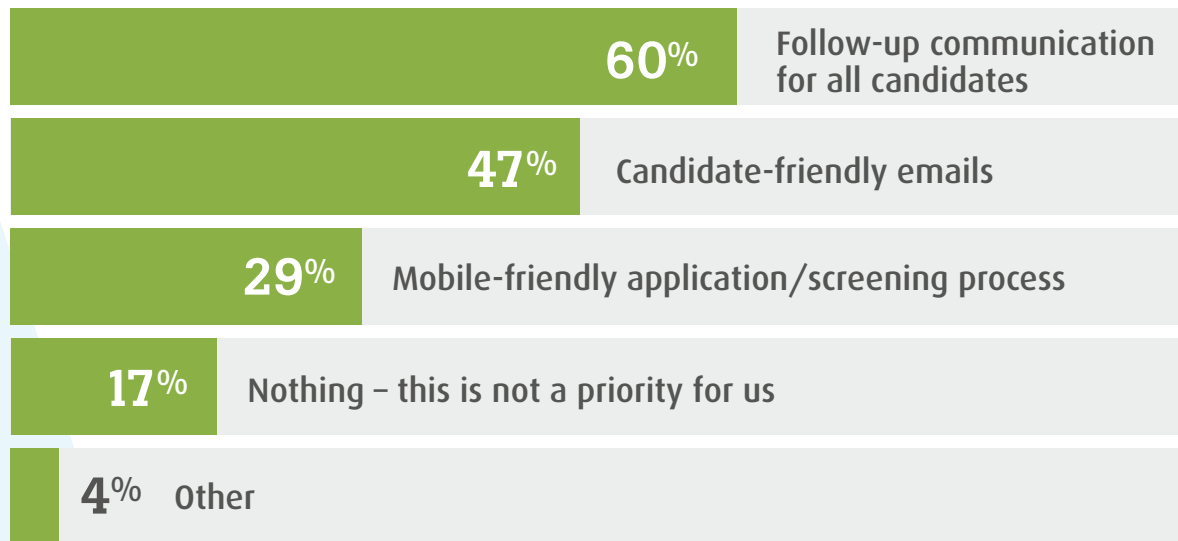
of respondents said finding qualified job candidates is their top business challenge

## In today's competitive job market, more organizations are focused on improving the candidate experience

Follow-up communication is the most popular means of ensuring a good candidate experience.

Less than a third are using a mobile-friendly background check process and 22% of those who don't currently have a mobile-friendly app/process are "Somewhat to Very Likely" to add one in the next 12 months.

### What organizations are doing to ensure a good candidate experience (2017):



**35%** of respondents plan to invest in improving the candidate experience in 2017, from application to onboarding.

### Having trouble landing top talent?

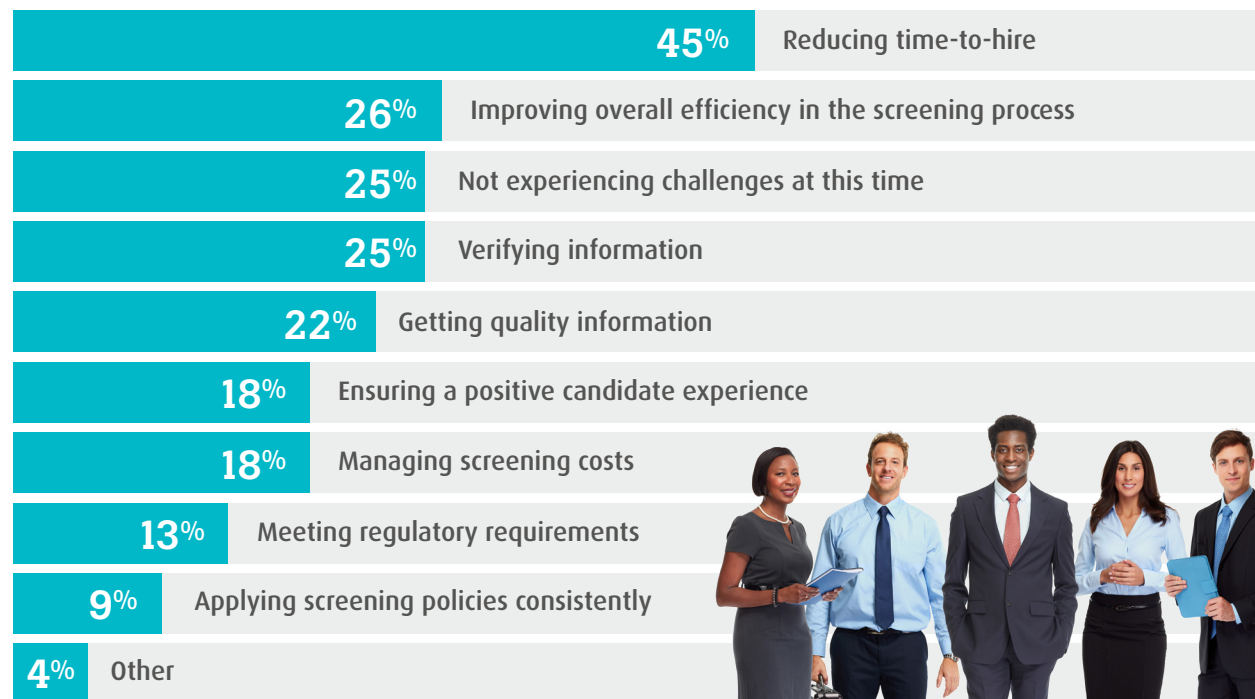
With today's on-the-go workforce, organizations can improve the candidate experience with a mobile background check process.



## Reducing time-to-hire, improving efficiency and verifying information are top screening challenges for 2017

Landing top talent quickly is critical in a competitive job market – but it’s just as important to ensure a thorough screening process. With more complex candidate backgrounds, organizations are struggling to find a balance between speed and accuracy.

### Most significant background check challenges (2017):



### Did you know?

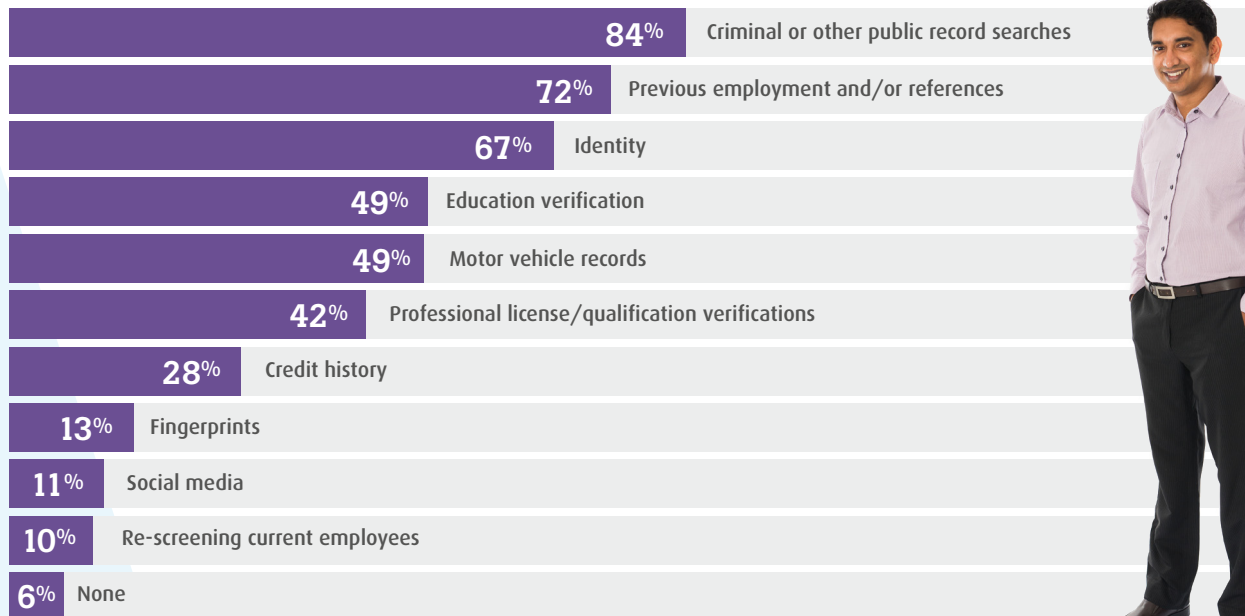
Integration with an Applicant Tracking System (ATS) not only speeds up the hiring process, but also improves the candidate experience by eliminating error points when filling out applications and streamlining communication.

## Criminal, employment, identity, education and motor vehicle have been the most popular types of background checks for 10 years straight

Organizations consistently rely on criminal or other public record searches to verify candidate backgrounds, but also incorporate other types of screening.

The debate around fingerprint verifications frequently made the headlines in 2016 – mostly around legislation requiring this for ride-share companies. Yet, only 13% of respondents said they use this method in this year's report – consistent with past years.

### Pre-hire background checks performed by organizations (2017):



### Best practice:

It's important to employ diverse screening methods to ensure a comprehensive screening program – but it's also vital to weigh the pros and cons of each type of screening to decide what's best for your organization.

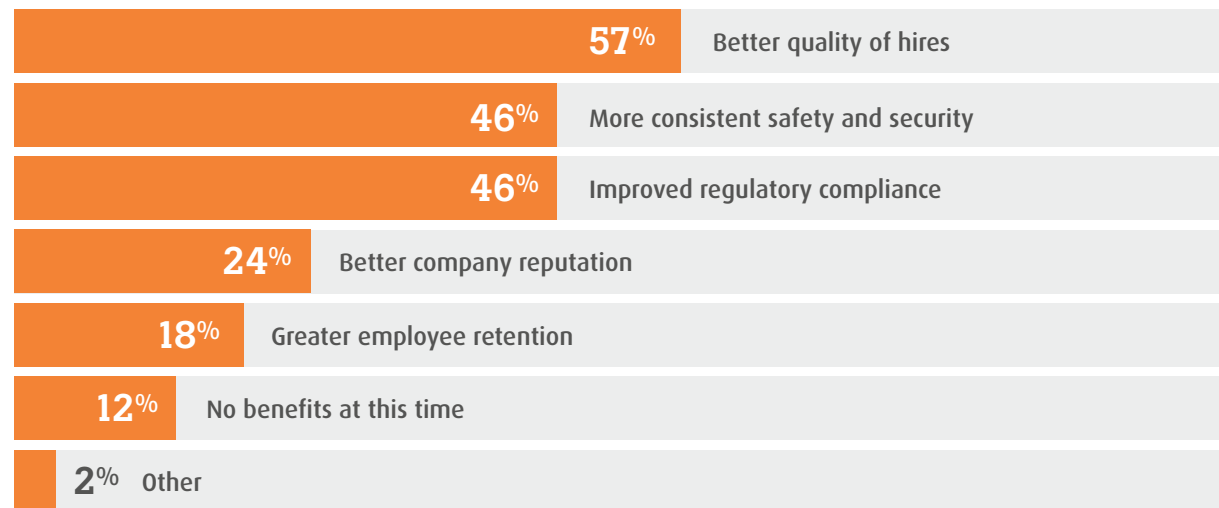


## Better quality of hire remains the leading benefit of background checks

Organizations are consistently using background checks to improve the quality of the hire. In fact, it's been the top benefit every year the question has been asked. A large number of respondents also said screening provides more consistent safety and security and improved regulatory compliance; this is also in line with past years.



### Benefits of employment screening (2017):



### Did you know?

The benefits of employment screening are many and varied. Background checks protect employees, customers, company facilities and information – and an organization's reputation.



## Candidates – even at the highest levels – are regularly fabricating on their resumes

Resume fabrication is far higher than it was five years ago, when only 66% of respondents said they'd uncovered a lie or misrepresentation on a resume.

### Not validating education and job experience is a big risk:



**85%**

of respondents have found a lie or misrepresentation on a resume and/or job application



**77%**

said screening uncovered an issue with a candidate that wouldn't have been caught otherwise

### Executive-level scandals have made headlines:

The CEO of a global manufacturer faked an MBA from the Stern School of Business at NYU. He never graduated.

The Dean of Admissions of a prestigious private university claimed degrees from Union College and Albany Medical College. False.

The Chairman of a defense manufacturer resigned after it was disclosed that he spent time in prison for an armed-robbery spree and an attempted prison escape.

A technology CEO was fired over a fake computer science degree which was discovered by activist shareholder group Third Point.

### Did you know?

Many candidates assume employers won't bother validating education. It's best not to make that mistake – no candidate should be insulated from background checks.



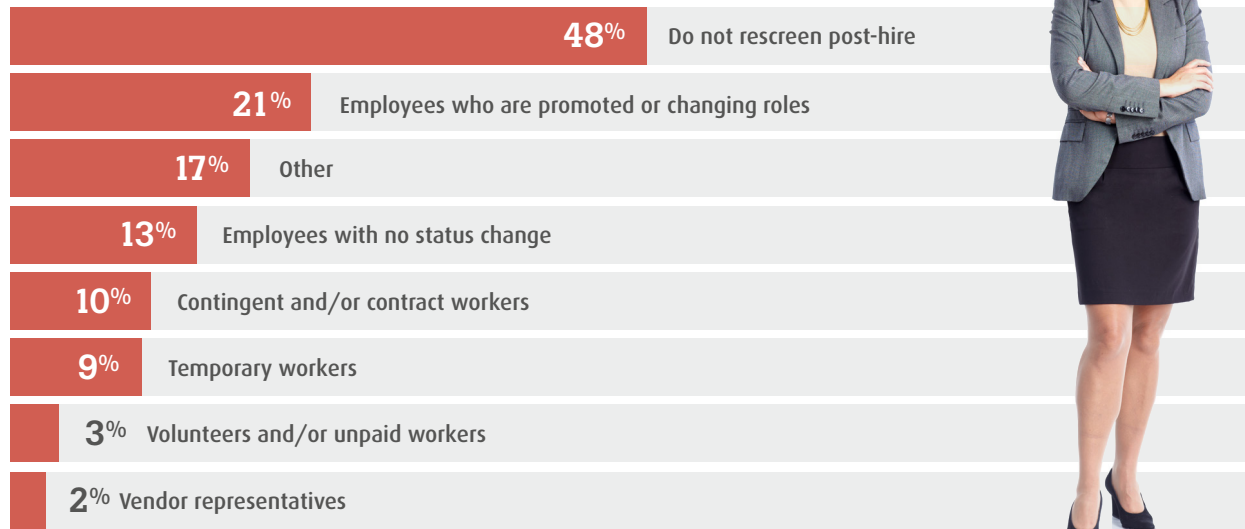
## Insider threats – from data theft to embezzlement – can be minimized with rescreening, but many organizations don't practice it

**48%** of respondents said they do not rescreen workers post-hire. That's only a 5% improvement from five years ago (53%).

**10%** rescreen contingent and/or contract workers – down from 31% in 2013. For those organizations that do, the majority rescreen when employees are promoted or change roles.

Unlike candidates hoping to join an organization, current employees already have access to highly sensitive information, such as records, business transactions, and financial data. Without occasional or regularly-scheduled follow-up background checks, problems may arise that could seriously affect a business.

### Who is rescreened post hire? (2017):



### Best practice:

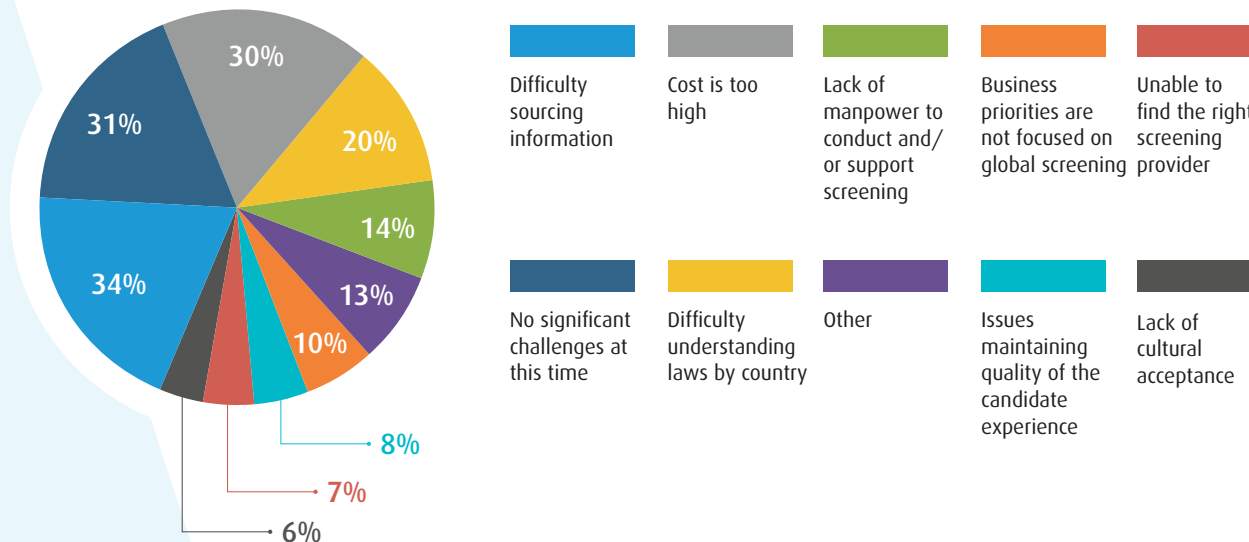
A lot can change after the initial background check – status of professional certifications/licenses, criminal misconduct, drug use and more. Rescreening protects employees, customers and company facilities, and reduces negligent hiring liability.

## Only half of organizations that conduct background checks beyond the U.S. have a policy in place to direct how global verifications are conducted

Only 15% of respondents said they verify international backgrounds of U.S.-based employees. 13% said they screen employees based outside of the U.S. – a 6% decrease since last year.

When asked why they don't screen globally, 81% said it's because they don't have international locations. Only 25% said it's because they don't have workers with international work experiences or education.

### The most significant challenges associated with screening job candidates in non-U.S. locations include (2017):



### Best practice:

**As of 2015, more than 16% of the U.S. workforce had been born outside of the United States. Despite the challenges, it's important to develop a comprehensive global policy as more candidates are living, working or studying abroad.**

Source: Bureau of Labor Statistics  
<https://www.bls.gov/news.release/forbrn.nr0.htm>

## The management of employment eligibility processes, including those for I-9 and E-Verify, has evolved over the years – with more organizations going digital

Most organizations feel prepared for an ICE inspection, although only 31% have actually been through such an audit.

**72%**

of respondents said they used paper only I-9 forms 10 years ago

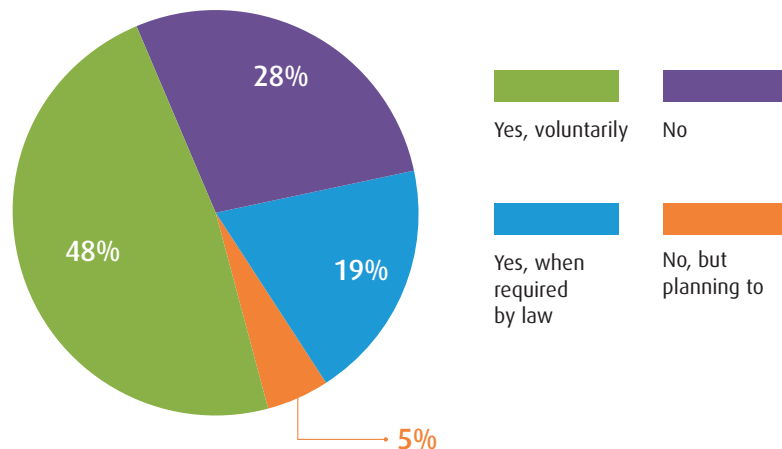
**56%**

of respondents said they used paper only I-9 forms 5 years ago

**46%**

of respondents said they used paper only I-9 forms today

### Does your organization use E-verify? (2017):



### Did you know?

In 2016, the Department of Justice announced increased fines for I-9 violations. E-Verify can help employers ensure a legal workforce and comply with various state laws and regulations, and avoid these hefty fines.

Source: Department of Justice



## More organizations are employing contingent, contract or temporary workers to meet hiring demands – and screening this population has become commonplace

Nearly a quarter of respondents said 40% or more of their workforce is comprised of non-employees. And more organizations are screening this population.

Five years ago, only 41% of respondents said they screen contingent and/or temporary workers. That percentage is now up to 86%.

### Percentage of organizations' workforce comprised of non-employee workers (2017):



### Which non-employee workers are subject to background checks? (2017):



### Best practice:

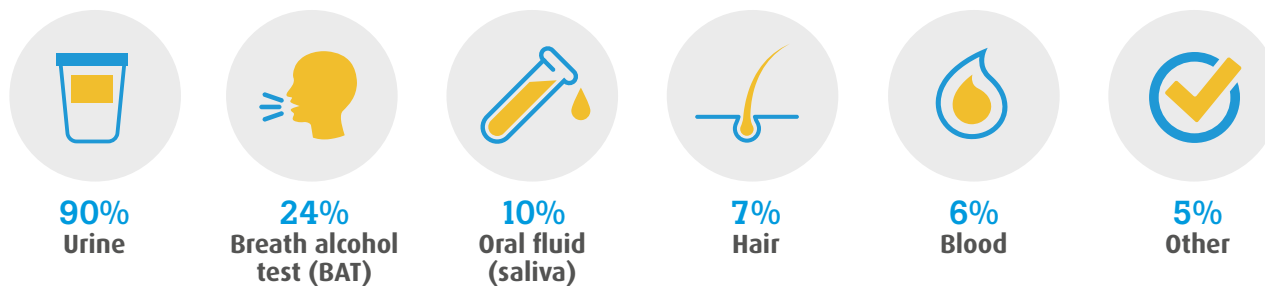
Contingent workers typically have the same type of access to company facilities, data, other employees and customers as full-time employees. For this reason, it's important to thoroughly screen every worker in the same way, regardless of work status.

## Urine testing remains the most prevalent type of drug test, but oral fluid is gaining popularity

Drug tests remain a prominent part of the background check process and the percentage of organizations that use this type of screening has remained relatively consistent over the last 10 years (~66%) with an increase in drug testing in 2012 and 2013 (78%). However, the types of tests that organizations rely on are evolving.

In 2009, only 5% of respondents used oral fluid for drug screening. Twice as many respondents reported using oral fluid in this year's survey. Why? Oral fluid is relatively inexpensive, is essentially impossible to subvert and its window of detection is narrow and reflects recent usage.

### Commonly used types of screening (2017):



### Does your organization use an electronic chain of custody (eCOC) form? (2017):



### Best practice:

While testing urine samples has been the long-standing method for drug screening, it's important to evaluate alternative methods as each type of test offers unique advantages and drawbacks.

The excuses for failing drug tests are far and varied – but most follow the theme: “It wasn’t me/wasn’t my fault”



“I accidentally took my husband’s medication to cure a theme park-induced headache.”



“I was kidnapped.”



“It was in the trees I was working near.”



“The medicine I’m taking gave off false reading of an illegal substance.”



“Second hand smoke from my roommate.”

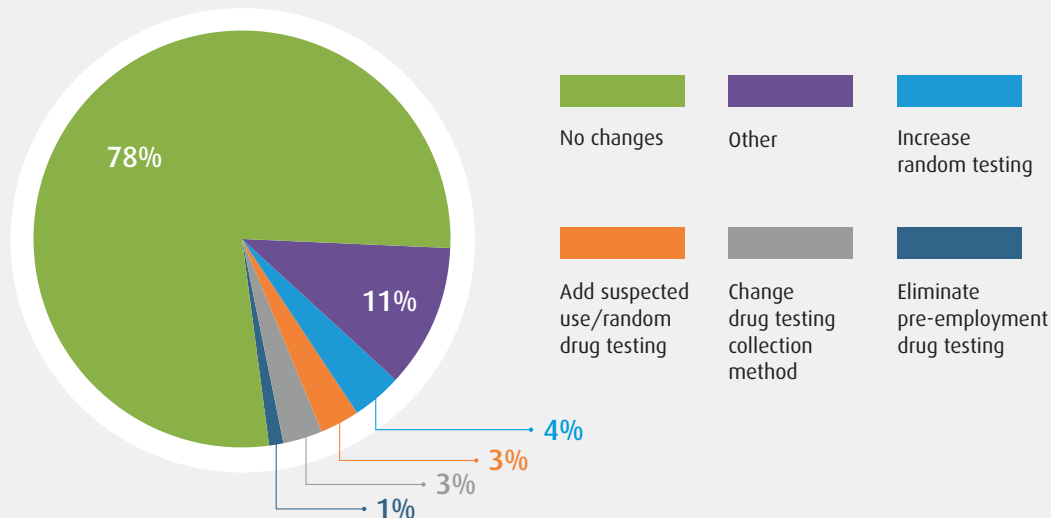
## The marijuana landscape has changed dramatically over the last 10 years – but organizations' drug policies have not

In 2012, Colorado and Washington became the first states to decriminalize recreational marijuana, and Oregon, Alaska and the District of Columbia followed shortly after. Pursuant to results of the last election, three other states followed suit. Along with the states that allow decriminalized marijuana for personal use, there are now 28 states that allow for medical use of marijuana.

Five years ago, 79% of respondents said they did not have a policy nor had plans to create one recognizing medical use of marijuana.

Despite the ever-evolving marijuana landscape, 78% of respondents this year said they had no plans to change their drug screening policy – even in light of multiple states legalizing marijuana.

### Plans to change drug screening policy in light of multiple states legalizing marijuana (2017):



### Best practice:

Whether or not you support the use of medical or recreational marijuana, it's best to have a policy that explicitly states your organization's position.

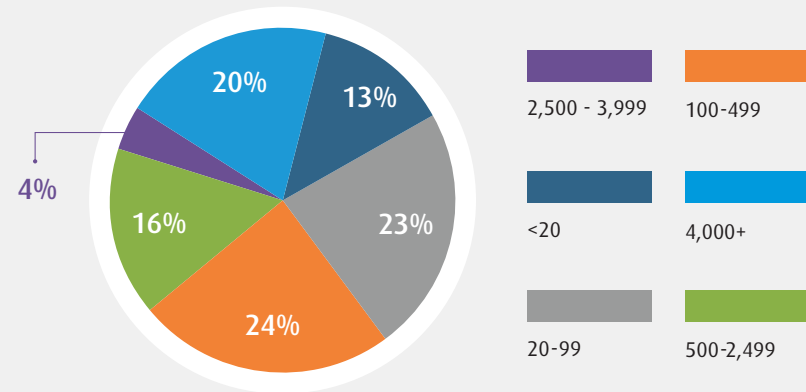
# Survey Overview and Methodology

The 2017 HireRight Employment Screening Benchmark Survey, performed in September 2016, is the largest of its kind, and includes responses from nearly 4,000 human resources professionals (from small, medium and large-sized firms worldwide) who indicated they were knowledgeable about employment screening and recruiting. This report provides valuable insight about best practices and industry trends that may help human resources professionals create more comprehensive and effective hiring policies and procedures. The information included in this report reflects information provided by U.S.-based organizations only. Survey questions included multiple choice, multiple selections, and open text. Figures may not add up to 100 percent due to rounding or multiple selection questions.

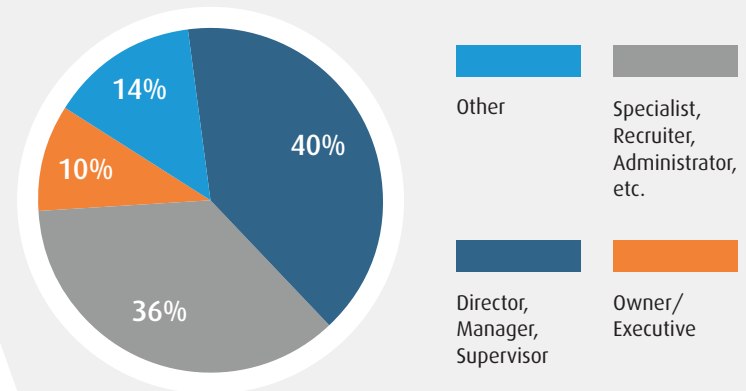
## Function:



## Organization Size:



## Respondent Role:



## Respondent Industries:





## Share the Data on Social Media

Did you find any of the results interesting?

Click on your favorite stat to share it with your network instantly!



**77%** of employers plan to grow their workforce in 2017.



**66%** of respondents said finding qualified job candidates is their top business challenge.

**35%**

of organizations are focused on improving candidate experience in 2017, from application to onboarding.



Top 2017 employee screening challenges: reducing time-to-hire, improving efficiency & verifying info.



Less than 1/3 of respondents are using a mobile-friendly background check process.



Insider threats like data theft & embezzlement can be minimized with rescreening.



Background checks protect employees, customers, company facilities & info + organization's reputation.



Develop a comprehensive GLOBAL policy. In 2015, 16% of US workforce was born outside the country.



ATS integration speeds up the hiring process by improving candidate experience & eliminating error points.

What's the leading benefit of background checks? 57% of respondents said better quality of hire.

Companies should employ diverse methods to ensure a comprehensive screening program.

62% of employers plan to invest in finding qualified job candidates.



A mobile background check process can improve candidate experience with today's on-the-go workforce.

In 2007, 72% of respondents used paper I-9 forms. It's now less than half (46%).

## About HireRight

HireRight delivers global background checks, drug testing, employment, and education verification services through an innovative platform to help companies hire the right candidates, so they can grow successfully, and efficiently—no matter their size or where they operate.

HireRight offers extensive screening solutions that can be tailored to the unique needs of the organization, giving employers additional peace of mind about their people and vetting processes. HireRight's platform can be integrated with existing HR platforms, making it easy to use and giving candidates the best possible experience. HireRight is headquartered in Irvine, CA, with offices across the globe.

[HireRight.com](https://www.hireright.com)



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