

# Why background checks on job applicants are important and how S'pore employers can do them effectively



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In today's volatile business landscape, hiring and retaining the right talent has become more critical than ever.

Comprehensive background checks are an effective way to protect businesses from onboarding candidates with fake credentials, help employers detect fraud and reduce the risk of hiring unqualified people.

In fact, according to HireRight's 2023 Global Benchmark Report, over 80 per cent of human resource, risk, and talent acquisition professionals in Asia Pacific said their company attributes a better quality of hires to pre-employment screening.

However, employment and education discrepancies remain widespread in the region — likely due to a limited awareness of background screening.

Almost three-quarters (73 per cent) of the respondents reported often finding discrepancies when conducting employment verifications, and 37 per cent found inconsistencies in their candidates' education credentials.

These discrepancies carry risk for candidates as well as businesses. Job applicants who forge their qualifications may be criminally liable: Just last year, a man was jailed for two years and 11 months in Singapore for impersonating referees to secure jobs.

As one of the world's most open economies, Singapore is a magnet for global talent, making it crucial for businesses to verify their candidates' backgrounds to make informed hiring decisions.

The Government recently implemented regulations to safeguard against fraudulent qualifications, introducing the Ministry of Manpower's (MOM) [new education verification proof requirement](#) for Employment Pass (EP) applicants.

While this is commendable, more should be done to educate businesses in Singapore on the importance of background screening, as well as its potential benefits.

## **GOING BEYOND GOVT REGULATIONS**

As more businesses come to understand the high potential cost of a bad hire, we are seeing companies across Asia Pacific — from small- and medium-sized enterprises (SMEs) to multinational corporations — start to explore screening as a way to mitigate this risk.

This includes verification of educational credentials, employment history, criminal and financial background checks and more.

Verifying a candidate's credentials without a trusted local screening partner can be difficult and time-consuming, especially when many of these companies have not previously considered adopting the practice and are unsure where to start.

Screening programmes vary dramatically between markets, factoring in cultural norms, local data privacy laws, and the availability of services.

Advanced economies like Singapore have specific measures in place to safeguard individuals' personal data, and it is imperative to align with these when carrying out background screening.

Given Asia Pacific's historical low awareness of background screening, there is an education gap in terms of how companies can adopt this practice.

Especially in Singapore where there is currently no regulation for employers to do a background check on their employees, screening may not be as common here as it is in other countries.

To help improve the situation, local government authorities and background screening companies need to come together to bring organisations up to speed on the importance of background screening and the role it can play in safeguarding their reputation.

To achieve this, both private and public sectors can share information around background screening, such as the type of candidate checks that may be available to employers and how these processes are being fulfilled.

For example, with regulations frequently being updated, ensure your background screening partner keeps you up-to-date on any impacts that may be made on your screening program; and what checks are critical for different hires.

Singapore could also benefit from more online educational resources or awareness campaigns across various digital channels that highlight the benefits of background screening.

This collective approach could help provide businesses with a holistic view of background screening, and encourage them to prioritise and implement accurate screening measures.

## **BUILDING TRUST**

Once a business has a better understanding of background screening, they should use this information to help implement a hassle-free screening process.

The goal is to complete a thorough assessment with minimal disruption to candidates, creating an overall positive experience for them.

This can send a powerful message to candidates — that their prospective employer places high value on creating a safe and secure working environment.

Additionally, demonstrating a culture that is transparent and open by ensuring all employees — regardless of level — are put through background screening, could help instil confidence and attract the best talent in the market.

When employers take steps to build trust within their organisation, they are making an investment to increase employee engagement and retention internally.

The belief that employees are your best advocates holds true: When they see that the company's emphasis on background checks has created an honest and secure work environment, they are more likely to support the integration of background screening into hiring workflows.

## **INTEGRATING BACKGROUND SCREENING IN HIRING PROCESS**

Regardless of the size of a business or the industry it is in, background screening is an important element of the hiring process.

Standing at the forefront of innovation, the technology sector has been quick to embrace background screening as best practice, with technology employers increasingly screening all their workers, including their vendors and contractors.

Meanwhile, financial services employers are often required to adhere to regulations that mandate pre-employment screening for certain roles.

Despite the growing receptiveness to background screening among SMEs, some may still struggle to understand the importance of background checks.

This could be because it is a relatively new concept to them, or that the focus is primarily on day-to-day operations and meeting immediate business needs.

For these businesses, dedicating additional time and resources to implement candidate background checks may seem daunting — but the risk of hiring somebody unqualified for their job could be just as worrying.

At the same time, larger enterprises should also recognise that background checks are necessary, especially for roles where the employees handle customer data or have access to sensitive financial information.

While these organisations may have more resources and operational capacity to adapt to the changing business environment, many still rely on in-house screening methods and may not be conducting meticulous screening for their candidates.

As Singapore continues to diversify its talent pool and evolve as a global hub, background screening will be pivotal to ensuring the strength of its workforce and by extension, its economy.

In partnering with an experienced background screening provider with both local and global expertise, organisations can create a positive experience for all stakeholders — one that assimilates local nuances and regulations and embraces an employee-first approach to help spread trust throughout the organisation.

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