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Background Investigations Benchmark

Preliminary Executive Summary

A Security Leadership Research Institute Report

October 2015

INTRODUCTION

Hiring the right people for your workforce is critical to the success of the organization. Identifying who those people are is a difficult and costly effort. While referrals and job interviews are certainly important, they frequently do not provide a complete picture of the potential employee. Background investigations can help confirm qualifications and ascertain fit relative to the position being filled and the organization's culture.

Almost all organizations perform some level of background investigation. The scope of investigation often depends on the role being filled and the policies that the employer abides by to ensure a consistent and non-discriminatory selection process. Government regulations can also play a role in determining what is included in the background investigation process.

Two global organizations engaged the Security Executive Council (SEC) to provide peer benchmarks on a number of security-related functions, one which was background investigations.

This document provides a preliminary look into some of the results that have been gathered to date. It is not a complete picture, nor does it represent the comprehensive

level of detail that what was provided to our customers. However, we thought the partial information contained in this preliminary summary would be beneficial to the community.

The information gathered from research like this can be used to compare against your program, identify areas where improvement is possible and generate ideas for achieving your goals.

THE SURVEY PROCESS

The original benchmark request was to gather information about background investigations being conducted within a specified industry sector. Seeing the response and evident interest in obtaining this type of information on background investigations, the SEC decided to independently expand the scope of the research outside the original industry sector. This report covers the secondary wider audience and is not industry specific.

The questions asked were determined by the sponsor organizations as well as Security Executive Council subject matter experts experienced in the realm of background investigations and pre- and post-employment screening. The answers were collected through both online and electronic document formats with follow-up calls if necessary.

The ideal participant was the person responsible for the background investigation process who had the necessary information to answer detailed questions about that process in their organization.

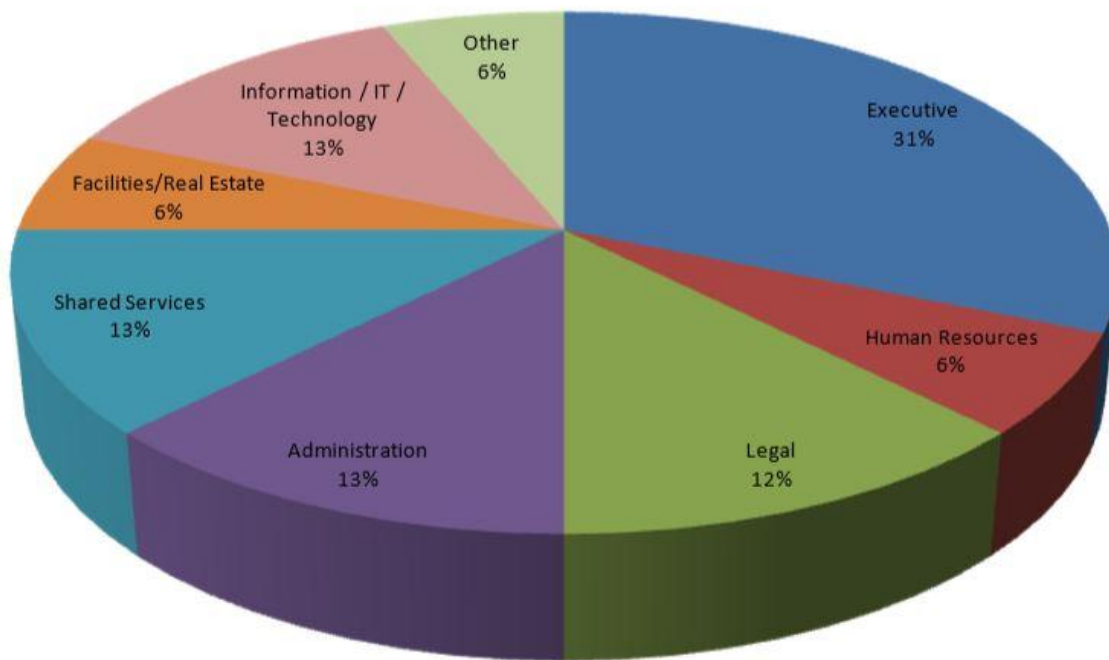
All information provided is considered confidential and will only be published in a form that preserves the privacy of the participant and the organization represented.

DEMOGRAPHICS

Most of the participating organizations were large, consisting of an average of 40,000 employees and generating \$23 billion in average yearly revenue.

The following chart provides information about which functional area of the organization the respondents reported to.

Functional Area Respondents Reported Into:



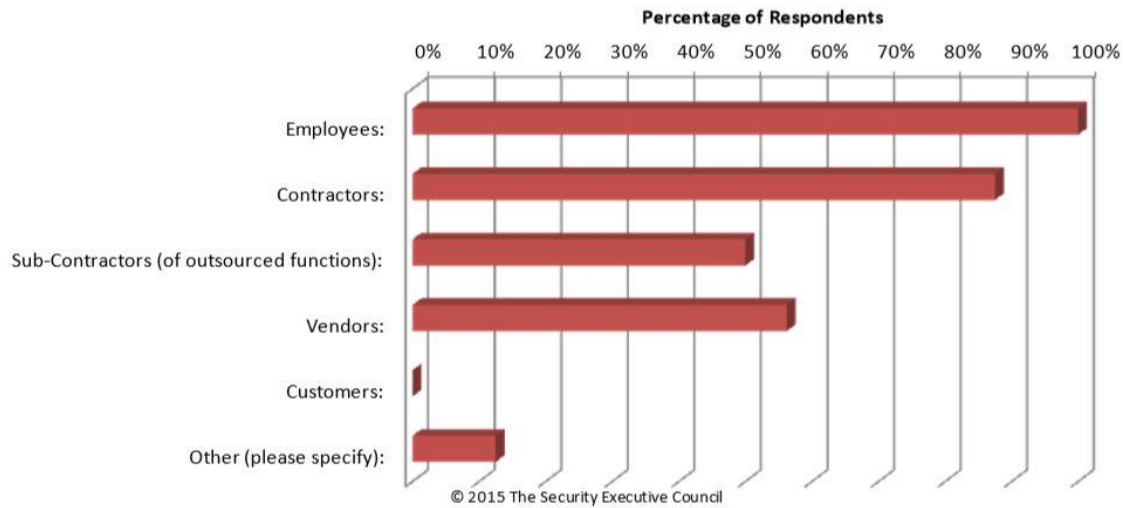
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More than 60% of the participants were three or more reporting levels below the organization's senior-most operating executive (CEO, president or equivalent).

BACKGROUND INVESTIGATIONS – SCOPE OF SUBJECTS

While all the participating organizations conducted background investigations on employees, more than 50% of them also had their vendors undergo checks.

What the Scope of Background Investigations Includes:



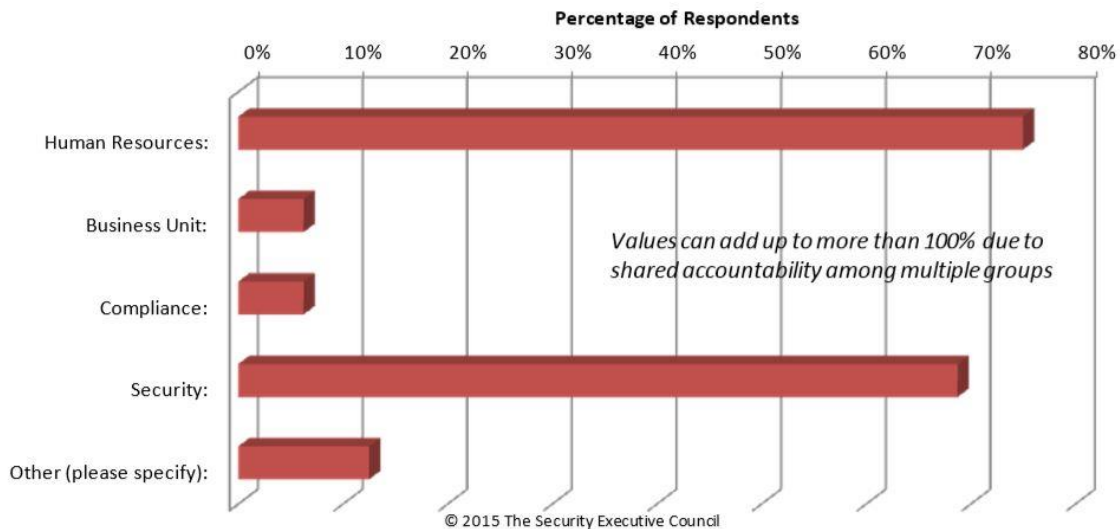
The following information has been excluded from this section of the preliminary report:

- Industry sector specific analysis.

BACKGROUND INVESTIGATIONS – DRIVERS AND OWNERSHIP

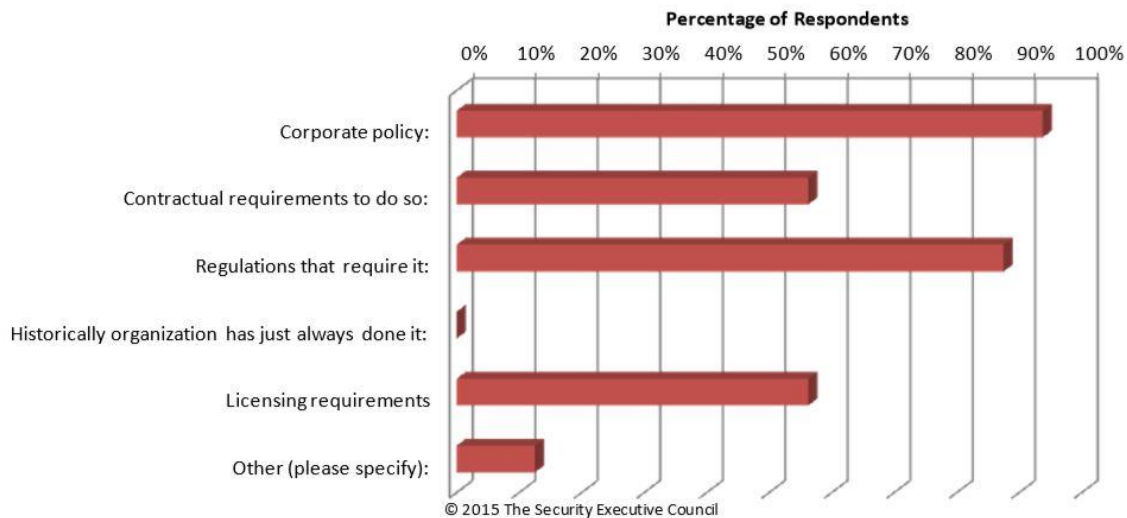
While all the participating organizations conducted background investigations on employees, Human Resources had some level of accountability in more than 70% of the participating organizations. Preliminary results suggest that Human Resources and Security functions shared accountability for background investigations in roughly 37% of the participating organizations.

Which Functional Areas Own Accountability for Background Investigations:



More than 80% of participating organizations were subject to regulations that drove some elements of their background investigations process:

Under What Authority are Background Investigations Performed:



The following information has been excluded from this section of the preliminary report:

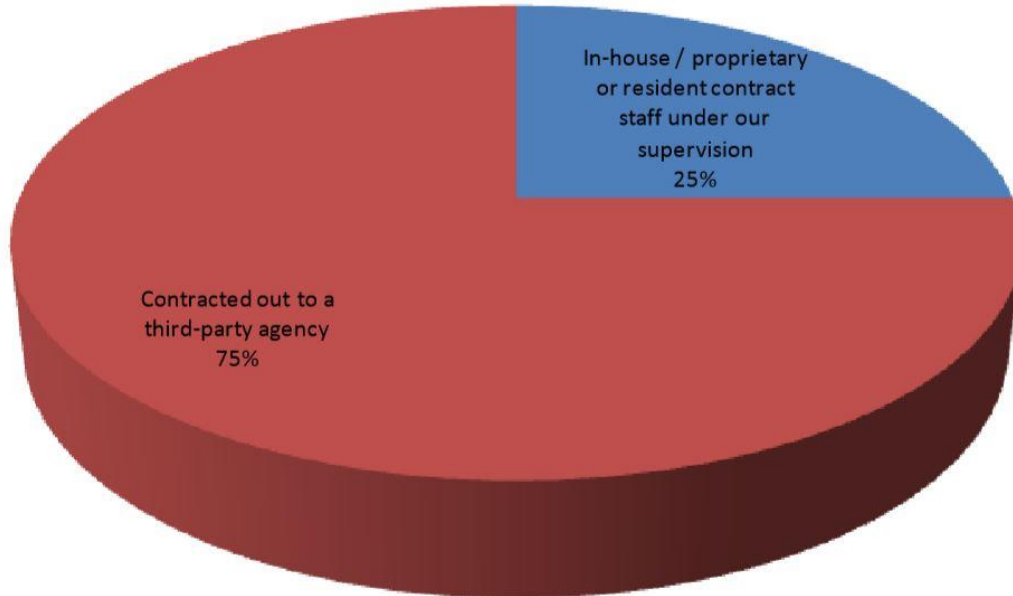
- Industry sector specific analysis

- Detailed information regarding shared accountability for the background investigations process
- Details about the functional areas responsible for setting background investigation policy and standards
- Perceived effect of background investigations on insider threat

BACKGROUND INVESTIGATIONS – SERVICE PROVIDER

Three-quarters of organizations participating in the survey contract out their investigations to a third party.

Who Performs the Screening Process:



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One third of those that use a third party use multiple vendors to accomplish this task, and almost all had a Service Level Agreement (SLA) in place with those vendors.

The following information has been excluded from this section of the preliminary report:

- Industry sector specific analysis
- More information on SLAs including covering specific measures of performance
- Auditing compliance and performance to the SLA

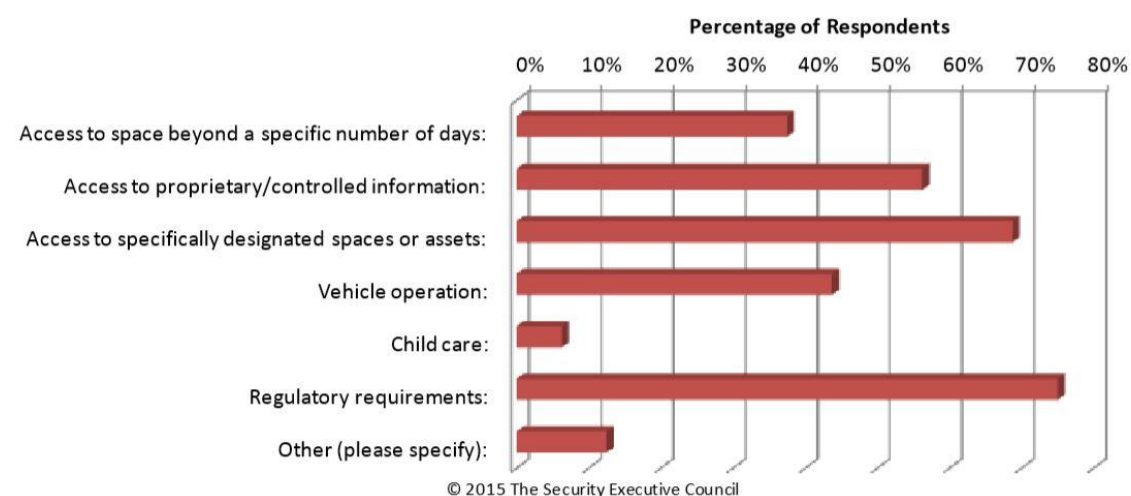
- Satisfaction level with third-party providers

BACKGROUND INVESTIGATIONS – SUBJECT CRITERIA

Half of organizations participating in the survey have statutory disqualifying federal, state or country of operation laws that are required to be addressed in the background investigations process.

Risk ranking by position or level of authority was prevalent among the survey participants. Some examples of criteria used when determining level of risk were financial responsibility, contact with certain types of customers such as minors, the handling of PPI, and access to restricted areas within the company.

What Criteria are Used to Drive Requirements for Individuals to be Screened:



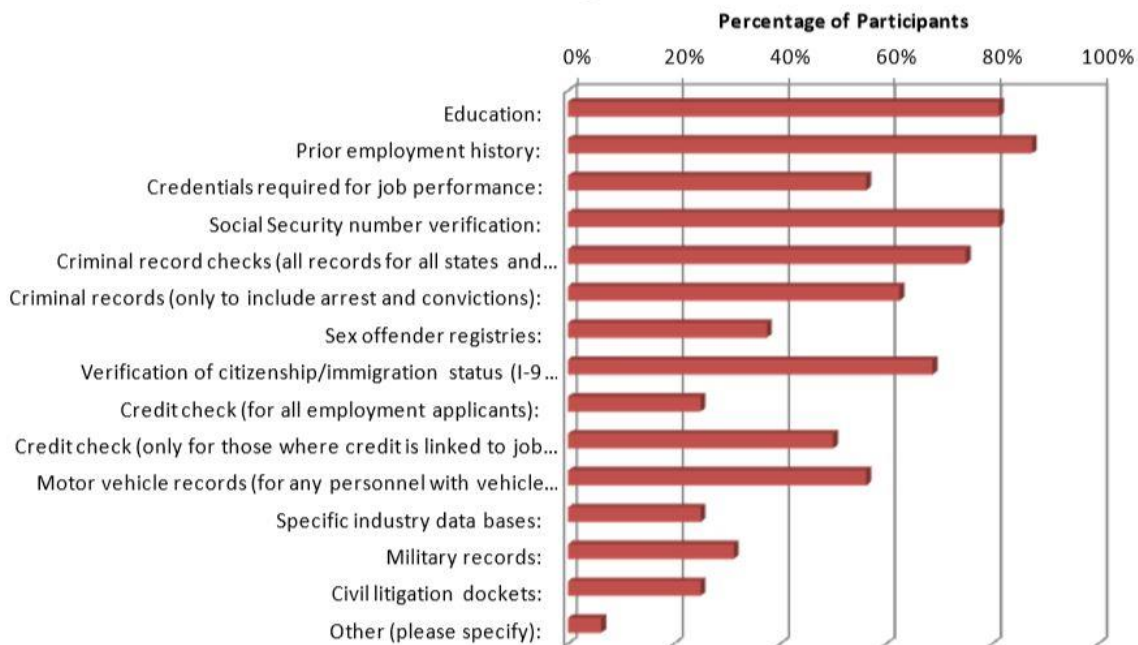
The following information has been excluded from this section of the preliminary report:

- Industry sector specific analysis
- Regulations that drive requirements for screening
- Screening of foreign nationals and the prevalence of local country standards constraining the effectiveness of the screening
- Comparisons of reliance on vendors to screen their own employees versus screening them independently

BACKGROUND INVESTIGATIONS – SCOPE OF INVESTIGATIONS

Personal history statements were required by 56% of the organizations in the survey. Of those, 78% used the statement as a core element of the screening process from a verification and honesty/accuracy perspective.

The Scope of Coverage for a Standard Background Investigation



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More Than 69% of surveyed organizations use fingerprint records for some or all applicants.

A majority of organizations do not include social media history in their background screening process.

The following information has been excluded from this section of the preliminary report:

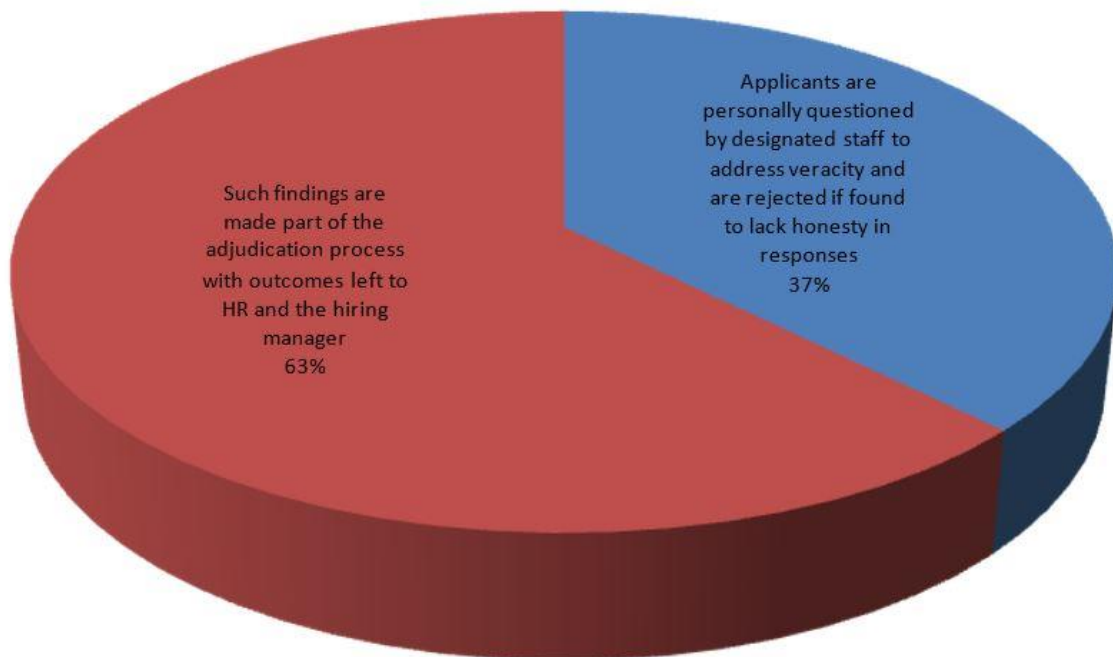
- Industry sector specific analysis
- Databases used in the background investigation process
- Scope of coverage for expanded background investigations
- More detail on the use of fingerprint records

- Use of drug screening and how legalized marijuana is being handled within the organizations
- The use of suitability standards in background screening policy
- The use of risk-ranking as it applies to the associated standard of acceptance or rejection for hiring

BACKGROUND INVESTIGATIONS – DECISION MAKING

Given a material discrepancy, most hiring decisions are left to HR and the hiring manager.

How a Material Discrepancy in an Applicant's Personal History is Addressed:



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Material adverse findings during the screening process prohibit hiring in 63% of the organizations surveyed.

The following information has been excluded from this section of the preliminary report:

- Industry sector specific analysis

- The prevalence of allowing individuals to be hired prior to completion of the screening process and under what conditions.
- The prevalence of accelerated screening processes and conditions of its use

BACKGROUND INVESTIGATIONS – RE-INVESTIGATIONS

More than 68% of the surveyed organizations performed periodic in-service re-investigations. Of the organizations that performed periodic re-investigations, roughly half conduct a reinvestigation process equal to the pre-employment screening process.

The following information has been excluded from this section of the preliminary report:

- Industry sector specific analysis
- More detail on when/why re-investigations were conducted

BACKGROUND INVESTIGATIONS – MEASURES AND METRICS

Among the surveyed organizations, the average turnaround for a standard pre-hire background investigation was between 2 and 14 days.

The average organization performed a total number of background investigations per year that was roughly equivalent to a third of their workforce.

The following information has been excluded from this section of the preliminary report:

- Industry sector specific analysis
- More in-depth turn-around statistics
- List of metrics used and the prevalence of each
- Metrics applied to vendor SLAs
- More detail on how many background investigations the typical organization performs in a year
- Prevalence of independent vetting of best practices for background investigation processes

PARTICIPATE IN THE RESEARCH TO RECEIVE COMPLETE RESULTS

This document provides only a glimpse at the comprehensive level of detail provided in the full benchmark report. Your organization can achieve a better understanding of peers' background investigation processes by participating in the research. Organizations that provide data that meets the qualifications will be provided with an in-depth benchmark report.

You can access the full results by [completing the survey found here](#) and providing information about your corporate background investigations program and security program budget figures. NOTE: All information you provide will be kept confidential. The information gathered will only be published in an aggregate form that maintains the privacy of the individuals and the organizations they represent. Only those providing complete and accurate information will be included in the analysis, and only those included in the analysis will be provided the published results.

Visit the Security Executive Council website for other resources in the [Program Best Practices > Investigations](#) series.

About the Security Executive Council

The SEC is the leading research and advisory firm focused on corporate security risk mitigation solutions. Having worked with hundreds of companies and organizations we have witnessed the proven practices that produce the most positive transformation. Our subject matter experts have deep expertise in all aspects of security risk mitigation strategy; they collaborate with security leaders to transform security programs into more capable and valued centers of excellence. Watch our [3-minute video](#) to learn more.

Contact us at: contact@secleader.com

Website: <https://www.securityexecutivecouncil.com/>