

# Candidate Background Screening in Executive Search

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# Foreword

In 2021, the AESC and Mintz Group, the AESC's exclusive due diligence partner and an industry leader in background screening of executive and board candidates, conducted a survey of AESC members concerning background screening in executive search. The survey covered a wide range of issues, including the mechanics of how background searches are conducted, which red flags are of greatest concern, and what role the then-novel technology of artificial intelligence might play.

Significant changes have unfolded since the initial survey. The dynamics of the executive talent market have shifted. Regulations regarding the use of personal information by potential employers continue to evolve. And AI has increasingly become part of the background screening toolkit, as users work to understand the technology's potential and limitations.

The 2024 AESC-Mintz Group survey revisits many of the themes addressed in the 2021 survey, and also probes new issues. We want to thank the many AESC members who took the time to participate in the survey and share their perspectives. We hope you find this summary report a useful resource as you evaluate your firm's experience with these topics.



**Karen Greenbaum**  
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# Key Findings

**Search firms are moving toward a combination of internal and external resources for their background screening.** Our 2024 survey reported a decline in the percentages of search firms exclusively using internal resources or external resources for background screening, with search firms relying on in-house resources dropping from 29 percent to 26 percent and firms turning exclusively to external providers decreasing from 47 percent to 40 percent. In contrast, the percentage of firms combining internal and external resources grew from 25 to 31 percent.

**Fewer searches are sidetracked or upended by serious red flags.** In our 2021 survey, respondents said that in 36 percent of searches, background screenings uncovered information that either terminated a candidacy or warranted concern or discussion. In 2024, however, that number dropped to 22 percent. This shift could reflect changes in the talent market or the effectiveness of in-house screening in eliminating potentially problematic candidates early in the process.

**Search professionals are taking a more sophisticated view of the background screening process when working with third-party providers.** When evaluating third-party background screening providers, completeness of scope—considered more of a “nice to have” in 2021—is now second in importance only to accuracy. And the number of executive search consultants saying they want to delve into the details of background screening reports instead of having findings predigested for them has grown to 41 percent in 2024, up from 22 percent in 2021. These developments are likely to lead search professionals to become more discriminating regarding their third-party screening providers and their deliverables.

**Compliance is outsourced or decentralized.** With the welter of regulations regarding the use of personal information by potential employers and what is permissible to consider when making employment decisions, responsibility for compliance overwhelmingly falls to either the individual search professional or the outside screening provider. This suggests that firms would be well-served to evaluate and monitor both their outside providers’ compliance protocols and their internal training procedures in light of an ever-evolving regulatory landscape.

**Artificial intelligence has a solid foothold in background screening.** About one third of respondents who conduct background searches report that they or their screening providers are using AI at least modestly in their background screening tasks. Almost ninety percent of respondents believe that the use of AI in background screening will increase over the next three years, with a third believing that the increase will be substantial.

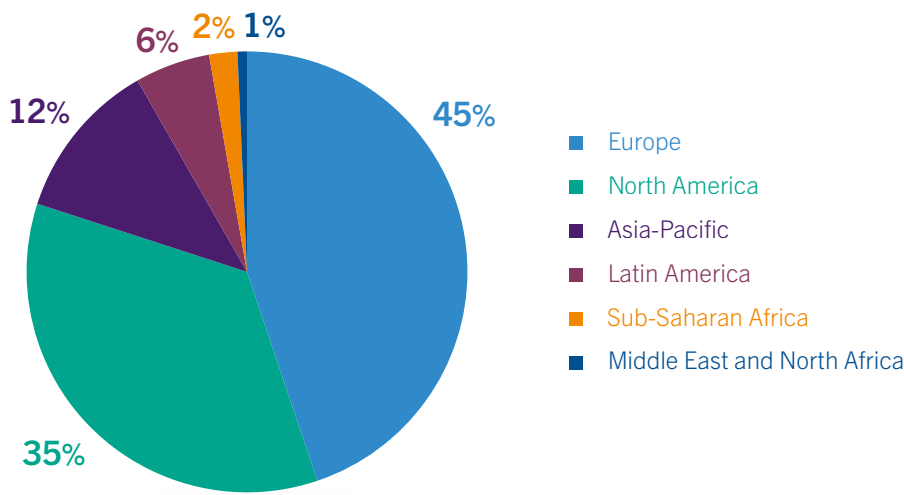
**There is greater awareness of AI’s limitations.** If AI is increasingly part of the background screening process, there is also greater understanding that the use of AI comes with caveats. Compared with survey respondents in 2021, survey respondents today:

- believe in greater numbers that AI is more likely to include false positives than screening done without AI;
- are less likely to believe that AI poses no risk of bias or discrimination toward applicants;
- are less likely to believe that AI is able to process all information needed in a background screening;
- are more likely to believe that AI findings need to be verified by humans.

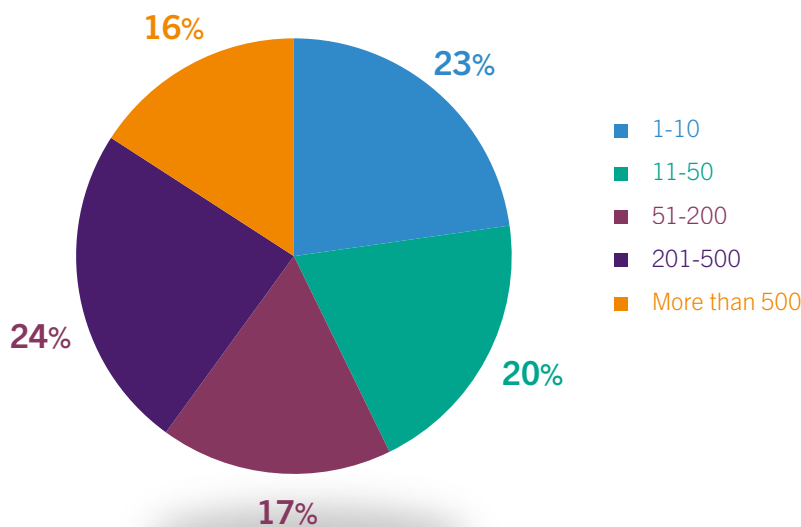
# Survey Demographics

The 2024 AESC-Mintz Group survey was conducted online between February and April 2024, with 145 professionals from AESC member firms around the world responding to the survey, representing firms ranging in size from small boutiques to those with hundreds of professionals. Participation in the 2024 survey saw an increase of more than 50 percent over 2021.

Respondents by region



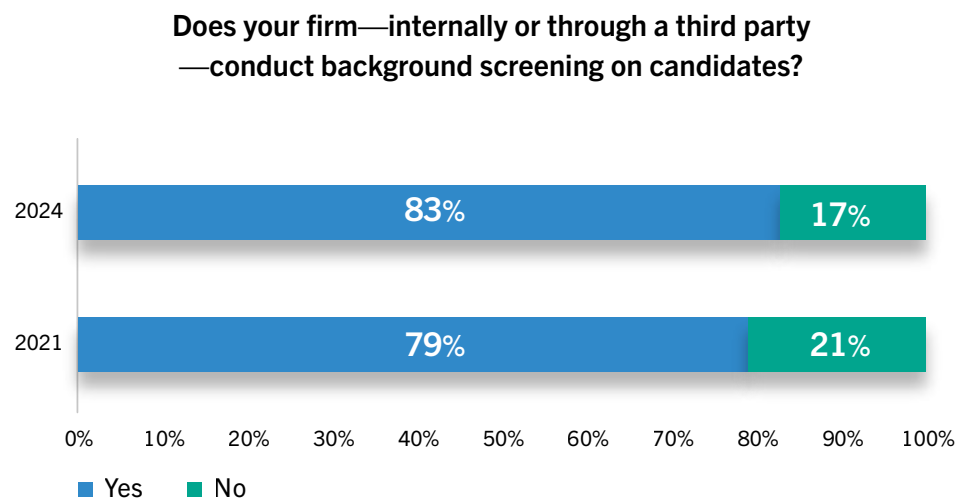
Respondents by firm size



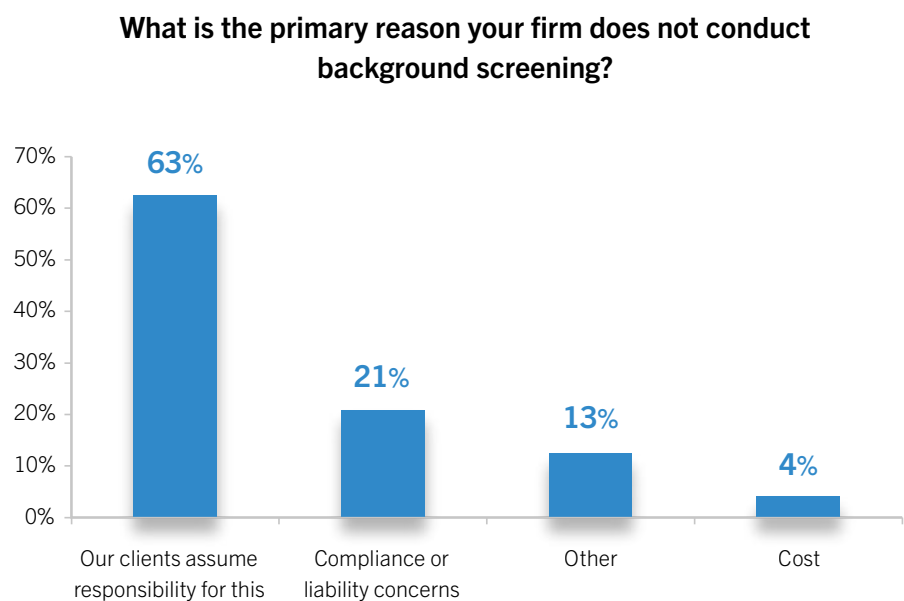
→ Percentages above and elsewhere in this report may not sum to 100 due to rounding.

# The impact of background screening on executive search

Background screening remains an integral part of the executive search process, with 83 percent of survey respondents indicating that their firm (or a third-party provider) conducts background screening on candidates—a four percent increase over the 2021 survey.



Of the firms that do not conduct background screening, close to two thirds say that their clients take responsibility for doing so. Taken together, the two figures indicate that approximately 94 percent of candidates are subject to background screening from either the search firm or the end client.

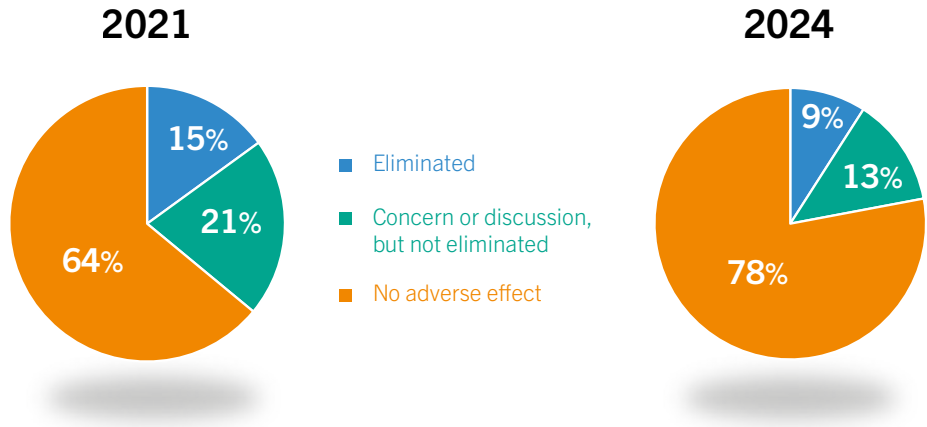


Background screening can have a significant impact on the search process, with respondents reporting that background screening findings cause either concern or discussion, if not outright elimination, in 22 percent of searches. This represents a significant decline from the 36 percent of searches whose screenings included serious red flags in the 2021 survey. This development could be due to two factors. First, the change may reflect developments in the executive talent market and the larger macroeconomic environment. The 2021 survey was conducted in the throes of the pandemic, when many quality

candidates were reluctant to leave their jobs. However, those candidates may well be exploring other options in the current environment, given low unemployment and high levels of job attachment.

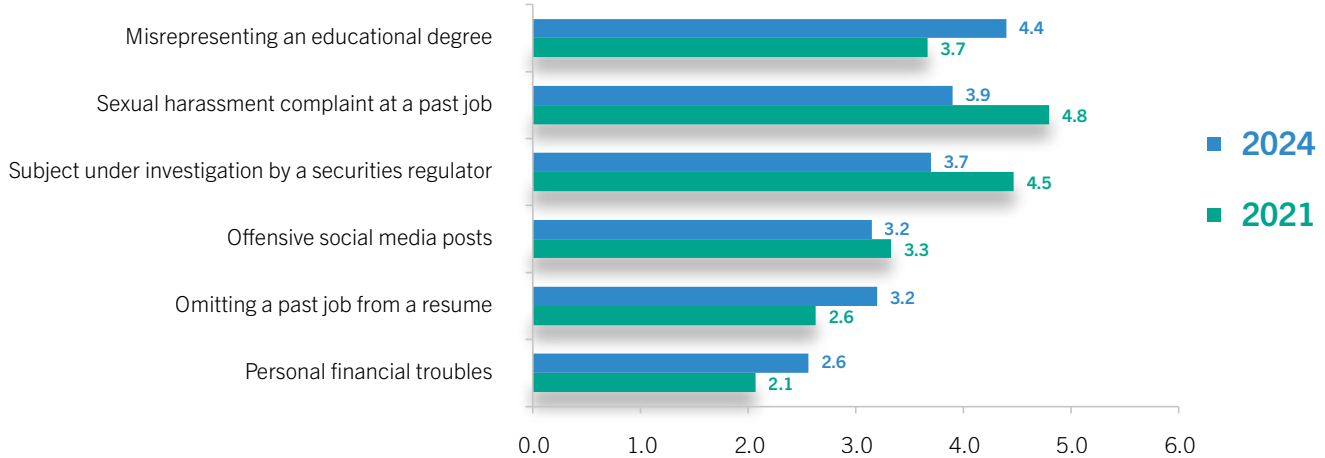
Alternatively, as more search firms are conducting at least part of their screening in house, it is possible that a greater number of potentially problematic candidates are being weeded out early in the process.

**In approximately what percentage of searches does a background screening uncover information that causes concern or eliminates candidates from consideration?**



This year’s survey also shows interesting developments in the relative weight given by search consultants to different red flags that emerge in the screening process. In 2021, when respondents were asked to rank the severity of different red flags, sexual harassment complaints were ranked as the most serious. In this year’s survey, misrepresenting an educational degree experienced a significant jump in relative importance and is now considered the most worrisome offense. Just as notably, we saw a leveling in how the other warning signs are regarded: Sexual harassment and investigation by a regulator—the two most serious red flags of 2021—were given slightly less weight in this year’s survey, while personal financial troubles and omitting a past job from a resume—the two offenses considered the least serious in 2021—were given more emphasis.

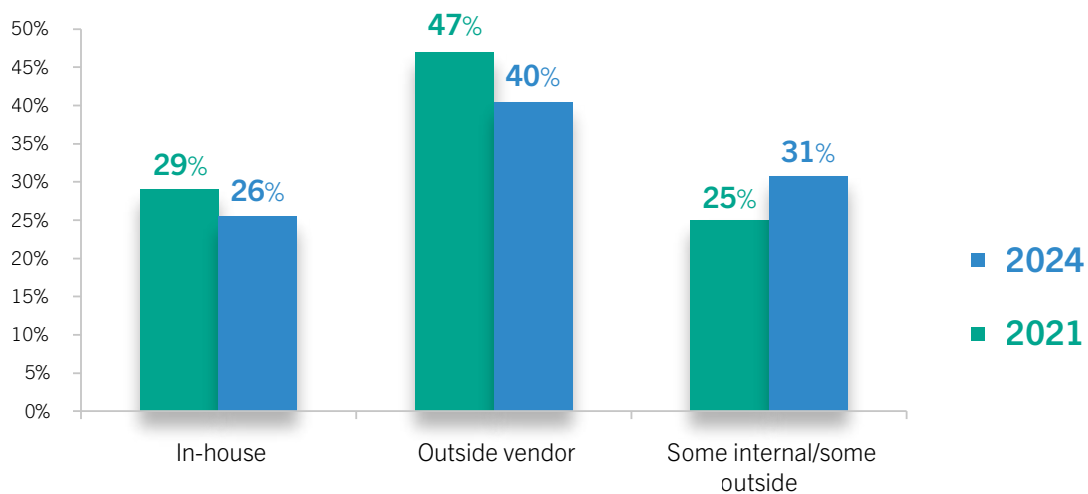
**Rank the following background screening findings  
from most to least cause of concern (max = 6)**



## Background screening mechanics

While the majority of executive search firms conduct background checks on candidates, only slightly more than a quarter do so entirely in-house. Most either use an outside provider or rely on a mix of internal and external resources. Since our 2021 survey, there has been a shift away from using either internal or external resources exclusively and instead relying on a mix of in-house capabilities and external screening firms.

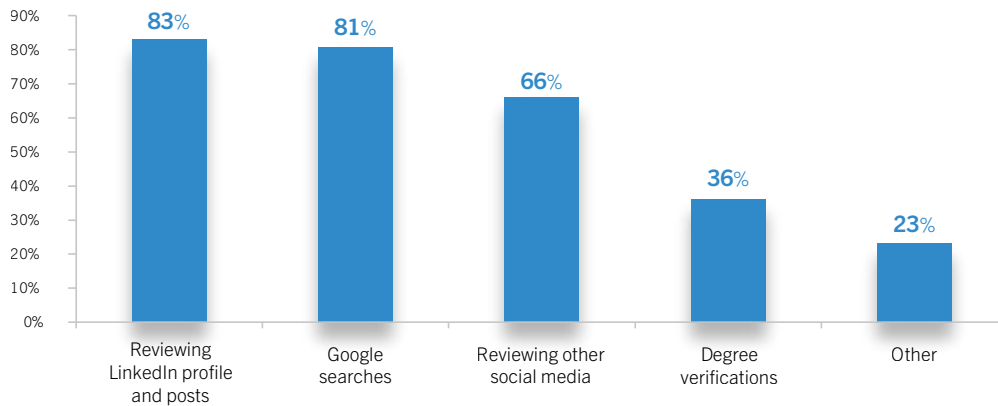
**Does your firm outsource background screening to outside vendors, handle the process in-house, or use a mix of internal and external resources?**



→ Excludes “Not Sure/Don’t Know” responses.



**When your firm conducts background screening in-house, which of the following checks do you or your colleagues perform? (Select all that apply.)**

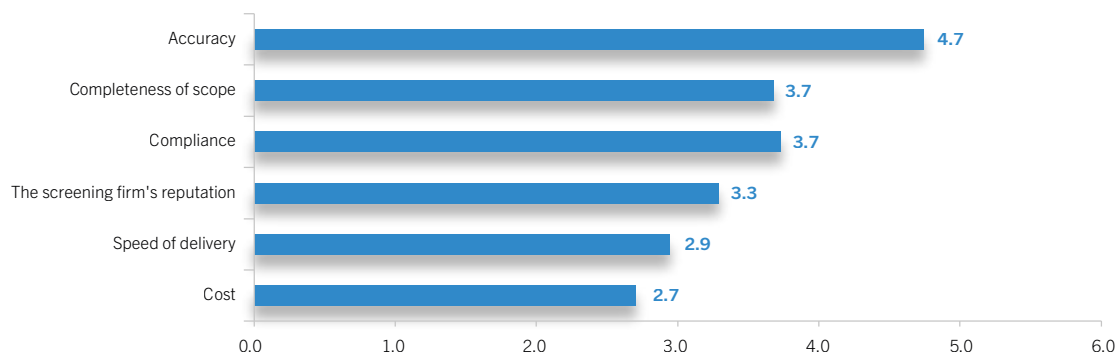


→ Excludes “Not Sure/Don’t Know” responses.

As noted earlier, while conducting more background screening in-house may enable firms to weed out problematic candidates early in the process, it can also lead to a variety of risks. For example, while a cursory search of obviously identifiable social media accounts may not uncover anything noteworthy, candidates may also have other, more difficult-to-identify accounts with potentially problematic materials. In addition, in-house checks may or may not run all screens uniformly across their candidate pool. Finally, if background findings are used not solely in the construction of the preliminary, internal candidate lists but are also passed along to the client, that could create a compliance risk if there are regulations against an employer using that information in a hiring decision. For example, certain jurisdictions prohibit criminal records from being considered in a hiring decision until after an offer of employment is made. Search firms thus need to ensure that their background screening processes meet their desired levels of consistency, effectiveness and compliance.

When selecting an outside screening firm, accuracy was the most important criterion, as it was in 2021. Notably, completeness of scope (such as the inclusion of non-English language sources, or of records that are relevant but that may not be included in a more cursory screening because they do not mention the candidate by name) has become significantly more important, jumping from last place in 2021 to a tie for second in 2024.

**Rank the importance of each of the following when selecting a background screening firm (max = 6)**

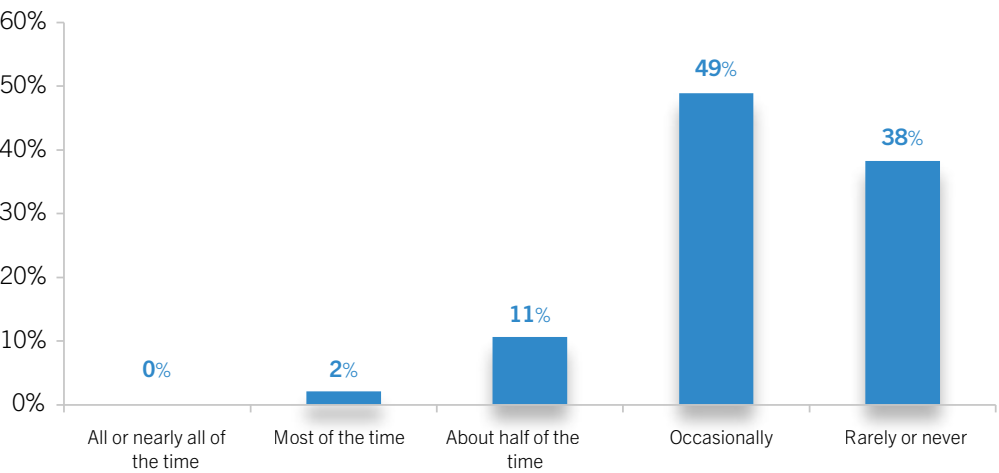


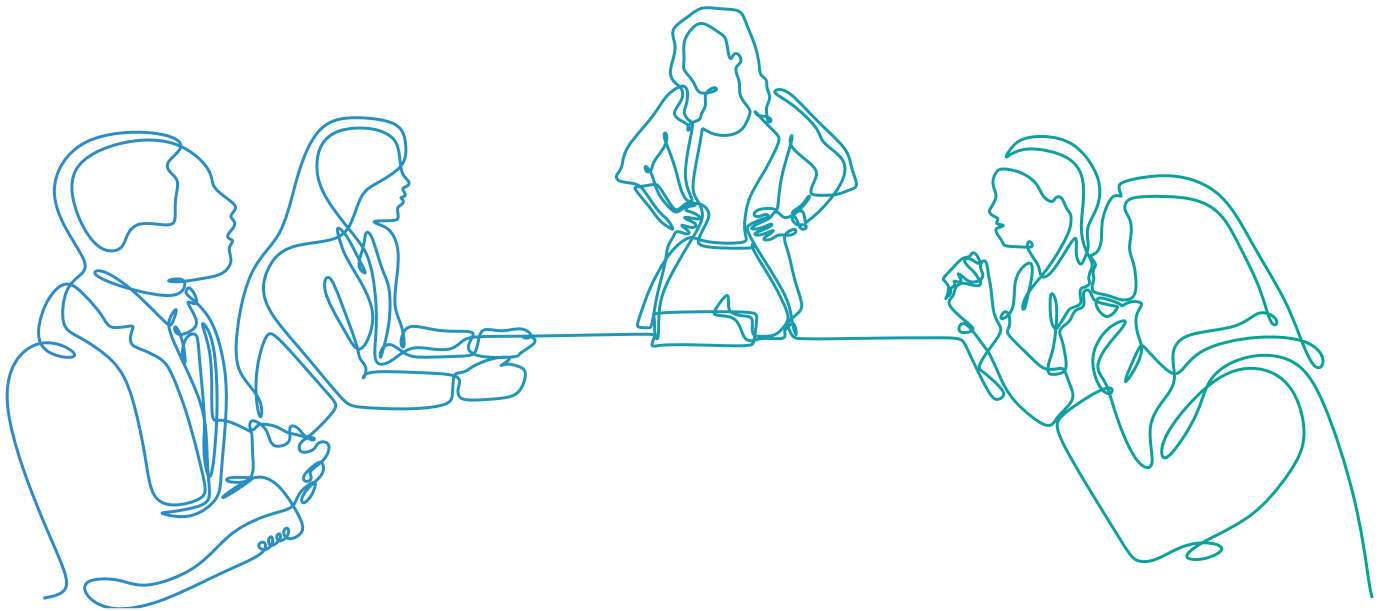
We suspect this development reflects two factors. First, there is a growing awareness that accuracy must be paired with completeness of scope for the background screening to be truly reliable. Second, there is a greater appreciation that constructing a full profile of a person may require information beyond what shows up in a simple Google search of a person's name.

A primary goal of the background screening process is to uncover risks associated with a candidate. But while some behaviors—offensive social media posts, misrepresenting educational history, or past sexual harassment incidents—will constitute red flags for any potential hire, other behaviors may constitute an issue only for certain roles or within certain organizations. Social media posts reflecting ongoing involvement in sports gambling, for example, might not typically be a concern, but might warrant being flagged in screening for financial officer positions. Organizations whose mission and values are integral to the brand may wish to screen for activities or behaviors that, while not disqualifying in other contexts, would bring reputational damage if found in someone holding a high-profile role.

Survey respondents report, however, that background searches are widely regarded as standardized, off-the-shelf products: Only 13 percent of respondents said that their clients come to them at least half the time with their own checklists or criteria to be used in the screening process, while 38 percent report this occurs rarely or never.

**How frequently do your clients come to you with their own checklist or specific criteria of what they want included in a background screen?**

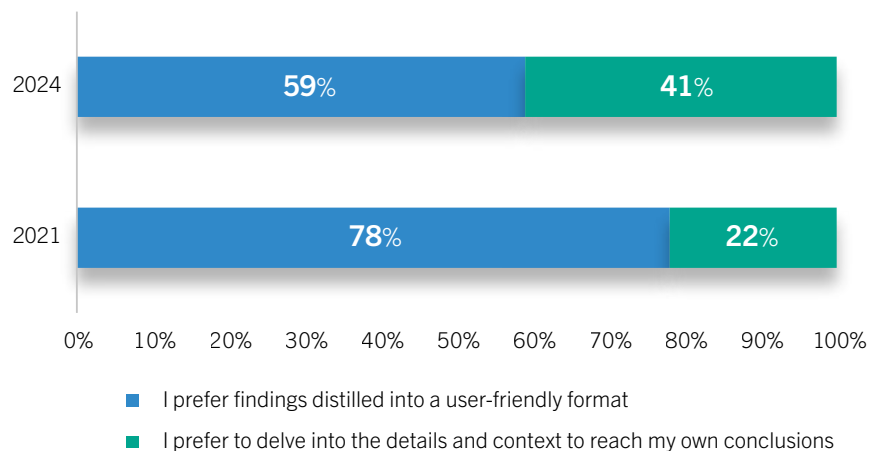




In the background screening process, the collection and analysis of information on a candidate culminates with a weighing of risks and the reaching of a conclusion. Some screening providers, in an attempt to streamline these final steps, provide high-level, user-friendly summaries that seek to enable the executive search consultant to make a quick decision. Some search consultants, however, prefer to delve into a report's details themselves and draw their own conclusions.

Given that time pressure is an ongoing feature of the executive search process, it would be reasonable to expect more and more consultants to gravitate toward an end-to-end solution. However, the opposite has occurred. The percentage of respondents that prefer their screening findings to be distilled so that they can rapidly reach a conclusion has dropped from 78 percent in 2021 to 59 percent in 2024.

**Which of the following statements  
most closely reflects your view?**

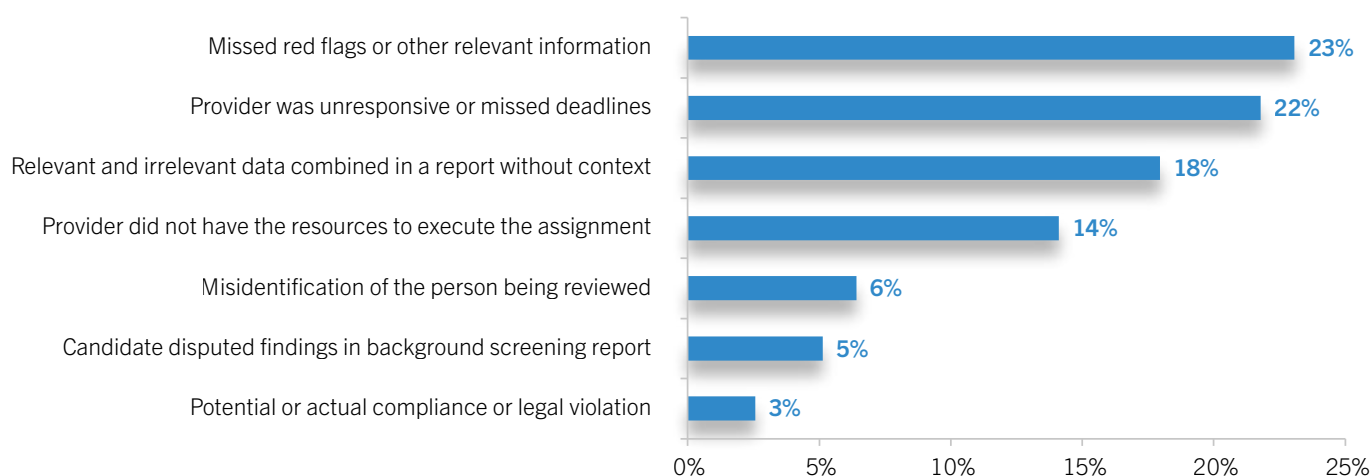


Like the increased importance placed on completeness of scope, in our view this reflects an evolving sophistication within the executive search industry regarding background screening, and a growing appreciation of the nuances involved.



Consistent with our finding that accuracy is the most important criterion by which executive search consultants measure background screening providers, when consultants have had negative experiences with providers, the issue has most often involved missed red flags or other relevant information. Screening reports that provide data but no context, and insufficient provider responsiveness, were also recurring complaints. Half of respondents—51 percent—report having no such problems with their screening providers.

**Which of the following negative experiences with a background screening provider have you had, if any? (Select all that apply.)**

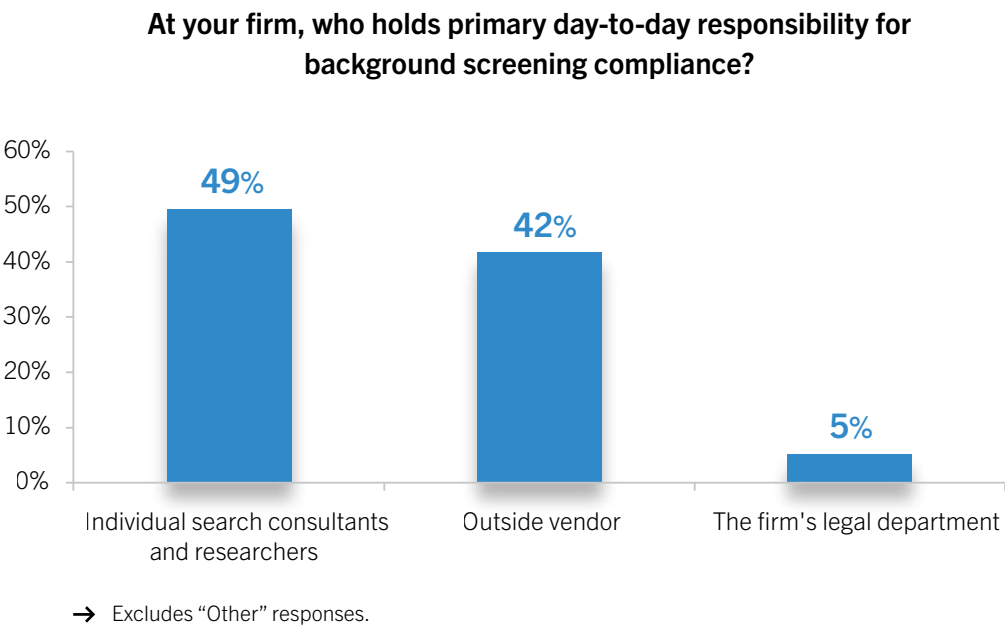


# Background screening and compliance

Background screening requires awareness of and compliance with various regimes in the United States (such as the Fair Credit Reporting Act), the EU and Asia covering the use and handling of personal information, as well as how that information can or cannot be used in employment decisions. These regulations can pose an ever-shifting minefield of compliance risk.

For example, numerous jurisdictions have restrictions regarding how and when criminal history can be used in the hiring process, or which classes are protected from discrimination. What is permissible in one jurisdiction may be prohibited in another—or fall into an undefined gray area requiring experience to navigate.

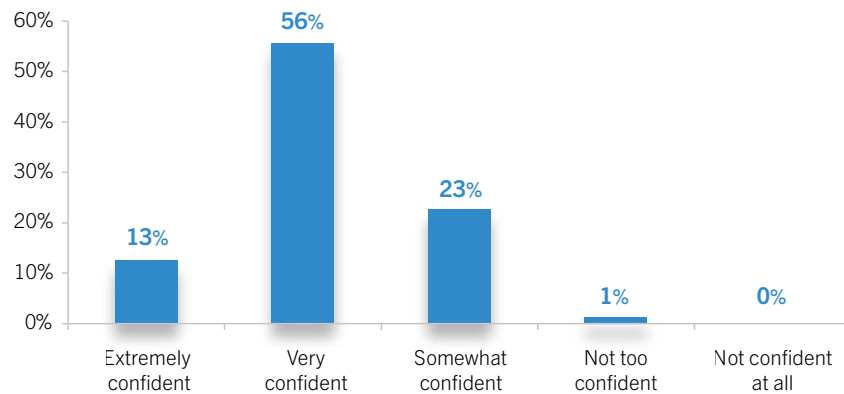
Nearly half the survey respondents reported that the primary responsibility for meeting this compliance challenge falls on the individual consultant or researcher, with most of the remaining response indicating compliance rests with their outside screening provider.



Search firms that rely on their outside providers to handle compliance issues would do well to assess their provider’s ability not just to comply with current regulations, but to proactively incorporate future changes to relevant laws across jurisdictions. Search firms that place primary compliance responsibility on the individual consultants and researchers might consider putting regular training review programs in place, to help ensure compliance throughout their organization.

More than two-thirds of respondents felt “very” or “extremely” confident that their firm and/or their third-party providers were fulfilling compliance requirements involved in background screening. That responsibility for compliance within search firms is at times decentralized, posing a potential risk.

**How confident are you that your firm and/or its third-party providers are fulfilling their regulatory compliance requirements and have the appropriate oversight in place to ensure that background checks stay within legal bounds?**

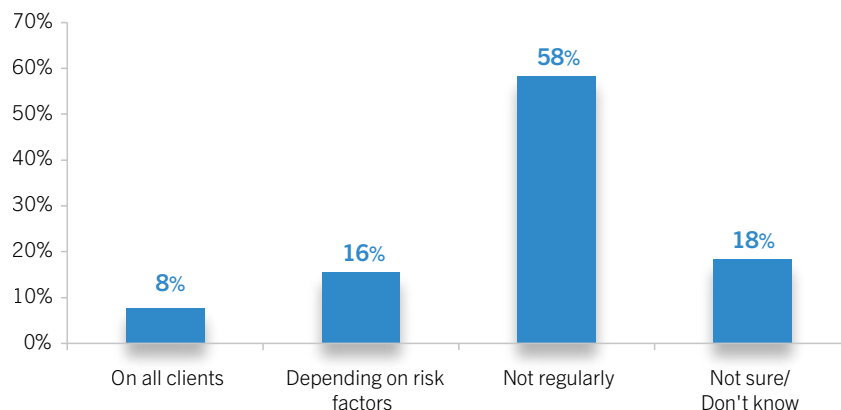


→ Excludes “Not Sure/Don’t Know” responses.

Background screening is most often thought of as an integral part of the work that executive search consultants do for their clients. But there are also times when firms may conduct background screening as part of the due diligence process concerning their own operations. In light of the increased use of sanctions by some national governments—restricting business dealings with certain persons or organizations owned by foreign nationals of certain countries—our survey probed the extent to which executive search firms conduct background checks on potential new clients.

Our respondents report that this is not a widespread practice, with less than a quarter either doing so for all clients or doing so depending on risk factors.

**Does your firm (either directly or through a third party) conduct background screening or other forms of due diligence on potential new clients who are not already known to you?**



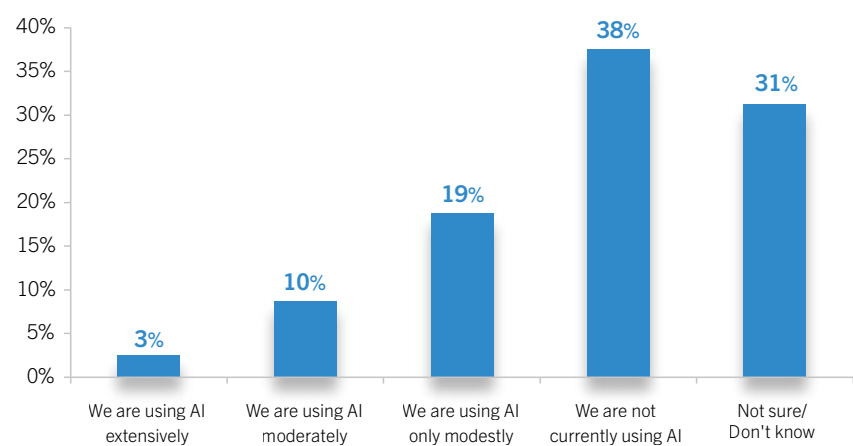
# Background screening and artificial intelligence

In the years since the 2021 survey, artificial intelligence has gone from a curiosity to center stage. ChatGPT has captured the public imagination, and virtually every industry is investigating how AI-powered tools can improve speed, efficiency and accuracy.

The ability of AI to analyze large amounts of data makes the technology appear a natural fit for background screening. However, AI-powered tools also have significant limitations. AI can only draw on the information in its datasets; it can't have conversations with industry contacts or visit courthouses in jurisdictions where online records are not yet comprehensive.

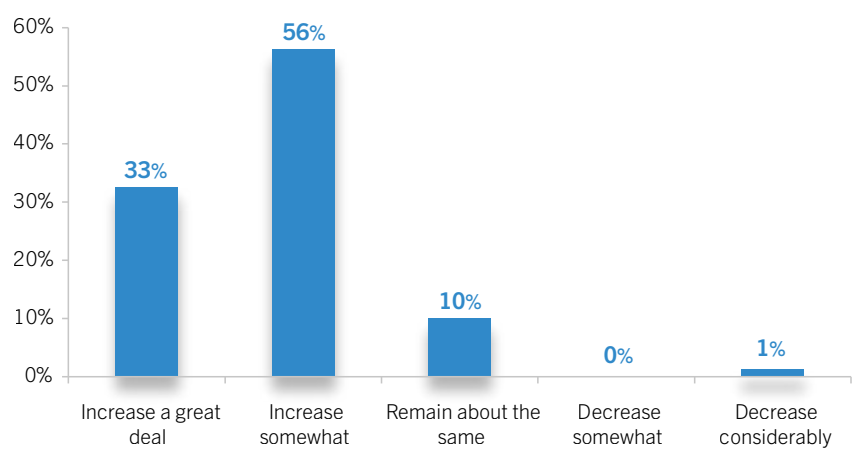
About one third of respondents report that they or their screening providers are using AI at least modestly in their background screening tasks. It is also noteworthy that almost as many respondents report that they are unsure if AI is being used or not.

**How actively is your firm (or your providers) using artificial intelligence for background screening tasks?**



Looking ahead, virtually all respondents think that the use of AI in background screening will increase at least somewhat, with a third expecting that increase to be substantial.

**How do you expect your firm or your provider's use of AI for background screening to change over the next three years?**

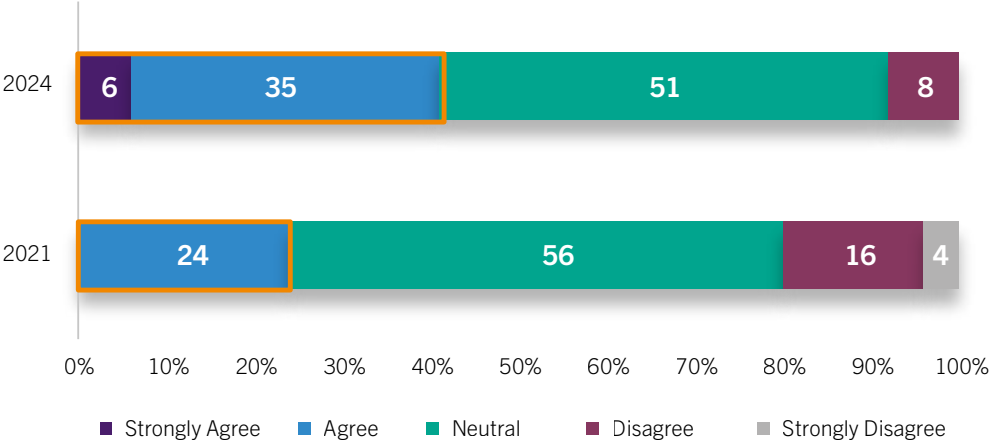


In our 2021 survey, we asked a series of questions to probe respondents' understanding of the limitations of AI, including the generation of false positives, the risk of bias or discrimination, and the inability of AI to draw upon all information that might be needed in a background screening.

Asking the same questions in 2024, we found that while the use of AI for background screening has gathered momentum among executive search firms and there is an expectation that AI will become more prevalent in the years ahead, there is also greater awareness of AI's limitations.

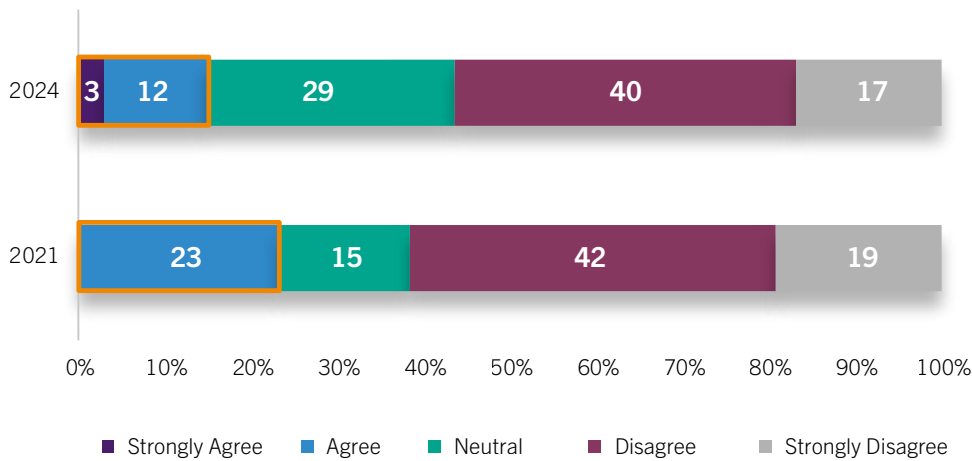
Compared with 2021, respondents today:

**AI more likely to include false positives**



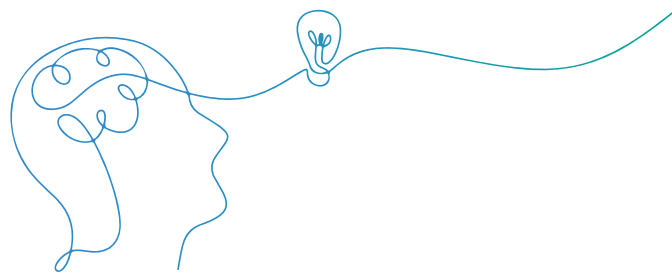
→ ...believe in greater numbers that AI is more likely to include false positives than screening done without AI.

**AI poses no risk of bias or discrimination**

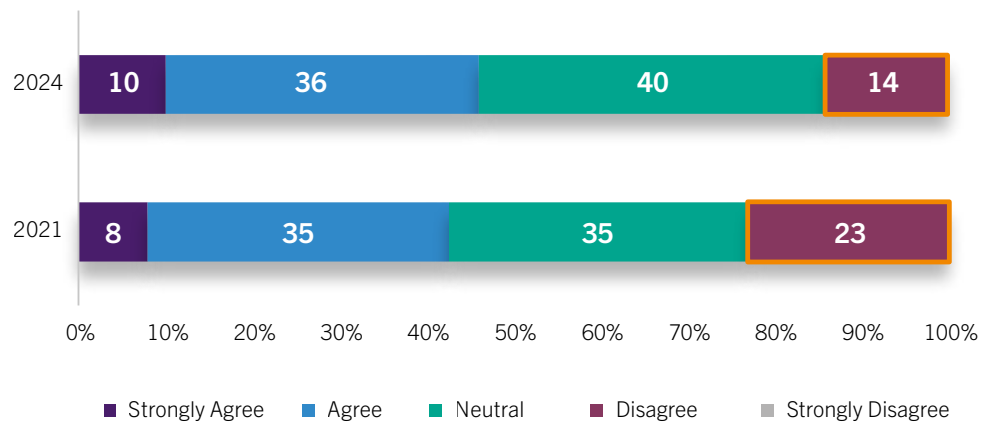


→ ...believe to a lesser extent that AI poses no risk of bias or discrimination toward applicants.



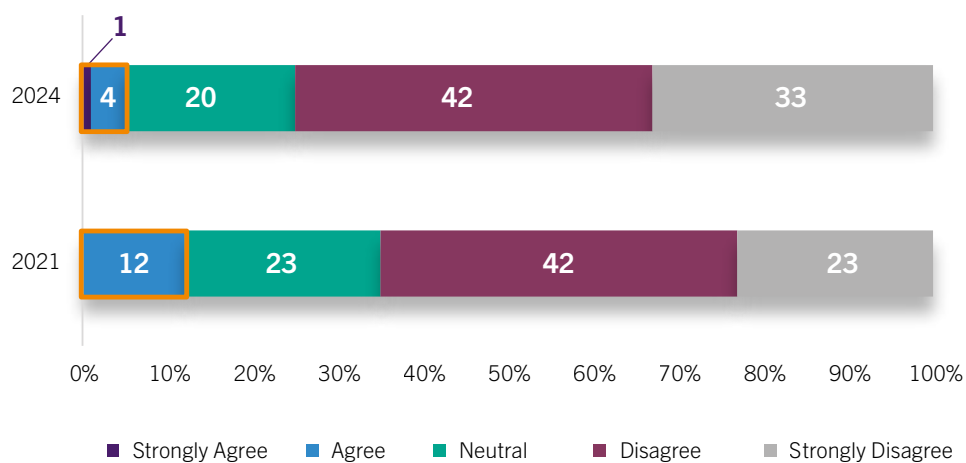


### AI is unable to process all information needed in a background screening



→ ... disagree less that AI is unable to process all the information needed in a background screening.

### AI findings do not need to be verified by humans



→ ...more strongly believe that AI findings need to be verified by humans.

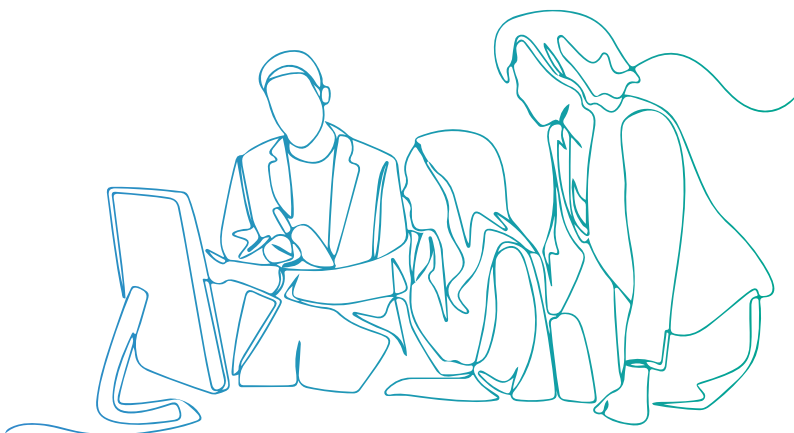
## Looking Ahead

The pressure for executive search consultants to deliver for their clients is as high as ever. Our survey suggests that executive search firms have a growing appreciation of the role that background screening can play in that process and the nuances that are involved in constructing an authentic and holistic profile of a candidate. Search firms are working in tandem with screening providers, doing some work internally while outsourcing other tasks.

In the coming years, two themes are likely to dominate background screening. The first is compliance. That background screening involves both personal information and access to the job market means that regulations affecting background screening will be under constant scrutiny by a range of constituencies.

The second is artificial intelligence. While the technology is still in its infancy, its ability to sift through large amounts of information and connect dots means that it will play an increasingly central role in the screening process, even as work continues to understand and work around AI's limitations.

These two forces together mean that the regulations and processes governing background screening are likely to be continuously evolving for the foreseeable future. Whatever combination of internal and external resources search firms choose to employ, they should be prepared to regularly assess their approach and adapt as conditions evolve.





## About AESC

Since 1959, AESC has set the quality standard for the executive search and leadership advisory profession. AESC Members, ranging in size from large global executive search and leadership advisory firms and networks to regional and boutique firms, represent 16,000+ trusted professionals in 1,200+ offices, spanning 70+ countries. AESC Members are recognized leaders of global executive search and leadership advisory solutions. They leverage their access and expertise to place, find and develop more than 100,000 executives each year in board of directors and C-level positions for the world's leading organizations of all types and sizes. Dedicated to strengthening leadership worldwide, AESC and its members share a deep commitment to the highest quality standards in executive search and leadership consulting—for the benefit of clients and the profession. We Shape. Connect. Educate. Learn more about us at [aesc.org](https://aesc.org). For AESC's career service for executive-level candidates, [visit BlueSteps at bluesteps.com](https://bluesteps.com).



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## About Mintz Group

For corporations, investors and the legal, financial and talent advisors who need actionable facts to assess risks, protect reputations and win disputes, Mintz Group is the partner of choice for due diligence, investigations and background screening, anywhere in the world. Since 1994, Mintz Group has developed a uniquely transparent and practical approach to fact gathering before hires and transactions, during disputes and after allegations. We provide impartial facts that are comprehensively researched, properly sourced and stand up to the toughest scrutiny in the boardroom or the courtroom. Headquartered in New York City, Mintz Group has 12 offices in eight countries, with a team that has successfully conducted investigations in over 140 countries. To learn more, [please visit mintzgroup.com](https://mintzgroup.com).



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