BREAKING THROUGH
Asia’s Top HR Teams

STEERING A BEHEMOTH
Johnson & Johnson’s global CHRO profiled

GUT INSTINCT OR ALGORITHMS?
HR’s delicate balancing act

HIRING FOR THE ‘MARZIPAN LAYER’
Talent mapping in focus
FIRST, THE bad news: more than one in five (21.5%) background checks conducted on job candidates in the Asia-Pacific region in 2016 identified inaccuracies in the information supplied by candidates. This finding was based on the results of background checks performed by HireRight in the APAC region last year.

Fortunately, there is some good news: this discrepancy rate has decreased significantly from 29% the previous year, and rates have likewise dipped slightly in key APAC markets, with Hong Kong, India, the Philippines and Singapore experiencing the largest decreases.

The decrease in numbers can be attributed to two possible reasons. The first is that an increasing number of APAC employers are integrating background screening into their talent acquisition processes, so the increasing volume of background checks being conducted is making the number of discrepancies seem relatively smaller.

The other is that there may be greater knowledge and understanding among candidates of the screening process and its potential impact through high-profile CV fraud cases being publicised widely in the media. This, in turn, could be deterring candidates from misrepresenting their credentials – consequently resulting in improved candidate accuracy when submitting job applications.

“Background screening has long been adopted as a best practice by employers in Western countries, while it is only more recently gaining traction in APAC, with multinational corporations spearheading this growth,” says Camilla de Villiers, managing director, APAC, HireRight.

She adds that the number of candidates screened by HireRight in APAC grew by 42% from 2015 to 2016.

Industry nuances

While the general uptake in basic checks such as education and employment history verifications should be conducted for all industries, background screening procedures do vary according to industry. For example, employee fraud would be a concern in the retail industry. From the selling floor to the stockroom and warehouse, retail employees need to meet high standards of loyalty, performance and credibility. In such a value-driven industry, criminal record checks and credit history checks can play a major role in an employer’s risk management process.

Financial regulatory checks are usually mandatory in the financial services industry, especially for roles regulated by government authorities such as the Monetary Authority of Singapore and the Hong Kong Monetary Authority.

Motor vehicle record checks would be needed for the transportation industry or if a company is looking to hire a driver.

Up – and down – the corporate hierarchy

There are also differences to note in terms of job seniority. For example, de Villiers says
there’s a misconception that senior executives and high-ranking board members are not susceptible to credential fraud because they have earned their stripes, accumulating job experience over the years.

“In fact, 37% of respondents in the 2017 HireRight APAC Employment Screening Benchmark Report indicate that their organisations use a different screening standard for senior executives, and 31% note that senior executives have to go through fewer tests and interviews to get a job as a CEO than entry-level hires in their organisations do,” she says.

HireRight’s research also showed that 41% of APAC companies have known people in their organisations who rely on ‘gut instinct’ when hiring for high-profile positions.

De Villiers warns that despite “the perceived notions of infallibility” related to senior hires, employers should still recognise the importance of rigorous hiring and screening processes for senior executives, especially because they will most likely hold greater responsibilities within the organisation and have access to confidential data. Moreover, a senior executive found to have embellished his or her CV could result in a serious public relations challenge for an organisation, so rescreening existing employees, regardless of their experience, could go a long way towards mitigating that risk.

Indeed, the failure to screen people who have moved up the corporate hierarchy or moved elsewhere within a company is a potentially damaging oversight. According to HireRight’s research, only 28% of APAC companies rescreen employees who have been promoted or who have changed roles. This suggests that significant risk exposure exists as there is no telling whether a person continues to be ‘fit and proper’ as they work their way through an organisation.

“This lack of diligence usually happens when companies assume that the initial screening conducted when the candidate was hired is sufficient,” de Villiers says. “However, promoted employees may have additional responsibilities beyond those assessed in the initial screening. In these instances, the background check performed at hire may not be sufficient to address the criteria associated with added responsibilities.”

Indeed, some employees end up rising through the ranks in the same company, and move into key leadership positions without ever having been through a thorough background check.

**International candidates**

Even though the world is becoming increasingly connected and companies are...
embracing access to a widened talent pool, there is a sharp disparity in the screening of international candidates – and this is a concerning trend for jurisdictions with higher levels of international hires, such as Singapore. HireRight’s report suggests that while 83% of APAC companies screen local employees, only 48% of them screen international employees.

“It is especially concerning that many international employees are unscreened, because moving to a different country for work could potentially be a means by which candidates try to escape negative records,” says de Villiers. “The lack of cross-border due diligence presents a huge gap for APAC companies.”

Keeping up with a changing workforce
As recruitment functions become more efficient, so too do screening processes – largely thanks to developments in technology. However, rather than seeing technology as disrupting the candidate screening space, HireRight believes it allows them to provide more efficient and tailored services to clients that, in turn, help them better achieve their business goals and objectives.

“Within HireRight, we’ve embraced technology in our screening processes to help HR achieve a higher recruiting efficiency and provide an enhanced candidate experience by giving them access to a standardised, streamlined experience via an intuitive and digital platform called the Applicant Centre 2.0,” says de Villiers.

Additionally, an increasing number of younger candidates, namely millennials, make up a growing percentage of the workforce every year. True to their digital native selves, these millennial candidates typically desire a tech-savvy digital experience, even when it comes to the recruitment process. Increasing the use of HR and mobile technology therefore helps employers engage with the growing proportion of tech-savvy millennial candidates in Asia who use mobiles as their primary devices – and speeds up the screening process as well.

HireRight’s report suggests that 45% of APAC companies are unlikely to add a mobile-friendly screening process for candidates in the next 12 months. With 50% of APAC companies reporting a reduction in time to hire as one of their biggest screening challenges, de Villiers says there is an immense opportunity in the adoption of mobile-friendly experiences. This, she suggests, should be a significant part of HR’s efforts to keep abreast of a rapidly changing employment landscape.

“The HireRight 2017 Employment Screening Benchmark Report focuses on how dynamic the global workforce really is, and how employers today need to be able to adapt to the evolving trends in the job market to attract and retain the right talent.”

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