

Employee Background Verification Systems: Implementation Challenges

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Bharat Services Limited (BSL) is an organization where people were known for getting dismissed for falsifying expense statements. Given these high standards of integrity, it would stand to reason that Padmanabhan Vardharajan's and Shabnum Puri's continuation would be untenable. However, both their cases raise several questions, with implications for not only their careers but the organization as a whole.

The iterative nature of work in the software services industry implies that it is difficult to specify output a priori; thus, understanding and controlling the behavior at the vendor end is the only lever available to the client. Yet, in the Indian software services industry, most of the clients hail from overseas and as such, they are at a distinct disadvantage in monitoring the behavior of the vendors' employees. Hence, image of the organization becomes paramount in this industry. By virtue of his position, Padmanabhan is an important custodian of that image. Even though his performance has been excellent, it can be argued that he has not lived the company's values.

In his autobiography, Jack Welch dwells upon two dimensions on which managers can be assessed, namely, delivery on performance commitments and belief in values. Based on this, he classifies managers into four types. Type 1 managers are those who deliver on commitments and believe in the values; they would attain progress in their careers. Type 2 managers are those who neither deliver on commitments nor believe in the value system of the organization - while it is not a pleasant call, the decision is a no-brainer and they should be asked to leave. Type 3 managers are those who believe in the values but are unable to deliver on commitments and should at least be given another chance to prove their worth. Type 4 managers do not believe in the value system of the firm even though they deliver on all commitments. What is to be noted is that they are performing despite violating the values and not

because they are violating them - this does not bode well for the organization in the long term. Hence, even though it is difficult to ask them to leave given their financial performance, Jack Welch advocates that it must be done to ensure better long-term health of the organization.

Values →	Believes	Does not believe
Commitments		
<i>Delivers</i>	Type 1: Upward progress	Type 4: Difficult to deal with
<i>Does not deliver</i>	Type 3: At least another chance	Type 2: Not a pleasant call but easy

In Jack Welch's schema, Padmanabhan should be considered a Type 4 manager, notwithstanding the lack of information on how he fared otherwise with relation to the company's value system. On the other hand, it could be argued that if there was no "Ombuds" complaint, Padmanabhan's credentials would not have been reviewed. Also, the complaint itself was due to an informal conversation he had with a member of his team. However, the fact remains that a forgery was done - a serious offence. It also has material implications on what he did later in his life - his engineering and management qualifications become questionable in the light of the information regarding his high school record. Given this, Samir should not mull over statute of limitations at all and should instead gear up to tackle the fallout from the verification.

The first question is if Samir should wait till the deal is signed - if he does not wait, it would send a clear and loud signal to the rank and file that the organization is more concerned about its long-term sustainability rather than short-term profitability. The next question is if he should also factor in the customer reaction. One

way of looking at this is to argue that it is not his job to be bothered about the customer reaction. Yet, in an industry that works on close coordination with the customer, such a position would not only be out of place but also insensitive. Samir should play a proactive role in allaying the concerns of this and other customers. He should reassure them by having a relook at the various parameters in the verification process, with the benefit of hindsight from Padmanabhan's case.

It is often said that punishment should be proportionate to the crime committed. Padmanabhan's crime with respect to high school marks would have been committed when he was still a juvenile. This raises the third question for Samir: should Padmanabhan's employment be terminated on integrity grounds or should he be asked to resign. Even as Samir is pondering over answers to questions on Padmanabhan's fate, he would also be raising questions on what should be done in Shabnum's case: a person whose employment termination is not expected to have a material impact. In the case of Shabnum, it can be argued that her previous employer was unethical in not accepting her resignation. Yet, it can also be counter-argued that she should have informed the HR department in Bharat Services Limited (BSL) about her predicament rather than forging a relieving letter. Could the fact that the previous employer was a start-up firm (which arguably would not have structures and processes that BSL has) have probably led to due consideration and a relaxation in the norms by BSL? Given Shabnum's personal situation, should Samir think about an exception here? A resignation rather than a termination?

While Padmanabhan's current designation may lead to hesitation and Shabnum's personal condition may lead to sympathy, the organization can claim to be truly professional if and only if it is purposively impersonal. Scott Thompson, Yahoo's ex-CEO resigned when it emerged that his bachelor's degree was misstated - it was stated that he had a degree in computer science and accounting, while in reality, he had obtained a degree in accounting alone. Thompson stepped down even as the source for the misinformation was indeterminate.

Unlike gaining a potential advantage from a verifiable yet ambiguous position or a misstatement, which may

still be considered as shades of grey, both Padmanabhan's and Shabnum's acts per se have no shades of grey. Yet, Samir should also ensure that employees leaving the organization do not feel victimized. Scott Thompson was estimated to have received a sum of at least \$7.3 million for the total of 130 days he spent in the firm and as the CEO - despite no severance package. This may raise a cynical question if people at the upper echelons of power have it easier. Samir does not probably have the time or the luxury to mull over such seemingly philosophical questions. As it is, the question, "Does Samir terminate their employment or does he allow them to resign" has shades of grey.

Given their unique set of circumstances, should Samir give them the choice to resign and leave rather than terminate their employment? While the company policy in such cases is to terminate the employment, can and should Samir decide to provide an exception in these two cases? How should he act if his value judgment on how to deal with these two cases clashes with the values of his company? Should he argue that, if there are no shades of grey, even a machine can take a decision and it does not require a human being such as him? Was it only an implementation challenge or could it be argued that the policy itself can be challenged?

References

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