How AUTOMATED EMPLOYMENT VERIFICATION delivers the best employee experience
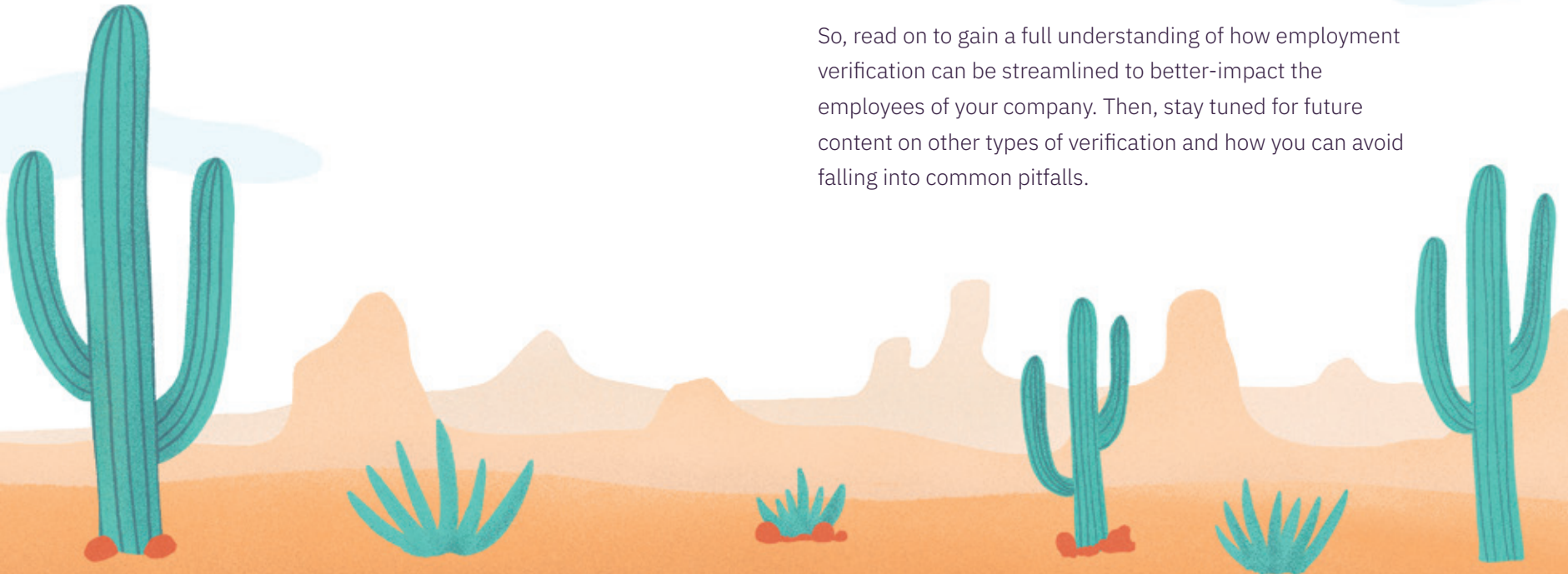
truework

Working in HR, you have a ton of responsibilities. Ultimately, you want to ensure the employees at your company have a great experience that's as smooth as possible. But certain processes, like employment verification, don't always make that easy for you.

At Truework, we specialize in employment verification.

Our approach is almost entirely hands-off for those needing verification, and requires very little input from HR. (In some cases, no input at all.) Your time is valuable, and we aim to help you reclaim as much of your lost time as possible by simplifying the employment verification process. We've created this guide to help you walk your employees through a pain-free verification process.

Understanding employment verification is critical to creating a positive employee experience during high-impact life events. By understanding verification, you can provide your employees with the most seamless experience possible. This is essential to delivering a great employee experience, as understanding employment verification can mean the difference between an employee getting loan or program approval today, next week, or not at all.

So, read on to gain a full understanding of how employment verification can be streamlined to better-impact the employees of your company. Then, stay tuned for future content on other types of verification and how you can avoid falling into common pitfalls.

CONTENTS

The importance of
UNDERSTANDING
verification

Employment verification is an integral part of hiring, lending, and background checks. Essentially, if your company plans on hiring anyone, you're bound to encounter employment verification.

For those in HR, understanding employment verification is essential. Again, a clear understanding means the difference between providing a smooth experience versus inconveniencing your employees. For decision makers and business owners, understanding verification will help you find the right verification provider and ensure your company is prepared to help your current and future employees have the best possible experience.

Before diving into the optimization of the verification process, it's important to understand what employment verification is and when it's used.

WHAT IS employment verification?

Employment verification is a process that catches any fraudulent statements on an application and verifies your employees' data. This process, while independent in itself, is typically one part of a more comprehensive background check as well.

The process of employment verification, while used to verify current employment, also acts as a way to fact-check a person's work history. This is useful for employers, lenders, and mortgage companies during any screening process as it ensures the person is being honest.

Why do you NEED employment verification?

While employment verification is always used to verify employment, the reason for verification depends on the applicant. Here are some of the most common reasons you'd need to verify employment and why it's a necessary part of the process.

Job Applicants

Businesses receive a large number of job applications, especially if a position is posted online and open to a wide pool of people. Sifting through applications is already a time-consuming process. Hiring a candidate who claimed to be something they're not turns the time spent hiring and onboarding into a huge waste of resources.

With **85% of applicants lying on job applications**, employment verification is a must. In order to avoid hiring a less-than-qualified candidate, businesses often verify an applicant's employment before extending an offer. The verification process can catch fraudulent claims about job history and increase the likelihood that the person is a qualified hire.

85%
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Lender and Mortgage Applications

Lenders and mortgage companies require employment verification to ensure the applicant is being honest on their application. This protects both the lender from not being paid and the lendee from obtaining a loan or mortgage they can't repay. **Mortgage fraud is on the rise**, making employment verification a must for the mortgage process, just as it is with job applications.

Government Programs

There are numerous government-funded programs in the U.S., like the Supplemental Nutrition Assistance Program (SNAP), that provide benefits to qualifying applicants. To prevent fraud, the government requires applicants to these programs to complete background checks. As a part of these required background checks, the requisite government organization will conduct employment and salary verification as well.

In the case of government programs, income determines how much assistance an applicant can receive or if they qualify for the program at all. This makes verification especially important, as someone lying about their income can result in sorely needed funding going to someone who doesn't need it.

At the end of the day, employment verification catches inaccuracies and fraud, no matter the type of application being processed. While many loan or government applicants aren't lying, there are those who will take advantage where they can. Verification prevents that.
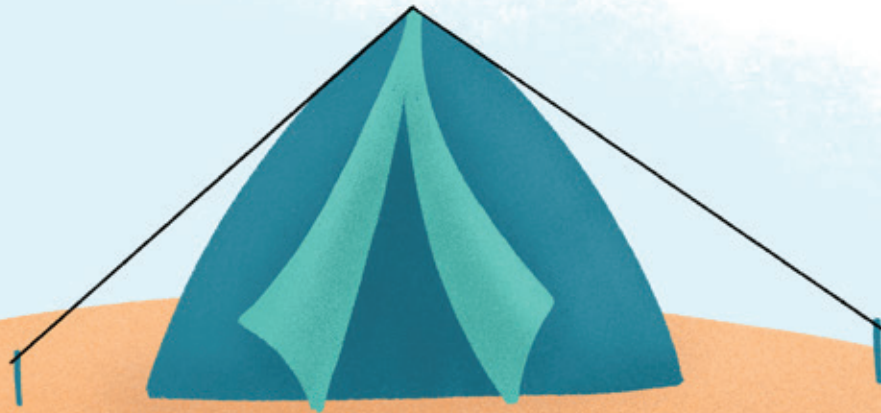
HOW employment verification WORKS

The employment verification process can vary in how it's executed, but the end goal is always the same: verifying that the applicant works where they say they work. The granular-level steps aren't always the same from company-to-company, but typically, they follow a similar pattern.

Current Employees Who Need Verification

When an employee applies for a loan, mortgage, or program, their employer will often have to verify that they work for the company. This is also true in instances where another company is inquiring about a previous employee who listed the company on their resume.

In any event, the employer will typically have to fill out and manually send the information for an employee needing verification for a loan, mortgage, etc. This often entails phone calls to the other party, with time needed to complete the process, depending on how well the two parties cooperate.

There's also a chance the company will have to direct the requesting party to a verification company, like The Work Number, to speak with them instead. This requires less communication on the employer's part and puts the onus on the inquiring party and the verification company.

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Job Candidates

When someone applies for a job with your company, you need to verify their work history to ensure they're actually qualified.

For a company that needs to verify an applicant's information, the process can entail a call to the current employer or a third-party verification company that then contacts the other party. This process continues until the information has been confirmed.

If your company does an in-depth verification of applicants with several previous employers, you'll repeat this process multiple times.

Government Assistance

When applying for government assistance, the applicant typically provides proof of income and employment as part of the verification process. Employment verification, in this case, usually means the applicant obtains a letter of employment from their company or provides recent check stubs.

On the employer's end, this process is less hands-on than the other scenarios. The employer will need to provide a letter of employment or provide the required pay stubs, but nothing more.

TYPES
of verification

While employment verification aims to guarantee the accuracy of an application, verification methods differ based on the reason they're being used. As a result, there are a few types of employment verification, each one better suited for a specific process.

Standard employment verification

As the name implies, standard employment verification is what's typically used to verify an applicant's employment history. Lenders, mortgage companies, government programs, and companies running background checks on applicants typically use this form of verification.

Standard employment verification can take anywhere from a day to a week, depending on the company running the verification and any problems that may arise. Typically, this process involves sending accurate employment information to the inquiring party. The applicant's employer can do this, or the applicant can provide these details if they are self-employed.

Standard employment verification can take anywhere from a day to a week.

Verbal verification of employment

Verbal verification of employment, in which the lender or employer contacts the employer of the applicant, is a quick process that usually takes under a day. This is generally done via a quick phone call to the employer listed on the applicant's form. If the employer confirms the applicant still works there, the person has passed the verification.

For loans and mortgages, this process happens immediately before the loan or mortgage is delivered. This is done to avoid giving the money to an applicant who changed or lost their job after filling out the application.

Before this process begins, the lender or employer will perform a standard employment verification. That makes verbal verification of employment more of a safety measure and less of an investigation.

Background check

A background check is an in-depth process that involves verifying one's employment, investigating any criminal history, verifying salary, validating the applicant's Social Security Number, checking their medical history, running a drug screen, and more.

A full background check is often used as a screening tool for a number of career fields, including financial jobs and those in the security sector. Some lenders and sellers of firearms may also require a background check. Essentially, background checks are fairly universal and something you have likely encountered and been a part of, whether you knew it or not.

No matter your industry, your company has likely run background checks in the past. Familiarizing yourself with background checks and the many steps involved is always a good idea.

A full background check is often used as a screening tool for a number of career fields, including financial jobs and those in the security sector.

Income verification

Because loans, mortgages, and government programs are all heavily based on income, a standard employment verification isn't always enough. This is where income verification comes in.

Income verification involves looking at an applicant's current wages. This includes bonuses or any additional income. This information is then used to determine if the applicant can repay the loan or mortgage or if they qualify for government assistance. Due to the fact that this process only concerns income, there is generally a background check or full employment verification used in conjunction with income verification.

Employers can also use income verification during salary negotiations. If an applicant is asking for a higher wage, the potential employer may, in some cases, contact the applicant's current or previous employer and obtain proof of income. This can be used to confirm the applicant made what they're claiming they made and reinforce their argument for a higher wage.

COMMON *employment verification* PROBLEMS

While the employment and lending spaces have largely gone digital, verification has, unfortunately, lagged behind in many ways. This has led to a number of employment verification problems in today's space.

It consumes human resources

Employment verification often requires a lot of hands-on assistance from the person providing verification, which is typically someone in the human resources department. This process can require the HR person to submit information on behalf of the employee or even mediate for the company requesting verification.

For example, the Motley Fool didn't have a verification provider, so all of the verification requests had to be filled out by hand. This took their sole HR manager hours a week to complete. In total, this came out to roughly 100 hours a year that weren't spent on anything but processing verification requests.

Another example is Segment, a customer data company. Segment didn't use a verification provider either, which resulted in their only HR rep having to manually complete requests, hunt down information, and take valuable time away from higher-impact tasks.

> **"I was having to fill out paper forms, scan them, and then fax or email them back in. It was so time consuming!"**
>
> CHRISTINE NOONAN, HR MANAGER, THE MOTLEY FOOL

Often requires employee input

Just as verification can sometimes require a lot of input and time from HR, it can also require the same from the person needing verification.

In the case of self-employment, the person who needs verification is almost entirely responsible for the process. But even in companies with HR departments, employee input may be necessary if a verification company isn't used.

A great example is **CornerStone Staffing**, a staffing agency in Texas. When employees at CornerStone Staffing needed verification for a loan, mortgage, etc., they had to speak directly with the verification company. This sometimes resulted in numerous calls, caused unnecessary stress, and wasted their time.

"Often, we heard complaints from employees about the hectic process."

SARA CASTRO, OPERATIONS, CORNERSTONE STAFFING

Timely Frustration

When an employee needs verification for a loan, mortgage, program, etc., it's generally one of their top priorities. A lot is at stake, after all. But that doesn't mean it's a top priority for the HR team. An HR team has numerous things on its to-do list, which can result in the verification taking longer.

Verification is a timely matter, especially for the person needing verification. When it's not made a top priority by HR, this is likely to start a conflict between the employee and HR and create unnecessary stress.

Potential security issues

There are security risks that come with employment verification, as well. While people may fake their verification, there are also bad actors who will phish for information they can't legally obtain.

What makes this worse is the difficulty around discerning what employee information should and shouldn't be released. For an HR professional, releasing the wrong information can result in compromising an employee, legal issues, and loss of employment. For the self-employed, giving out the wrong information can result in identity theft, which can take years to resolve.

Not all verification companies are equal

A verification company can help alleviate many of the issues listed above. But not all verification companies offer the same level of service. Because of this, a verification company isn't guaranteed to solve your problems as it depends on the company chosen.

For example, some companies using an employment verification provider still had to involve both HR and employees in the verification process.

In the case of CornerStone Staffing, which previously used The Work Number, the verification process forced HR to have employees contact The Work Number directly. This often resulted in numerous back-and-forth phone calls, time lost for the employees, and frustration.

How to OVERCOME verification challenges

Employment verification, as a process, is far from perfect. But you can make major strides to retake control of the process and deliver a better experience for you and your employees. An employment verification service can help you overcome many modern verification challenges. Consider the following when looking for your own verification solution.

Be mindful of your budget

Budget is always a constraint in business, and that's no different when looking for ways to improve your verification process. But the right verification service can help you save both time and money.

For a company with 500 people, Truework can cut the time needed to verify employees and save a business upwards of 56 hours per year. This number only scales as the size of the company increases, saving you more time as your company grows.

When looking at your options, think about your financial constraints, but also think about the time you could save with a proper solution. That time saved can be put toward important projects or boosting sales.

Truework can save a business upwards of 56 hours per year.

Prioritize experience

Budget is obviously your first big concern when evaluating your verification options, but the overall experience should be your next priority.

Look for a solution that will help HR, empower employees, and create a smoother process overall. Keep in mind that some solutions still require excessive input from HR or employees, as in the case of CornerStone Staffing and The Work Number. Closely examine the verification services you're interested in and see how their process works. If it involves employees or HR for more than a brief interaction, continue searching.

You also want to look at the verification company's process to see if it complicates things. For example, some verification companies require a salary key. The employee generates this key using a company login and then provides it to the party inquiring about verification. This process opens the employee up to security risks, takes up valuable time, and can result in headaches for both parties involved.

Instead, find a company that streamlines the entire process. For example, Truework requires no keys, places the onus on the company requesting verification, and only requires the employee to reply to an email to confirm that they're fine with releasing their personal details.

Look for transparency

As previously noted, people feel they lack control over their data and their information. Transparency can go a long way to remedy this and to build trust between your employees and your company. The last thing you want is your employees lacking trust in your HR department.

Look for an employment verification company that keeps employees in the loop, notifying them when a company wants to look at their information.

For example, Truework emails applicants and asks them if they consent to their data being sent to the inquiring party. This level of transparency can empower the applicant and give them peace of mind, as they know when their information is being used and if it's being used at all.

Put employees and applicants in control

Giving employees control over their data will help build the sorely needed transparency. Control also serves to further establish trust between your employees and your company, which can make life easier for your HR team.

When looking at verification solutions, find one that allows employees to start their own verification rather than wait for the lender or inquiring party to send it. This can alleviate the issue of employees waiting on HR to reply to a verification.

Use a well-reviewed verification service

Not all verification services are created equal. Find one that's well-reviewed and trusted by other businesses. You'll especially want to look for excellent customer service in case you ever need support.

Do Google searches for the company name, see if there are any sites with common complaints, and take note. Similarly, look to see what people praise about the company. You may be okay with one feature missing as long as another is in place. Reviews will help you see through the marketing and determine which solution will fit your business the best.

When looking at verification solutions, find one that allows employees to start their own verification rather than wait for the lender or inquiring party.

STREAMLINING *the verification* PROCESS

The verification process doesn't have to be fraught with complications and unnecessary steps, as exemplified in CornerStone Staffing's case. They went from manually processing numerous parts of a verification to being almost entirely hands-off with Truework.

Employment verification is necessary and virtually unavoidable, no matter your industry.

If you have employees, there's a big chance they'll need your assistance verifying employment.

Get ahead of the common verification problems many companies face before they burden your employees and HR team with unnecessary tasks. Use an employment verification company that can lessen your load and free you up to focus on what matters most: helping your team succeed.

With Truework, employees are empowered to control their own verification process while HR has full transparency into all verification requests to ensure their team is getting the support they need.

The process is to the point and low impact.

1. The verifier fills out a form with the basic information on the employee using Truework's form.

2. The employee gets an email from Truework asking for consent and notifying them that the verifier is requesting verification. If the employee consents, the verification will go through with no input from HR needed.

Your employees, including HR, were all hired to better your company and drive your brand toward success. Time wasted on verification is time that could be spent moving your company toward other goals.

Request a demo of Truework to see how they can help your company save countless hours and thousands of dollars every year.