

IT firms start background checks to fight CV forgery

By Ritwik Mukherjee Apr 21 2011 , Kolkata

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12% of resumes sent for tech jobs are fakes

Fakery in certificates submitted for securing jobs in the IT industry has reached endemic proportions, making it that much more difficult for companies to pick the right candidate.

An independent consultancy, First Advantage Corporation, based in St Petersburg and with a presence in India, estimates that between 10 and 12 per cent of all job applications sent to IT companies are fake. The fakery includes falsification of resumes, with as many as three of four reporting educational qualifications and experience that they do not possess.

Consider the size of the Indian IT industry's manpower: 2.5 million. That will give you an idea of the numbers that apply for jobs every year. Identifying them before and after hiring and weeding them out itself has become a full-time job for many a human resources person. This, in turn, has sired hundreds of companies specialising in running background checks.

The head of one such company, Wayne Tollemache, managing director of International First Advantage, has found that of all discrepancies or misrepresentations in resumes during October-December last, 75 per cent related to past employment data.

About 42 per cent provided false employment information, 35 per cent gave incorrect tenures, 13 per cent inflated their designations, 9 per cent received negative supervisor / HR feedback and 1 per cent inflated their compensation.

There is more: 3 per cent manipulated educational data. A humungous 74 per cent gave fake documents, 22 per cent had degrees from either unrecognised institutes or fake institutes, while 4 per cent did not complete the courses they claimed to have done.

About 22 per cent candidates gave wrong address, held back criminal record, failed identity checks, global regulatory and compliance database checks and drug testing.

Despite having large HR departments, many IT companies have been obliged to hire these third-party screening companies, which specialise in background screening and offer what they call end-to-end risk mitigation.

KPMG puts the number of screening companies in India at over 2,000. They work for all industries, not merely for IT. KPMG itself also does similar work.

According to its executive director, Dinesh Anand, KPMG screens at least 30,000 resumes every month for over 250 clients globally. It has detected misrepresentation of facts in 8 to 10 per cent of the resumes.

Small or big, all IT companies have faced and continue to face the scourge. Wipro, Infosys, TCS and Cognizant and others say they have taken corrective measures to stop the fakes from getting hired.

"Fake CVs have turned into a menace to the IT industry," says Priti Rajora, Wipro's global head for talent acquisition. People tend to gravitate towards IT because of the value it can add to their resumes. She sees a 'mature grey market' in fakery and asserts it has gone beyond inflating details.

At Cognizant no one is hired before a background check. "We have encountered such cases (of candidates with fake certificates). We have been using the Nasscom skills registry very heavily," a Cognizant spokesman told FC.

An Infosys official requesting anonymity said instances of hiring candidates with fake papers had been marginalised as companies, including his, have become cautious and streamlined the hiring process. "In the past when such instances had happened, the employees concerned were immediately removed," he said

Anant Gupta, president of infrastructure services at HCL Technologies, conceded that there would have been (fake) cases at his company also. His prescription is to invest more money and time in screening candidates and engage third-party agencies for the work.

But as the companies get smarter, so do job seekers with nothing much to show. Many companies still unknowingly hire such candidates who are eventually found out. But by the time that happens, the employee with questionable certificates hops to the next company. In many companies, a candidate is first hired then checked much later for background. This gives him a window to join another company, usually a smaller one which does not have the wherewithal to run such extensive checks, according to a TCS official.

SAP Labs feels that HR people now know that there are fakes. This awareness leads to stringent pre-hiring checks, at least in large IT companies. Even the candidates seem to know this, so generally fakes do not apply there. "As a result, the quantum of fudged resumes is going down as candidates are aware of the stringent verification process we follow," says Anil Warriar, director of India staffing at SAP.

The problem is more acute in mid-sized companies. "About 2 to 5 per cent of all candidates that we speak to fall in this category. It is a growing trend. Impersonation in telephonic conversation, lip-sync during the g-talk / video discussions are an extension of fake resumes," says Pruthi Nanjappa, associate vice-president of recruitment at Ness Technologies. Sandeep Nair, president of the Manufacturer's Association of IT Industry and Emerson Network Power, has come across candidates claiming to have done MBA but never took the course or even if he or she did, failed the exams.

"We have a process of two to three months. We give them a conditional appointment letter to work till we get approval from a third party. Only if we get a green signal, we retain the candidate," says Nair.

The views of SAP's Anil Warriar that large companies generally do not face the problem are not shared by Nanjappa who thinks these companies are more susceptible to faking. "Organisations lower their guard as they are under time pressure to fill positions but lack bandwidth and adequate checks. Unlike large organisations, smaller ones tend to hire by way of reference and also weigh pros and cons before hiring candidates," she says.

Tollemache of International First Advantage says more than 90 per cent of Fortune 500 companies have a formal policy of background screening their employees. This has led to screening of their employees in India as well and that of their outsourcing partners. "The concept of background screening as a means of ensuring end-to-end risk mitigation is picking up in India," said Ray Pereira, director of the India centre of excellence of Kenexa.

Pereira's data is more shocking. According to him, 43 per cent of all candidates misrepresent information on their resumes or applications; 8 per cent of all applicants have a criminal record, and one of every 10 employees have used drugs in the workplace. According to Ronesh Puri, managing director of Executive Access, a global headhunter, it is one sector that perforce follows zero tolerance of fakes in its hiring and has a strict approach to hire the right mix of people. As a major chunk of business is dependent on international markets; therefore, IT has to adhere to global norms of hiring as any negligence will hamper growth and the name of the IT industry, he says. Precisely to tackle the problem, Nasscom created the national skills registry which, before collating all potential candidates personal, academic and employment data, puts them through professional verification. The registry allows an employer to check even a candidate's credit history, says Deepal Kaisya, director of Planman Consulting.

The registry, set up in 2006, has been improved incessantly, says Nasscom vice-president Raju Bhatnagar. Today over 100 companies from IT, ITeS and business process outsourcing are empanelled. These companies can now scan the records with the registry for a background check of job candidates and employees.

TCS, Tech Mahindra, Wipro, Cognizant, Mphasis, Accenture Services, Mahindra Satyam and NIIT Technologies, among others, have been accessing the registry.

(S Ronendra Singh and Kumar Sankar Roy in New Delhi with N Vasudevan in Bangalore)