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"The Information Portal for Background Screening"

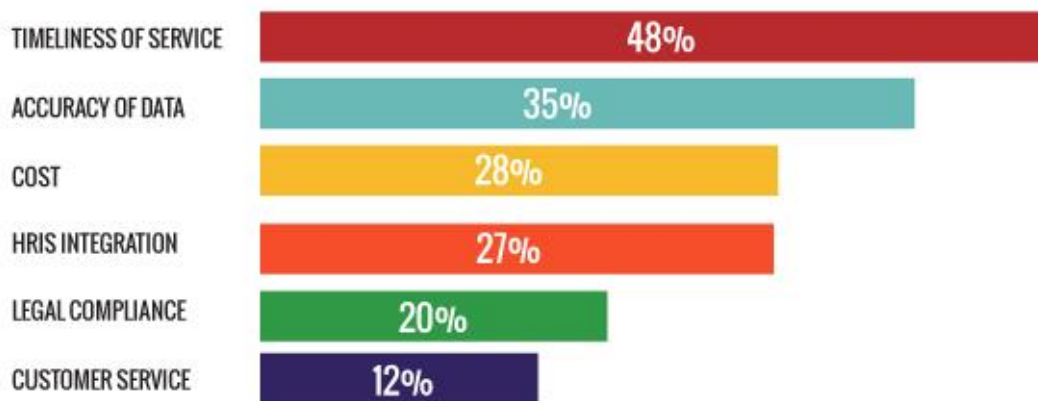
2016 Employers Background Screening Survey Summary Report

The following results are based on the combined results of our survey conducted at SHRM Talent Management Conference in April 2016 and the SHRM Annual Conference conducted in June 2016. Survey questionnaires were administered in our exhibit booth at each conference and also a pre-conference post card was mailed to conference attendees allowing them to respond to the survey online. We received a total of 662 responses.





Question #1: What are the leading **challenges** that you are experiencing with your current background screening service provider that you would like to see corrected or changed? (Rank the top 3 in priority order; Mark the top priority with #1)



Commentary: Consistent with the last several years ‘Timeliness, Accuracy and Cost’ were ranked as the top three challenges that end users face with background screening. To know one’s surprise ‘Timeliness’ continues to be the number one ranked item most likely due to the increasing pressures on recruiters and HR professional to quickly hire people. The job market continues to heat up and time-to-hire numbers are actually increasing so the pressure for quicker hires is only going to get worse. Background screening providers that have focused on increasing their efficiency will benefit as more end-users seek to augment their hiring process with partners that will not ‘slow down the process.’

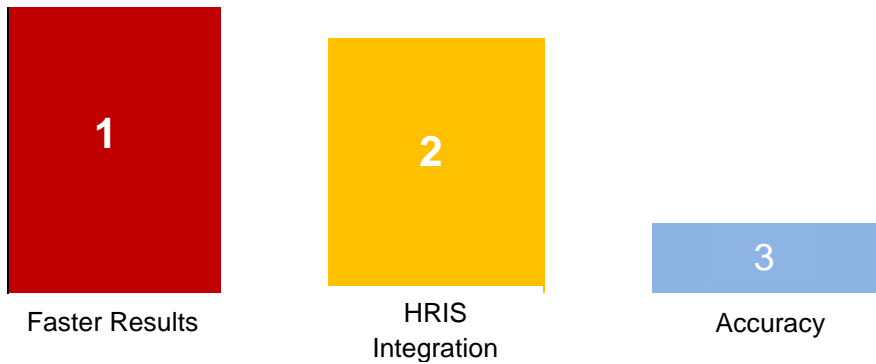
In this years’ results, ‘Accuracy’ barely beat out ‘Cost’ for the number two ranking. We believe this is the residue of the continuing increase in FCRA violation class action lawsuits. While most of these lawsuits have centered around alleged violations of correctly getting applicant consent to conduct a background check and adverse action notifications and process, FCRA’s requirement for CRAs to provide ‘the most accurate information possible’ looms large in employers minds. We also believe there is a much wider awareness and understanding of the impact of false negatives on job seekers ability to gain employment and of course, the potential risk of missing information that would have prevented hiring a dangerous person.

This year more so than past years the three rankings were closely followed by ‘Legal Compliance, Customer Service and HRIS/ATS Integration.’

Collectively, these are the defining issues for background screening providers to focus their strategic improvement efforts on.



Question #2: What **innovations**(s) would you like to see a background screening service provider offer to you?

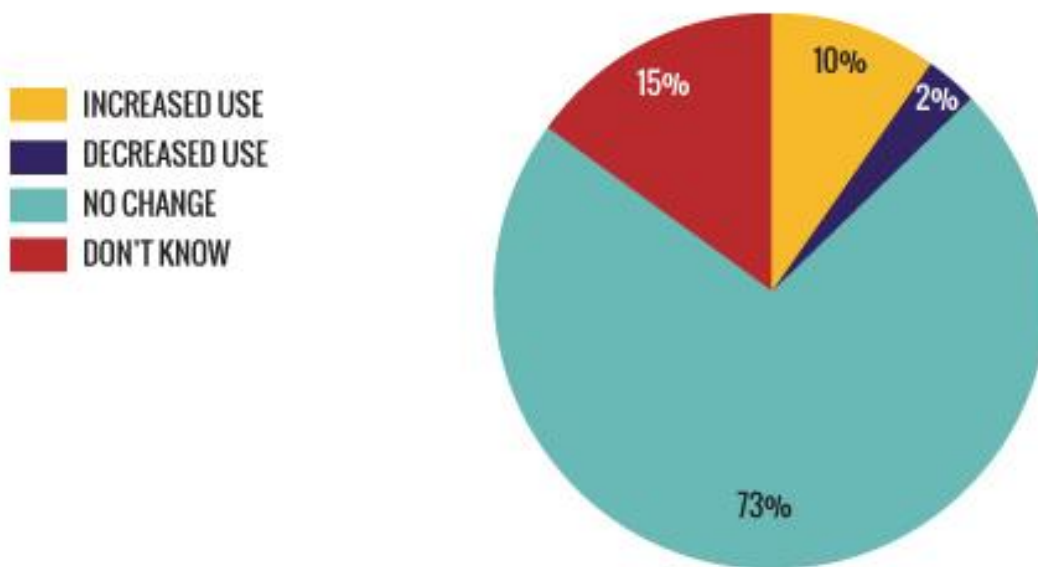


Commentary: Consistent with past years and Question #1 above, 'Faster Result,' was the top ranked item, however, it only edged out 'HRIS Integration' by one vote. 'Increased Accuracy' was a distant third.

As mentioned above in Question #1 the focus on faster results will continue to dominate the landscape for all parts of the hiring process which connects directly to HRIS Integration which is an efficiency tool. ATS and HRIS integration are moving towards being a requirement for background screening providers.



Question #3: Has your company changed its' **use of criminal background checks** as a result of EEOC or OFCCP New Guidance on use of arrest and criminal records?:

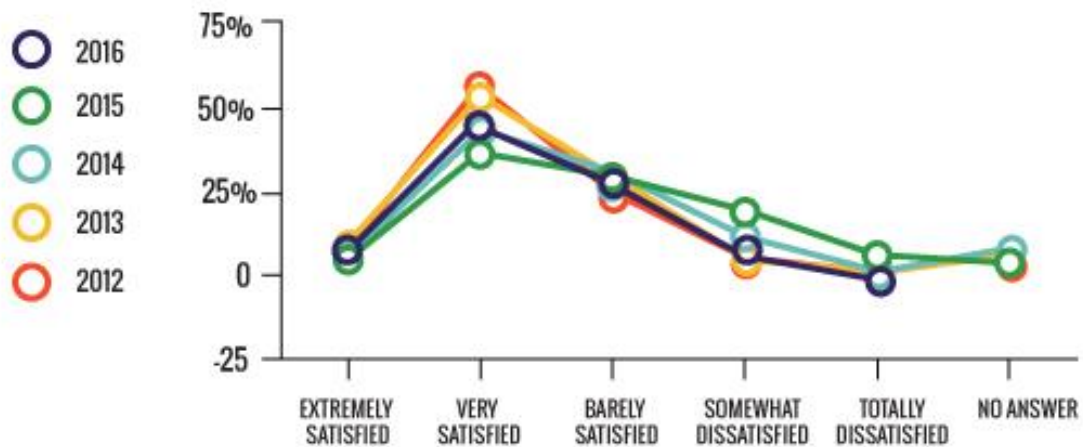


Commentary: 'No Change' zoomed to 73% of responses which is a significant increase over last years' responses for this same item coming in at 51%. Couple this with the reduction in respondents indicating they have 'Decreased Use [of criminal records]' coming in at slightly more than 2% versus last year responses ranking it at 10% leads us to believe employers have adjusted to the new norm regarding use of arrest and criminal records.

The EEOC's Guidance was issued in April 2012 and we may have reached a point where this question is no longer relevant. We will see what next years' data says and decide whether this question is now moot.



Question #4: What is your **level of satisfaction** with your current provider?



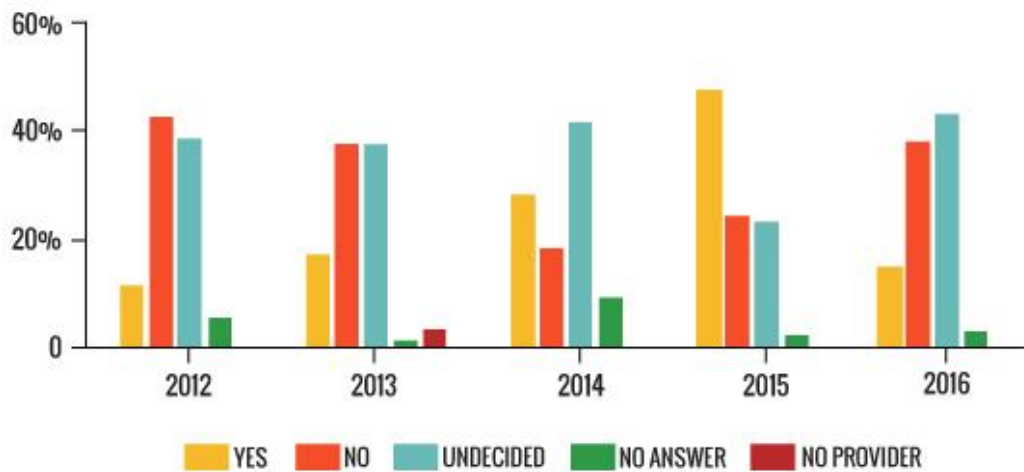
Commentary: There responses for this years' are essentially the same as last years responses. The good news is that the downward slide of the 'Satisfied' responses appears to have halted.

More than 56% of responses indicated that they were 'Extremely Satisfied' or 'Very Satisfied' contrasted against around 12% of responses indicating they were 'Somewhat Dissatisfied or Totally Dissatisfied.'

This is good news for everyone.



Question #5: Are you considering **changing** your current background screening provider in the next 12 months?:



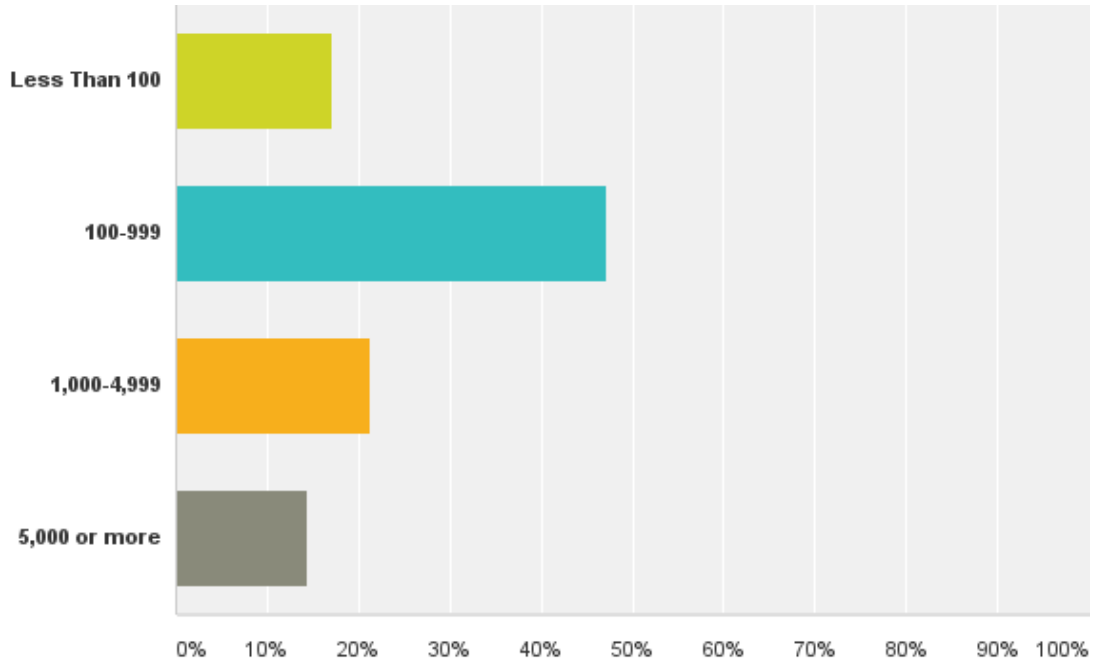
Commentary:

The responses this year halted the four year slide in satisfaction with only 16% of respondents saying they definitely plan to change providers. In contrast, last year 48% of respondents indicated they wanted to make a change.

The number of firms stating that they are undecided increased from 24% last year to 43% this year. While the number end-users that are undecided increased significantly, the combined rating for 'definitely plan to change and undecided' drop by 10% which is good news for providers. The high undecided number means providers need to stay diligent in focusing on identifying areas of client dissatisfaction and finding ways to resolve problems. Customer retention needs to continue to be a key business strategy.



Question #6: Number of Employees



For more information or questions about the survey please contact W. Barry Nixon at 1-949-770-5264 or wbnixon@PreemploymentDirectory.com.