



First Advantage

A Symphony Technology Group Company

# 2019 Top Screening Trends & Insights

## State of the Industry Report

At First Advantage, we recently surveyed our customers on their background screening preferences. By cross-referencing these responses with aggregate data from our 66+ million annual global searches, we were able to identify trends and insights driving today's background screening industry.

We captured so many insights that we felt it would benefit readers to release our report in a five-part series, each focusing on a different categorical trend, including screening, product, global, vertical and analytical insights. ***This is Part 1 of 5.***





1

Employment screening buyers fall on a spectrum where they're looking to **balance risk and speed** as the primary drivers of their program decisions. Healthcare customers mostly worry about risk mitigation, while Retail focuses on speed. Everyone else falls somewhere in the middle.



2

**Seasonal hiring** affects Healthcare in the spring and Retail and Transportation in the fall. Most other verticals tend to remain consistent throughout the year.



3

Staffing and BPO Services experience higher **applicant discrepancy rates** (criminal records or ineligibility) than other verticals. Applicant discrepancy rates in Healthcare trend much lower.



4

Good news: Respondents saw their **report turnaround times** decrease by an average of 10% over the past year.



5

Good news: Respondents saw **missing and unverifiable information** decrease by 4% and 5%, respectively.

# TOP FIVE LESSONS LEARNED



1

**Benchmarking** continues to be a desired go-to-market screening strategy for employers. If their competitors are doing it, then knowing they are too makes them feel more confident about the balance they've struck between speed and risk mitigation.



2

**Program changes** are necessary and should be reviewed and reworked each year. That means a company should understand if and how seasonality affects their hiring and if their screening program can support their growth or lack thereof, i.e. their "expand and shrink" plans.



3

**Discrepancy rates** will be taken into account to help hiring flow. If you know 7% of those you plan to hire won't actually get hired, you can create and implement backup plans to keep top-tier talent coming through the door.



4

**Report turnaround times** continue to be a top concern. Employers can't compete for talent successfully if they are plagued by report delays; the potential new hire will simply accept a job somewhere else. Employers will look for ways to cut that time working in partnership with their screening provider.



5

**Increased candidate communications** are vital to move faster through the process. Candidates communicate differently today than even a few years ago. Your services should capitalize on those new, improved methods.



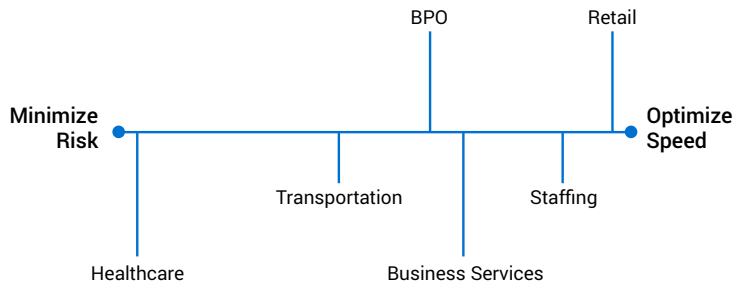
# TOP FIVE TRENDS TO WATCH



# Who You Are Affects How You Screen



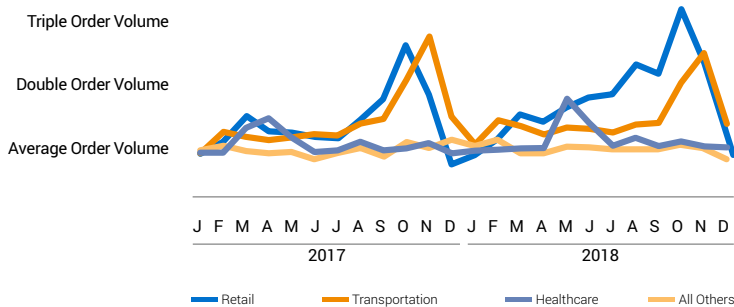
## Risk vs. Speed



- Centralized background screening is becoming more prevalent to ensure system-wide compliance and consistency
- Package simplification and optimization are trending to reduce the number of packages and better align with job descriptions



## Hiring Seasonality



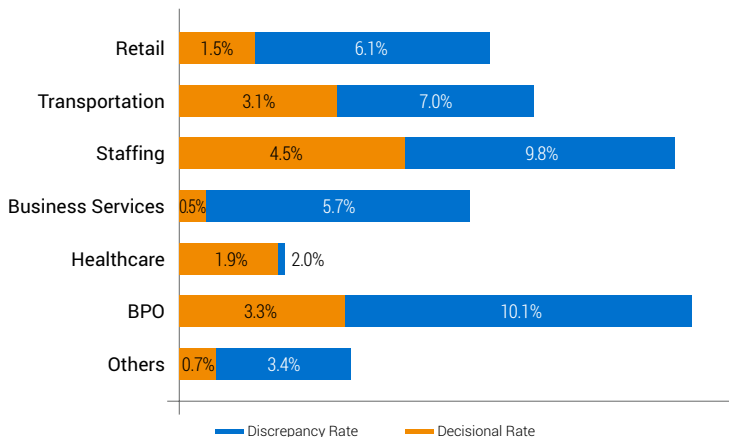
### Industries experiencing hiring spikes:

Spring —————> Healthcare  
 Fall —————> Retail  
 Transportation

- Hiring remains consistent throughout the year for all others
- A strong correlation exists between Retail and Transportation (with a one-month lag)



## Discrepancy Rate



- Discrepancy rates indicate returned results that are different from what the candidate provided. Decisional rates are the percent of candidates the organizations indicated were most likely ineligible for hiring based on that organization's hiring criteria. For example, Healthcare has 2% discrepancy rate and 1.9% decisional rate.



# Vertical Trends & Insights

## ↓ 10% Improvement

### Average Turnaround Time (TAT)

Average Turnaround Time decreased 10% in 2018 compared to 2017 driven by:

- Retail (↓18%)
- Staffing (↓15%)
- Healthcare (↓15%)

## ↑ 9% Improvement

### Screens Completed in 1 Day

71% of screens are completed in one day. A 9% improvement from 2017 driven by:

- Healthcare (↑16%)
- Retail (↑14%)

## ↓ 5% Improvement

### Unable to Verify (UTV)

Unverifiable information decreased by 5% in 2018 versus prior year driven by:

- Transportation (↓23%)
- Retail (↓8%)
- Healthcare (↓8%)

## ↓ 4% Improvement

### Missing Information

Missing information decreased 4% in 2018 compared to 2017 driven by:

- Retail (↓22%)
- Staffing (↓22%)

**Michael** was the most common first name searched in the U.S. in 2018. In other words, Michael is a popular name in the U.S. workplace, consisting of ~120,000 candidates.

FUN  
FACT



# Criminal Product Trends



**14%**

More Ordering  
Felony Including  
Misdemeanor

*Felony Including Misdemeanor (FIM) is the most common County Criminal search that looks for records in one courthouse*



**2%**

More Ordering  
Felony and  
Separately Held  
Misdemeanors

*Customers are increasingly moving toward a more comprehensive **Felony & Separately Held Misdemeanors (FM)** search that looks for records in two courthouses*



**46%**

More Ordering  
National Sex  
Offender Registry

*Usage of **National Sex Offender Registry (NSOR)** has increased **46%***



**38%**

More Ordering  
National Criminal  
File Plus  
Developed Names

*Usage of **National Criminal Plus (NCrP)**, which includes developed names, has increased **38%***



**8%**

Less Ordering  
National Criminal  
File

*Usage of **National Criminal (NCrF)** has decreased as customers have shifted to NCrP*



## SURVEY SAYS:

**For what addresses  
do companies check  
criminal records?**

**21%** Only candidate's current address

**12%** All addresses for the past 3 years

**10%** All addresses for past 5 years

**26%** All addresses for past 7 years

**11%** All addresses for past 10 years

**5%** All addresses per country requirement

—2018 First Advantage Survey



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# Verification Product Trends

↑ **10%**

More Ordering Former Employment

↑ **4%**

More Ordering Education

↑ **13%**

More Ordering Credential Verification

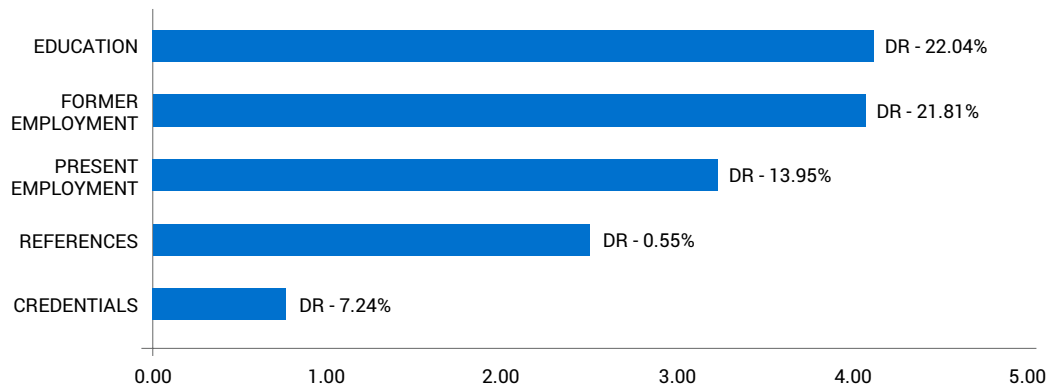
↑ **28%**

More Ordering References

↓ **3%**

Less Ordering Present Employment

## 2018 Discrepancy Rate (DR)



*Clients are moving away from traditional present employment verifications and are increasing orders for former employment, education, credential verifications and references*

**Verified!** – A new product launching this year that uses an in-house database source of confirmed employment and education verifications, thereby limiting the need to initiate new manual verifications when the candidate data has already been verified (i.e., graduation from a university) and is included in the database

**69%** of verification discrepancies were due to conflicting dates for employment and education verifications



### SURVEY SAYS:

**Of those employers that screen the social media activity of their employees or prospective employees looking for concerning behavior such as drugs, violence and bigotry:**

60% social media screen all employees

28% only screen if job requires it

7% not doing it currently but are considering adding this

–2018 First Advantage Survey



# Wellness Product Trends

**↑ 2.41%**

More Ordering  
Urine Drug Test  
Full Service  
NonDOT\*

**↑ 4.30%**

More Ordering  
Urine Instant Drug  
Test Full Service

**↑ 10.35%**

More Ordering  
Urine Drug Test  
Full Service DOT\*

**↓ 18.07%**

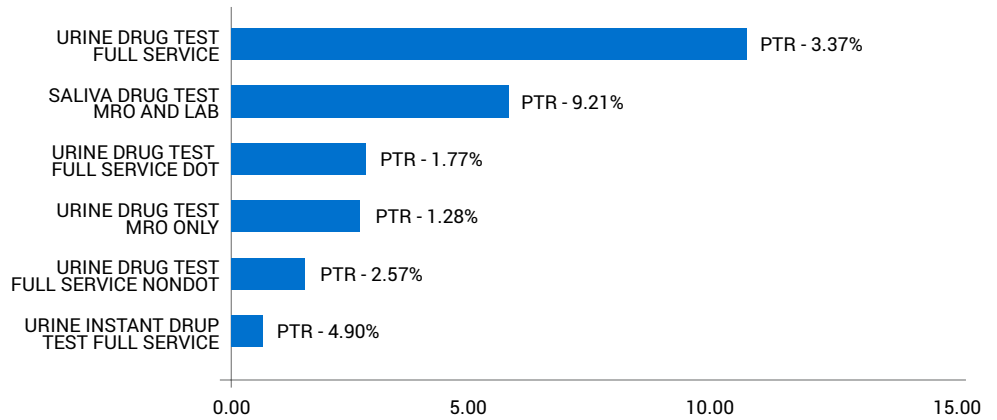
Less Ordering  
Saliva Drug Test  
MRO And Lab

**↓ 39.84%**

Less Ordering  
Urine Drug Test  
Full Service

\*DOT = U.S. Federal Department  
of Transportation

## 2018 Cycle Time and Positive Test Rate (PTR)



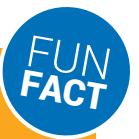
~84% of drug tests were urine based, ~15% were saliva and ~1% were hair

Clients are opting for comprehensive and faster drug tests; urine full service (DOT/NON-DOT) increased by ~3% and urine instant increased by ~11%

Instant saliva tests shadowing traditional saliva lab tests; saliva instant volumes increased by ~32% and saliva lab decreased by ~18%

Emphasis on Medical Review Officer (MRO) review of results increased; lab-only volumes decreased by ~98%

**11.96%** employers responding to our survey shared that they drug test employees and/or prospective employees. —2018 First Advantage Survey





# Global Screening Product Trends

 **12%**  
More Ordering  
Former  
Employment  
Internationally

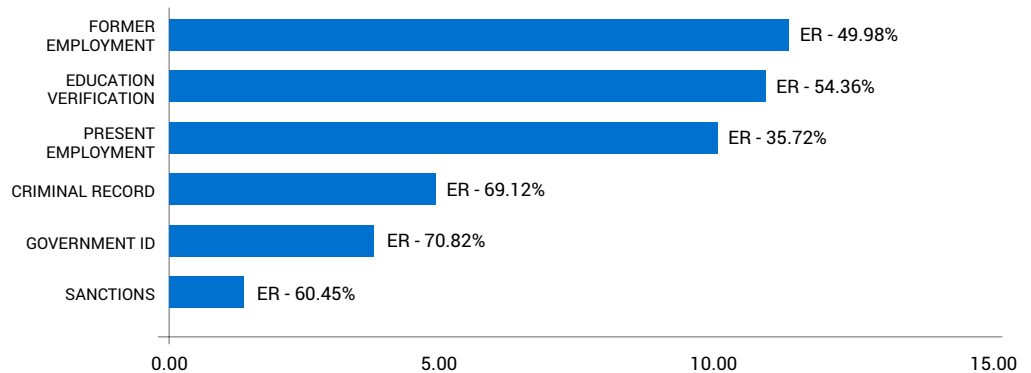
 **16%**  
More Ordering  
Criminal  
Record Search  
Internationally

 **15%**  
More Ordering  
Education  
Verification  
Internationally

 **8%**  
More Ordering  
Government ID  
Internationally

 **8%**  
Less Ordering  
Present  
Employment  
Internationally

## 2018 Eligibility Rate (ER)



*Overall upward trend in searching global markets for talent*

*Decreasing trend for ordering international present employment verifications where employers ask us to check current employment status*

*Did you know you could search to find out whether an applicant is associated with any international animal rights activist groups? This international search has the highest eligibility rate with ~96% of the searches completed scored as eligible*

*International right-to-work searches had the lowest eligibility rate with ~3% of the searches completed scored as eligible*



**SURVEY SAYS:**  
How are companies  
finding talent to  
screen?

- Campus recruitment
  - Staffing companies
  - Professional recruiter services
  - Referrals by other employees
  - Online listings including professional job boards
- 2018 First Advantage Survey



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We can help. For more information, contact First Advantage today.

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