

ROI on Background Checks in the Hospitality Industry

It's estimated that a job is added [every 2.5 seconds](#) in the hospitality industry. With the labor market [already tight](#), property owners are eager to jump on new applicants. Due to the immense demand for workers, it might be tempting to simply skip the background check and have your candidates get right to work—but a comprehensive screening program not only protects your business and your guests, it saves your company money in the long run.

The Cost of a Bad Hire

21%

Hospitality avg criminal hit rate in the last decade

Hiring the wrong person can have a ripple effect on your business's finances. Recruiting efforts, for example, take time and money. Recruiters must pay for job ads as well as spend time reviewing resumes, interviewing, and evaluating candidates. The longer that position sits open, the more it'll cost you – and in today's tight job market, openings for even entry-level positions can take weeks to fill.

That's just the recruiting side of things. A bad hire can cost [you thousands in lost productivity, onboarding costs, and more](#).

The Cost of Employee Turnover

The Bureau of Labor Statistics reports that the hospitality sector has a [turnover rate of 73.8%](#). For comparison, experts consider a 'healthy' turnover rate to be in the 10-15% range. That figure is shocking by itself; it gets even worse when you realize how much it's costing businesses. One study found that employee turnover costs, on average, **\$5,864 per employee**. If your business has 300 employees and experiences employee turnover at even *half* the industry rate, employee turnover is still costing your company almost \$700,000 a year. But for most properties, this number is a lot higher.

There are a number of ways to improve employee retention, such as offering [competitive benefits](#) and higher pay or [creating a positive work culture](#).

But an often-overlooked partner to a healthy turnover rate? Background screening.

The Cost of a Background Check

A new employee is an investment. Nothing is worse than going through the interview process with an applicant only to discover that they exaggerated the experience on their resume—forcing you to start the whole process over again. **Screening improves employee retention by ensuring you're not putting money into onboarding efforts for a hire that ultimately won't work out.**

Screening is a small price to pay compared to the expense of alcohol and drug abuse in the workplace and the potentially catastrophic costs of fraud. By implementing a comprehensive background screening program, you can ensure that your applicants don't have a [criminal history](#), that they possess the experience and skills required for the job, and that they will maintain the standards of a [drug-free workplace](#).

32%

of criminal offenses in the hospitality industry were felonies

Ultimately, not screening your candidates will cost you more than skipping out on it saves. Companies make an investment every time they onboard a new hire; background checks and drug screening ensure those investments are worthwhile in the end. Keep this in mind as you move forward with your hiring decisions and continue to grow your business.

So how much *does* a background check cost? To partner with an [experienced background screening provider](#) that understands your industry, **contact InfoMart**.

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