

Whitepaper

The State of Trust in European Hiring 2026

In this guide, you'll find everything you need to create and implement a comprehensive background screening policy for both candidates and employees. Packed with practical tips, emerging trends, and a handy checklist, it helps you ensure compliance, reduce risk, and make confident hiring decisions.

Screening Guide
Table of Contents

Introduction 03

Trust & Transparency: A Strategic Priority 04

Compliance Pitfalls That Erode Trust 05

Trust Gaps in Recruitment: Candidate & Employee Perspectives 06

Emerging Standards & Best Practices to Reinforce Trust 08

About PESCHECK 09

Definition list 10

Introduction

Trust has become one of the defining challenges of European hiring in 2026. As organizations compete in tight labour markets, trust is no longer an intangible HR aspiration, but a measurable factor influencing candidate engagement, regulatory compliance, brand reputation and long-term retention. The year 2026 marks a turning point where transparency, ethical AI adoption, and compliance with new legislative frameworks (e.g., the EU Pay Transparency Directive and the EU AI Act) have elevated trust from “best practice” to a strategic necessity.

> "In 2026, a background screening policy is a trust builder. Organizations that screen thoughtfully and transparently signal to candidates and employees alike that integrity and safety are at the heart of every decision."
>
> Serhat Elban, CEO PESCHECK

Why is Why Trust in Hiring Matters in 2026 so important?

In 2026, trust has become the cornerstone of effective recruitment. Candidates and employees are no longer passive participants, they actively evaluate whether organizations are transparent, fair, and ethical in how they hire. Trust impacts everything from candidate engagement to retention, employer brand, and long-term organizational performance.

Key reasons it matters today:

- ✓ **Attract Top Talent:**
  Skilled professionals gravitate toward organizations that demonstrate fairness, clarity, and accountability in hiring decisions.
- ✓ **Enhance Candidate Experience:**
  Transparent processes and clear communication foster confidence, reducing drop-offs and negative perceptions.
- ✓ **Mitigate Compliance Risks:**
  Trustworthy practices align with EU regulations like the Pay Transparency Directive and emerging rules around AI in recruitment.
- ✓ **Strengthen Employer Brand:**
  Organizations known for fair and ethical hiring build reputational capital that drives both loyalty and advocacy.
- ✓ **Support Long-Term Retention:**
  Employees who perceive hiring and onboarding as fair are more likely to stay engaged and committed.

Trust & Transparency:
A Strategic Priority

The introduction of the EU Pay Transparency Directive in June 2026 represents a watershed moment for trust in recruitment. Companies are now required to disclose salary ranges, document compensation logic and avoid opaque pay negotiations — measures that directly address longstanding concerns about fairness and information asymmetry in hiring

Candidates increasingly view such transparency not merely as regulatory compliance, but as a trust signal:

- ✓ Clear pay structures communicate organisational predictability and fairness.
- ✓ Objective criteria reduce ambiguity and reinforce credible decision-making.
- ✓ Early transparency enhances candidate confidence in employer intentions.

In 2026, employee expectations center on transparency around pay, performance evaluation, and career pathways, with trust being continuously evaluated rather than assumed.



Compliance Pitfalls That Erode Trust

Even the most well-intentioned hiring teams can struggle to keep up with the complex and evolving regulatory landscape in Europe. Missteps in compliance, whether related to documentation, technology, or local labor laws, can create operational risks, slow down recruitment, and inadvertently undermine candidate confidence. Understanding these pitfalls and addressing them proactively is essential for organizations that want to maintain smooth, efficient, and credible hiring processes in 2026.

Multi-Layered Regulatory Complexity

Hiring across Europe requires navigating 27 distinct employment systems, each with unique rules for contracts, payroll, and HR compliance. These differences create natural trust vulnerabilities when policies are inconsistent or incomplete.

Common pitfalls include:

- Outdated contracts and incomplete documentation, failing to maintain accurate records can lead to disputes and legal exposure.
- Inconsistent application of local labor laws, applying rules unevenly across regions undermines fairness and employee confidence.
- Fragmented HR policies without central oversight, when policies vary by department or location, candidates may experience confusion and mistrust.

Even with strong intent, only a minority of organizations achieve advanced compliance maturity. This gap leaves many companies exposed to legal, financial, and reputational risks, all of which directly impact candidate trust and engagement.

EU AI Act & Hiring Technologies

Technology has transformed hiring, but its rapid adoption has also introduced new compliance challenges. The EU AI Act sets emerging standards for algorithmic recruitment, requiring organizations to demonstrate fairness, transparency, and accountability. Employers must now address:

- Transparency of AI use, where candidates should know when and how AI informs decisions
- Documented human oversight processes, where organizations must ensure humans review AI recommendations to prevent errors or bias.
- Evidence of bias mitigation and fairness monitoring, where demonstrating proactive fairness measures is key to building trust.

Trust Gaps in Recruitment: Candidate & Employee Perspectives

Trust gaps in recruitment are one of the most critical challenges organizations face in 2026. Even when companies adopt modern hiring technologies and flexible processes, candidates and employees are acutely sensitive to how decisions are communicated, how fair processes feel, and how transparent the organization is. Moreover, gaps in trust can lead to disengagement, candidate drop-offs, and a weakened employer brand, which ultimately affects the quality of hires and long-term retention.

Candidate Perception of Fairness

Candidates today evaluate organizations not just on the role itself but on the integrity of the entire recruitment process. Clear communication, timely updates, and transparent criteria shape perceptions of fairness and competence.

Key factors influencing trust include:

- ✓ **Transparent Communication:**
  When hiring teams provide clear information about timelines, next steps, and evaluation criteria, candidates feel respected and informed, reducing stress and uncertainty.
- ✓ **Respectful and Constructive Feedback:**
  Providing timely feedback, even after rejection, reinforces a sense of fairness and builds long-term goodwill with candidates.
- ✓ **Clarity of Selection Criteria:**
  Clearly defined skills, experience, and performance expectations prevent ambiguity and give candidates confidence that decisions are objective rather than arbitrary.
- ✓ **Consistency Across Channels:**
  Candidate experience must be uniform across interviews, digital platforms, and recruiter interactions. Inconsistencies can signal disorganization and undermine trust.

Failing to address these factors can have significant consequences. Many candidates feel compelled to embellish their profiles or overstate qualifications, a phenomenon often referred to as the “honesty tax”, because they perceive the system as biased. Such behaviors highlight systemic trust deficits in traditional recruitment processes and reveal that even small transparency gaps can ripple across an organization’s talent pipeline.

Employee Perspectives on Trust

Trust gaps aren't limited to candidates. Current employees also monitor hiring practices closely, as perceptions of unfairness can affect morale, engagement, and retention:

- ✓ **Internal Equity:**
  Employees compare new hires' compensation, progression, and treatment to their own. A lack of transparency can breed suspicion and resentment.
- ✓ **Fair Opportunity Perception:**
  Providing timely feedback, even after rejection, reinforces a sense of fairness and builds long-term goodwill with candidates.
- ✓ **Impact on Engagement:**
  When internal stakeholders perceive unfair or opaque hiring, trust in leadership and HR erodes, affecting overall organizational culture.

Closing the Trust Gap

Organizations that successfully close trust gaps in recruitment do three things consistently:

- ✓ **Prioritize Transparency:**
  Make processes, evaluation criteria, and compensation ranges clear at every stage.
- ✓ **Embed Accountability:**
  Establish checks and balances for recruiters, hiring managers, and AI systems to ensure fair outcomes.
- ✓ **Engage Continuously:**
  Communicate proactively with candidates and employees, sharing meaningful updates and feedback.

In 2026, bridging trust is essential for attracting top talent, strengthening employer brand, and sustaining engagement. Companies that fail to address these gaps risk not only losing candidates but also undermining the confidence of their existing workforce, ultimately weakening organizational performance.

Emerging Standards & Best Practices to Reinforce Trust

Organizations that lead in trust in 2026 focus on three interlinked pillars: policy and governance, technology with human oversight, and candidate-centric communication. Each contributes measurable improvements in candidate confidence, engagement, and perception of fairness, and can be represented visually to highlight where investments in trust make the greatest impact.

Clear Policies

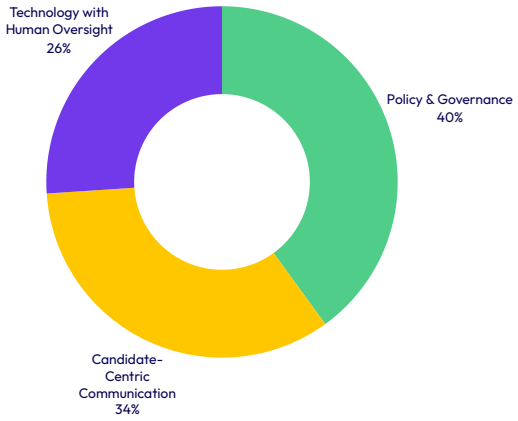
Structured policies form the foundation of trust. Organizations that document pay structures, align with EU directives, and audit recruitment technology consistently are more likely to inspire candidate confidence. Cross-functional governance teams ensure fairness and reduce bias, with formal frameworks linked to **up to 40% higher candidate trust scores**.

Technology with Human Oversight

Technology plays a critical role, but candidates trust it only when paired with human oversight. Explainable AI, decision checkpoints, and bias testing help ensure fairness, yet only 26% of candidates fully trust AI-based recruitment tools, underscoring the need for transparency and supervision. (HireVue, 2025)

Candidate-Centric Communication

Finally, communication is a decisive factor in building trust. Candidates expect transparent salary information, clear evaluation criteria, and meaningful feedback loops. Organizations that prioritize structured engagement and timely updates see up to 62% fewer candidate drop-offs during recruitment, demonstrating that communication alone can significantly improve candidate perception. (Codegnan, 2025)



Meet PESCHECK

Trust as a Strategic Advantage: How Pescheck Helps

In 2026, trust in hiring isn't optional, it's a measured outcome that drives compliance, candidate confidence, and long-term engagement. Pescheck helps organizations tackle the biggest challenges head-on: from navigating complex European regulations and ensuring pay transparency to integrating AI responsibly and maintaining fair, consistent processes.

With Pescheck, you can streamline compliance, enhance transparency, and strengthen candidate trust at every stage of recruitment. Our solutions provide actionable insights, automated checks, and governance support so your organization can attract top talent, reduce risk, and turn trust into a competitive advantage.

Schedule a meeting?

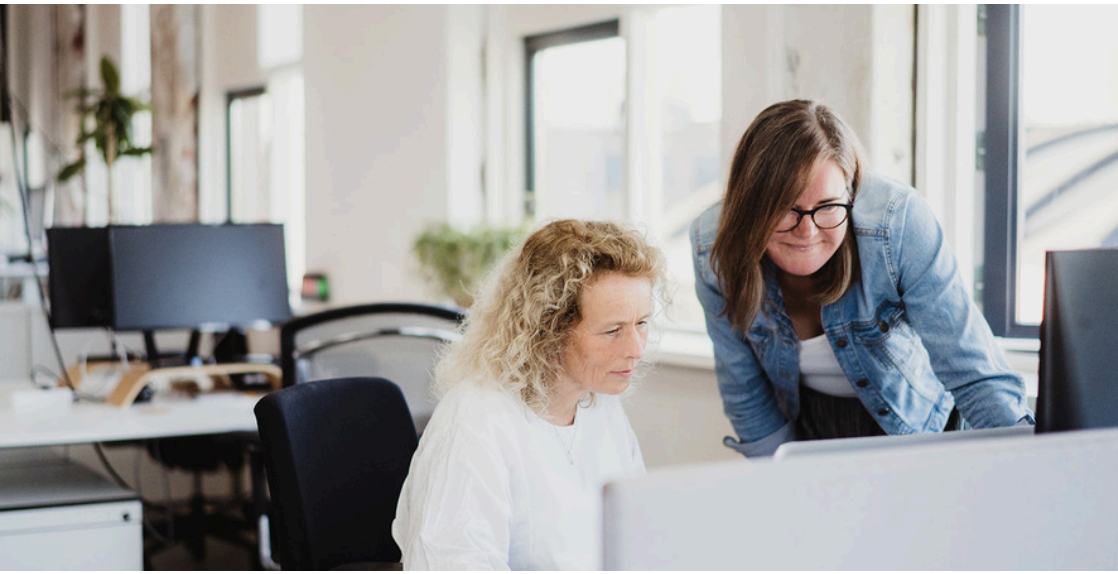
Meeting with us is always without obligation and always with the intention of helping you. Would you like to know more about drawing up a policy or conducting a background screening? Get in touch or book a convenient time directly on our website: Book a Demo.

bsi ISO/IEC 27001 Information Security Management CERTIFIED

GDPR

PBSA PROFESSIONAL BACKGROUND SCREENING ASSOCIATION

Ministerie van Justitie en Veiligheid
POB 1551



PESCHECK Definition list

Integrity Statement	9 integrity-related questions or customizable integrity statement for verification.
ID Verification + Biometrics for Digital Onboarding	Verifies the identity of a candidate using official documents and biometric data (available in 160 countries)
Right to Work	Confirms a candidate's legal right to work in a specific country by verifying work permits, visas, or residence status.
PEP, Sanction- and Watchlists Check	Cross-references candidate data against global criminal, terrorist, and law enforcement databases to assess potential risks.
Adverse Media Check	Analyzes the candidate's online footprint, including public profiles and relevant associations with keywords or reputational risks.
Work-Reference-CV Check	Verifies employment history by contacting up to 3 employers within the last 5 years, checking positions held and work performance.
Qualification Verification / Diploma Check	Verifies the candidate's highest academic qualification. Dutch diplomas are checked via DUO; international diplomas follow a broader verification process. Includes verification costs up to €25 incl. VAT (or equivalent). Any additional third-party or institutional fees may be invoiced separately, unless agreed otherwise in writing.
Credit Check	Provides a financial assessment of the candidate by checking their credit history, available in EMEA and APAC regions.

Request of the International Criminal Records / VOG 1	Requests and verifies the candidate's international criminal record or Certificate of Conduct (VOG) based on the applicable region.
Upload + Validation of the International Criminal Records / VOG 3	Facilitates the upload and automatic validation of international criminal records or VOG, ensuring compliance.
Address Check	Verifies the candidate’s current or past address by cross-checking provided details with reliable or official sources.
CV Cross Check	Manually verifies the accuracy of the candidate's CV by cross-checking the details provided on the platform with the actual CV submitted by the candidate.

pescheck

Trust grows in the light of openness

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