

10th Annual HireRight Benchmark Survey Finds 48 Percent of Employers Do Not Rescreen Employees, Despite Prevalence of Organizational Risk

Regularly-scheduled follow-up background checks can help protect employees, customers, and company assets

IRVINE, Calif.--(BUSINESS WIRE)-- <u>HireRight</u>, a leading provider of global employment background checks, drug and health screening, and electronic Form I-9 and E-Verify solutions, today announced findings from its <u>10th Annual HireRight Employment Screening Benchmark Survey</u>. HireRight's report explores key issues, trends, and underlying business drivers affecting background check programs of U.S. organizations, and compares these findings to survey results over the last decade.

For example, although current employees present significant ongoing organizational risk due to their access to company assets, customers, and other employees, the HireRight survey found that 48% of employers do not rescreen their personnel post-hire – surprisingly only a 5% decrease from five years ago (53%), despite the opportunity that rescreening offers organizations to reduce their operating risk. For those businesses that do rescreen, the majority do so when employees are promoted or change roles. Just 10% of respondents rescreen contingent and/or contract workers – down significantly from 31% in 2013.

The benchmark survey also revealed several key trends over the last decade, including:

- Candidates, even at the highest seniority levels, are regularly embellishing their resumes.
 - 85% of survey respondents uncovered a lie or misrepresentation on a candidate's resume or job application during the screening process – up from 66% five years ago.
 - 77% said screening uncovered an issue with a candidate's background that would not have been caught otherwise.
 - Yet, only 49% of respondents verify candidates' education credentials today, despite the many headlines in recent years of executive-level scandals involving falsified degrees.
- Despite the international workforce becoming increasingly interconnected, few organizations have developed a global screening program.
 - Only 15% of respondents verify international backgrounds of U.S.-based employees.
 - Merely 13% of U.S. employers screen employees based outside of the U.S. a

- 6% decrease since last year.
- When asked about the most significant challenges associated with screening candidates in non-U.S. locations, 34% of respondents cited difficulty sourcing information, 30% cited high costs, and 20% cited difficulty understanding laws by country.
- More organizations are employing contingent, contract, or temporary workers to meet hiring demands – and screening this population has become commonplace.
 - 24% of respondents said 40% or more of their workforce comprises nonemployees.
 - Five years ago, only 41% said they screened contingent and/or temporary workers. Today, that percentage is up to 86%.
- The marijuana landscape has changed dramatically over the last 10 years but organizations' drug policies have not.
 - Five years ago, 79% of respondents said they did not have a policy recognizing the use of medical marijuana, nor did they have plans to create one.
 - Despite multiple states legalizing marijuana in the 2016 election, 78% of respondents reported no plans to change their drug screening policy this year.
- Talent acquisition and retention have become a bigger challenge.
 - In 2009, only 29% of respondents cited "talent management" as their top business challenge. In 2017, 62% reported "finding qualified job candidates" as their top business challenge.
 - In 2017, 62% of respondents plan to invest in finding qualified candidates, 60% in retaining employees, and 35% in improving the candidate experience from application through onboarding.

"The hiring landscape has changed dramatically since the financial crisis of 2008. Organizations are now competing for the most qualified candidates and therefore putting greater emphasis on creating a positive onboarding experience, which includes the background check process," said Mary O'Loughlin, vice president of global customer experience and product management at HireRight. "Despite pressures to hire quickly, organizations should not overlook the importance of instituting a thorough background check process that includes creating a global policy, rescreening current employees, and ensuring a rigorous screening process for senior executives."

To explore more key findings and trends, including best practices in background screening and drug testing, visit: www.hireright.com/benchmarking.

Survey Methodology

The HireRight 2017 Employment Screening Benchmark Report is based on a survey of nearly 4,000 human resources, recruiting, security, and management professionals. The report provides a view of the current hiring landscape, indicates market trends, and identifies common gaps in employers' screening and hiring processes.

About HireRight

<u>HireRight</u> 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. Learn more at www.HireRight.com.

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