

8 CHROs from the leading BFSI companies share their views on the current scenario of recruitment frauds in the industry and initiatives adopted by their organisation to stop them in the Banking Frontiers April 2022 cover story. The cover story is divided into 8 parts (i) new recruitment frauds (ii) importance of credit & social scores (iii) security intelligence & data security (iv)threats & challenges (v) collaborations & partnerships (vi) steps taken to prevent frauds(vii) use of Al and other technologies to prevent frauds (viii) behaviour profiling of the candidates:

Next Level in Recruitment Frauds

HR heads discuss the impact of the pandemic on recruitment frauds & new HR frauds:

he most common cases of employment scams in the BFSI industry are Online Recruitment Frauds (ORF). ORF has become quite prevalent, especially amid pandemic, which is a form of malicious behaviour aiming to inflict loss of privacy, economic damage, or harm to the reputation of the stakeholders, referred to as employment scam or job scam.

Sai Suryanarayana M, Chief People Officer & Head Facilities at Fincare Small Finance Bank, provides the details: "As per available data, fake job posting ads exposes on an average 600+ applicants to several forms of scams including employment scams. Well-crafted fraudulent job ads for blue collars or administrative/secretarial positions in the highly populated country like India reach to larger audience rapidly, allowing scammers to effortlessly collect around 1000 + resumes each day."

Another pattern frequently observed in job scamming is sleazier as it targets identity theft that can later be used as part of economic chicaneries such as money laundering and reshipping fraud. Sai reveals the details: "In this case, scammers assume the role of a legitimate or fictional employer and use the applicant tracking system as a medium to disseminate content about fake job positions."

Frauds in the recruitment process date back to the time when individuals represented false information about their educational qualifications or professional experience. This led to the scaling of the background verification industry, wherein the process of verifying such information was outsourced to a specialist who was equipped with resources to do this as an independent activity.

Jai Balan, Head - Human Resources at Bharti AXA Life says: "While the quantum largely remains static, the ability of organizations to identify and mark out such frauds has increased with higher



Sarya Makkar judges 'impersonation'. as the common recruitment fraud in the pandemic times

willingness to share information amongst organizations."

IMPACT OF PANDEMIC

The submerged job market and job losses due to the ongoing pandemic have resulted in increased recruitment frauds via phony placement agencies and digital methods. Mostly, millennials and Gen Z actively seeking jobs have been victims of such social engineering scams. Even many homemakers, students, and unemployed people looking for part-time employment are targeted for such frauds through phishing techniques. Most commonly this sophisticated scam happens through fake websites, social media, and email accounts claiming to be from or on behalf of a company. Amid the covid-19 crisis and evident shifts in the 'work from home' have increased the recruitment frauds where people are tricked into paying to start a business, which never happens, or being

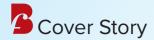
tricked into completing work for which they are not paid. Fake ads, public email accounts, directing to the alleged career website other than the official company website, using the name of a prominent executive that is not in recruiting organization are some of the most common ways of recruitment fraud.

The scammers even conduct fraudulent interviews to obtain sensitive personal information as part of their fake recruiting process. In most cases, fictitious employment offers, or contract is also circulated in return for the payment of fees or for providing personal or banking information. This correspondence appears legitimate; using the company logo, official-looking email address, and website, or may be sent by individuals purporting to represent the organization.

Tejashree Chogale, HR Head at Netafim Agricultural Financing Agency (NAFA) shares: "Many known corporates, MNCs and global companies have witnessed back door entry candidates enabled by a nexus between crooked HR staff and potential recruits, who are prone to use money and influence to recruit non-deserving ones. Recruitment fraud – including lying on applications, using false or fabricated documents, and/or arranging false references – is allowing applicants to secure positions."

"Once inside, fraudsters often engage in further misconduct against their host organizations, such as fraud, theft, or corruption. With access to sensitive data and private company information, unscrupulous employees pose a serious security threat and exacerbate the likelihood of a data breach," adds Tejashree.

Some of the common types of frauds generally observed across the industry while recruiting is tampering with past employment documents, undisclosed disciplinary action at previous workplaces later identified through formal inquiries, quoting false information in the resume, more than one job holding,



and proxy attendees for work assessments. Shharad Dhakkate, CHRO at SBI General Insurance says: "While these frauds were common during the pre-Covid times, they became even more rampant as the pandemic made it difficult to meet new candidates or hiring managers in-person as business was conducted online."

NEW FRAUDS

Vishal Ranjan, HR Head at PayMe India feels an amazing experience in hiring talents remotely due to the pandemic thought it was a major setback for all the industries. The patterns are applicant faking behaviour, exaggerated profiles, numbers in resumes, cloning resumes, etc. Even there were many excuses we have come across related to network and found somebody else appearing on behalf of candidates and during the technical round also candidates were referring to the notes. Initially, an addition to the manpower was the biggest challenge without a face-to-face

Sarya Makkar, HR Head at Finway

FS reveals: "We have been noticing an increase in the occurrence of such activities and these 'frauds' have become smarter than ever before. "Earlier if the academic credentials and work history would be either tampered with or be completely made up. The most common type of fraud observed now is that of 'impersonation'. Candidates who were hired in the interview process aren't the ones who are turning up for work - especially since the pandemic has normalized the WFH model."

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Part 2

Discourage Fraud using Credit & Social Scores

The BFSI companies are favouring a strong employee verification process and adopting the latest technologies to prevent fraud:

he recruitment process is an integral part of the entire Human Resource (HR) procedures, and it is a critical component of the overall organizational structure. In an era when human resources are viewed as long-term sources of competitive advantage, it is more important than ever for businesses to implement as fair and transparent a recruitment process as possible.

Suvendu Ghoshal, CHRO at Shivalik Small Finance Bank shares reveals details about the verification process adopted by the bank: "We follow procedures such as background verification process and discrete check for all employees. These include address (current & permanent) verification, education, employment check, social media, etc.), credit information bureau score checks to understand borrowing patterns of the candidate (no hiring for candidate below 650 scores) internal reference check/ reference check within the network as well as social media networks."

Fair and transparent hiring is vital to organizations and the recruitment process is an important element of the overall Human Resource (HR) process that ranks as a key component in the overall organizational canvas. Shharad commented: "In many instances, the recruiting manager does not have access to adequate tools or the



Sai Suryanarayana M warns about the rising popularity of fake job posting ads for blue collars & administrative/ secretarial positions

time to verify the information provided by candidates. However, this risk gets mitigated by conducting background verifications where criminal conviction records, previous employment history, and educational records are verified by specialized agencies."

LATEST TECHNOLOGIES

The recruitment process is an important element of the overall human resource processes and indeed, ranks as a key component in the overall organizational canvas.

Star Health and Allied Insurance has given high significance to the recruitment process and follows a competency-based recruitment process, derived from the competency framework of the Organization.

Dr. Sriharsha Achar, Chief Human Resource Officer at Star Health, and Allied Insurance says: "In this process, each competency is measured through multiple assessment structures. This has enabled us to keep our Hiring and recruitment process clean and transparent. With pride, we can say that it is Zero Fraud Recruitment Process in our organization."

He adds: "Further, as all positions are closed only after a face-to-face interview with multiple interview panel members, there is no room for biased or fraudulent practices in the hiring process at our organization. In addition, good use of AI, ML, blockchain, RPA, and peer-to-peer assessment methods coupled with competency base role specific assessment of profiles has kept even the remotest chances of fraud in the bay."

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Priority Spots: Security Intelligence & Data Security

HR heads focus on security tools to reduce fraud:

eople, processes, and technology are the cornerstone of information technology, but they can also be used and exploited for their inherent vulnerabilities. BFSI companies should consider them to be like a 3-legged stool - any leg that is too short or too long will cause an imbalance.

SECURITY INTELLIGENCE

SBI General Insurance's recruitment process involves the assessment of candidates by various stakeholders through several rounds of interviews to mitigate any recruiter bias as well as cross-verify employee credentials. Shharad provides the details: "While an individual's curiosity and inquisitiveness are an asset to any organization, modernday con artists exploit these very traits to get their ends. People click on links and fall prey to phishing attacks, making them the weakest link in the overall security process."

"The other most common vulnerability in any organization is the misuse of privileges by its workforce. All other controls in place may prove ineffective if the integrity is not maintained in the organization across levels," he adds.

Fincare Small Finance Bank is constantly educating people on its social media platforms on avoiding job-posting scams like never provide any personal information such as your Aadhar, PAN, birthday, or bank account information unless you are provided a job and from the request is received from a proper e-mail (eg name@company.com). Avoid responding to any unsolicited recruitment offer from an unfamiliar person/ID without proper validation of the same, it suggests.

Tejashree believes: "Recruitment is a critical element of the overall HR process and ranks as a key component in the organizational canvas. After all,



Jai Balan favors the collaboration of HR & risk teams for better alignment of business process

being the gateway to the organization, a fair and transparent recruitment system ensures the best-qualified candidate gets selected who are fit for the role."

She further added: "Organizations must strive and reduce or at least minimize fraudulent instances both externally and internally. Focusing on the merit and competencies of the candidates with a detailed background check helps not to overlook less deserving or outright frauds. Secondly limiting the irregular hirings and empowering the employees, affiliates, and potential candidates with timely knowledge on the company's hiring processes."

RISE IN DATA SECURITY

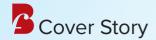
With multiple technology platforms in use across functions in any organization, data security concerns have increased due to the lack of adequate controls and continuous tracking of access rights.

Since many of the platforms are accessed through mobile apps, the risk of access to the platform post-separation is also imminent. Jai added: "As an organization, we ensure that a data/system wipe-out is done on mobile devices through the back end on a real-time basis. Another challenge that prevails is the need to keep processes continuously updated and relevant. As an organization, our risk team collaborates with various functions to ensure that all processes are aligned to the business context."

While there are some obvious benefits to using AI-powered tools for HR processes, especially in terms of the efficiencies from the economies of scale and the synergies from automation of the HR value chain, there are some downsides as well since technology and its use eliminates or reduces the "human element" that is so crucial to a business function such as HR where decisions are taken intuitively and through gut feel.

Vishal commented: "In earlier days, corporates and their HR staff were constrained by the sheer numbers of resumes that would land in their inboxes every day as well as in response to targeted and specific ads that they would put out in various media outlets. The practice of "bombarding" the employer with thousands of resumes from just about anybody and everybody and from anywhere and everywhere was also encouraged by the many online job sites which sometimes had a paid service known as "resume blasting", which allowed the applicants to send their resumes to all possible employers."

NEFA introduced a robust ATS (Application Tracking System), which will help us in minimizing the risk. Identifying fake id documents. Using APIs in the backend to identify earnings or employment via provident fund deductions, detecting plagiarism in



resumes., Getting the social presence of candidates using APIs., Feeding the candidate data into AI models, and getting a prediction on behaviour like the likelihood to back out or leave the organization early.

Tejashree adds: "Analyzing bank

statements for any edits to reflect bloated CTC or salary credit. In addition to saving time, this practice also allows the HR team to drill down to as much granularity as possible and as arrive at as close a fitment as possible. Thus, AI in the recruitment process does indeed reap the employer's much benefit in terms of scale and synergies. What's more, the possibility of 'back door' entries by unscrupulous candidates with ties and links to compromised 'insiders' within firms was also reduced, if not eliminated."

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Part 4

New Threats & Challenges for HR

Cybersecurity threats, risks from mobile apps, phishing attacks, ransomware attacks are some of the new obstacles to managing HR functions:

ith the change in the definition of banking over the years and the adoption of digitization have changed the landscape of the industry. Due to this, banking technology has come up with a new set of challenges, mostly cybersecurity threats. Some examples of cybersecurity threats include risks from mobile apps, a threat to data, phishing attacks, ransomware attacks, etc.

The Shivalik SFB is constantly focused on improving and bettering the security of its customers. The bank has (i) given individual email access to prevent any misuse, (ii) vulnerability assessment and penetration testing has been made compulsory, (iii) no other email is accessible apart from the official email ids provided on the Shivalik domain (iv) internal data storage is on the OneDrive cloud, and it can't be accessed outside the organization, and (v) a VPN is required to access most of the banking software. Further, the small finance bank has a firewall set-up for virus and spam threats and no USB or storage device is allowed in any system to prevent data leakage, personal laptops/cameras are not allowed on office premises.

Another challenge that essentially nullifies the good work done by any part of the organization is the lack of communication. Miscommunication may confuse and defeat the purpose of any initiative undertaken within the organization. Lack of transparency and poor controls can be a window for



Tejashree Chogale stresses limiting irregular hirings & empowering employees' knowledge

committing fraud.

Shharad says: "At SBI General, we regularly review the processes, management systems, existing frameworks to identify weaknesses in areas that can lead to any near-miss event, an incident, or fraud so that these gaps are fixed on time. It is very important to establish a process of continuous control monitoring and enhancement."

He emphasizes: "The most effective strategy to eliminate these weaknesses is by ensuring that you have established the right risk culture as part of organizational DNA as you can't deploy technology without competent people supported by strong processes."

PROCESS VULNERABILITIES

Process vulnerabilities typically were part of the traditional recruitment process. In conjunction, traditional methods of interviewing and assessment by leadership positions were a challenge. Adding to it, technology was limited to only sourcing profiles from job boards with ineffective profile matching scores generated basis skillsets faked in resumes.

Star Health and Allied Insurance people and hiring managers are trained exclusively in profile screening, interviewing, and assessment techniques. Sriharsha says: "We certify recruitment executives and hiring managers to ensure we do not make any hiring mistakes owing to subjective assessment, perception driven assessments, first impression selection, and unstructured interviewing approach."

Star Health and Allied Insurance's recruitment process is focused on consistently profile screening with the identification of role-specific parameters to shortlist and take the profiles to the next stage of assessments and thereupon the interview stages.

The general insurance company has a role-based assessment, and it is predefined for all positions to prevent any slip-ups in the recruitment procedure. The process-oriented approach has helped the company to keep its recruitment cycle consistent, unique, and well-structured to avoid fallacies in the recruitment functions.

Sriharsha adds: "Technology has been the key element for our success to minimize hiring mistakes and both people and process vulnerabilities. AI and ML are used to auto-match profiles against specific role-based fitment attributes and parameters. Good and effective parsers help us identify and cull out concealed information in the presentation of captioned profiles."

Finway FS has noticed that impersonators tend to manipulate technology like using a video morphing tool or audio proxy tool to become another person. Sarya explains the challenges: In terms of people, vulnerabilities in question point to HR executives who may have a small turn-around time to fill roles that may be vital to the running of the company. The whole process is then compromised because the individual has already crossed certain barriers at the HR level itself."

In terms of technology, the NBFC is exposing the 'fraud' to the company's technological ecosystem which they may further manipulate to make sure that they

never get caught.

According to Sarya, the only way to make sure that this does not happen is to have a very streamlined, focused, and strict vetting process. The good news for FinTech companies is that we have technology on our side to use to our advantage. We are on the way to using apps that will help us match the face of the applicant to the photos on his document and elsewhere. Also, we can become old school and go for small details – ask the candidate the same questions in all stages of the recruitment process to see if there is any discrepancy and so on.

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Part 5

Collaboration is key to combating challenges

BFSI companies concentrate on corporations & partnerships to fight the challenges:

have collaborated with many organizations in the BFSI sector as well as outside of the sector to keep a tab on fraudulent practices in the job market. The due diligence is carried out effectively on recruitment partners, placement partners, and RPOs. Sriharsha said: "We share candidate's information, with other organizations, who used malpractices and fudged certificates, fraudulent applications in applying for a job with us. As a reciprocating benefit, we do get such information on black-listed candidates from other organizations."

He adds: "Our application tracking system (ATS) is used effectively to identify repeat applications and attempts by blacklisted candidates to apply for a Job with us. A unified application tracking system helps us identify rejected candidates on account of fudged applications/certificates applying across our branch offices."

Suvendu Ghoshal says: "In this uncertain and complicated world, collaboration isn't just wanted – it's a requirement for preventing risk and fraud.



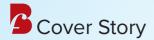
Suvendu Ghoshal endorses the use of Al-based CIBIL score screening for the candidate's

Teaming up isn't only how to urge things done, it's also a far better way to tackle challenges. Right from reference checks, employment checks, and background verification organizations are always interdependent. Various organizations act as aggregators who are creating a common pool for cross-referencing and increasing the pace of hiring."

Shharad Dhakkate supports partnerships with specialized authorities: "While effective controls may exist across numerous processes, it is nearly impossible for any business to devote sufficient resources to cover all areas. Using fraud intelligence acquired through a partnership with specialized authorities and subject matter experts is the best way to prevent risk and fraud. This is not limited to gathering information but also sharing it. employee background verification is an established industry practice to verify employees' credentials and verify past employment history."

TECHNOLOGY PARTNERSHIPS

The recruitment process is an important element of the overall human resources function. All organizations invest heavily in technology to support a smooth and



seamless recruitment process. Fincare has adopted technology that supports all steps of the recruitment process, including soliciting resumes sharing job descriptions to collecting documents from candidates, such that the confidentiality and security of data are maintained.

Sai Suryanarayana M shares: "We have invested in a robust 3rd party HRMS package for a completely digital recruitment

journey and 100% of candidates are onboarded using the application. The application also supports the entire employee lifecycle management. We have also deployed an in-house application that assists in end-to-end online recruitment management, from profile sourcing to Emp ID generation."

Jai Balan commented: "In case of employee fraud, we proactively share data on the action taken against specific employees with other organizations and actively seek inputs from them for mutual benefit. On the technology side, we continuously engage with other clients of our vendors to check for system vulnerabilities that they experience and take precautionary measures to secure our systems and data."

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Part 6

Initiatives to prevent fraud & employment scam

BFSI companies have adopted effective measures to control fraud:

etafim Agricultural Financing Agency has taken initiatives to control recruitment fraud works twofold. One to examine the diverse aspects of digital recruitment frauds and employment scams to underline its severity and district characteristics along with major similarities of the deceptive intentions. Secondly, accessing the publicly available dataset for exploratory evaluation through different means, including empirical evaluation as well as a bag of words modelling. Although a fullyfledged solution will require a composite approach that involves deep inspection and analysis of user, organization, and network data, our organization has cautiously implemented proactive steps to minimize fraud and biases in the recruitment process.

Tejashree says: "Technology intervention into every step of the recruitment process through cloud-based solutions, actualizing enhanced vigilance and surveillance with the help of ex-colleagues circle and external BGV agency, thorough background check of the candidates by multiple panels of in-house experts and partnering with only organized external agencies to ensure objective and neutral hiring processes."



Vishal Ranjan reveals applicant faking behavior, exaggerated profiles as common HR frauds

EMPLOYEE SCREENING

Finway is coming up with databases of employees – wherein all the details about their date of joining, previous work experience, educational qualifications, etc. are recorded. If any employee is going to be terminated because of a 'fraud' charge, then that will surely go into this

database.

Sarya Makkar provides the details: "We think it is important for companies in the same field to share this information because finance and banking is an area in which fraud happens or is likely to happen daily. If something like this happens with another company in the field, then surely it is going to happen to us too. We need to be prepared. We must be always on guard – just like we go through every other transaction to make sure they're legit, we need to follow the same with potential recruits too."

The recruiting process is an integral part of the entire Human Resource (HR) procedures, and it is an essential component of the overall organizational structure. Vishal Ranjan explains: "After all, as the organization's front door, a fair and transparent recruitment system ensures that only the best and brightest enter the organization, as well as providing organizations with human resources who are qualified and trained for the positions for which they have been hired, ensuring productive utilization of those resources. We cooperated with numerous organizations with the necessary skills to develop a strong credential screening procedure to reduce fraud."

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Al: An effective tool to defuse fraud

CHROs rely on Al, Ml & blockchain technology for preventing & managing frauds:

he use of AI in HR is growing in the BFSI sector. Slowly but surely, AI is finding its way into every part of the process, from sourcing through preselection and interviewing to reference and background checks and determining compensation. Preventing job fraud is one of the use-cases of AI in HR. AI can detect forged/fake numbers and e-mails. A series of algorithms, designed to detect a particular type of scam, can generate the output to get to a result that can tell the system whether there is an underlying issue.

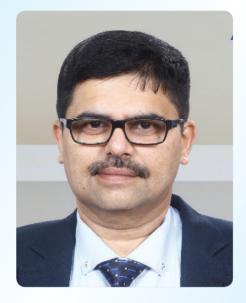
Sai Suryanarayana shares his views: "AI can help in a broad range of frauds. Since AI can detect suspicious transactions quicker than humans, pinpoint the source location, etc, the corrective action can be initiated faster."

He further added: "Another key area fit for AI intervention is in detecting impersonation by candidates for online job interviews or online assessment tests. Yet the area of application is due diligence or background checks for a candidate."

Jai shares the use cases: "We are aware of several use-cases where AI can be used to detect fraud. Some proxy data points like CIBIL scores offer insights into an individual's financial behaviour which, in turn, helps us make prudent hiring decisions. The challenge is to integrate this during the hiring or offer stage. This can be done through an AI-powered tool. Similarly, AI can help detect unnatural behaviours in the system usage which can raise a red flag to the system administrators to avoid potential data breaches."

AI, ML & BLOCKCHAIN

There is a consumerism and commercial approach adopted by many recruitment agencies and placement partners. Beginning from drafting or creating a curriculum vitae (CV) to rush-push resources into jobs are the real threat patterns being observed very evidently in the recent past. Candidates are getting their CVs built by paying money and



Dr. Sriharsha A Achar advocates Al, ML, blockchain & RPA for peer-to-peer assessment

adding all required skill sets without really having any idea of what the skill sets mean.

As readymade products are good in consumer durables, a similar approach is being adopted in drafting or creating a CV. The pattern evidently and prominently that has come up is the copy-paste of content from well-written CVs are typo morphed to make parser's and ATS tools to pick the profile and give it a thumbs up to get shortlisted with a high percentage of high info graphed and attractive resumes.

Sriharsha advocates ML for profile screening: "Our ML-based profile screening eliminates and minimizes the risks involved in oversight by the hiring managers in the job applications received. A 3-dimensional engine to match the job requirements with that of a candidate profile and provide a realistic outcome has helped us minimize hiring mistakes."

He added: "AI and ML significantly have minimized and mitigated the risk of

fraudulent job applications. ATS algorithms to identify misfits and fraudulent attempts to get through our selection process is quite effective through good use of AI. Though the effectiveness of AI is limited, our F2F interactions with prospective job seekers fulfill the talent acquisition process to be successful. Good parsers and Procter systems used for profile screening and assessment stages further have helped us narrow the range of frauds."

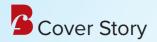
The most common instance of fraud happens when potential recruits fudge their resumes and fake their educational and experience records. Organization have minimized frauds by having an industry-wide database of past and present employees that are shared with other firms so that there is a clear audit trail of who studied where and when and who worked when and where.

Blockchain is used to good effect as it is authenticated by peer-to-peer elements and hence, tampering and spoofing of the educational and experience records are reduced or even eliminated. Moreover, using blockchain internally to vet potential recruits as well as in each step of the recruitment process means more control over the process as well as ensuring fairness and transparency in the hiring process.

Artificial Intelligence bots to interact with potential candidates have to a larger extent eliminated the risk of unscrupulous potential recruits gaming the system in cahoots with compromised insiders.

Sriharsha explains: "By making the entire hiring process until the final interview driven by technology means that human interactions are kept to a minimum so that fraud and bias during the hiring process are reduced. Indeed, using technology with human intervention where necessary can go a long way in furthering the objectives of fair and transparent hiring."

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Behaviour profiling will be a mandatory step

Companies' emphasis on understanding the behavior graph of the candidates before hiring them:

I technologies can help boost revenues through increased personalization of services to customers and employees: lower costs through efficiencies generated by higher automation, reduced errors rates, and better resource utilization; and uncover new and previously unrealized opportunities based on an improved ability to process and generate insights from vast troves of data.

Suvendu predicts: "I see AI playing a significant role, from doing the repeatable and simple human job of the past, AI has advanced to do predictions basis past data which is a more complex human job."

He adds: "Sometime in the future, on seeing a CIBIL score, AI will be able to predict whether the candidate will borrow from his colleagues in the future and will the same money be returned or not. Similarly, the history of exits through cross-referencing can be used by AI to predict conduct on the job. I certainly will look forward to AI predicting human emotions, a highly complex network, that is still a complex task for humans themselves. The application of AI is still a work in progress, and tech wizards will throw more light on this in the future.

According to Sarya, AI and ML have the scope to detect such internal fraud. Behavior profiling can be done using ML, and this can also be used to detect anomalous activity from the side of the potential applicant - basically bringing the candidate under the radar from the get-go itself. Any and every activity can be flagged using ML.

AI can be employed to provide a visualization of employee linkages (internal and external), their credit scores, other professional data which can then be used to provide a contextual analysis for further investigation if necessary.



Shharad Dhakkate favors the partnership with specialized authorities & subject matter experts

Sarya added: "AI has the potential to detect a broad range of frauds, but for this, the company should take accountability and accept the fact that their recruitment process has holes that need to be fixed in the first place. AI and ML-driven strong warning systems along with effective control procedures can detect as well as avert such frauds."

FUTURE OF ALIN HR

As per Shharad, the use of artificial intelligence in the recruitment process in the industry is at a very nascent stage. However, big strides are being taken in this area and the use of AI should evolve as a major risk mitigation tool during the recruitment process.

He further added: "With the confidence of error-free processing, and reliability, AI and ML, can not only be used as a diagnostic tool but as

a predictive tool as well. If the modus operandi can be broken down into logical steps, AI would help with the detection of all kinds of frauds. The key challenge is of having structured data required for the analysis. Having said that, it does not eliminate the need for human judgment."

Many companies have taken proactive efforts in recent years to reduce fraud and biases in the recruitment process. Initiating technology into every step of the recruitment process, blind hiring, vetting the candidates who applied by multiple panels of in-house professionals, hiring extraneous agencies to partner with the concerned organizations to guarantee objective and neutral hiring processes, and enhancing the vigilance and surveillance of the HR staff to weed out what is known as the bad apples in the system are some of the methods that we have implemented.

Vishal shares: "We evaluate each of these efforts individually to see how effective they are and whether they have any disadvantages in terms of the organization's aims of fair and transparent recruiting procedures. Technology is increasingly being employed to eliminate the human aspect as much as possible, allowing for completely neutral hiring."

Interacting with potential candidates using AI bots eliminates the risk of unscrupulous potential recruits gaming the system in collusion with compromised insiders. Furthermore, by automating the whole hiring process until the final interview, human contact is decreased, lowering the risk of fraud and prejudice during the hiring process.

AI can help in simplifying the hiring process and can minimize the excessive headcount of the recruitment team. It will also help BFSI companies in accurate utilization of recruitment manpower.

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