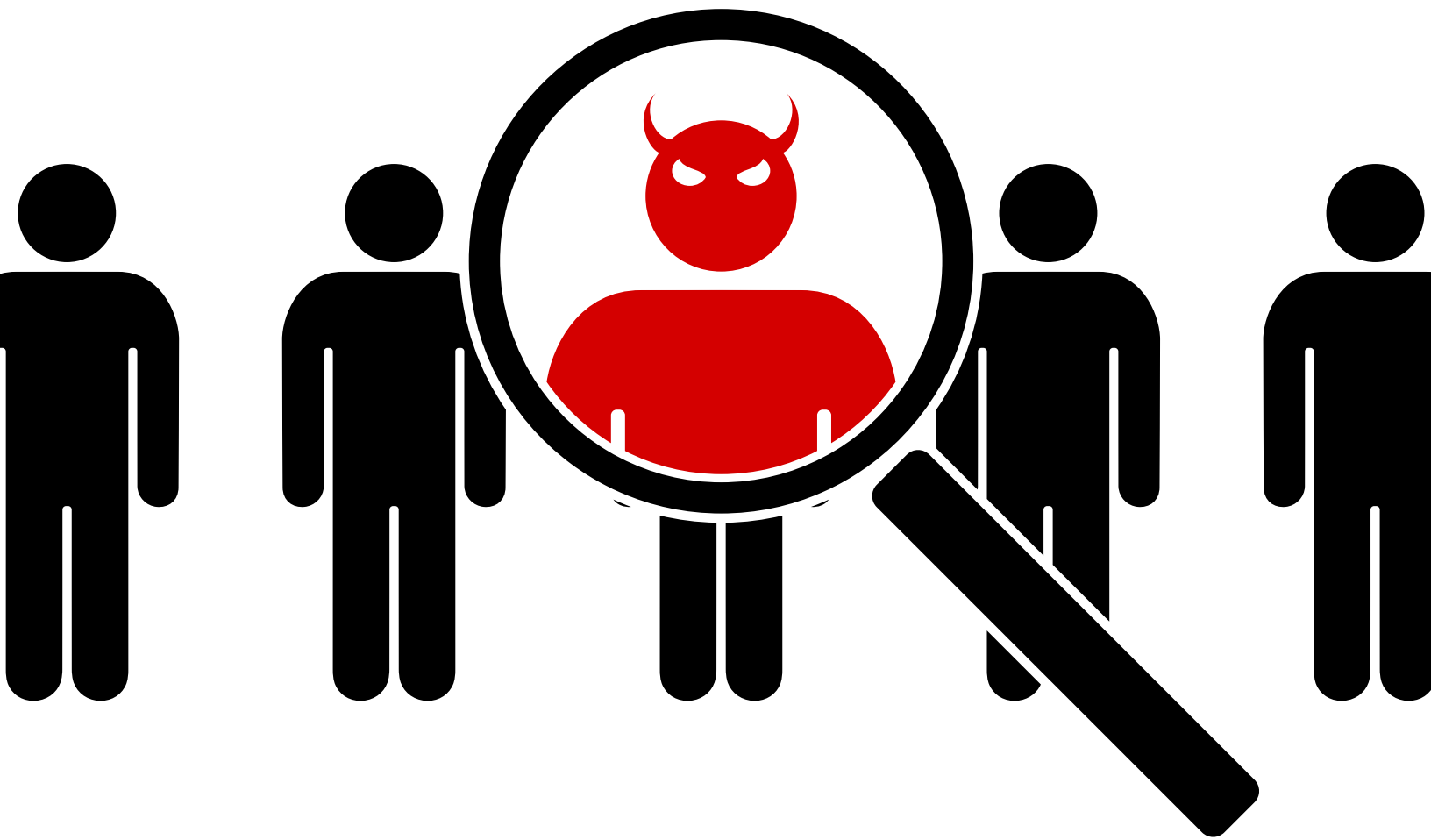


Is Your Company Hiring Charlatans?

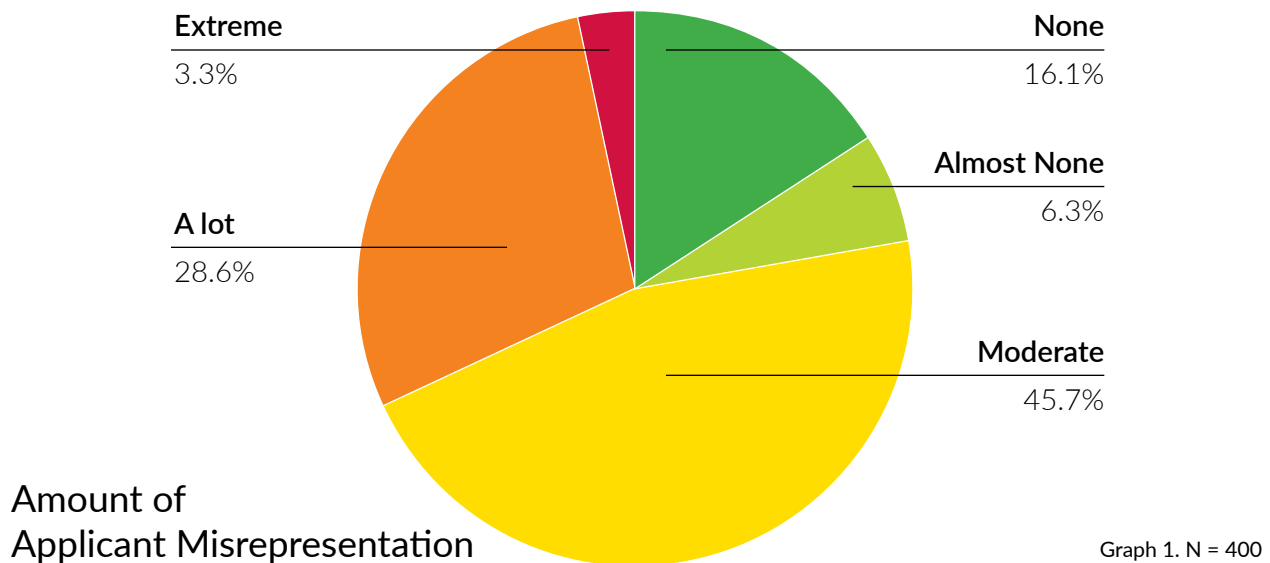
A study of ethical standards in the hiring process



When thinking about the qualities of an ideal employee or putting together a list of characteristics needed for a job position, do you include integrity? Our new research shows that integrity is one of the most important qualities in an employee. A meta-analysis comparing a variety of pre-employment measures¹ revealed that integrity tests not only predicted counterproductive work behaviors, but also significantly predicted job performance. In addition, of all the pre-employment measures, integrity tests added the most validity to general mental intelligence, the measure with the most predictive validity. This means that in addition to having a smart employee who can get the job done, it's also extremely important to have an ethical employee who can do the job right. But how do you ensure your company is hiring ethical employees?

According to recent surveys conducted by Checkster, more job applicants may be engaging in unethical behavior than you think. Checkster conducted two surveys: one with 400 hiring managers, recruiters, and HR employees and another with 400 individuals who had applied for or received job offers in the past six months. We asked about their opinions on a variety of ways to misrepresent themselves in the hiring process. These behaviors ranged from claiming a degree from a university they didn't attend to inflating their role on a project. The recruiters and hiring managers then reported their likelihood to hire an individual who had made one of these inflated claims, while the participants in the applicant survey reported whether they had or would consider making these claims in their own job search.

Candidates Lie More Than You Think



¹ Schmidt, F. L., Oh, I., and Shaffer, J. A. (2016) *The Validity and Utility of Selection Methods in Personnel Psychology: Practical and Theoretical Implications of 100 Years of Research Findings*. Available at <http://dx.doi.org/10.13140/RG.2.2.18843.26400>.

² See the "Methodology" section at the end for more information.

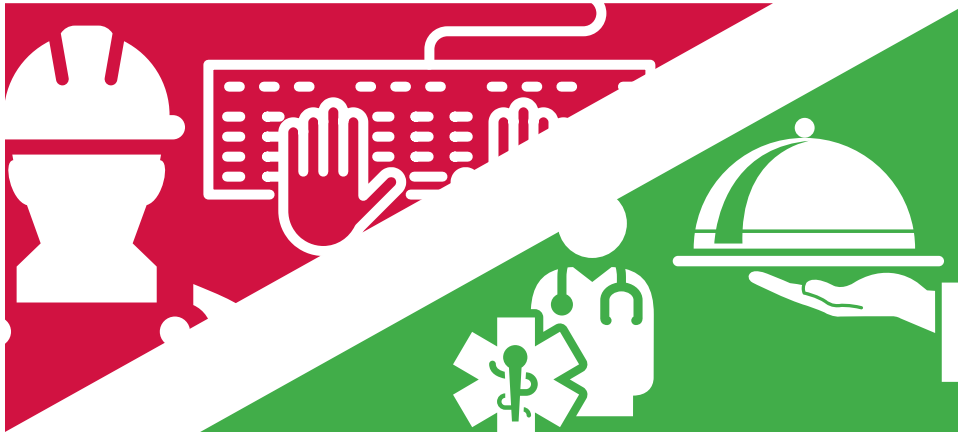
The applicant survey revealed alarming widespread willingness to misrepresent information during the hiring process. Across a list of inflated claims in the job application process, 40% of individuals reported that they would or had engaged in each behavior on average. Applicants were most likely to report claiming mastery in skills they had no knowledge of (60% claimed they had or would do this at least once) and working at some jobs longer than they had in order to omit an employer (over 50%)—that’s a majority of respondents reporting willingness to misrepresent in these ways.

INFLATED CLAIMS	Percent have done or would do
Your resume claims...	
Mastery in skills you barely use (e.g., Excel, language)	60.00%
You had worked at some of your jobs longer than you did in order to omit an employer	50.25%
GPA is higher by more than half a point	49.25%
A director title when the actual title was a manager title, or equivalent	41.25%
A degree from a prestigious university when you were actually a few credits short	39.50%
A degree from a prestigious university instead of your own	39.25%
A degree from a prestigious university when you had only taken one class online, or equivalent	39.25%
Achievements that aren't mine	32.50%
Your interview claims...	
Significantly inflated role on a key project	49.50%
False reason for leaving (e.g., left versus being fired)	45.75%
Made-up relevant experiences	42.25%
Salary inflation by more than 25%	39.50%
Current residence location is different than it actually is	34.50%
Inflated job outcomes (e.g., increased sales 150% versus 50%)	34.50%
Other claims...	
False references (friend vs. real, I pretend to be a reference...)	43.75%
No criminal record when I have one	26.50%
An achievement I did not really get (e.g., award, press coverage)	26.00%

N = 400

336 respondents reported they would make at least one inflated claim at least once, meaning only 64 out of the 400 respondents reported that they would never make any inflated claims (see Graph 1³). This means only 1 in 6 employees reported not misrepresenting themselves whatsoever in the application process. In addition, by types of questions, respondents reported that they were most likely to lie about declarations that related to their skills (60% claimed they had or would do this at least once), then their references (44%), past job experiences (43% average), their degree (42% average), their achievements (29% average), and were least likely to lie about their criminal background (27%).

³ These numbers are based on the average, with indicating they would “never” do the behavior scored as a 1, “only once” as a 2, “sometimes” as a 3, “most of the time” as a 4, “always” as a 5, and NA excluded. The scores across the inflated claims were averaged. Individuals who put “never” for each question (average = 1) were labeled as “none,” and individuals who put “never” for almost every question except “only once” for one behavior (average = 1.059) were labeled as “almost none.” “Moderate” misrepresentation were individuals who had an average score between 1.059 and 2 inclusive, “a lot” were between 2 and 4, and “extreme” had an average 4 or above.



Misrepresentation Varies by Job Sector

We've all heard jokes about crooked lawyers and corrupt politicians, but is there truth in these stereotypes? Are there really job sectors with more misrepresentation than others? And if so, which jobs? The second concern that Checkster's survey results discovered was that, in addition to overall alarmingly high levels of misrepresenting behavior, these behaviors varied by job sector. Certain industries showed even higher rates of this behavior.⁴

Participants in the applicant survey listed the career sector they worked in, revealing that the job sector with the most misrepresentation was construction.⁵ Information and software, retail, and manufacturing also showed above-average numbers. On the other hand, the sector with the least inflated claims was hotel and food services, followed by healthcare and social assistance, education, and government. Possibly due to small sample sizes, our analyses only revealed significant differences between information and software and healthcare ($p = 0.04$, CI [0.005, 1.01]) and between information and software and hotel and food services ($p = 0.03$, CI [0.02, 1.1]).

Who Can I Hire?

These numbers may be discouraging to people trying to find good workers for their company. If such a high proportion of applicants lie, then who can your company possibly hire? First of all, an individual who said they had exaggerated their Excel skills once is different from an employee who is consistently willing to lie on major issues like criminal background. And while there may be certain jobs, like a judge or a caretaker of children, where absolute ethical purity is paramount, your company needs to decide what ethical standards are necessary. Secondly, there are important steps that your hiring team can take to guard against unethical behavior.

⁴ These numbers are the percent of survey respondents who indicated that they would make an inflated claim at least once ("only once," "sometimes," "most of the time," or "always") averaged across the full list of inflated claims listed in the survey. A higher number indicates reporting higher willingness to misrepresent in the hiring process.

⁵ Of the most frequently listed job sectors: 59 in healthcare and social assistance, 43 in information and software (combining "software," "information services and data," and "information other"), 42 in hotel and food services, 32 in education, 27 in retail, 24 in manufacturing (combining "manufacturing computer and electronics" and "manufacturing other"), 19 in construction, and 15 in government and public administration. Score is the average score (1 = "never," etc.) across inflated claims.

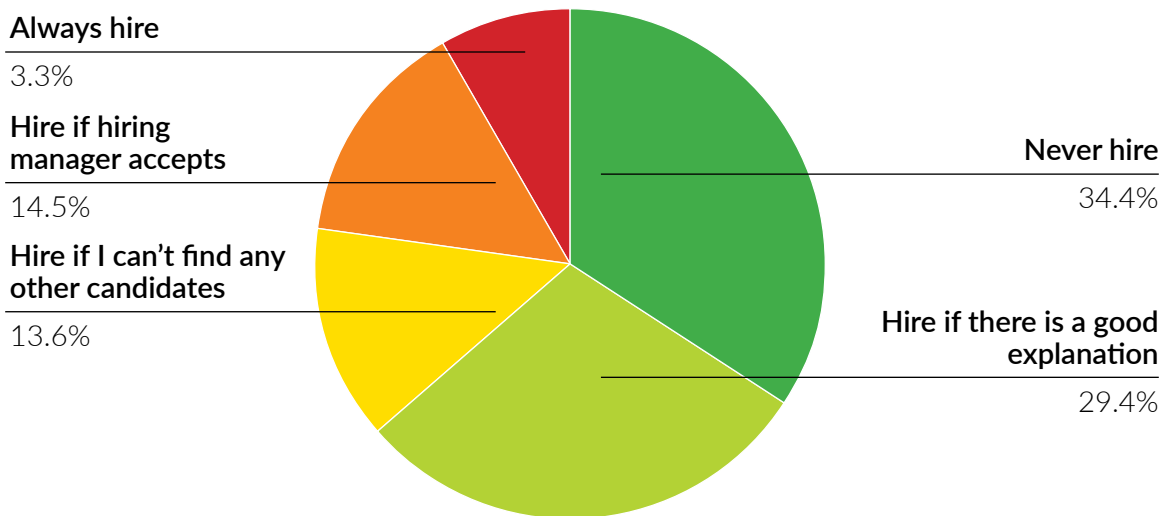
Permissive Standards Amongst Those Hiring

After all, these high levels of applicant dishonesty are shocking, but surely most companies must weed out fraudulent applications during the hiring process? And if not most companies, at least yours? However, Checkster's survey of hiring managers, HR representatives, and recruiters suggests the answer might not be so optimistic.

On average, respondents to the survey of hiring managers, HR, and recruiters reported being willing to hire someone despite inflated claims 66% of the time. For the behavior they were most lenient about, inflating GPA by more than half a point, a whopping 92% reported that they would still consider hiring the person. In addition, only 6 individuals stated that they would "never hire" for every behavior listed, suggesting that 99% of those hiring would hire someone who engaged in at least one misrepresenting behavior (See Graph 2)⁶. This suggests that there are most likely people in your organization who would knowingly hire someone who misrepresented themselves in the hiring process. Keep reading, or skip to the section titled "What Can You Do? You Need Ethical Alignment" to see what you can do about it.



Hiring Leniency

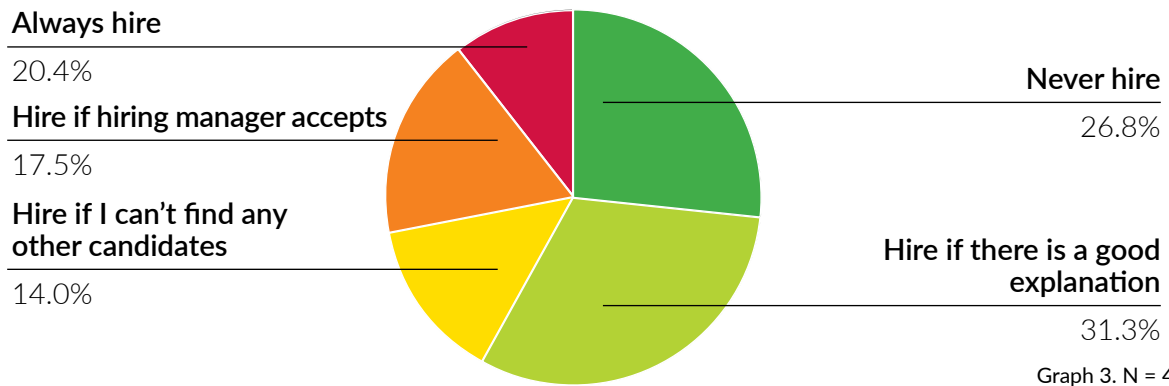


Graph 2. N = 400

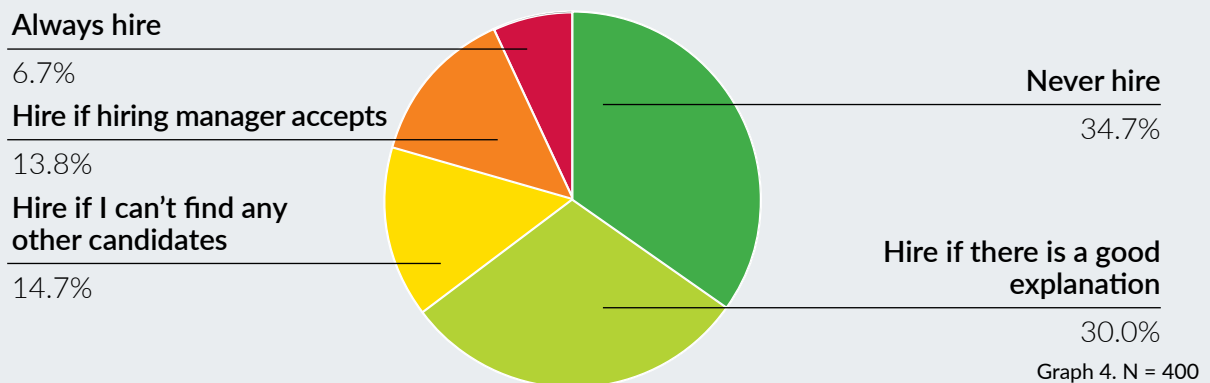
⁶ These percentages of individuals indicating they would "never hire," "hire if there's a good explanation," "hire if can't find another candidate," "hire if the hiring manager accepts," and "always hire" averaged across the inflated claims.

We asked hiring managers about inflated claims applicants might make in their resume, interview, or about general background information (such as reporting criminal behavior and reference checks). We found that while leniency across resume and interview claims was similar (Graphs 3 and 4), hiring managers were much less lenient with background information (Graph 5).

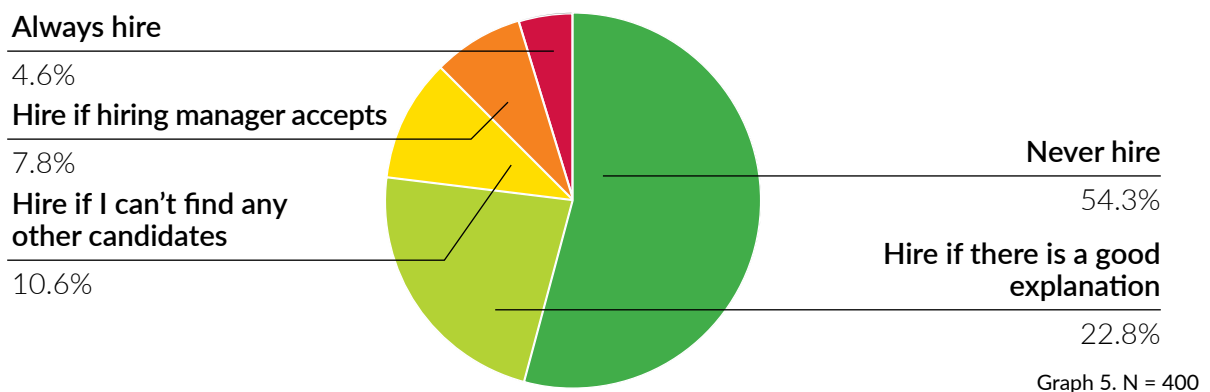
Hiring Leniency: Resume Misrepresentation



Hiring Leniency: Interview Misrepresentation



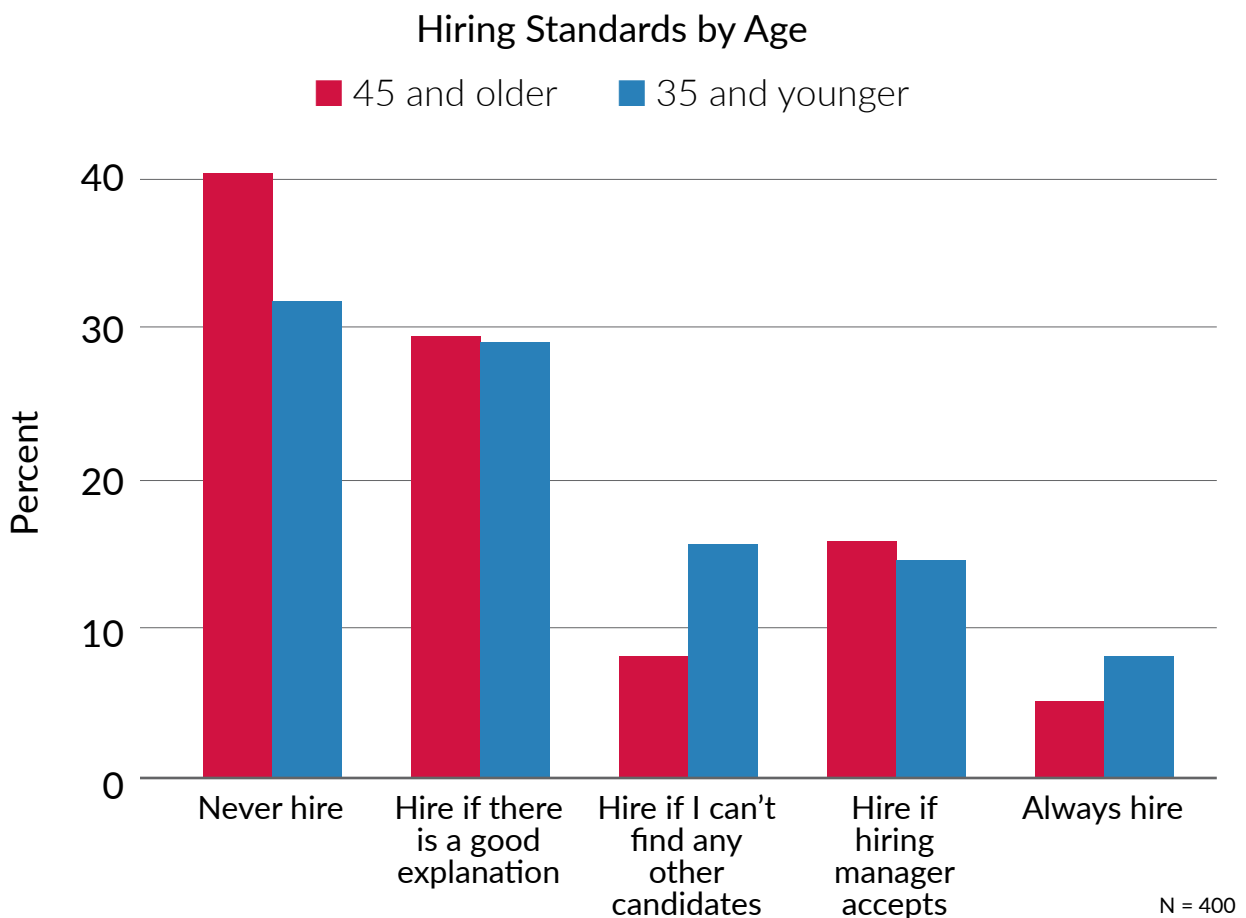
Hiring Leniency: References and Background Misrepresentation



In addition, these ethical standards may become even more lax if the person hiring becomes desperate. The results showed that on top of the individuals who would always hire, hire if there was a good excuse, or hire if the hiring manager accepts, on average 14% of the time individuals would hire someone despite inflated claims if they couldn't find any other good candidates. This means that these individuals most likely recognize the behavior isn't ideal, but are willing to sacrifice their moral standards when in a pinch to hire someone.

Hiring Standards by Age

When asked if they would hire someone who claimed a degree from a prestigious university when they were actually a few credits short, Susan, a 60-year old hiring manager, said that she would never hire. But Jeremy, a 22-year old recruiter, didn't have a problem with this and said that he would always hire in this case.⁷ What might cause this difference in their reactions? Checkster's survey found significant differences by age in strictness towards misrepresenting behaviors, such that young people were less strict in their hiring decisions. When asked if they would hire someone who had made an inflated claim during the hiring process, on average 60% of hiring managers 45 and older reported that they would hire them at least some of the time. On the other hand, 69% of hiring managers under 35 said they would hire an employee who made inflated claims. These differences were statistically significant ($p = 0.03$, CI [-0.46, -0.01]), showing that younger individuals were more likely than their older counterparts to hire candidates who made inflated claims. There were also significant differences in applicant willingness to misrepresent by age. Candidates below 35 were more likely than individuals above 45 to misrepresent ($p = 0.03$, CI [-0.56, -0.02]), further suggesting that these differences may come from different internal ethical standards.



⁷ Responses from real participants, with names changed to maintain anonymity.

What to Do When You Need Ethical Alignment

As this survey reveals, while you may think that your team is already on the same page when it comes to ethical standards, chances are they aren't. Your hiring team likely includes people who are okay with some level of misrepresentation in the hiring process, especially if your team includes younger workers entering the workforce who may not be aligned with their older coworkers and supervisors in terms of what is and isn't okay. But rather than writing off these workers as unprincipled, we at Checkster suggest taking this opportunity to initiate conversations to generate ethical alignment.

Ethical alignment is what occurs when the individuals in your company have a clear idea of what is and isn't okay behavior. There is no room for subjective interpretation; the standards are clear, and you're all on the same page. This is important because while some behavior is defined by law as illegal (like discriminating against someone in the hiring process based on their gender or hiring a doctor without proper credentials), most behaviors are in what we call an ethical gray area. These are behaviors that might still be morally wrong but aren't labeled as such by the law. This means that your company has to set these standards and explicitly communicate them to the rest of your team.

In order to get your company to a place of ethical alignment, you first need to know where your team members' ethical standards are. Checkster suggests having your team take our [questionnaire](#), which will ask your employees how they would act in a variety of situations. This will generate a report that will inform you about areas where employees differ from the company's ethical standards and allow you to ensure everyone knows what is and isn't okay in the hiring process moving forward.

Ethical Gray Area

- Hiring someone who inflated their skills or role on a project.
- Hiring someone who reported that they quit their last job when they were actually fired.
- Hiring someone who claimed achievements that weren't really theirs.

Okay to hire

Not okay to hire

Do your hiring managers know where your company draws the line?

Illegal

- Hiring discrimination based on color, religion, gender, sexual orientation, national origin, age, disability, etc.
- Hiring a doctor without proper licensing.

What Other Tools Can I Use to Deter Fraudulent Applicants?

Once your team establishes its ethical standards, then your company should make sure that you are using the appropriate tools to check if these standards are being met. Your hiring managers now know not to hire someone who lies on their resume, but how do you know if someone is lying?

Background check

One way of checking ethical behavior is to conduct a background check. If the candidate has lied about their criminal history or credentials, a background check will reveal this, and can also check educational, employment, and other records.

Reference checks

Reference checking is another way to do your due diligence. You can verify the candidate's claims about his or her past job experience by running them by previous co-workers, who may also report valuable information about the applicant's past behavior, achievements, demeanor, and work ethic.

Another tool: reference check fraud detection

According to hiring managers, faking references is the worst thing a job applicant could do in the hiring process. The hiring survey showed that the behavior that was found to be the least acceptable was faking references, with 64% of individuals surveyed saying they would never hire someone who gave false references. This was nearly twice the 34% average across inflated claims. However, 44% of applicants reported they had or would fake references.

Almost half of individuals reporting they had or would fake references is concerning, particularly in an age where reference falsification is made easy by online services that offer to provide fake references to applicants for a fee. Make sure you are taking the necessary steps in order to protect your company from fake references, such as Checkster's 12-point fraud detection algorithmic system. By cross-referencing the responses from the candidate and the "former employer," Checkster can protect you from this unethical behavior.

Artificial intelligence

AI tools have been critiqued lately due to a failure to eliminate bias from the hiring process.⁸ While they may be able to help your company's hiring process, in order to utilize any automated tool, you still need to make sure your company has clear ethical standards. These standards inform the programming and the interpretation of AI tools, as these tools are only as good as the people who create and use them. Therefore, intentional conversations about ethical standards are even more important to consider in an age of increasing AI automation.

⁸ Harwell, D. (2019, November 6). A face-scanning algorithm increasingly decides whether you deserve the job. Retrieved from <https://www.washingtonpost.com/technology/2019/10/22/ai-hiring-face-scanning-algorithm-increasingly-decides-whether-you-deserve-job/>

The Solution for Misrepresentation in the Hiring Process

In conclusion, these surveys by Checkster showed evidence of widespread misrepresentation in the hiring process by applicants, with five in six applicants reporting inflating in some way during their job search and only one out of six reporting complete honesty. The surveys also revealed inconsistency among hiring managers, HR employees, and recruiters who were willing to permit different forms of misrepresentation, with even more discrepancy between individuals of different ages. Our recommendation at Checkster is for any organization to understand their ethical standards and check that these are being complied within the hiring process. We advise every team leader to invite their colleagues to benchmark what is deemed ethical and what is not with this [questionnaire](#) which generates a report to make sure you have an unambiguous discussion about what is acceptable and what is not. Then, we recommend utilizing tools such as background checks, reference checks, reference checking fraud software, and reviewing your AI to ensure that your ethical standards are being complied with. Taking these steps, even in light of a sizable number of inflated claims, will encourage a culture based on your principles and protect your company's reputation.



Methodology

We used a reputable survey company to gather participants using Random Device Engagement, delivering our survey randomly to individuals on popular mobile apps, with response quality ensured through non-monetary incentives and survey fraud prevention. We collected data from individuals who were at least 18 years old, lived in the US, and were currently employed for wages at the time of the survey. From this, we launched two surveys on December 13, 2019: one was with individuals who had received or searched for a job in the past six months, and the other was with individuals who worked as a manager responsible for hiring people, part of HR involved in recruiting, or as a recruiter.

The applicant survey was 60% female and 40% male. Our sample was 63.5% white, 14.25% black, 10.75% Hispanic/Latino, 6.25% Asian, 2.25% multiracial, and 2.5% other. Age ranged from 18 to 77, with an average age of 32.

The survey of hiring managers was 56% female and 44% male. Our sample was 63.75% white, 12.5% black, 11.5% Hispanic, 6.75% Asian, 1.5% multiracial, and 1.75% other. Age ranged from 18 to 71, with an average age of 37. The analyses were computed in RStudio.

Participants in the applicant survey read a list of 17 inflated claims they could make in their resume, interview, or general job-application process and answered whether they had or would make these claims, with answers ranging from “never did it,” “only once,” “sometimes,” “most of the time,” “always,” or NA. Participants in the hiring survey read the same list and answered whether they would hire someone who made this claim, with answers ranging from “never hire,” “hire if there is a good explanation,” “hire if can’t find any other candidate,” “hire if hiring manager accepts,” and “always hire.”

For the applicant side, answers of “always,” “most of the time,” “sometimes,” and “only once” were combined to create percentages of individuals who would be willing to make a particular inflated claim. We used pairwise t-tests to compare means across the 17 items. For job sector analyses, the most common career sectors were compared (creating composite variables for information and software and manufacturing). Then we used a one-way ANOVA to compare unethical behavior (summed across the 17 items) by job sector.

For the hiring side, answers of “hire if there is a good explanation,” “hire if can’t find any other candidate,” “hire if hiring manager accepts,” and “always hire” were combined to create percentages of individuals who would be willing to hire despite an inflated claim. For age analysis, we used a one-way ANOVA to compare unethical behavior by age group and found a significant difference between 18-24-year-olds and above 54-year-olds ($p = 0.047$, CI [0.004, 0.98]). However, since there were only 42 individuals aged 18-24 and 38 individuals above 54, we created an additional variable to group individuals into below 35, between 35 and 44, and above 44 to see if these generalized across larger groups.

ABOUT CHECKSTER

Better people decisions drive better business outcomes.

Using collective human intelligence, Checkster empowers talent and team leaders to make smarter, faster and more confident talent decisions and build high performing teams that compete to win. More than 500 organizations around the world use Checkster to power their people decisions and improve quality of hire.