

Employee Background Verification Systems: Implementation Challenges

Prashant Salwan

It is becoming hard day by day for companies to keep the same pace of growth and profit margins. Those companies which were in Forbes 500 list in 1980 around 60 percent are no longer currently there.

The competitiveness in the industry and world markets has increased tremendously. Customers have become more demanding, the differentiation between products attributes are diminishing, globalisation forces are not only dynamic but unpredictable at times.

As per Prof M Porter , a company can outperform rivals only if it can establish a difference that it can preserve. He further adds up and says that the essence of strategy is choosing to perform activities differently than rivals do. It means whatever the company does to attract customers and increase stake holders value need to be sustained in long run. Prof M Porter also further says that "Fit locks out imitators by creating a chain that is as strong as its strongest link. The competitive value of individual activities cannot be separated from the whole". If we intrepid it in another way we can say that a chain is as strong as the weakest link.

A company fights for its share in the competitive environment by creating a differentiation , which helps it to create a competitive advantage. As per Prof Pankaj Gemawat, "A firm is said to have a competitive advantage over its rivals if it has driven a wide wedge between the willingness to pay it generates among buyers and the costs it incurs". The more the wedge between the competitors the more competitive advantage the company has achieved. Prof Pankaj Gemawat further says that creating competitive advantage is one part but sustaining competitive advantage is a different ball game all together. He says that to sustain competitive advantage a company has to manage four points, the first being substitution, hold up, imitation and slack. As per literature survey in resources based view of firm, to manage these four factors a company has to develop intangible, valuable, rare, inimitable resources in the

company. These resources should be used in the organization to the fullest. Naturally if you have competitive advantage which is sustainable then you have more profits within the industry.

As per Prof Collis & Montgomery, "A company creates value through the configuration and coordination of its multi business activities." Prof M Porter also says that "At general management's core is strategy: defining a companies position, making trade offs and forging fit among activities."

If we look at the strategic management literature as mentioned above it is very clear that it is not one functional area alone which creates value for the stakeholders but synergy between multiple areas which help to create and sustain the competitive advantage .

A company creates sustenance through developing creativity and innovation in the organization. This creativity and innovation which in turn helps the differentiation comes through a unique culture in the organization. We have numerous examples like P&G, Intel, GE.

A positive, innovative, productive, transparent, participative organization culture helps not only in creativity and innovation but also in corporate and product image enhancement and implementing the corporate social responsibilities. These activities in the end created value for the stakeholders.

In a service company specially an IT service company the major issue is not low cost but ethical delivery. An IT Company creates differentiation through providing operation cost savings coupled with robust systems. This task an IT company can only complete when it has skilled, motivated and performed human resources. This differentiation becomes more complicated when a company is in many geographies. Being in many countries has its own problems with opportunities. A company has to have a common thread which brings

multi country employees together. These employees work for the company and look for an identity. The identity is created on quality of the product as well as for what the company stand for.

Indian soft ware companies are in the third stage of their international growth were in country factor advantages do not alone create competitive advantage. Multiple factors like domain knowledge, customer relationships, knowledge and resource global networks are deemed to be required for success. Bharat Services Limited (BSL) stood for value product as well as an ethical company. The company may initially have a problem of skilled people, but a company should not do which will be totally against the basic fabric of values.

The skill set challenge can be managed by proper planning. The ethical code of conduct and image cannot be stitched if it is torn. To save a project we cannot keep a person because he is indispensable. The problem lies with the process, the integrity of the person as well as the basic thread on which the whole organization is based on.

If we go through both the issues which Samir is facing, we find out that in both the cases the persons did not look at the means to reach the end. They just saw the end and used any means to reach the goal they have made for them. These type people in my view point does not have sense of belongingness and trust. Organization should take the call as per the laid down statutes. This will help in cementing the culture but also increasing the image and thus increasing stake holders value.

References

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Prashant Salwan is a faculty in the Strategic Management Area at Indian Institute of Management Indore.