

More than 1 in 4 Employers Do Not Conduct Background Checks of All New Employees, According to CareerBuilder Survey

- 75% of employers say they have hired the wrong person; the average cost of one bad hire was nearly \$17,000

CHICAGO and ATLANTA, Nov. 17, 2016 /PRNewswire/ -- Ever wonder why companies often take so long in deciding which candidate to hire for a particular position? Consider this: the cost of bringing on the wrong person can run into the thousands and thousands of dollars. According to a new CareerBuilder survey, 75 percent of employers said they have hired the wrong person for a position, and of those who had a bad hire affect their business in the last year, one bad hire costs them nearly \$17,000 on average. And while most employers (72 percent) background check every new employee before they are hired, more than 1 in 4 (28 percent) do not.

The national study was conducted online by Harris Poll on behalf of CareerBuilder from August 11 to September 7, 2016 and included a sample of 2,379 hiring managers and human resources professionals across industries and company sizes in the private sector.

The majority of employers (72 percent) background check every new employee before they're hired, but more than a quarter (28 percent) don't at all. Similarly, while many (55 percent) drug test employees, only one in five (20 percent) continue to once an employee has been hired.

"As you are hiring candidates who represent you and act as an extension of your company, accurate and thorough background checks are vital. Especially because the cost of replacing an experienced worker who doesn't work out can cost a decent amount of that individual's salary," Goldberg said.

Those who do background check are analyzing these aspects:

- Criminal background: 82 percent
- Confirm employment: 62 percent
- Confirm identity: 60 percent
- Confirm education: 50 percent
- Check for illegal drug use: 44 percent
- Check licensing: 38 percent
- Credit check: 29 percent

The Cost of a Bad Hire

Among those who had a bad hire, 37 percent said it was because the candidate lied about his/her qualifications. The price of a bad hire like this adds up in a variety of ways. The most common ways employers say a bad hire affected their business in the last year are:

- Less productivity: 36 percent
- Compromised quality of work: 33 percent
- Affected employee morale negatively: 31 percent
- Lost time to recruit and train another worker: 30 percent
- Cost to recruit and train another worker: 30 percent
- Employee's managers or coworkers had to spend excessive time assisting bad hire: 29 percent

Of those who have had a bad hire affect their business in the last year, the average cost of a bad hire varies by company size:

- 500 or less employees: \$11,000
- More than 500 employees: \$22,000
- More than 1,000 employees: \$24,000

When classifying what makes someone a bad hire, employers reported several behavioral and performance-related issues:

- The employee didn't produce the proper quality of work: 58 percent
- The employee had a negative attitude: 52 percent
- The employee didn't work well with other employees: 51 percent
- The employee's skills did not match what they claimed to be able to do when hired: 49 percent
- The employee had immediate attendance problems: 45 percent
- Customers complained about the employee: 38 percent

A fifth of employers who have made a bad hire (20 percent) say they know within the first week of hiring a candidate whether or not they made a mistake, and more than half (53 percent) know within the first three weeks.

A New CareerBuilder Partnership

Earlier this year CareerBuilder acquired Aurico, a leading provider of background screening and drug testing serving U.S. and international clients.

Aurico is a recognized leader in customer satisfaction among screening providers. Over the last 25 years, Aurico has delivered comprehensive background screening and drug-testing services, building a strong reputation for exceptional service, quality and screening automation.

Focused on enhancing efficiencies during the onboarding process and providing a good candidate experience, Aurico's solutions help companies meet compliance standards and feel more confident about their hiring choices.

Today Aurico announced it has been named one of the nation's top 13 employment screening providers on *HRO* (Human Resource Outsourcing) *Today* magazine's 2016 Baker's Dozen list. This recognition marks the fifth appearance on the list for Aurico.

Survey Methodology

The survey was conducted online within the U.S. by Harris Poll on behalf of CareerBuilder among 2,379 hiring and human resource managers ages 18 and over (employed full-time, not self-employed, non-government) between August 11 and September 7, 2016. Percentages for some questions are based on a subset, based on their responses to certain questions. With a pure probability sample of 2,379, one could say with a 95 percent probability that the overall results have a sampling error of +/- 2.01 percentage points. Sampling error for data from sub-samples is higher and varies.

About CareerBuilder®

CareerBuilder is the only end-to-end human capital management company covering the entire candidate lifecycle and employee lifecycle for businesses. As the global leader in its industry, CareerBuilder specializes in cutting-edge HR software as a service to help companies with every step of talent acquisition and management. CareerBuilder works with top employers across industries, providing solutions for talent and labor market analytics, job distribution, candidate sourcing, tracking, onboarding, HRIS, benefits administration and compliance. It also operates leading job sites around the world. Owned by TEGNA Inc. (NYSE:TGNA), Tribune Media (NYSE:TRCO) and McClatchy (NYSE:MNI), CareerBuilder and its subsidiaries operate in the United States, Europe, South America, Canada and Asia. For more information, visit www.careerbuilder.com.

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<https://press.careerbuilder.com/2016-11-17-More-than-1-in-4-Employers-Do-Not-Conduct-Background-Checks-of-All-New-Employees-According-to-CareerBuilder-Survey>