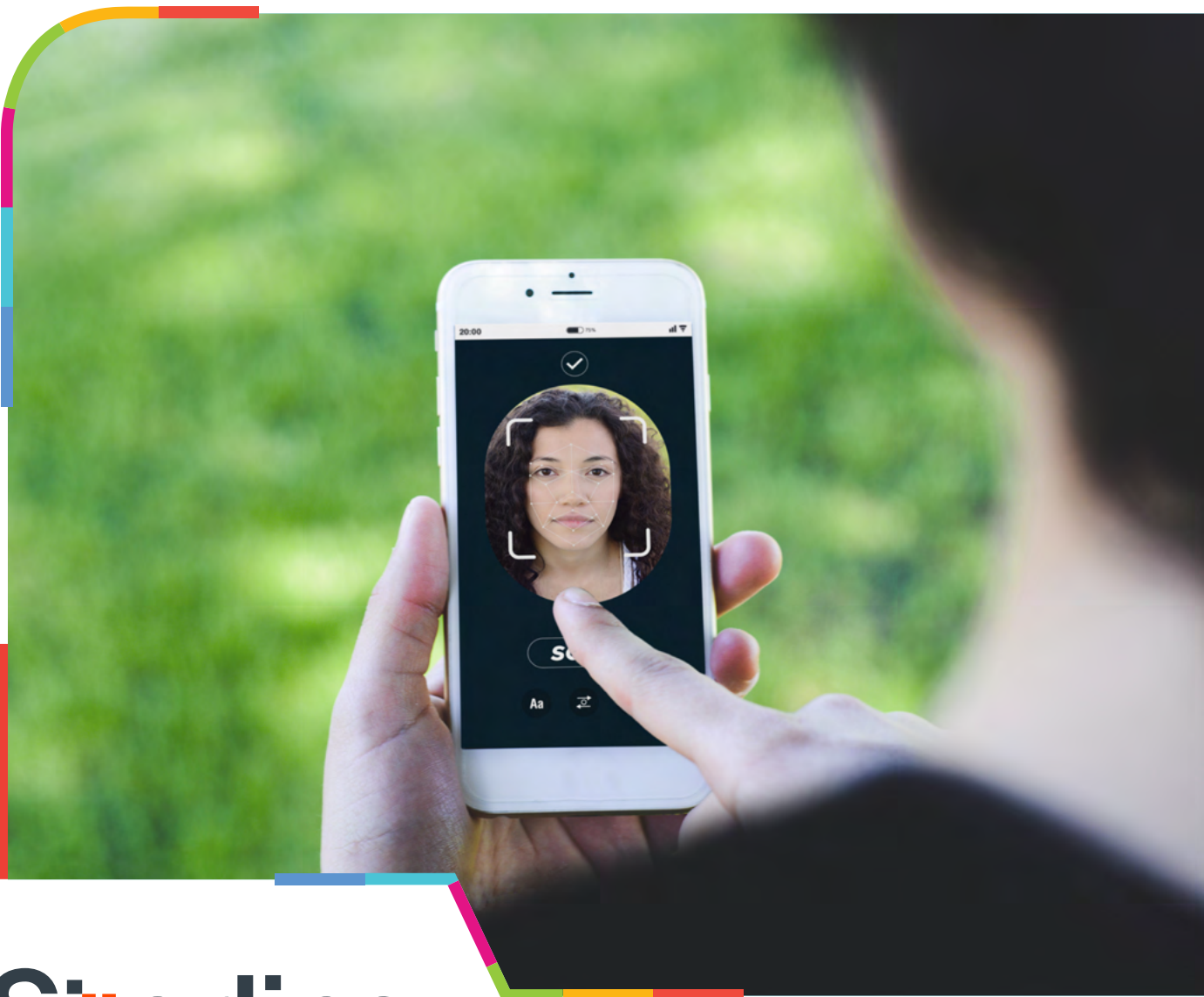


# Employee Identity Verification: from Nice-to-Have to Need-to-Have



Why identity verification is critical for your hiring  
and organizational culture

OCTOBER 2022



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# CONTENTS



3 Executive Summary

7 Experience with Identity Fraud

10 A Look at Identity Verification Today

12 The Relationship Between Identity Verification and Background Checks

22 Responsibility for Identity Verification

24 Identity Verification for Remote Hiring

26 Digital Identity Wallets and Marketplaces

29 Onboarding New Candidates

31 Key Takeaways

## About the Survey

The HR Research Institute's "Identity Verification Survey" ran in May and June 2022. We gathered 260 responses from HR professionals in virtually every industry vertical. Respondents are primarily from the United States.

Two-thirds of responding organizations have 100 or more employees, and 21% have 1,000 or more.

This survey was a partnership between the HR Research Institute and Sterling, a leading global background screening and identity services provider.

# Executive Summary

Every new hire has the potential to have a powerful impact on an organization. While you would hope to have the confidence to take the next step with your chosen candidates and to celebrate your new hires, candidate identity fraud is a very real and serious issue across many different types of organizations and hiring situations. The Internet has made identity fraud easier due to the anonymity afforded in online interactions, and this can lead to dangerous consequences. With the rise in remote workforces, more personal information available online for misuse, and bad actors getting creative, organizations must ensure they are equipped to handle remote hiring and implement proper and robust identity verification processes to assess the authenticity of their candidates. Unfortunately, some people misuse technology to pose as someone else while applying for remote positions. Knowing this, what are steps you can take to guard against this, to protect your customers, employees, business, and brand?

There is now an imperative to verify a candidate's identity and to do so early in the hiring process to prevent such fraud. This can potentially save organizations from huge financial, legal and security risks, while simultaneously creating a safe workplace. In this report we explore the following areas:

- familiarity and satisfaction with background screening and identity verification
- personal and/or organizational encounters with identity fraud
- role of identity verification in background checks
- factors influencing the use of identity checks
- use of technology for identity verification

<sup>1</sup> Vaughan-Nichols, S. J. (2022, February 15). *Who did I just hire!?* Computerworld. Retrieved from <https://www.computerworld.com/article/3650032/who-did-i-just-hire.html>

<sup>2</sup> Associated Press. (2022, March 24). *2 plead guilty in ride-hailing fake driver account scheme*. AP NEWS. Retrieved from <https://apnews.com/article/technology-boston-massachusetts-identity-theft-lowell-a4ff21444f0b9db1af9d1e314fbf4227>

<sup>3</sup> FBI. (2022, June). *Internet crime complaint center (IC3): Deepfakes and stolen PII utilized to apply for remote work positions*. Internet Crime Complaint Center (IC3). Retrieved from <https://www.ic3.gov/Media/Y2022/PSA220628>

This study is mainly comprised of responses from those who are directly responsible or very familiar with background screening and/or identity verification. We removed survey results from respondents who said, “I’m a little familiar but not directly responsible,” or, “I’m not familiar with background screening and/or identity verification.”

### Definitions:

We provided the following definitions to survey respondents:



**Identity verification** is the practice of verifying that candidates are who they say they are and that they match their personal biographic data.



**Background screening** is the practice of conducting pre-employment candidate screening to mitigate risk and verify credentials. This includes areas such as criminal records, employment, education, credit, and many others.

Below are some key findings from the study:

Major  
Finding **1**

**More than half of respondents experienced identity fraud in some way.**

- Out of the 64% of respondents who experienced identity fraud in some way, 15% say their organization experienced one or more incidents of candidate identity fraud. Of these respondents the most common occurrences were:
  - ▶ an employee was discovered to have lied about their identity (60%)
  - ▶ an incomplete background check was conducted due to incorrect candidate data (40%)
  - ▶ the person who showed up for the job was not the person whose background was checked (23%)
- Nearly half say either they personally were a victim of identity fraud (17%) or knew someone who was (32%).

Major  
Finding **2**

**Although the majority is at least somewhat satisfied with their organization's approach to background screening and identity verification, there is much room for improvement.**

- Sixty-four percent say they are at most somewhat satisfied with their organization's approach toward background screening and identity verification, indicating much room for improvement.
- Under half (44%) of the respondents say they *always* compare documents provided during the I-9 process to information previously collected during background checks.
- Thirty-nine percent say that verifying whether a candidate's identity matches the background check is a shared responsibility between the background screening provider and hiring organization. A further 35% say it is the hiring organization's responsibility.



## Major Finding 3

### Most agree that conducting identity verification prior to background checks can help make background checks more accurate.

- Sixty-seven percent agree that checking identity *before* the background check would make background checks more accurate, yet 47% say they conduct identity verification post-hire.
- Nearly two-thirds (64%), however, say they *would* include a separate identity verification process prior to background checks *if* they learned that not all background checks include identity verification.
- The importance of gathering accurate candidate data in background screening is highlighted by the top potential causes of inaccurate background screens according to respondents:
  - ▶ transposed digits on Social Security numbers or dates of birth (76%)
  - ▶ misspelling of names (66%)

Please note that the findings and recommendations contained in this report are informational only. Nothing in this report should be construed as constituting legal opinions or advice. Please consult an attorney if you have questions about the legal requirements, rules or regulations associated with any content discussed in this report.

# Experience with Identity Fraud

## Defining Small, Mid-sized and Large Organizations



Throughout the report, we look at the findings based on organizational size. We deem organizations with 1 to 99 employees as “small,” those with 100 to 999 employees as “mid-sized” and those with 1,000 or more employees as “large.”

## Finding: More than half of respondents experienced identity fraud in some way

Nearly half (49%) of respondents have either personally been a victim of identity fraud or know a friend or family member who has. A further 15% say that their organization has experienced at least one incident of candidate identity fraud. This means 64% of respondents experienced or heard about identity fraud either personally or professionally. In addition, a previous HR Research and Sterling report found that 20% think it is likely or very likely that they have experienced employee or candidate identity fraud that has yet to be discovered.<sup>4</sup> With several major data breaches over the past few years that include sensitive information, the risk of candidate identity fraud seems to have increased.

This highlights the fact that identity fraud is a very real problem affecting hiring. Organizations can do their best to create safe workplaces by making sure they have tools to detect identity fraud and to stay ahead of it.

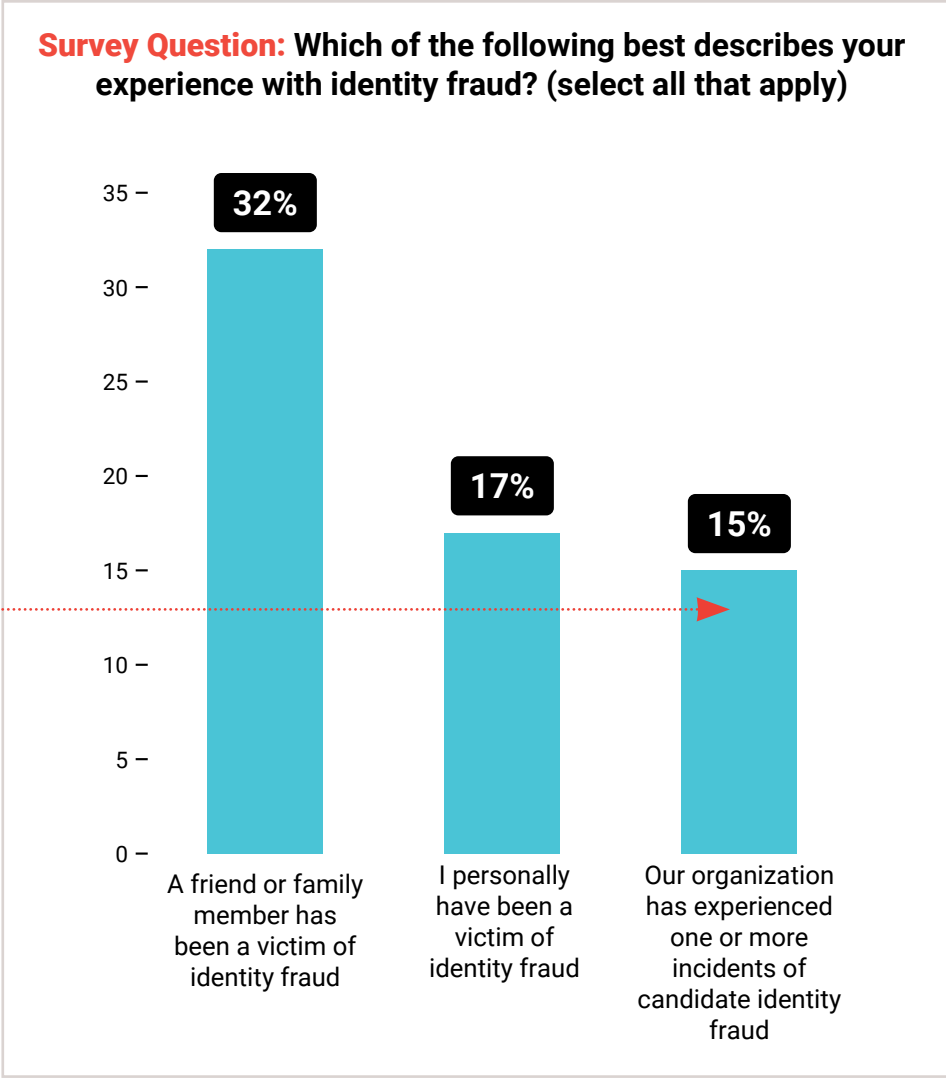
## Differences by company size

Twenty-eight percent of respondents in large organizations say their organization has experienced one or more incidents of candidate identity fraud. By comparison, just 3% of respondents in small companies and 16% of respondents in mid-sized organizations say the same. This is likely because large organizations hire and process far more candidates.

<sup>4</sup> HR.com. (2020, September). *HR.com's state of Identity Verification 2020 Research*. HR.com. Retrieved from [https://www.hr.com/en/resources/free\\_research\\_white\\_papers/hrcom%E2%80%99s-state-of-identity-verification-2020-research\\_kf3ivlud.html](https://www.hr.com/en/resources/free_research_white_papers/hrcom%E2%80%99s-state-of-identity-verification-2020-research_kf3ivlud.html)



Fifteen percent say their organization has experienced at least one incident of candidate identity fraud



Editor's note: This chart does not include the 47% who said, "None of these apply."





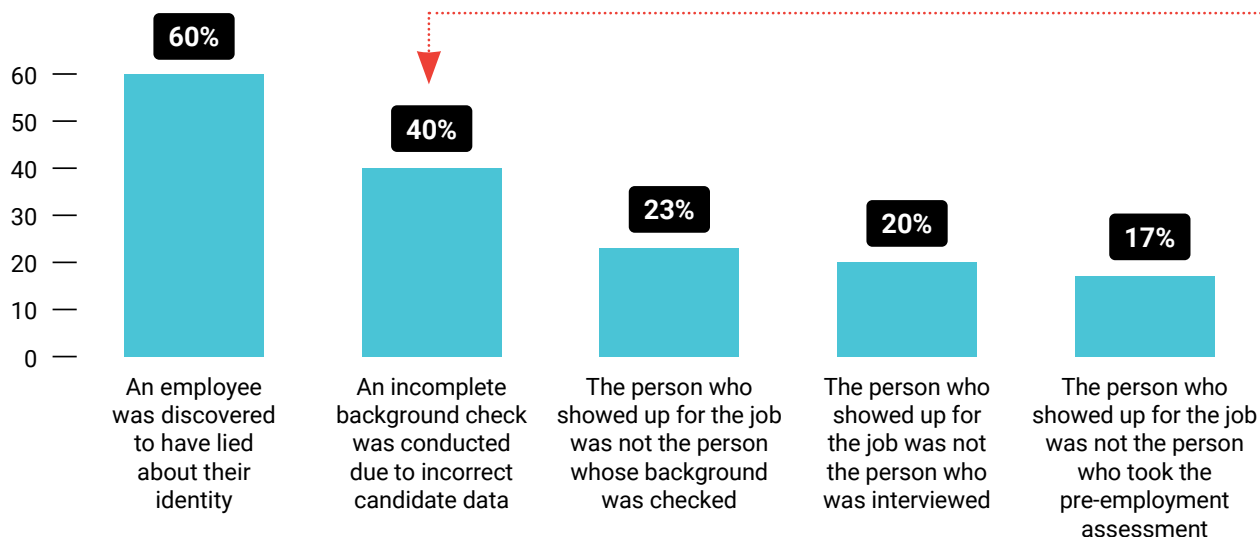
## Finding: The majority say their organization's candidate identity fraud incident involved an employee lying about their identity

Of those who say their organization has experienced candidate identity fraud, 60% say that it entailed an employee lying about their identity. Forty percent say that an incomplete background check was conducted due to incorrect candidate data.

Nearly a quarter (23%) say the person who showed up for the job was not the person whose background was checked, 20% say the person was not who was interviewed, and 17% said the person was not who took the pre-employment test.

This indicates that organizations should collect the right candidate information before going into the background check process. If not, they should at least ensure identity verification is done *before* the employee's first day.

### Survey Question: You noted your organization has experienced at least one incident of candidate identity fraud. Which of the following has occurred? (select all that apply)



**Two-fifths say that their organization's experience with candidate identity fraud involved an incomplete background check due to incorrect candidate data**

# A Look at Identity Verification Today



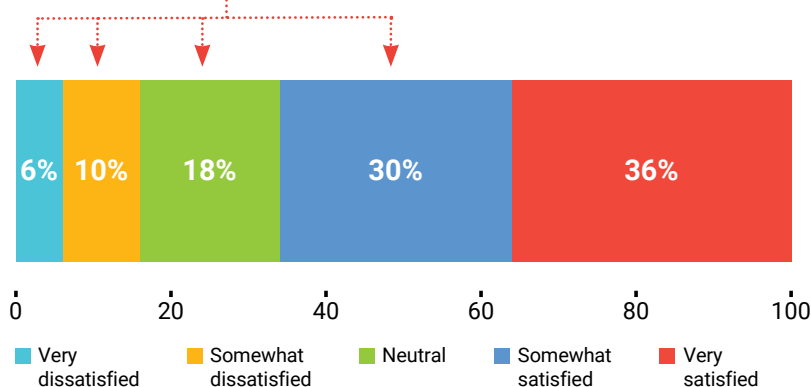
**Finding:** Although two-thirds are at least somewhat satisfied with their organization's approach toward background screening and identity verification, there is much room for improvement



Two-thirds of respondents are at least satisfied with their organization's approach toward background screening and identity verification. Of those, just 36% say they are very satisfied. This indicates that there is room for improvement in most organizations.

Sixty-four percent say they are *at most* somewhat satisfied with their organization's approach toward background screening and identity verification, indicating much room for improvement

**Survey Question:** Overall, how satisfied are you with your organization's approach toward background screening and identity verification for employees?





## Finding: Seventy-one percent say they would likely use digital identity verification *if it were priced competitively*

The majority would be somewhat or very likely to use digital identity verification if it were priced competitively. As we will see later, cost is the top factor taken into consideration when deciding whether or not to add an identity check prior to a background check. The good news is, digital identity verification solutions are very competitively priced as more options have come to market.

We also view digital identity verification as a better alternative to verifying paper-based identity documents. Instead of repeatedly providing paper documents to prove one's identity, a digital identity provides a permanent credential that organizations can verify as necessary. This is not only more convenient, but it also may help prevent data breaches since it minimizes the number of people who access personal information. This process is also more readily streamlined and standardized.

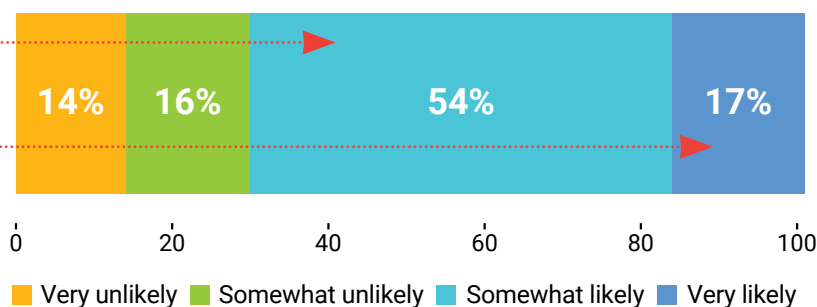
Only 30% say their organization may be reluctant to use digital identity verification.



**If priced competitively, 71% say their organization would be likely to use digital identity verification**

**Survey Question:** Assuming the following approaches were priced competitively, how likely would your organization be to use them? (please provide your best guess)

Digital identity verification



Editor's Note: The numbers in the above graph do not add up to 100% due to rounding.

# The Relationship Between Identity Verification and Background Checks



**Finding: Seventy-five percent either erroneously believe background checks verify a candidate's identity or are unsure**

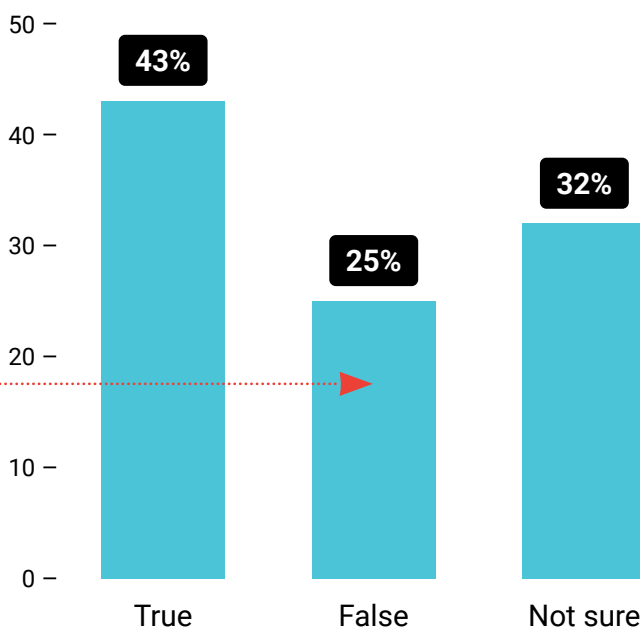
Forty-three percent believe that background checks verify a candidate's identity and 32% are unsure. Only 25% of respondents know that a background screen does *not* verify a candidate's identity.

In actuality, identity verification is generally not part of U.S. background checks, but it is a common misconception that it is. Without an identity verification before the background check, the background check could potentially be conducted based on erroneous information. This can result in organizations losing money and time in addition to exposing themselves to unnecessary risks by potentially bringing a bad actor into a workplace.



**It is a common misconception that identity verification is generally part of U.S. background checks, and just 25% of respondents know it's not**

**Most background checks verify a candidate's identity**





## Finding: Two-thirds agree that checking identity *before* the background check would make background checks more accurate

The majority (67%) agree or strongly agree that verifying identity *before* the background check would make background checks more accurate. Despite this, however, just 9% say that they do this. In fact, as discussed earlier, 43% mistakenly believe that identity verification usually happens as part of the background check.

While background checks are largely accurate and crucial to the hiring process, problems can arise if they are based on inaccurate information. The identity information can be provided erroneously either intentionally or accidentally. Unintentional errors can be minimized through automatic extraction of biographic information from government IDs, or verification from other authoritative sources.

Three-fifths of respondents (57%) also believe that this can save employees' time. An identity verification prior to the background check can ensure accuracy (for example, catching errors such as transposed Social Security numbers or other human errors). In fact, a previous HR Research Institute and Sterling report found that 32% of respondents are somewhat or quite concerned about the impact of inaccurate data on background checks.<sup>5</sup>

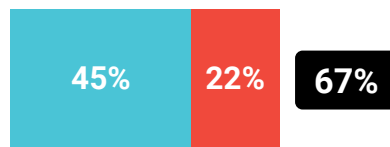
Respondents also agree that identity verification would be useful for remote hiring (54%) and in reducing time-to-hire (49%). Both can contribute to a positive and successful candidate experience.

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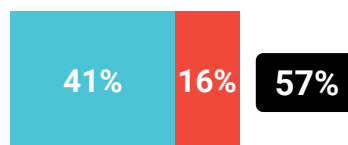
<sup>5</sup> HR.com's HR Research Institute. (2020). *The state of identity verification 2020*. HR.com. Retrieved from [https://www.hr.com/en/resources/free\\_research\\_white\\_papers/hrcom%E2%80%99s-state-of-identity-verification-2020-resear\\_kf3ivlud.html](https://www.hr.com/en/resources/free_research_white_papers/hrcom%E2%80%99s-state-of-identity-verification-2020-resear_kf3ivlud.html)

**Survey Question:** To what extent do you agree or disagree with the following statements?

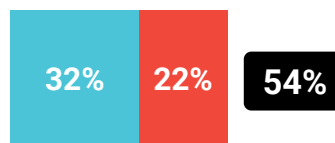
Checking identity before the background check would make background checks more accurate



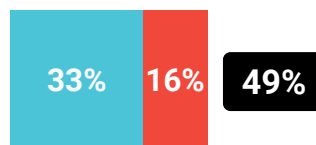
Automatic extraction of biographic information from government ID documents will save employees time



Identity verification is useful for my organization to hire remotely



Identity verification would be beneficial in reducing time-to-hire



0 10 20 30 40 50 60 70 80

■ Agree ■ Strongly agree



**Nearly three-fifths (57%) say automatic extraction of biographic information from government ID documents will save employees' time**



## Finding: Nearly half (47%) only conduct identity verification post-hire

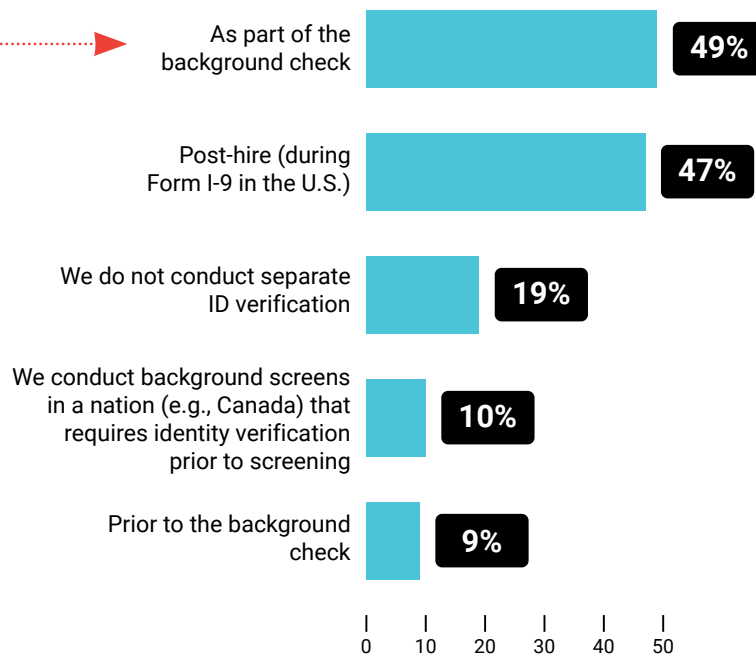
Almost half (49%) say they typically conduct identity verification as part of the background check. A background check simply returns results based on the name and demographic details provided, it does not verify identity. With the wrong personal details, an incident of identity fraud may go undetected since background checks are based on provided candidate information. We believe organizations should conduct both a background check *and* identity verification check to get the most accurate screen.

Another 47% only conduct identity verification post-hire (during Form I-9). Based on our sponsor's experience with clients who have experienced identity fraud, we believe the candidate's first day is too late in the hiring process to be verifying identity. For example, earlier in the report we explored incidents of identity fraud where some organizations experienced different people showing up to the job than the ones they interviewed or conducted background checks for.



Nearly half mistakenly believe their organization conducts identity verification as part of the background check

### Survey Question: When does your organization typically conduct identity verification? (select all that apply)





## Finding: Respondents say transposed digits on Social Security numbers or dates of birth have the potential to cause inaccurate screens

Background screens can be erroneous if incorrect information is presented. We asked respondents to select the potential causes of background screening inaccuracies based on their organization's current approach for background checks. Two were selected by a majority:

- transposed digits on Social Security numbers or dates of birth (76%)
- misspelling of names (66%)

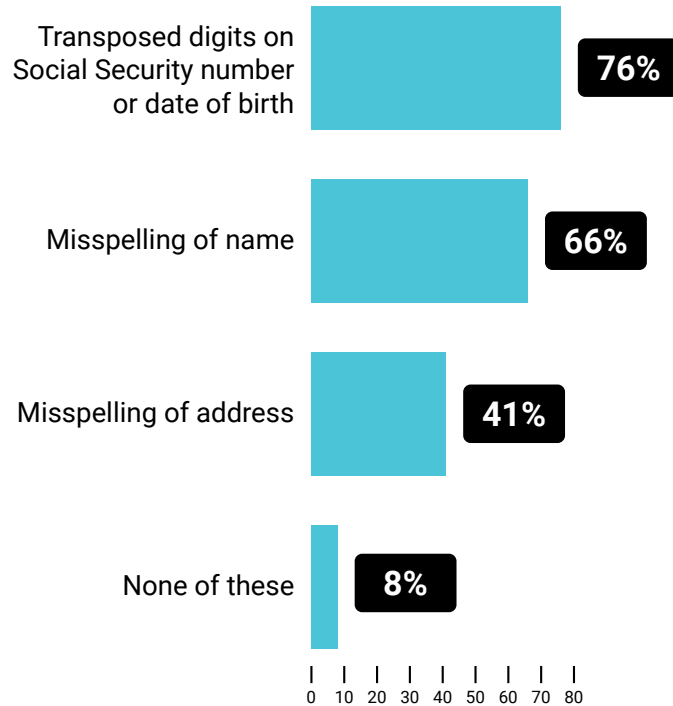
Depending on an organization's process, these errors could simply be due to human error when manually entering information. Automation or integrating solutions may be beneficial in that case, and conducting identity verifications prior to background checks can ensure they are accurate and catch any administrative mistakes.

However, regardless of the cause of the error, a simple mistake such as a missing middle name or a typo in the date of birth can throw off a background check. Not only can these errors cause unnecessary delays, but they may also cause frustration to the potential employee and may adversely affect the candidate's experience and organizational reputation.





**Survey Question:** Based on your current approach for background checks, which of the following has the potential to cause the screening results to be inaccurate? (select all that apply)



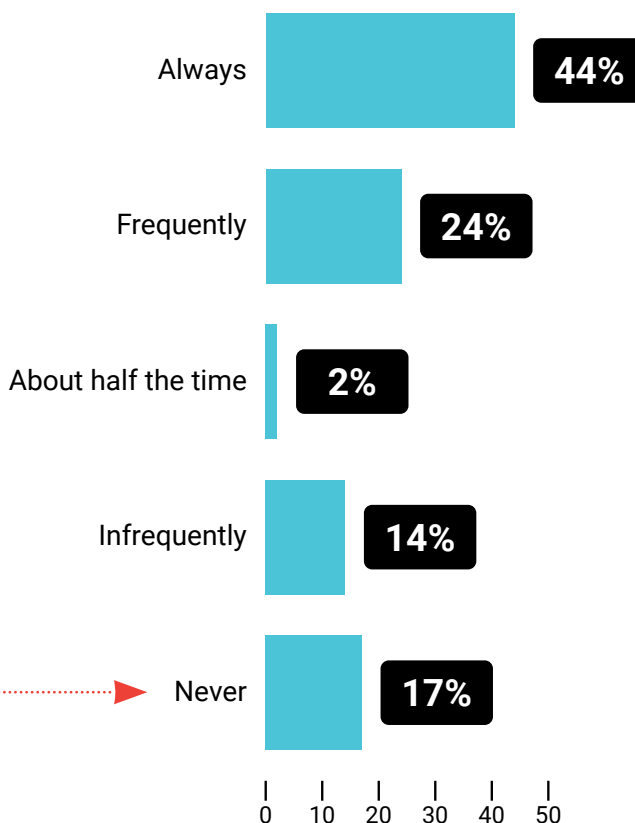
Editor's note: Those who responded "Don't know" are not included in this graph. They account for 9% of responses.



## Finding: Forty-four percent always compare documents provided for Form I-9 to information collected during background checks

While 68% say they compare documents provided for Form I-9 to information previously collected during background checks at least half of the time, just 44% say they *always* check this. The rest say that they infrequently or never compare these documents. This again demonstrates how conducting an identity check early in the process is critical.

**Survey Question:** To the best of your knowledge, how frequently does your organization compare documents provided for Form I-9 to information previously collected during background checks?



Seventeen percent say that their organization never compared documents provided for Form I-9 to information previously collected during background checks

Editor's note: Among respondents to this question, 6% originally said they do not operate in the US and so don't use Form I-19. Since they are not relevant to this particular question, we have removed their responses from this data set. Note that numbers may not add up to 100% due to rounding.



## Finding: The majority would include a separate identity verification process prior to background checks if they learned that not all background checks include identity verification

When learning that not all background checks include identity verification, nearly two-thirds (65%) say that they would include a separate identity verification process prior to background checks. This indicates that most organizations lack the awareness that background checks typically do not include identity verifications and are likely to rectify their processes accordingly.

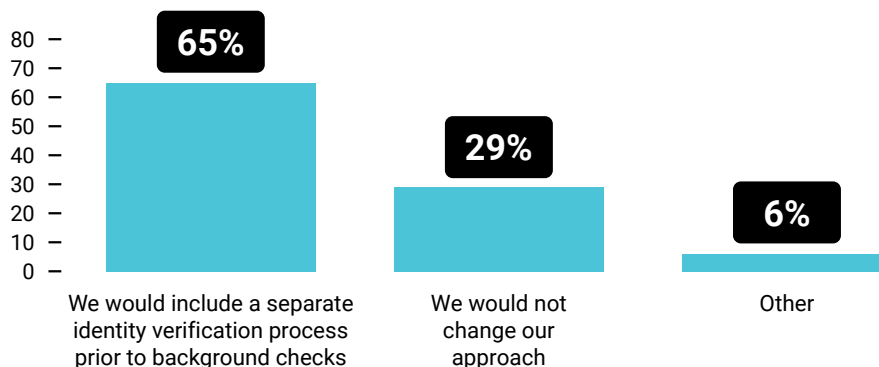
It is troubling, however, that 29% would not change their approach. These organizations may be at a higher risk of inaccurate background screens or candidate identity fraud and the associated consequences.

**This indicates that most organizations lack the awareness that background checks typically do not include identity verifications and are likely to rectify their processes accordingly.**



While many hold the misconception that identity verification is part of U.S. background checks, the majority say they would include a separate identity verification process if they learned not all background checks included one

**Survey Question:** If you learned that not all background checks include identity verification (i.e., confirming the person is who they say they are and that their biographic data is accurate), how would your approach to identity verification change?





## Finding: Cost is the biggest factor when deciding whether or not to add identity verification prior to a background check

### Differences by company size

Respondents in small organizations (65%) are more likely than those in mid-sized (41%) and large (45%) organizations to say that cost would be a factor that plays a part in their decision to add identity verification prior to a background check. Respondents in large organizations (30%), on the other hand, are more likely than those in mid-sized (20%) or small (16%) firms to say the capability of integrating with their ATS would be a factor.

When deciding whether or not to add identity verification prior to a background check, a few key factors come into play. Cost is the top factor (50%) for our respondents when deciding whether or not to add identity verification prior to a background check, but other key areas such as impact on screening speed (42%) or the candidate experience (33%) as well as ensuring the solution is secure (36%) are also important in this decision.

However, organizations must also consider the cost of a wrong hire. Many employers even estimate the total cost to hire a new employee can be three to four times the position's salary.<sup>6</sup> Further, it is estimated that organizations lose 5% of revenue annually due to fraud.<sup>7</sup> This highlights the importance of making sure you're bringing the right and most authentic employees into your organization. Not including identity verification prior to the background check may increase your risk.

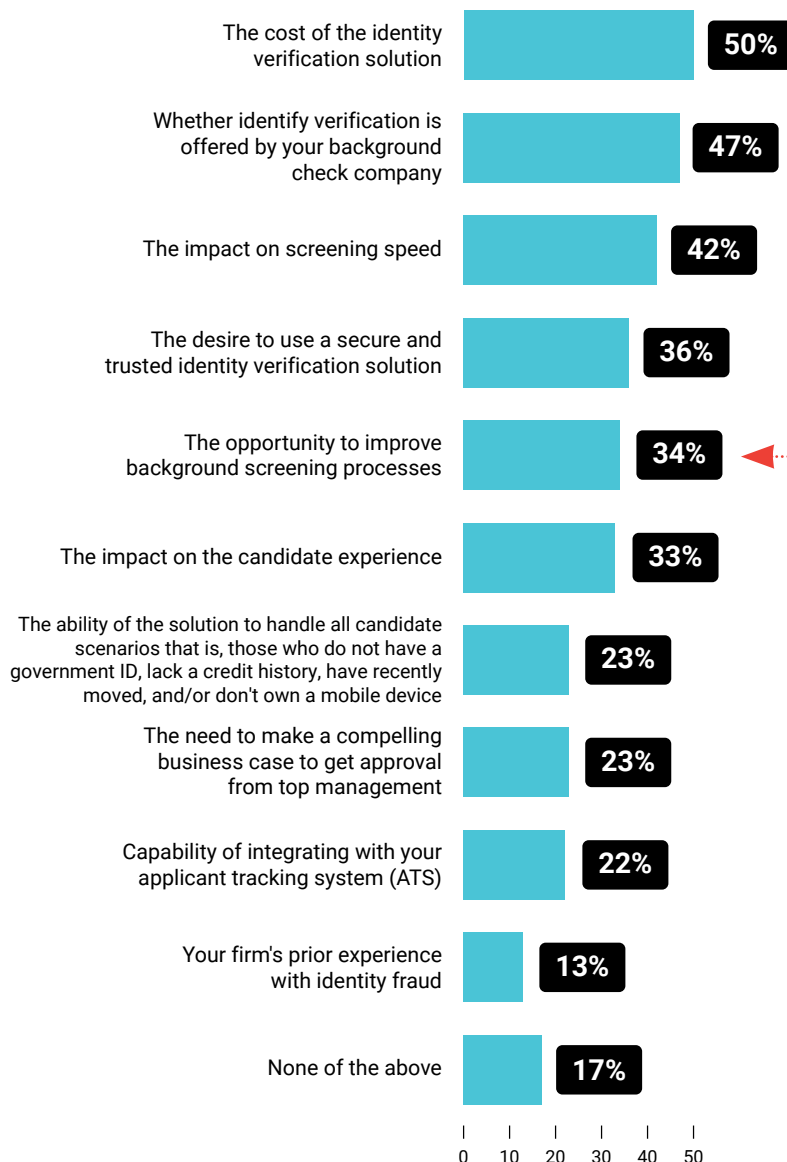
Nearly half (47%) also say a factor is whether identity verification is offered by their background check company. If it isn't, they likely would be assessing whether it is worthwhile to integrate another solution into their HR technology stack, which could take up time and resources.

It is also crucial to understand what the process is for candidates who fall outside the norm. In fact, 23% say an important factor is the solution's ability to handle all candidate scenarios. For example, there are those who do not have a government ID, lack a credit history, have recently moved, or don't own a mobile device. Ensuring your identity verification solution takes these factors into account is important to maintain good screening speeds and positive candidate experiences.

<sup>6</sup> Navarra, K. (2022, April 12). *The real costs of recruitment*. SHRM. Retrieved from <https://www.shrm.org/resourcesandtools/hr-topics/talent-acquisition/pages/the-real-costs-of-recruitment.aspx>

<sup>7</sup> ACFE. (2020). *Report to the nations: 2020 global study on occupational fraud and abuse*. Retrieved from <https://s3-us-west-2.amazonaws.com/acfepublic/2016-report-to-the-nations.pdf>

**Survey Question:** Which of the following factors play a part in your decision-making when deciding whether or not to add an identity check prior to a background check?  
(select all that apply)



**Just over a third say the opportunity to improve the background screening process is a factor when deciding whether or not to add identity verification prior to a background check**

# Responsibility for Identity Verification



**Finding: About two-fifths of respondents say verifying that a candidate's identity matches the background that is being checked is a shared responsibility of the hiring organization and the background screening provider**

## Differences by company size

Respondents in large organizations are more likely to say that the hiring organization is responsible for verifying that a candidate's identity matches the background that is being checked (42%). By comparison, just 32% of small and mid-sized organizations say the same.

There is no consensus about who is responsible for verifying identity. In fact, 39% say it is a shared responsibility and 35% say it's the hiring organization's responsibility. Among those who wrote in the answers, many said it is the responsibility of the person doing the hiring. Just 18% say it is the background screening provider's responsibility.

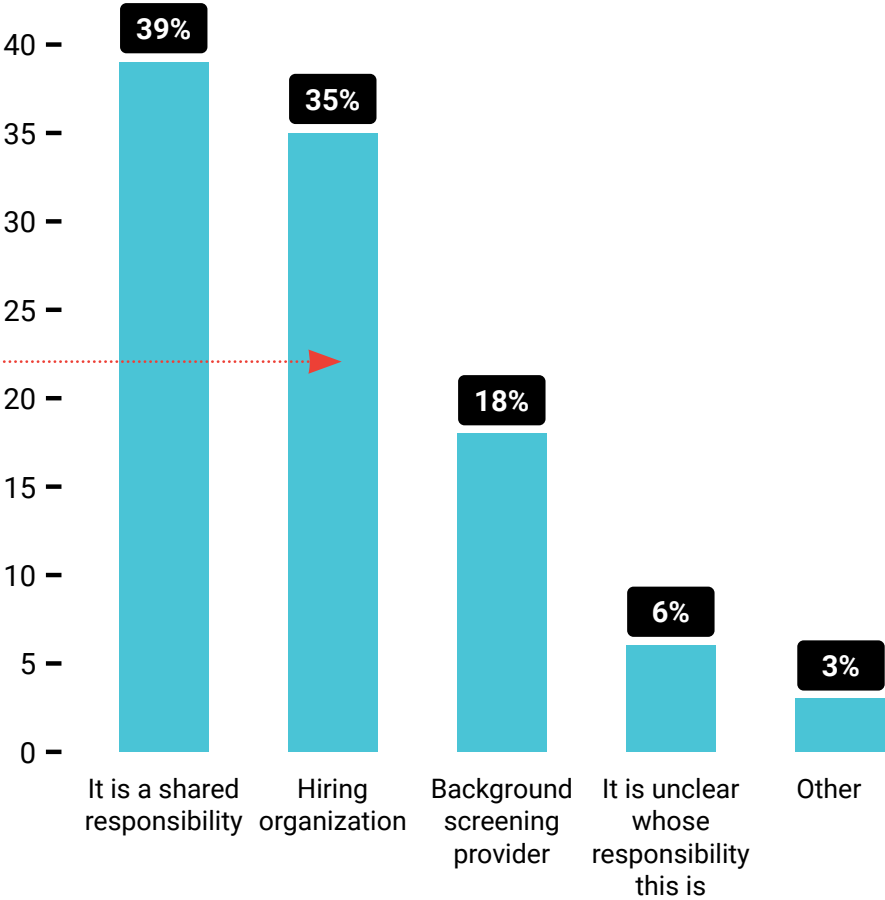
Although a screening provider is the hiring organization's partner and should be doing due diligence to ensure their candidates clear the checks, it is the hiring organization that is taking this candidate on and bringing them into the organization and is ultimately responsible for ensuring the correct information is provided to the screening provider. By making candidate identity and background screening a strategic priority, organizations are more likely to take ownership of this process. This will ensure accountability and proper policies and procedures around identity verification.



**Survey Question:** In your view, who is primarily responsible for verifying that a candidate's identity matches the background that is being checked? (select the one that best applies)



Over a third say the responsibility to verify identity lies with the hiring organization



# Identity Verification for Remote Hiring



**Finding: Remote work is expected to be an enduring trend, with 74% saying some proportion of their workforce will work fully remotely two years in the future**

## Differences by company size

Small organizations are more likely to have had no employees work remotely prior to pandemic (49%), and they are more likely to expect to have no employees work fully remotely in the next two years (38%). These smaller organizations may have struggled to quickly and efficiently get all the systems and processes in place to support fully remote employees.

Nearly three-quarters (74%) say that some portion of their workforce will work fully remotely two years in the future. While only 10% of respondents believe most of their organization will remain fully remote, about one-third say that up to 20% of their workforce will remain fully remote when we look ahead two years.

In other words, a growing proportion expects *some* remote workers in the near future, but a declining proportion predict that the vast majority of their workers will work fully remotely. This highlights the importance of building a screening program that works for all work environments.

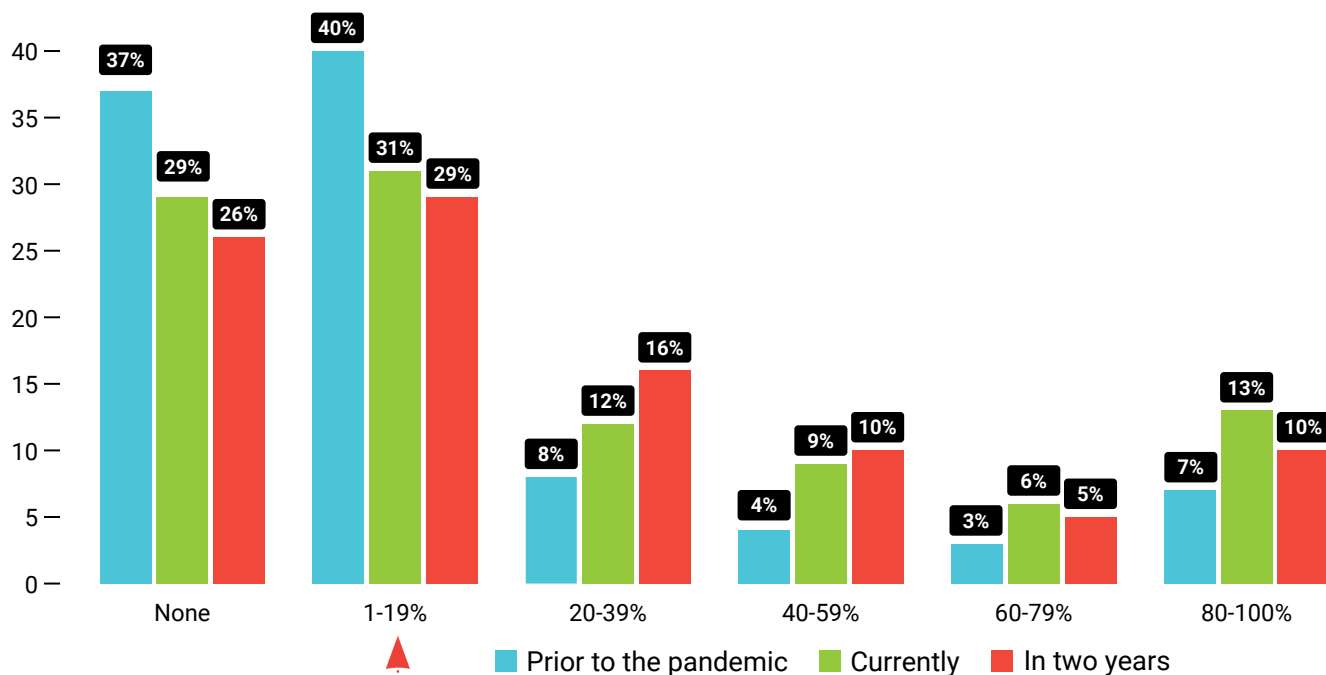
With the prominence of remote work, the prominence of remote hiring also increases. Organizations need to ensure they are actually hiring who they think they are hiring. Some organizations are adding steps such as requiring “liveness checks” (that is, a biometric check that proves the candidate is a real person) or adding selfies to check against government IDs.

## Differences by industry type

Certain types of work lend themselves to remote work more readily than others. Therefore, we find that respondents in industries such as manufacturing and transportation have very few employees working remotely. Almost half (47%) of respondents in manufacturing say none of their employees work remotely, and two-fifths (39%) of respondents in transportation say the same. In contrast, about two-fifths (42%) of respondents in technology say 80% to 100% of their employees work remotely and about a quarter (23%) of respondents in banking say the same.



**Survey Question:** What percentage of your employees work fully remotely prior to the pandemic/currently/in two years?



**Almost a third (31%) of respondents state they currently have 1-19% of their workforce working fully remotely and 29% anticipate this will also be the case in two years, indicating this trend is likely to continue**

Editor's Note: This data refers to all survey respondents, not just those who said, "I'm a little familiar but not directly responsible," or, "I'm not familiar with background screening and/or identity verification."

# Digital Identity Wallets and Marketplaces

## Differences by company size

Respondents in large organizations are considerably more likely to say they would use a digital identity wallet. In fact, 22% of respondents in large organizations say they would be very likely. Just 9% of respondents in small organizations and 15% of respondents in mid-sized organizations say the same.

## Finding: The majority say they would use digital identity wallets or digital employment marketplaces if the price is right

Digital wallets are part of a larger trend towards so-called digital IDs. A digital ID can provide a safe, secure, efficient, and cost-effective way for people to prove their identity. Such an ID can also allow users to decide who has access to their personal data.<sup>8</sup> This idea has gained popularity in some parts of the world. The European Commission, for example, recently announced a proposal for a digital identity for all European citizens, allowing all official documents to be stored and managed through a digital wallet.<sup>9</sup> And, Singapore has a national digital identity platform for its citizens, one which can verify job candidates and lead to accessibility for services such as healthcare and education.<sup>10</sup>

Our study finds that 59% of respondents say their organization would be very or somewhat likely to use a digital identity wallet if priced competitively. These identity wallets could potentially lower fraud risks and protect candidate's sensitive information in the event of a data breach.<sup>11</sup>

<sup>8</sup> Ando, L. (2022, June 9). *Council post: What does the future of Digital ID look like?* Forbes. Retrieved from <https://www.forbes.com/sites/forbestechcouncil/2022/06/07/what-does-the-future-of-digital-id-look-like/?sh=1ca8358a266b>

<sup>9</sup> European Commission. (2022, February). *European Digital Identity: Online Consultation Platform on European Digital Identity wallets. Shaping Europe's digital future.* Retrieved from <https://digital-strategy.ec.europa.eu/en/news/european-digital-identity-online-consultation-platform-european-digital-identity-wallets>

<sup>10</sup> Ho, F. (2021, May 3). *Jumio Brandvoice: How national digital IDs benefit both citizens and businesses.* Forbes. Retrieved from <https://www.forbes.com/sites/jumio/2021/05/03/how-national-digital-ids-benefit-both-citizens-and-businesses/?sh=3d6de82d6fc6>

<sup>11</sup> Ananthanpillai, R. (2022, July 21). *Council post: Why Reusable, smart credentials will win over physical, analog identity verification.* Forbes. Retrieved from <https://www.forbes.com/sites/forbestechcouncil/2022/07/20/why-reusable-smart-credentials-will-win-over-physical-analog-identity-verification/?sh=2579ee703373>

Definitions:

We provided the following definitions to survey respondents:

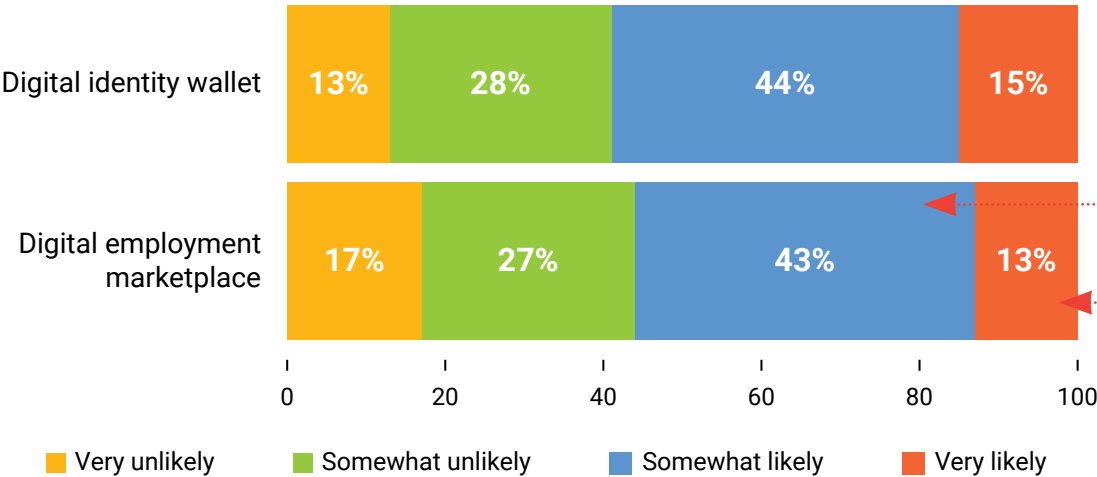


**Digital wallet:** This provides a verified profile that job candidates can use to prove their identity and share verified career and other credentials. It would allow candidates to store verified identity information such as educational background, professional licenses, and other details all in one place.



**Digital employment marketplace:** This refers to a job board or job search aggregator for candidates with verified identities.

**Survey Question:** Assuming the following approaches were priced competitively, how likely would your organization be to use them?



**Fifty-six percent would be very or somewhat likely to use a digital employment marketplace**

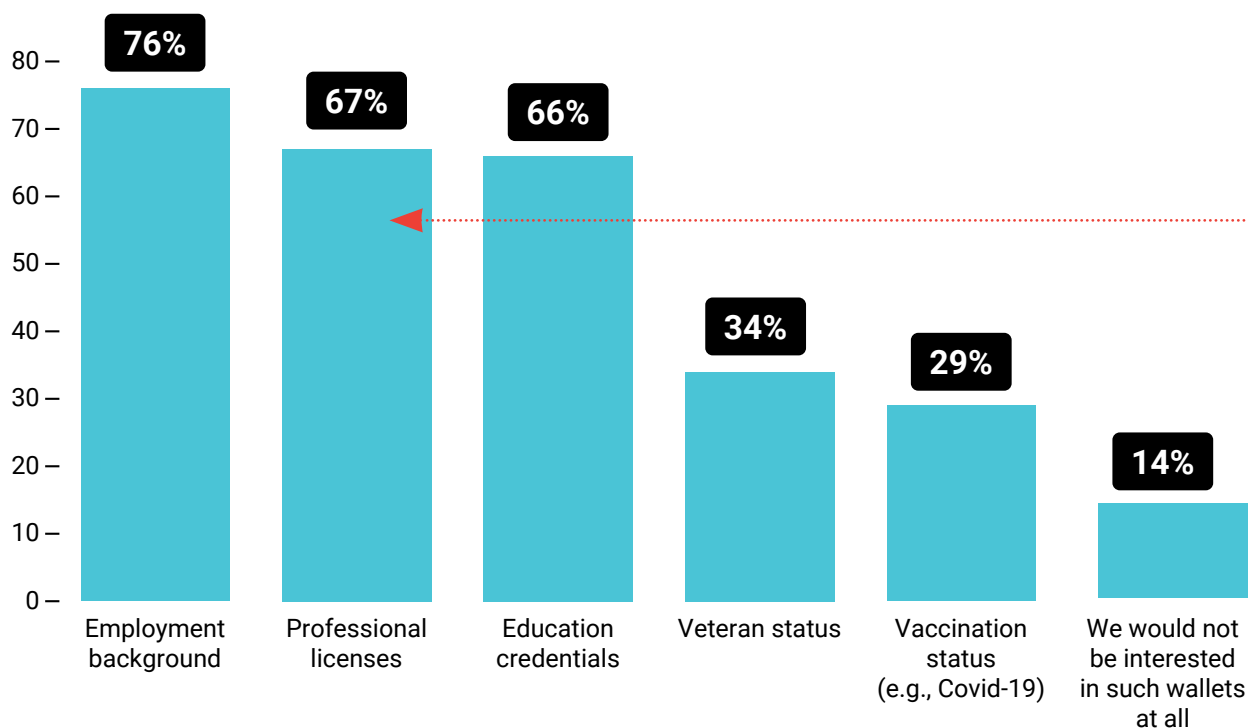


## Finding: Most would use digital identity wallets to collect employment background information from candidates

We asked respondents what information they would be interested in collecting if digital identity wallets became available. The three responses selected by two-thirds or more of participants are:

- employment background (76%)
- professional licenses (67%)
- education credentials (66%)

**Survey Question:** If a digital identity wallet became available, which of the following credentials would you be interested in collecting from job candidates (select all that apply)



About two-thirds would be interested in collecting information about professional licenses from candidates through a digital identity wallet

# Onboarding New Candidates



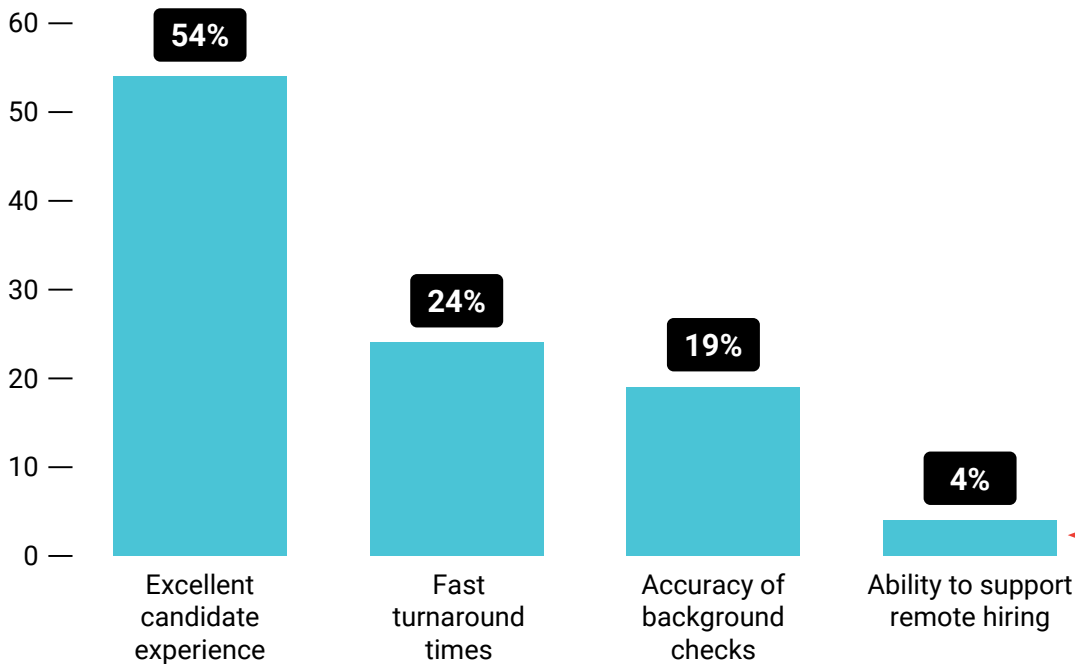
## Finding: When onboarding new candidates, candidate experience is viewed as the number one priority

Candidate experience is the number one priority when it comes to onboarding new candidates. It is also the only priority selected by more than half of respondents. Organizations understand the competitive advantages of having a positive candidate experience. In a separate study, Sterling found that 49% say they are making investments in using technology to enhance or simplify the candidate experience. In fact, one of the top reasons a candidate has dropped out or considered dropping out of the hiring process is because the process was too long or too complicated.<sup>12</sup>

In a sense, though, the following other options that were presented to respondents can all contribute to a positive candidate experience. That is, fast turnaround times (24%) can ensure candidates get up to speed quickly so they are not left in the dark regarding their new employers. Accuracy of background checks (19%) can ensure that the hiring organization is not reaching out to the candidate for clarification about identity aspects that can be prevented with correct information upfront (for example, misspelling of names, missing credentials, or transposed birthdate or SSN digits).

<sup>12</sup> Sterling. (2022). *Hiring reimagined*. Retrieved from <https://www.sterlingcheck.com/offers/background-check-trend-report/>

**Survey Question:** What is your organization's number one priority when it comes to the onboarding of new candidates? (select the one that best applies)



**Just 4% say the ability to support remote hiring is the number one onboarding priority**



## Key Takeaways

Given the research findings in this report, below are some key suggestions for how organizations might become more successful in verifying the identities of their job candidates.

### Key Takeaway 1

**Prioritize identity verification.** With the rise in cases of identity fraud, organizations can no longer take the information that candidates provide for granted. Verification of identity can unearth both intentional and unintentional errors associated with identity. Further, organizations must determine if their background screening provider verifies candidate identity as part of their screening process. This could be an important factor in deciding which provider the organization chooses.

### Key Takeaway 2

**Conduct identity verification before the background check.** Our research indicates that conducting identity verification *before* background checks can help ensure that subsequent background checks are accurate. After all, most background checks in the US do not include identity verification. By ensuring identity verification is done before the background check, organizations can save valuable time and money and can maximize candidate experience by preventing unnecessary delays and rechecks.

### Key Takeaway 3

**Ensure identity verification enhances the candidate experience rather than hurts it.** By incorporating identity verification in the hiring process, candidates can be assured that the process is consistent for all potential employees. Employees must also be educated that despite minor inconveniences, this process will ensure that all hired employees have passed the screening, thereby making the workplace safer and more authentic.

### Key Takeaway 4

**Use identity verification to support remote hiring.** Remote work arrangements are not going away. Ensure your organization adapts hiring practices to take remote sourcing, hiring, and onboarding into consideration. Confirm that any new processes enhance the candidate experience.

## Key Takeaway 5

**Stay ahead of identity fraud instead of reacting to it.** Proactive identity verification can be made an essential step in the hiring process. This makes specific stakeholders responsible for identity verification, thereby improving compliance and accountability. While fraudsters are employing increasingly sophisticated ways of duping organizations, it becomes the organization's responsibility to stay on top of these trends and employ the most comprehensive screening and verification tools to safeguard themselves.

## Key Takeaway 6

**Train hiring professionals in best practices.** First, hiring professionals must be well versed in legal requirements surrounding background screening. For instance, certain legislations may prevent organizations from enquiring about certain aspects of a candidate's criminal history.<sup>14</sup> A consistent policy surrounding identity verification and background screening is likely to reduce errors and minimize biases. Hiring professionals must also understand the specific risks associated with hiring remotely and be able to leverage technologies to conduct efficient and seamless verifications such as through paperless/digital verifications that are more secure.

## Key Takeaway 7

**Consider digital identity technologies.** Digital identity wallets potentially allow candidates to store verified identity information such as educational background, professional licenses, and other details all in one place. They may become a faster and safer way to authenticate identity. These IDs are not only convenient, but their widespread availability could also potentially allow organizations to become more inclusive in their hiring of people such as refugees or new immigrants.<sup>13</sup> In addition to aiding the processes of talent acquisition function and onboarding, these wallets could be useful to other parts of the HR function, including learning and development, succession management, and workforce planning.

<sup>13</sup> The World Bank. (2019, August). *Inclusive and trusted digital ID can unlock opportunities for the world's most vulnerable*. World Bank. Retrieved from <https://www.worldbank.org/en/news/immersive-story/2019/08/14/inclusive-and-trusted-digital-id-can-unlock-opportunities-for-the-worlds-most-vulnerable>

<sup>14</sup> Delaware General Assembly. (2022, June). *Senate Bill 13*. Bill Detail - Delaware General Assembly. Retrieved from <https://legis.delaware.gov/BillDetail?legislationId=109452>





## About Sterling

Sterling (NASDAQ: STER) – a leading provider of background and identity services – offers background and identity verification to help over 50,000 clients create people-first cultures built on a foundation of trust and safety. Sterling’s tech-enabled services help organizations across all industries establish great environments for their workers, partners, and customers. With operations around the world, Sterling conducted more than 95 million searches in the 12 months that ended December 31, 2021.

Sterling regularly publishes cutting-edge research and insight on the latest trends in human resources, talent acquisition and management, and hire processing.

For more information, visit us at: [sterlingcheck.com](https://sterlingcheck.com)



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