



# Background Screening Trends & Best Practices Report 2016

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## LETTER FROM THE CEO



### A NOTE FROM CLARE HART, CEO STERLINGBACKCHECK

In recent years, I have heard from countless employers on how critical it is to hire the right person for the job and how important background screening is becoming in the overall success of hiring programmes. This is strongly supported by the Chartered Institute of Professional Development (CIPD) suggesting that, “pre-employment checks should be considered part of the design of the selection process”.

We recently embarked on a research project to better understand employer’s perspectives on background screening practices, hiring challenges, and expectations for 2016. I’m happy to share the results of our first benchmarking study on this topic, solely focused on insights in the UK. With no comparable research published on the topic, we expected some very interesting findings and we weren’t disappointed.

The vast majority of employers (89%) expect their employee base to remain the same or grow in 2016, suggesting there may be a good deal of hiring planned for the year. Yet only 58% report that they currently conduct background screening. We identified the types of checks being conducted and the main reasons for screening; compliance is the overriding theme. Notably our report reveals some concerning gaps in performing global checks – at a time when the world has become smaller and global recruiting is now commonplace.

Fortunately, in the UK, there is growing recognition of the benefits of pre-employment screening. Our findings indicate that a third of employers who do not currently screen their candidates intend to do so over the next 12 months.

I’m hoping you find this report as interesting as I did and that these insights help you increase your recruiting programme’s effectiveness and success in the months and years ahead. Please feel free to contact us if you’d like to discuss ways to optimise your organisation’s screening and hiring programme.

Thank you for reading!



Clare Hart

# INTRODUCTION

## BACKGROUND & OBJECTIVES

Bad hires are costly, and every company has made the mistake of making a bad hire. The mistake can range from the cost of firing and rehiring to the larger cost of theft, fraud and the almost incalculable cost of damage to company reputation.

Background screening potential employees is the best way to mitigate the risk of bad hires, but only 58% of UK companies currently conduct such screening, citing time and cost as challenges.

SterlingBackcheck's Background Screening Trends & Best Practices Report 2016 provides employers and human resources professionals with insight into the challenges and complexities that affect hiring programs.

This survey, administered in October 2015, includes data and insights from 175 professionals. Topics covered include anticipated changes in workforce, screening priorities and concerns, challenges in screening practices and best practices in the growing field of global pre-hire screening.

## WHY SCREENING MATTERS:

- Most businesses expect their number of employees to increase in the next year.
- Six out of 10 businesses currently conduct background screening.
- Compliance is the top reason employers perform checks.
- Time and money are the biggest challenges to performing background checks.
- Approximately half of background checks are performed in-house.
- Fewer than half of companies perform global pre-hire checks.

Making a bad hiring decision has never been easier—or riskier. The internet makes it simpler for applicants to commit CV fraud, and the tight labour market makes it tempting for companies to look the other way—or not look closely enough at job candidates. Companies competing with each other for talent are more likely, consciously or not, to speed up the hiring process. But they can't afford to skip the security step. Our growing global intimacy, the rise in terrorism and the porous borders of the European Union mean that anyone can apply for a job anywhere—and bad actors are everywhere. Thoroughly screening potential employees not only improves your labour force and your cost efficiency—it can make the work environment a safer place to be.

## PROFILE OF RESPONDENTS (EMPLOYEE)

As an industry leader in background screening, SterlingBackcheck surveyed organisations to better understand their screening needs and processes. Specifically, the survey gathered data relating to four main topics:

1. Motivation for conducting screening among pre-hires
2. Types of background screens performed and future plans
3. Challenges and barriers to screening
4. Awareness of current and future legislation regarding screening and related privacy laws

This online survey was conducted in October 2015 among business professionals in the UK who work in human resources or compliance. These professionals comprised:

- A random sample of HR professionals recruited through HRZone, an online professional community, as well as other social media
- Customers of SterlingBackcheck who already use our services to perform background checks

### THE NUMBERS:

The survey universe comprised 175 professionals, among them:

- **70 SterlingBackcheck customers**
- **105 from the broader UK market**

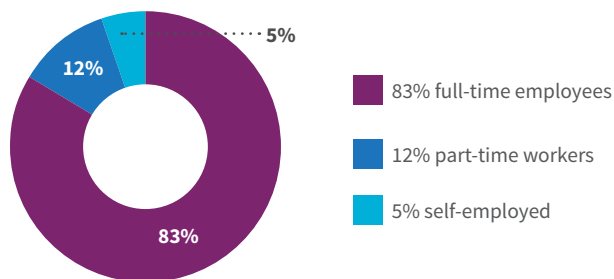
Survey results have been weighted to reflect the natural distribution of companies that conduct background checks. The margin of error for the survey is +/- 7.5% at the 95% confidence level.

Note that some figures have been rounded for the purpose of the graphs and therefore percentages may not always total 100%. In some pie charts a variation of +/- 1% may exist. Where multiple responses were accepted charts may present figures significantly greater than 100%.

### EMPLOYMENT STATUS

83% of the professionals surveyed are full-time employees (working 35 or more hours per week).

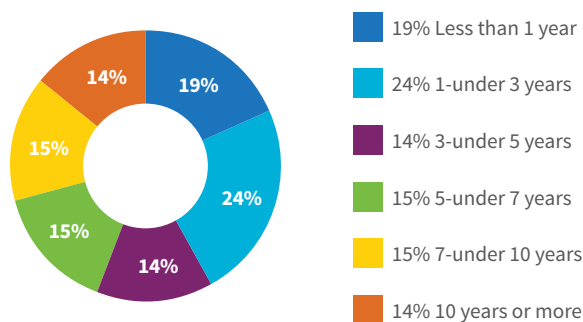
The remaining professionals classified themselves as either self-employed (5%) or part-time workers (12%).



### TIME IN CURRENT ROLE

More than half of respondents (56%) have been in their current roles for less than five years.

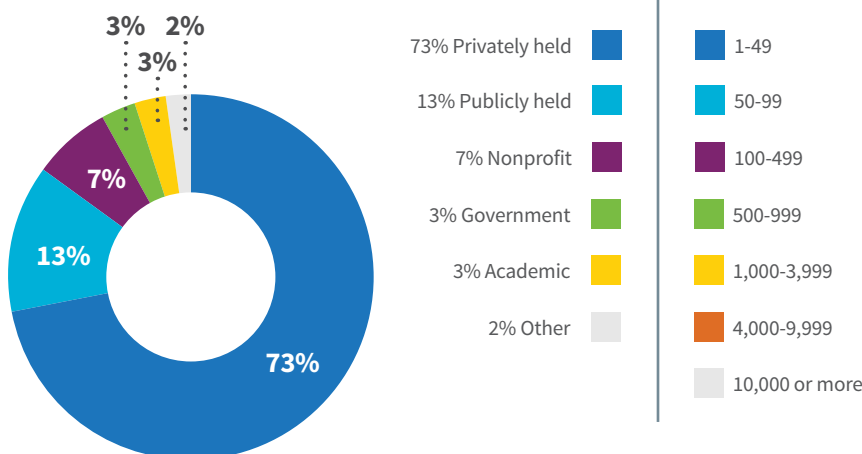
Almost one third of respondents (29%) have held their roles for seven or more years.



## PROFILE OF RESPONDENTS (ORGANISATION)

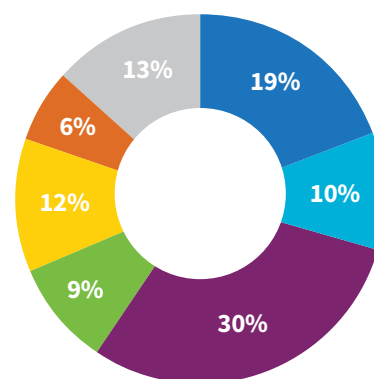
### TYPE OF COMPANY

The majority of organisations surveyed (73%) reported being privately held. Publicly held organisations account for 13% of organisations, while 7% are nonprofit, 3% government and 3% academic.



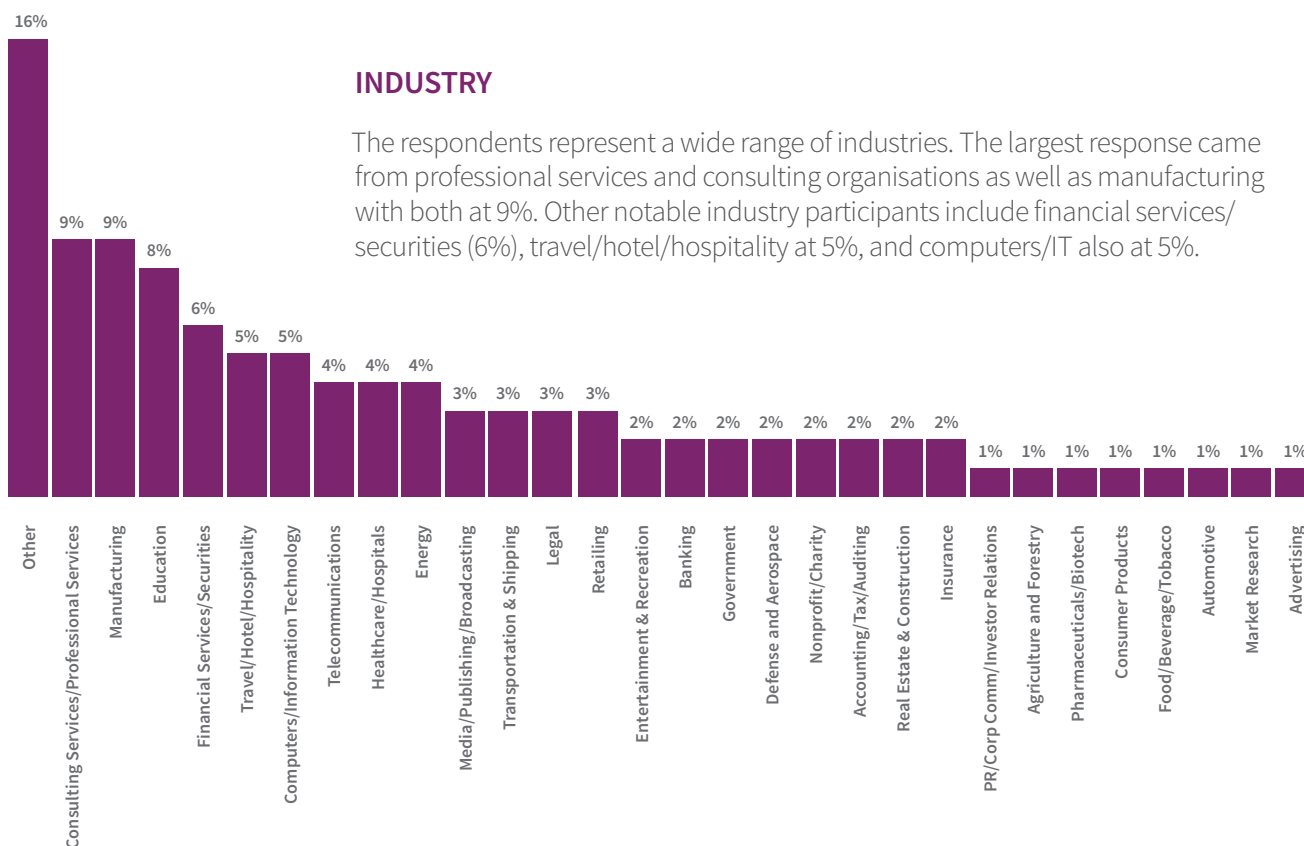
### SIZE (NUMBER OF EMPLOYEES)

The responding organisations were of varying sizes in terms of employees; approximately 30% reported having more than 1,000 employees.



### INDUSTRY

The respondents represent a wide range of industries. The largest response came from professional services and consulting organisations as well as manufacturing with both at 9%. Other notable industry participants include financial services/securities (6%), travel/hotel/hospitality at 5%, and computers/IT also at 5%.



## PROFILE OF RESPONDENTS (ORGANISATION)

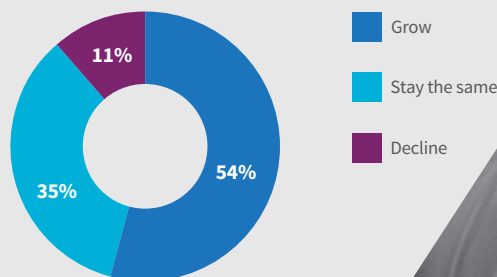
### SIZE (REVENUE)

In terms of revenue, 12% of responding organisations reported annual revenue of less than £500,000. Another 12% reported annual revenue of £500 million or more. The largest portion of responding organisations, 39%, reported revenue of £1 million to under £50 million.



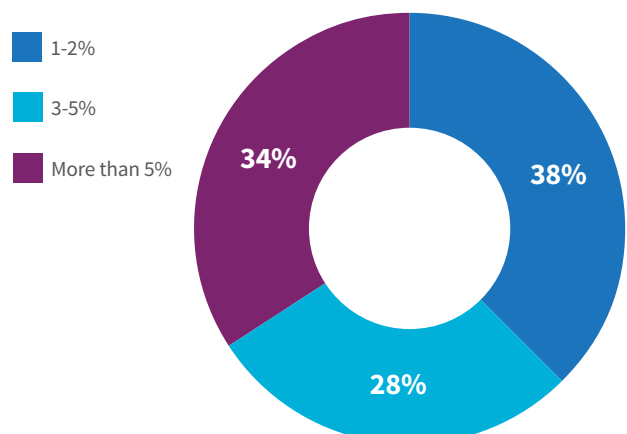
### SIZE (NUMBER OF EMPLOYEES)

More than half of HR professionals say their organisation has grown in the past year and will likely continue to grow next year.



“More than half of employers expect to increase the number of staff within their organisation over the next year”.

### BY WHAT PERCENT DO YOU EXPECT YOUR WORKFORCE TO GROW?





# SCREENING PRACTICES

## WHO'S SCREENING?

Companies that perform background checks are more likely to be:

- publicly held (17%); and
- large companies with 1,000-plus employees (35%).

Companies that do not screen are more likely to be:

- small companies with fewer than 100 employees (44%).

### TWEET THIS STAT

Almost 40% of employers fail to conduct background screening on new hires in the UK  
#HR @SterlingBackCh



## WHAT THIS MEANS FOR YOU: SMALL COMPANIES FACE BIG RISKS TOO.

Whatever the size of your company, replacing an employee in his or her first year on the job costs you a lot of money. Hiring guru Bradford Smart estimates the cost of a “mis-hire” to be between four and fifteen times the annual salary and benefits package of the employee in question.<sup>1</sup> And the higher-ranking the employee, the more it costs to replace him or her.

The employee who embezzles, say, £80K will cost your company 117% of that amount, minus recoveries, in ancillary expenses such as damaged employee morale, lost productivity and litigation.<sup>2</sup> While there are many ways to engage and retain employees, retention begins with hiring the right person in the first place.

### TWEET THIS STAT

A bad hire may cost between four and fifteen times the annual salary and benefit package of the employee in question.  
#HR @SterlingBackCh





## WHAT ARE COMPANIES SCREENING FOR?

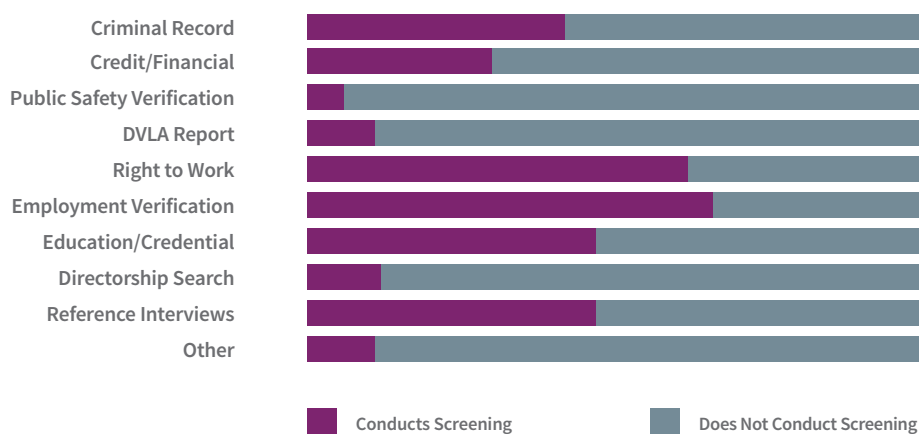
### Background screening is on the rise among companies, but not all companies have a documented screening policy.

Among survey respondents, more than half report conducting background screening. Among those (58%) who conduct background screening, 64% screen all new hires. But one in five companies that conducts screening has no official screening policy.

In the age of information technology and cyber risk, background screening is more complicated than a phone call or a straightforward records check. Companies that acknowledge this complexity and go beyond simplistic screening measures would do well to formalise their policies. This way, they ensure that the right processes are in place and that the responsibility to screen is part and parcel of business strategy. Furthermore, a formal policy is likely to result in more consistent screening processes and therefore more accurate results.

Among the 42% of respondents who do not currently screen, 25-30% expect their organisations to begin conducting background screening in the next year.

### WHAT ARE COMPANIES SCREENING FOR?



**Companies conducting pre-hire screening are more likely to be screening for:**

Employment verification (66%), Right to Work (62%), or criminal records (58%) than to check credit/financial (30%) or verify public safety records (7%).

#### SCREENING TIP #1: BACKGROUND CHECKS FOR THE EXTENDED WORKFORCE

You screen your staff, but what about your extended workforce? Contractors, temporary staff and contingent workers often have the same access to your organisation's assets as regular employees and should be screened to the same extent. Consider revising your screening policy to specify how to handle screening the extended workforce.

## WHAT SHOULD COMPANIES BE LOOKING OUT FOR?

Companies should check for a wide range of CV fraud, from job applicants who merely embellish their experience to those who forge or conceal their identity or immigration status. The objective is the same: to make themselves appear to be more employable than they actually are. Beyond the misrepresentation of skills, an obvious serious breach in such professions as medicine or structural engineering, or lies on a job application, can be an indicator that an applicant doesn't simply lack integrity but poses a real risk to your company, your clients and your employees.

Amid increasing concerns about security in public and private spaces, we expect the low percentage (7%) of companies checking public safety records to increase. Workplace violence is a real concern. In 2012-2013, long before the current rash of terrorist attacks began, approximately 649,000 UK workers reported being victims of workplace violence.<sup>4</sup>

### WHAT THIS MEANS FOR YOU: FINANCIAL SECTORS ARE MOST AT RISK

The financial services, banking, plastic card and other financial services sectors suffer the majority of reported fraud.<sup>3</sup> In 2013, these three sectors accounted for 61% of organisations using the Internal Fraud Database. This is unsurprising, as the financial world is potentially where fraudsters are most likely to gain most from their criminal efforts.

### DID YOU KNOW:

**In the UK, there are three levels of criminal record checks:**

**Basic Disclosure** reveals convictions which are not spent under the terms of the Rehabilitation of Offenders Act 1974

**Standard Disclosure** details all spent and unspent convictions, cautions, reprimands and warnings on the Police National Computer (PNC)

**Enhanced Disclosure** includes Standard Disclosure information, but may also include any non-conviction information (which the relevant Chief Constable or Chief Officer may deem appropriate to the position applied for) as well as checking against the ISA barred list to ensure the individual is not barred from working with children and/or vulnerable adults.

## CHECKING FOR PERMISSION TO WORK

When it comes to Right to Work, the burden is on employers.

Employers have a legal duty<sup>5</sup> to prevent illegal workers in the UK and avoid unlawful discrimination while doing so. The implications of not checking employees' Right to Work can cost organisations money and reputational damage—and can keep them from entering into public procurement contracts. Despite this, our survey appeared to reveal that just 62% of organisations claim to screen for Right to Work.

Both immigration legislation, and the new statutory codes that came into effect on 16 May 2014, set out employers' legal duty as guidance that companies need to follow when recruiting staff.

### DID YOU KNOW:

It is an employer's responsibility to check that a potential employee has permission to work in the UK. If an employer recruits or continues to employ someone who fails to provide the requisite documents as evidence of their right to work here, the business may be liable for a penalty of up to £20,000 for each illegal worker.<sup>6</sup>

### DON'T LET THIS HAPPEN TO YOU: PHONY UNIVERSITY "DEGREES" MOVE IMMIGRANTS ACROSS BORDERS

Diploma mills can be used as a tool to move immigrants across borders by enabling them to obtain student visas. The University of Newcastle operated out of a pub in Manchester, UK. This unaccredited university provided phony diplomas to 1,797 students—netting almost £2 million. Eight students who received these phony degrees have been arrested for alleged connections to Al Qaeda, according to press reports. The diploma scam was allegedly developed by two men from the North West Frontier Province (NWFP) in Pakistan, who relocated to Britain on student visas.<sup>8</sup>



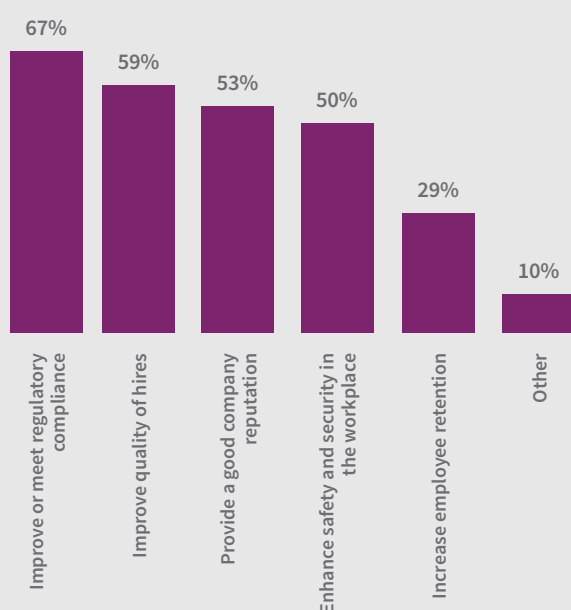
### TWEET THIS STAT

More than one in four job applicants have said they left a job out of choice, when in truth they were sacked.<sup>7</sup> #HR @SterlingBackCh

## WHY ARE COMPANIES SCREENING?

### WHY DO COMPANIES PERFORM PRE-HIRE SCREENING CHECKS?

Improving or meeting regulatory compliance (67%) is the number one reason respondents gave. Improving the quality of hires (59%), company reputation (53%) and enhanced workplace safety and security (50%) are also significant.



### WHAT THIS MEANS FOR YOU: RECRUITING A BAD EMPLOYEE CAN PUT COMPANIES ON THE WRONG SIDE OF THE LAW.

In fact, laws that obligate organisations to vet their employees are becoming more common throughout the UK and elsewhere.

- The Financial Services and Markets Act 2000 (FSMA) holds organisations accountable for the misconduct of principals and of finance and accounting employees.
- Firms supervised by the Financial Conduct Authority (FCA) must ensure that every employee working in a regulated role pass a “fit and proper” test, including honesty, integrity, competence and financial soundness.

### DON'T LET THIS HAPPEN TO YOU: LIES ON CVs CAN PUT YOUR EMPLOYEES IN JAIL

CV fraud is not inconsequential. In March 2010, Rhiannon Mackay went to jail for claiming two A-levels and fabricating references to secure a position within the NHS as a capital projects administrator. In October 2013, top barrister Dennis O’Riordan was suspended by the Bar Standards Board for three years for claiming law degrees that helped him secure top jobs. Under the Fraud Act 2006, a “little white lie” can be a crime.

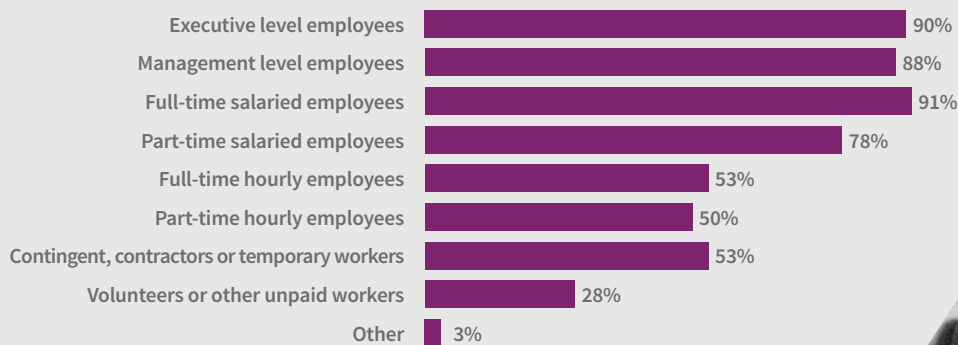


#### TWEET THIS STAT

Compliance is the top reason companies screen hires. #HR @SterlingBackCh

## WHO ARE COMPANIES SCREENING?

### SPECIFICALLY, WHO DO YOU SCREEN FOR PRE-EMPLOYMENT?



The vast majority of companies perform background checks on executives, directors and managers, but only half of companies screen hourly wage employees and contract workers, and only slightly more than a quarter of companies screen volunteers.

While it's true that the bigger the job, the deeper the screening must go, that doesn't mean that companies should shirk on screening lower-level employees, contractors, temporary staff and volunteers. Those are the people who most often interact with customers, clients and vulnerable populations. Responsible screening neglects neither the shop room floor nor the executive suite.



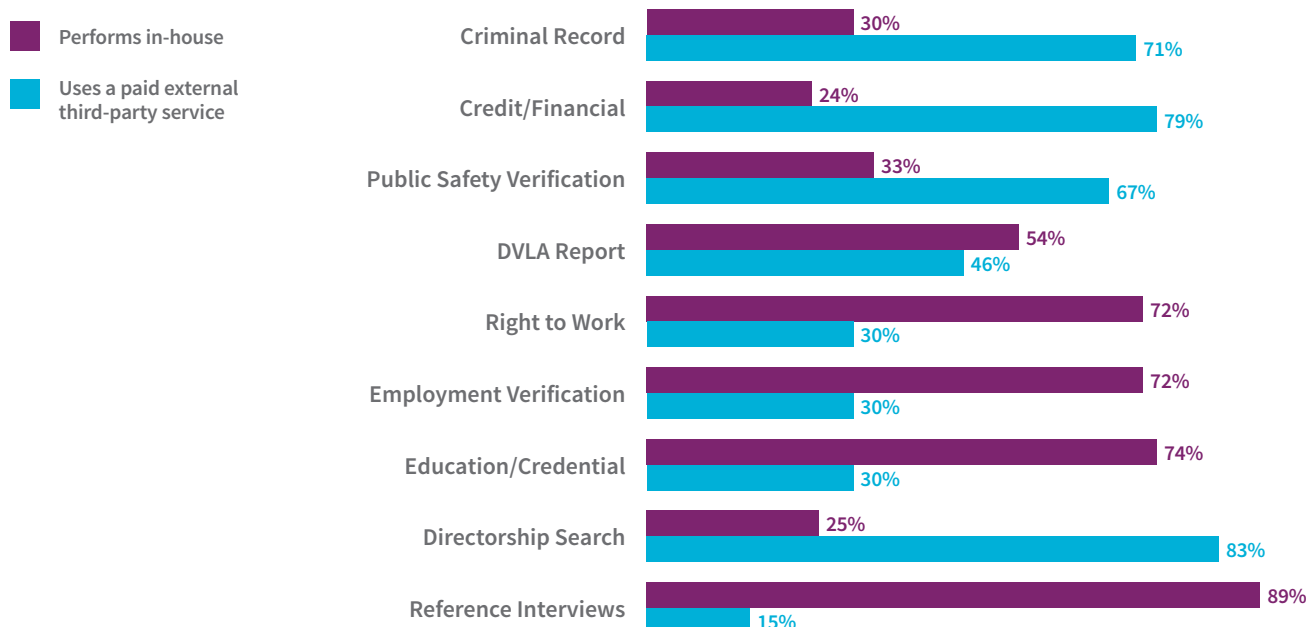
#### TWEET THIS STAT

Only around half of firms perform pre-hire screening on contract workers  
#HR @SterlingBackCh

“Responsible screening neglects neither the shop room floor nor the executive suite”

# HOW ARE COMPANIES SCREENING?

## HOW DOES YOUR ORGANISATION PERFORM SCREENING FOR ITS NEW HIRES FOR EACH TYPE OF BACKGROUND CHECK?



Companies use in-house resources to screen in the following categories: reference interviews, education credentials, employment verification and Right to Work. They use paid third parties to screen in the more technical areas of credit/financial history, directorship search, criminal records and public safety verification.

Slightly less than half of background checks are performed by paid third parties; slightly more than half are performed in-house.

### Why outsource your employee background checks? Here are a few good reasons:

#### 1. Outsourcing saves your people time.

Background screening is time-consuming and complex and will take a toll on an HR department already handling critical functions from recruitment to benefits.

#### 2. Outsourcing enhances efficiency and consistency.

In-house background screening is laborious, requiring research, stacks of required paperwork and equal amounts of filing. With this raft of work comes an increased risk of:

- Clerical error
- Corner-cutting
- Accidental illegal actions

#### 3. Outsourcing makes the process go faster.

When you outsource, you automate and shrink your company's work in the screening process down to a turnkey action. A simple phone call or click of an icon in your HR management software instigates a variety of screening activities whose results are delivered faster than with internal screening. Electronic signatures and secure digital storage eliminate the headaches of physical paper and filing.

## HOW ARE COMPANIES SCREENING?

- 4. Outsourcing helps ensure regulatory compliance.** In particular, hiring foreign-born workers or workers who have lived and worked abroad can present screening challenges. This is especially true in the European Union, where the free movement of workers is a fundamental principle of the EU Treaties. EU nationals can look for and work at a job in another EU country without a work permit, and even stay there after their work is finished.
- 5. Outsourcing ensures objectivity.** Third-party screening partners offer a buffer in that they carry out their work without the often obfuscating influence of personal interviews. They simply report facts, uncolored by subjective emotional reactions or personal connections. This gives companies an extra level of protection from the reality of, or potential accusations of, cronyism in hiring.

*Few organisations, even those with general counsel, have the breadth and depth of expertise to manage these complex challenges internally. Outsourcing this burden to screening providers who specialise in this area is a no-brainer for large and high-growth companies.*

- 6. Outsourcing helps you leverage the expertise of others.** Your organisation is not struggling alone with background checks. Background screening issues affect every company and industry. Using a well-established and respected screening provider lets you share in the collective wisdom of risk management programmes that are working for other companies. **Expertise is, without question, the largest benefit of outsourcing. It is also the most commonly overlooked.**

### KNOW THE LAW:

A company headquartered in Sweden was recruiting candidates from around the world to work in its Swedish offices. The company offered a position to a candidate from the United States. Despite the availability of criminal data on US candidates, Section 21 of the Swedish data protection law prohibited the company from processing that criminal record data.

### SCREENING TIP #2: BE REALISTIC ABOUT ROI

While cost is an important factor to consider when deciding which background checks to conduct, the return on investment makes almost any amount of screening worthwhile. Background checks create a safer workplace, assist in hiring the most qualified candidates, reduce employee theft and mitigate the risks associated with negligent hiring.

For employers wishing to weigh the cost of background checks against the benefits,

SterlingBackcheck has a free white paper on [How to Calculate Your ROI on Background Screening](#) that includes a formula for calculating your return on investment.



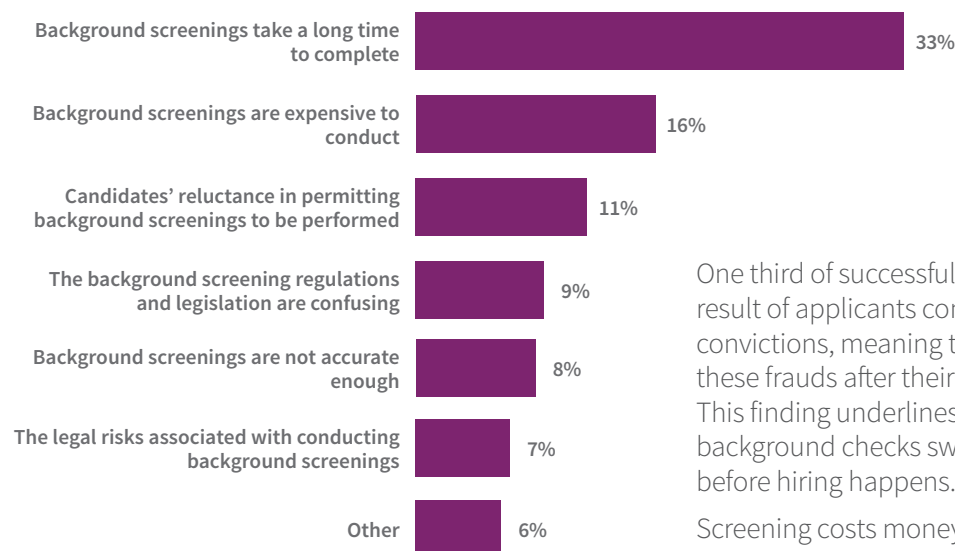
### TWEET THIS STAT

Improving the quality of hires is the second top reason companies say they perform background screening  
#HR @SterlingBackCh



# WHAT ARE CHALLENGES TO PRE-HIRE SCREENING?

## WHAT ARE THE BIGGEST BACKGROUND SCREENING CHALLENGES YOUR COMPANY FACES?



Time (33%) and cost (16%) are the big screening challenges that companies name, whether or not they are currently doing background checks. In terms of improving their screening programs, companies asked to select two priorities chose meeting and/or improving regulatory compliance (18%), improving quality of hires (16%), and reducing time to hire (13%). Enhancing safety, improving screening process efficiency, enhancing company reputation, and managing screening costs were also cited.

Screening takes time. Outsourcing saves companies time, even if they don't outsource every aspect of screening. In the UK, four out of five companies outsource credit/financial and directorship checks, but only 30% outsource employment history, Right to Work, and education checks. Using a paid third party with experience and expertise in employment and immigration law as well as accreditation issues can dramatically improve cost efficiency.

Between 2012 and 2013, successful employee application frauds (frauds that were not detected before the applicant was hired) decreased, while unsuccessful attempts increased.

One third of successful frauds were recorded as a result of applicants concealing unspent criminal convictions, meaning that employers discovered these frauds after their perpetrators were on the job.<sup>9</sup> This finding underlines the importance of handling background checks swiftly and completing them before hiring happens.

Screening costs money, whether you outsource it or do it yourself. But fraud costs more. Insider fraud hurts the bottom line in a variety of ways, including:

- Intangible costs to reputation and brand
- Costs of investigating
- Costs of staff sickness and/or suspension
- Costs of internal discipline
- External sanction costs
- Costs of litigation
- Permanent staff replacement costs

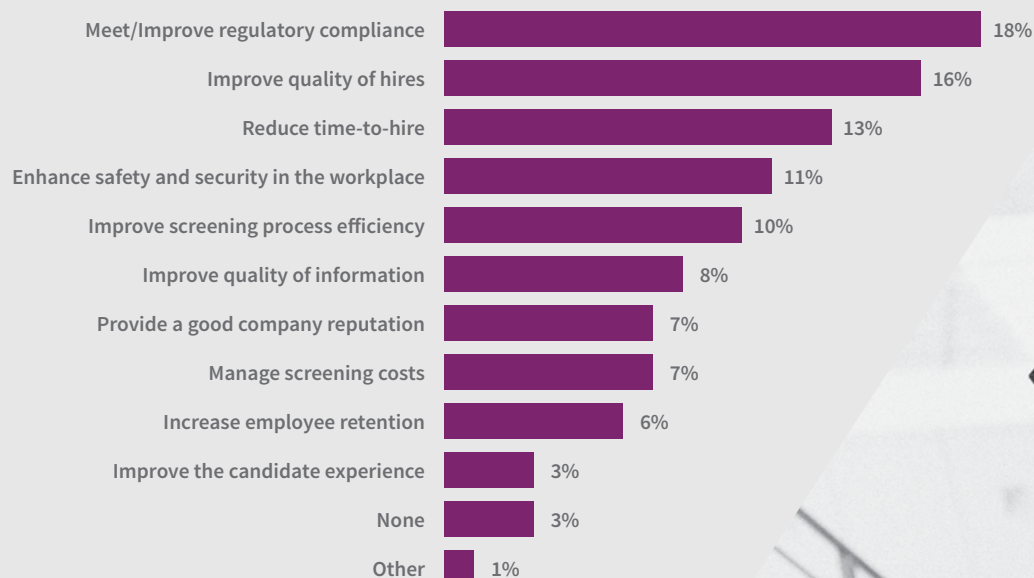
### SCREENING TIP #3: THE CANDIDATE EXPERIENCE MATTERS

Even though candidate experience was relatively low level priority for most (3%) organisations, it is a topic that comes up frequently when we speak with employers.

With 54% of organisations expecting to increase the size of their workforce in 2016, employers are looking for ways to stand out and attract the very best talent. The candidate experience will be more important this year than ever before.

## WHAT ARE CHALLENGES TO PRE-HIRE SCREENING?

### WHAT ARE YOUR TOP TWO PRIORITIES FOR IMPROVING YOUR PRE-EMPLOYMENT BACKGROUND SCREENING PROGRAM?



### Do you know what to look for in a screening partner?

As the interest in third-party screeners grows, the number of such services proliferates. If you choose to outsource some or all of your screening, make sure the partner you pick has all the qualities you need:

- **Comprehensive Toolkit** – Think of the “future state” of your company. As business expands, so do your talent needs. This requires different levels and kinds of screening, including credit history reports, professional certifications checks and more.
- **Global Footprint** – Even if you’re not hiring foreign workers right now, your screening partner must provide international background checks as necessary and have local expertise in key markets like the EU, US, China, India and elsewhere.
- **Dedicated Training & Customer Service** – Essential to a robust compliance team is a dedication to educating you and your staff. Seek out a partner that takes a consultative approach and who wants to help you grow your business.

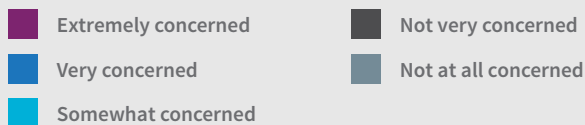
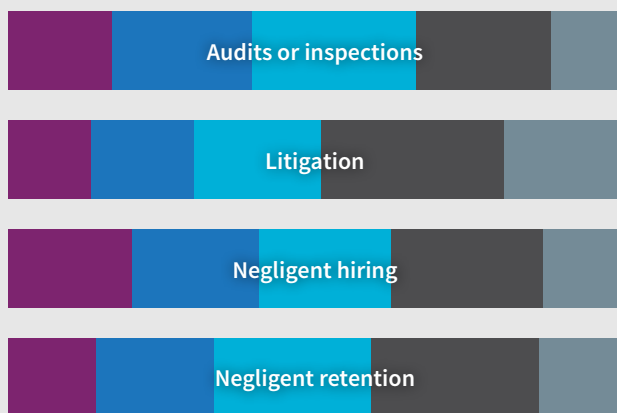
- **Technology Investment** – While DBS criminal checks still extend turnaround times for a complete background check, other screening processes are now automated, reducing human error. A screening partner must demonstrate financial soundness, ability, and commitment to investing in new technology and talent.
- **History of Trust** – As screening becomes a primary risk mitigation tool for companies big and small, a wave of unproven and illegitimate “background check” companies has flooded the market in the last five years. Don’t trust your business to a “fly-by-night” operator.
- **Robust Compliance Team** – It’s not enough to promise “100% compliance”. Every company does this. Your screening partner must go beyond the basics and offer proactive solutions to improve your screening program as your business evolves. A “hands off” approach is unacceptable.

From **Managing Your Background Screening Programme: When It Makes Sense to Outsource & How to Pick the Right Partner:** [Click here to view](#)

## WHAT ARE THE LEGAL DANGERS OF NOT SCREENING?

### IN YOUR OPINION, HOW CONCERNED ARE YOU, PERSONALLY, ABOUT EACH OF THE FOLLOWING COMPLIANCE OR LEGAL RISKS?

In terms of compliance risks associated with hiring unscreened workers, responding companies said they are most worried about audits and inspections (40%), negligent hiring (41%) and litigation (38%).



### DON'T LET THIS HAPPEN TO YOU: FAILED BACKGROUND CHECKS CAN HURT YOUR REPUTATION

As the following examples show, both public and private sectors can be embarrassed by failed background checks. Simple verification of qualifications, investigative reference checks or suitably in-depth interviews cost little but save organisations a great deal of money and prevent PR disasters.

In 2014, a couple were jailed for a total of 20 months for forging each other's references when applying for jobs in the NHS. Anne-Marie Read and Matthew Green applied for jobs they were unqualified to perform, using each other as false referees, with Read pretending to be Green's manager. The hiring process did not reveal Green's previous sacking by the NHS for poor performance or Read's record of lengthy sick leave. The duo were caught out when Green applied for a job while claiming sick pay from two other positions.

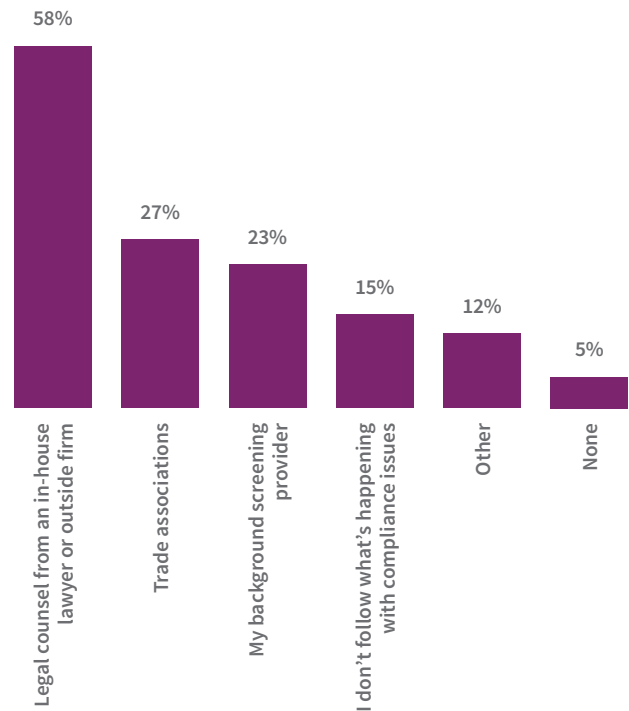
In 2000, British Sky Broadcasting accepted Electronic Data Systems Ltd's bid to sell BSkyB a new CRM system. After significant delays, BSkyB sued EDS for breach of contract, negligent misstatements and fraudulent misrepresentation, the last because Joe Galloway, Managing Director of the EDS regional CRM group, claimed to hold an MBA from Concordia College on St. John Island in the US Virgin Islands. In reality, Galloway had purchased the degree from a website. BSkyB's lead counsel purchased an identical MBA degree for his dog "Lulu".

# HOW DO COMPANIES KEEP CURRENT WITH CHANGING COMPLIANCE REGULATIONS AND EMPLOYMENT LAW?

## WHICH OF THE FOLLOWING RESOURCES DO YOU USE TO STAY CURRENT WITH THE CHANGING COMPLIANCE LANDSCAPE?

Worryingly, 15% of companies don't do anything to stay informed about compliance, placing them at risk; 58% rely on their legal counsel, while 27% rely on trade associations and 23% rely on their background screening provider to keep their compliance education up to date.

Training and education is a key benefit of using an outside screening provider. Companies who do their own screening bear the responsibility of researching and organising training and communications to keep staff abreast of changes in employment law. Outside screening vendors may provide this information regularly as part of their services. Ongoing education tools range from email newsletters and communications to webinars and in-office training, depending on the importance and urgency of changing regulations. While your screening vendor cannot be a legal advisor, good screening services offer expert perspective on new rules and regulations.



### TWEET THIS STAT

15 of 100 companies don't have a plan to stay informed about changing compliance regulations  
#HR @SterlingBackCh

## SCREENING TIP #4: CREATE, REVIEW AND UPDATE YOUR SCREENING POLICY REGULARLY

The legal landscape of background screening is continuously evolving. To keep your organisation compliant with legislative updates, ensure you have a screening policy in place and schedule regular reviews. Employers need to formalise their policies, put the right processes in place and make consistent, accurate screening a central element of their recruitment strategy.

An alarming 15% of respondents indicated that they do not use any resources to keep themselves up to speed on compliance and legislation.

## ARE COMPANIES SCREENING GLOBALLY?

Most organisations employ people with some international experience, but fewer than half conduct or plan to conduct global pre-hire background checks on these employees in the next year.

The complexity and difficulty of global screening may be preventing companies from undertaking such screening. The reliability of criminal record checks, to take one example, varies widely by country, and recent and ongoing political upheaval and terrorism threats have further complicated hiring and transfers across countries for companies in the EU and elsewhere. But while those threats have made screening more difficult, they have also increased the risk of not screening. **Global pre-hire screening is a case where companies will benefit from selecting an experienced and knowledgeable outside provider.**

Among those companies conducting global screening, four out of five screen for criminal records; 68% screen for employment verification; 59% screen for education/credentials; and a little over a third screen for credit/financial history.

Slightly more than one third use a third-party provider for global screening. Documentation (43%) and telephone calls (20%) are other methods used to screen global applicants.

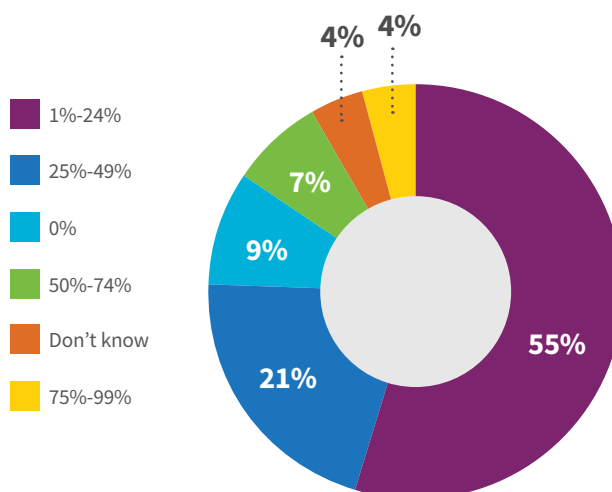


### TWEET THIS STAT

88% of companies employ workers with international experience, but only 45% conduct global background checks  
#HR @SterlingBackCh

### WHAT PERCENTAGE OF YOUR WORKFORCE IN THE UK IS FOREIGN-BORN?

(BY FOREIGN-BORN, WE MEAN HE/SHE WAS BORN OUTSIDE OF THE UK)



### HOW DO YOU CONDUCT YOUR GLOBAL SEARCHES?

10%

I use documentation such as a record of employment or copy of a diploma to confirm the international information provided

8%

I use a background screening provider to confirm the information provided by a candidate

5%

I make calls to verify the information provided by a candidate

## CONCLUSION: THE FUTURE OF BACKGROUND SCREENING

Most companies conduct background screening, and among the minority that do not, more than 25% expect to begin conducting screening in the next year. Global screening is likely to increase as well. Companies cite time and money as the biggest challenges with background screening. But choosing a reputable screening partner with expertise in employment law and the ability to automate tasks can save companies time, and the cost of screening is more than matched by the return it brings in risk mitigation in every sector and industry.

**Why is background screening on the rise? Increasing globalisation, the increasing complexity of the legal landscape and growing political instability are trends that necessitate better and deeper screening of all levels of the workforce.**

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- 1 Bradford Smart, Topgrading 201: How to Avoid Costly Mis-Hires. (Top Grading, Inc., 2012). Pg. 34.
  - 2 CIFAS, The True Cost of Insider Fraud, Nov 2013.
  - 3 CIFAS, Employee Fraudscape: Depicting the UK's fraud landscape, April 2014.
  - 4 "Violence at Work 2012/13: Findings from the Crime Survey for England and Wales" Health and Safety Executive. Web. 28 May. 2014.
  - 5 Immigration, Asylum and Nationality Act 2006
  - 6 <http://www.cipd.co.uk/pm/peoplemanagement/b/weblog/archive/2014/07/28/faqs-on-checking-employees-riht-to-work-in-the-uk.aspx>
  - 7 Inventium, "20% of jobseekers lie in interviews" [online].  
Reported at: <http://mybusiness.co.uk/20-of-jobseekers-lie-in-interviews/> [Accessed 28 May 2014]
  - 8 "Former pub became the centre of a web of bogus colleges," The Times, May 21, 2009  
<http://www.thetimes.co.uk/tto/education/article1878594.ece>
  - 9 [http://www.claytonutz.com/publications/newsletters/government\\_insights/20100412/bskyb\\_v\\_eds-unrealistic\\_sales\\_promises\\_could\\_cost\\_eds\\_200m.page](http://www.claytonutz.com/publications/newsletters/government_insights/20100412/bskyb_v_eds-unrealistic_sales_promises_could_cost_eds_200m.page)
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## CONTENT CLIPS

40% of businesses currently fail to conduct background screening on new hires!

Compliance is the top reason employers perform pre-hire screening

15% of companies don't have a plan to stay informed about changing compliance regulations

38% of employers fail to check for Right to Work, risking a £20k fine!

Only 45% of companies conduct global background checks

Most businesses expect their workforce to grow in the next year

One in five companies that conducts screening has no official screening policy

At least 25% of companies that do not currently conduct background screening, expect to do so within the next year





# About SterlingBackcheck

SterlingBackcheck works with more than 20,000 companies worldwide to help them hire the best talent. We assist a range of organisations, from small local businesses to FTSE 100 companies. In fact, more than 20% of the FTSE 100 rely on SterlingBackcheck for their employment screening.

Learn how we can help your team get control of the background-screening process at [www.sterlingbackcheck.co.uk](http://www.sterlingbackcheck.co.uk)

## WANT MORE?

In addition to this report, SterlingBackcheck regularly publishes cutting-edge research and insight on the latest trends in human resources, talent management and hire processing.

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