



Costs of Non-Compliance

The Consequences of Failing to Verify
Employee Backgrounds





Cover Story

Costs of Non-Compliance:

The Consequences of Failing to Verify Employee Backgrounds

Background checks protect employers from disastrous blue-collar hiring. PwC's 'Global Economic Crime and Fraud Survey 2022' found that over 95% of Indian organisations reported new frauds in the previous 2 years. Despite that, the high costs of manual verifications in large volumes and the tedious process deters companies from conducting checks. For instance, residential address verification expenses can range between ₹350-500, employment verification costs ₹500 -1,000, and court record checks can come up to ₹400-700.

There are more serious implications of not screening thoroughly beyond qualifications, licenses, and certifications. Here's a detailed look at the consequences of non-compliance and how to avoid unsafe working conditions.

Legal Risks

Although background checks are legal in India, the Sensitive Personal Data Information (SPDI) rules mandate informing the candidate before proceeding. Collection of personal sensitive data like physical and mental health conditions, monetary information, medical records, criminal records, and biometric details must be done only after prior consent. Employers must ensure compliance with these regulations when conducting a detailed background verification of their new hires.

Employers can also be liable for an employee's misconduct, especially with customers. For instance, a delivery service can be in a much better position legally, if it has already conducted a thorough background check of the delivery person who stole or lost a product. If they didn't, the customer might sue the company for their bad experience and negligent hiring.

Financial Risks

Studies found that 96% of customers leave due to bad service. A single blue-collar worker's action can tarnish the entire organisation's name and fame. Allegations of verbal abuse, misbehaviour, and threatening or demeaning activities can affect the brand image. Losing one client is often followed by bad reviews across social media and survey platforms and sometimes negative press, which may affect acquisition efforts.

Reputational risks are involved as well. For instance, an FIR was registered by Delhi Police against an Uber auto-rickshaw driver under IPC Section 509 (word, act, or gesture intended to insult a woman's modesty). A notice was issued to Uber India over this case of molestation of a female journalist. Other cases of drivers duping the police and breaking laws in the past too surfaced. The result was a loss of revenues, reputation, and market share for competitors to take over. Despite its global dominance, the taxi service hasn't gained the top spot in India.



The Need for Employee Verification

While a background check does not guarantee future actions, effective screening practices can identify red flags of potential hires. It can spot previous events that indicate that a candidate is not the right match for the brand. It is vital for small and big firms to conduct verifications, especially of their distributed workforce. Defining and complying with a background verification mechanism has many benefits:

- It can enhance the existing employees' trust since you adhere to certain standards during hiring decisions.
- This keeps the workplace safe both mentally and physically for all employees.
- The probability of violence and threats is diminished.
- The integrity and values of the brand are protected, which can boost worker loyalty.
- Risks of crimes, such as sexual assaults, molestation, and theft due to personal triggers and financial needs are reduced.
- The company assets are also protected, and you do not have serial offenders on board.

BGV Best Practices

A few checks that an organisation can perform include education, medical and credit history, employment history, social media presence, criminal background verification, reference checks and drug screening for sensitive jobs such as those in a chemical manufacturing plant.

Conducting a background check is not that straightforward. There are some unsaid rules to follow:



Identify Risk Parameters

This helps define the scope of background verification, for instance, a regular offender of a hate crime cannot be given a job in arms manufacturing.



Ensure Fairness in Execution

Ensuring that all candidates are screened on similar parameters is essential, or else it may amount to discrimination due to employer bias.



Maintain Candidate Dignity

Even if a candidate is rejected in the screening process, it is essential that they are respectfully denied the job on relevant grounds without breaching their privacy.

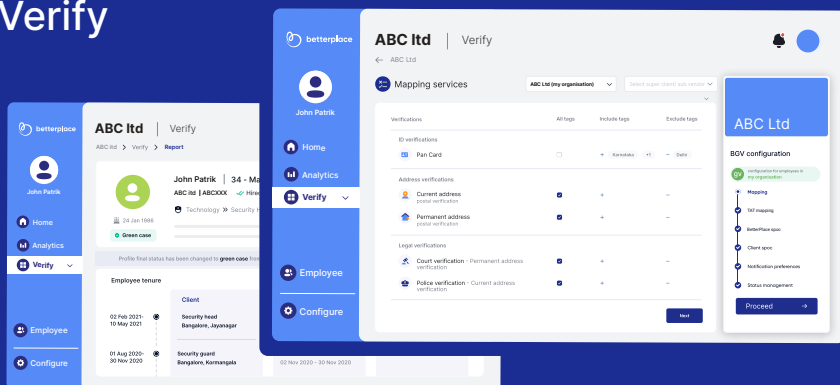
How to Conduct Effective Blue-Collar Verification?

A powerful software solution can make the verification process more cost-effective, efficient, and fast. It also removes the shortcomings of manual checks, like delays, human errors, personal bias, and geographical limitations. BetterPlace is a leading HRMS provider with an extensive database of blue-collar employees spanning diverse work profiles. It involves checks based on 20+ parameters, including criminal verification from 9K courts and 20M+ cases. The intuitive dashboard and comprehensible reports make employee and candidate verification a breeze. With well-defined role-based assessments and plug-and-play APIs, our blue-collar verification solution can be integrated seamlessly with any business environment.








Star Feature

Verify



BetterPlace Verify is an advanced all-inclusive background verification solution that helps organisations eliminate the limitations and errors of manual background verification processes – ensuring a safe and secure workplace.

Key features

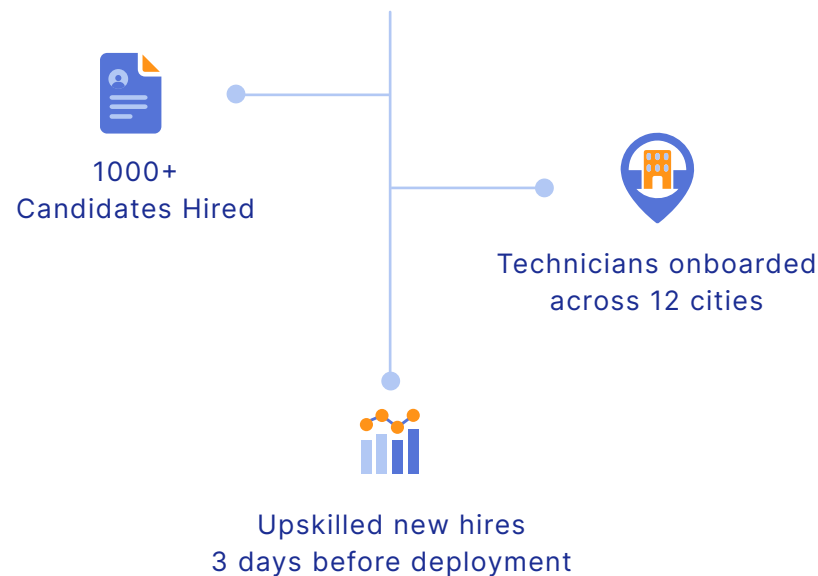
-  In-house data repository of 9K courts and 20M+ cases
-  Seamless integration with your existing systems with plug-and-play APIs
-  Checks across employment, education, PCC and 17 other parameters
-  Auto-triggered email reports for verification status
-  Intuitive dashboard to define roles and locations

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Customer Success Story



Mahindra Holidays, with 250,000 members and 100+ resorts across India & abroad, was looking for hiring new & training their existing frontline workforce. With BetterPlace Select, Mahindra Holidays was able to identify and source the right candidates for their roles. Additionally, the customized solution supported the organization with candidate verification and upskilling.





BetterPlace Announcements

BetterPlace acquires Malaysia-based recruitment firm TROOPERS

The acquisition of TROOPERS - a leading flexi talent solutions technology player, marks BetterPlace's entry into the second Southeast Asian country, Malaysia. The acquisition will integrate TROOPERS' automated gig matching and rostering features into BetterPlace's comprehensive SaaS platform.

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Blogs



Decoding Background Verification in India

There has been a surge in demand for background checks in India due to rising incidents of fraudulent activities, identity theft, and other criminal offences. Background verification procedures in India take 3-10 days, but higher-level positions may require more investigation. But what is the background verification procedure in India, and what kind of details are checked?

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The Best Approach to a Proper Employee Screening Process

An end-to-end blue-collar verification throws light on several aspects of a candidate. It includes work ethics, experience, general personality, skills level, and performance. A heavy background check is necessary since studies have found that over 10% of workers present fake IDs.

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Industry News



Why India's gig workforce is still outside purview of basic benefits

The number of gig workers is expected to grow to 23.5 million by 2029-30, according to a Niti Aayog report.

Another recent report by the Federation of Indian Chambers of Commerce and Industry also points out that nearly 42.24 per cent of India's start-ups are looking to hire temporary and gig workers.

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Most blue-collar jobs are going to freshers with tech skills

The market for blue collar jobs has been growing steadily. In particular, demand for blue collar security jobs grew three-fold in the past one year, exhibiting a 219% year-on-year growth in March 2023, says a report by Qness Corp.

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BetterPlace in news

Recognition at India Digital Enabler Award (I.D.E.A) 2023

BetterPlace was recognised with the award for "Best Use of SaaS" at the recently concluded India Digital Enabler Award (I.D.E.A) 2023. Recognition like this encourages us to create more value to our customers and help them achieve more.

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Transforming the Indian Frontline Ecosystem

HRMS Platform

Future-ready
enterprise platform to
manage frontline workforce

SELECT

Tech-enabled
solutions for contractual
& gig workforce

BENEFITS

Insurance &
Merchandise for
frontline workforce



Pre-verified &
pre-skilled pool of
frontline workforce