

GoodHire Predicts Automation, Remote Work, New Legislation, and Data Privacy Demands Will Impact Screening and Hiring in 2022

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FULL TEXT

As companies address employee demand for more flexible work arrangements in 2022, they will need to adapt their hiring processes to protect data privacy, accelerate time to hire, and expand the candidate pool.

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Remote work and a competitive job market is bringing a greater focus on technological advances to expedite the hiring process and keep candidates' data safe, according to GoodHire, an industry leader in background check technology.

"We have market forces which have increased the need for background screening because of tail winds in the economy, but it's coming into conflict with heightened scrutiny with regard to protection of privacy," noted Mike Grossman, CEO, Inflection (parent company of GoodHire.) "At the very time when background screening is needed, governments are making it harder to get access to information about people. It puts a premium on being able to find ways to access accurate information and GoodHire's proprietary data engineering technology is a platform that can help do that," he said.

Here are GoodHire's predictions for 2022:

1) Increase use of automation to accelerate time to hire. Employees will continue to use the bargaining power they gained over the past year and a half, putting increased pressure on hiring teams to optimize their hiring process and make a good first impression on candidates. "We're seeing a high demand for workers across all industries, but especially in the hospitality, retail, and technology industries, and that will continue well into 2022," said Max Wesman, GoodHire's COO. "Background checks for these three sectors have increased year over year by 133% in hospitality, 59% in retail, and 56% in technology, according to GoodHire customer data. To compete, companies must streamline the hiring process to be both swifter and more accurate, and they can do that with advanced automation built into the background check platform. At GoodHire, we're continually looking for ways to accelerate processes through automation, including direct access to accurate public data sources and improved candidate workflows."

2) Remote work and the hiring squeeze will change how employers screen candidates. The "Great Resignation" has companies scrambling to attract and retain talent, and are already adopting more flexible remote work options and adapting their screening requirements to accommodate a new 'no office' dynamic. "Because workers might never go into an office, we're seeing a relaxation, especially in drug screening, that we anticipate will continue in 2022," added Wesman. "With criminal records, too, we're seeing companies being more open to fair chance hiring, which expands the candidate pool."

3) Ground-shifting legislation will disrupt the hiring process. Several states have passed legislation requiring the redaction of dates of birth in public records, which is extremely disruptive in industries that rely on public record information in order to hire and mitigate risk. "Companies in the technology and risk sectors that rely on public record data will need to become more creative, both with their technology and in their governmental and regulatory affairs strategies, to continue providing robust services without material data loss," notes Elizabeth McLean,

GoodHire's Senior Vice President and General Counsel. "The trend toward increased consumer demand for data privacy is not slowing down, and this will have a direct impact on both Consumer Reporting Agencies (CRAs) and their customers—employers—exactly at a time when demand for faster background checks is increasing."

4) Demand for identity verification will increase. The continued increase and demand by employees for remote and hybrid work options will compel employers to include identity verification checks in their screening process. "Data privacy is a big deal—companies don't want the responsibility of asking for and storing too much personal identifying information, and candidates are wary of giving it to them. But the increase in identity theft is real, and identity verifications help mitigate that risk. Now, more companies are automating ways to better verify an applicant's identity," says Wesman. "And we're seeing startups coming into the market that will address the issue of data privacy—giving candidates the opportunity to 'own' their identities, which will in turn speed up the hiring process."

5) Blockchain technology will make individuals' education credentials and employment history portable. In addition to identity verification, verification of candidates' education and employment history will always be an important step in the screening process. "These are two parts of an individual's background that are immutable—their educational qualifications and work history. As blockchain technology evolves and becomes more commonplace over the next few years, we see this information becoming more portable and will eventually be brought with the candidate from job to job, stored in the blockchain," said Wesman.

6) Companies will be more exposed to potential lawsuits. Candidates feel the leverage and power they have following the "Great Resignation" and may be more emboldened to pursue legal remedies in the event fair hiring laws, HR laws, and background screening laws are not adhered to during their application, recruitment, and hiring process. "Employers will need to continue to stay apprised of new and developing hiring laws to ensure compliance and reduce risk of monetary and reputational harm that can result from lawsuits," said McLean. "This is especially true in New York City, San Francisco and Los Angeles. These cities have some of the strictest fair chance hiring laws in the country."

As the talent shortage continues into 2022, companies are feeling pressure to hire faster, while at the same time, workers have more leverage, opportunities, and options than ever before. Hiring teams that optimize their recruiting and screening process by taking the above insights into consideration and adopting new technologies are going to be the greatest beneficiaries.

For headshots of GoodHire's executives quoted in this release, please visit: <https://bit.ly/3vPyPwi>

About GoodHire

Since 2013, GoodHire has been a trusted background check partner to more than 100,000 organizations. With its innovative, technology-first approach, coupled with an intense focus on customer delight, GoodHire has redefined the background check service industry. GoodHire uses automation and advanced data engineering to help customers accelerate hiring and make more confident hiring decisions. Thanks to its easy-to-use platform and responsive, FCRA-trained support team, our customer satisfaction and NPS scores match those of America's most trusted brands. Headquartered in Silicon Valley, GoodHire is owned and operated by Inflection. To learn more, visit www.goodhire.com.

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DETAILS

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