Quantifying the trends and Qualifying the nature of hiring discrepancy in India

JANUARY TO MARCH 2019
Dear Readers,

As organizations compete for the best talent available in the marketplace, it is becoming a dire need for them to get the insights prior to hiring people with the authenticated required skills and screened backgrounds.

We are very happy that many of you are utilizing our trends report to re-model your background screening programs and establish best practices. Such a proactive approach to background screening is enabling your organizations in making informed hiring decisions, resulting in improving the quality of hires and reduced hiring cost.

In line with the rapidly-changing world around us, we have further fine-tuned our current report into more explicit sectors and re-defined Industry segmentation which will help you in making highly informed decisions.

To list a few highlights for Q1-19:

- Employment screenings has shown a hike in discrepancies in comparison to other checks conducted. More than 20 percent of the checks conducted for sectors like Banking, FMCG, Healthcare, Staffing, Insurance and Pharma were for the employment screenings. Suggesting that many employees left the organisation prior to appraisals.
- Most number of education checks were conducted in Telecom, Healthcare, FMCG, Staffing, Pharma and Manufacturing sectors. Suggesting that the sectors are opening up to hire more.
- IT industry leads in the candidate level screenings at 39 percent. In this industry 20 percent of the checks conducted were for the Criminal history screening. This suggests that IT sector is growing with newer business acquisitions.

I request you to refer our detailed report for more inferences.

Proud to be of service to you!

VIVEK KHANNA
Managing Director, India Region
First Advantage
EXECUTIVE SUMMARY [Q1-19]

Talent occupies the most important position in any organization no matter what the current economic scenario may be. Irrespective of the continuously changing nature of recruitment process, the need for a good hire is indispensable. There has been a tremendous shift in the mindset of organizations as well as recruiters when it comes to talent today.

As organizations have started to capture talent early on, the overall recruitment process cost is even higher and to be cost-efficient in such cases, knowing a candidate’s background becomes all the more important. It helps mitigate risk and saves time and money involved in hiring a candidate with a fraudulent background.

In this regard, First Advantage helps you make the best decision by presenting essential facts about the current workplace scenario through this trends report. Here are some of the findings that might prove beneficial in the process of a talent search by any organization.
GLOSSARY OF TERMS

Cases
One case indicates one candidate. It is denoted by a case reference number which is unique to that particular candidate.

Client
The organization which authorizes First Advantage to conduct the verification.

Industry
The industry sector/segment under which the Client falls. All abbreviations used are as per Indian standards of industry bifurcation and are easily accessible via the internet.

Fake
A confirmation shared by authorized personnel/body on the authenticity of the document/university.

Component(s)
Screening carried out for various phases of the candidate's background like Employment, Education, Address, etc. are termed as Components.

Checks
One case can have one or more than one check based on the credentials being verified.

Employee Category
The designation at which the candidate worked/is working [current employment] in the organization.

Possible Suspect
Any organization or company whose credentials might not be genuine.

FOR EXAMPLE

First Advantage is conducting a background check for a candidate ABC [Case].

The check is authorized by a [Client] say XYZ Corp. This client belongs to the BFSI sector [Industry].

As per the client’s mandate, the screening components include latest Education and two previous Employments of the candidate. Here Education and Employment are [Components] & there are a total of three Checks - one Education and two Employment [Checks].

Depending on a predefined matrix followed by the client, either as standardized by First Advantage or a client customized matrix - a disconnect identified [Discrepancy] would be categorized as major or minor discrepancy, suspect, [Possible Suspect], etc.
### Overall Discrepancy

#### Case Level Trend

1.A | Discrepancy Percentage - By Quarter [Q1-11 vs. Q1-19]

<table>
<thead>
<tr>
<th>Year</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>10.9%</td>
<td>9.5%</td>
<td>10.2%</td>
<td>9.6%</td>
</tr>
<tr>
<td>2012</td>
<td>9.6%</td>
<td>9.3%</td>
<td>8.7%</td>
<td>10.6%</td>
</tr>
<tr>
<td>2013</td>
<td>11.0%</td>
<td>9.9%</td>
<td>10.2%</td>
<td>11.0%</td>
</tr>
<tr>
<td>2014</td>
<td>8.1%</td>
<td>9.8%</td>
<td>10.0%</td>
<td>10.7%</td>
</tr>
<tr>
<td>2015</td>
<td>11.0%</td>
<td>11.5%</td>
<td>11.0%</td>
<td>10.4%</td>
</tr>
<tr>
<td>2016</td>
<td>11.0%</td>
<td>11.5%</td>
<td>11.0%</td>
<td>10.4%</td>
</tr>
<tr>
<td>2017</td>
<td>9.6%</td>
<td>10.3%</td>
<td>10.6%</td>
<td>9.2%</td>
</tr>
<tr>
<td>2018</td>
<td>11.5%</td>
<td>10.6%</td>
<td>9.9%</td>
<td>9.3%</td>
</tr>
<tr>
<td>2019</td>
<td>10.7%</td>
<td>10.4%</td>
<td>9.6%</td>
<td>9.3%</td>
</tr>
</tbody>
</table>

Based on Discrepancy Vs. Verified Cases

- The discrepancy versus verified percentage for 2011, 2012 and 2013 was at 10 percent. In 2014 it had risen to 10.5 percent. In 2015 it has further risen to 11.6 percent. In 2016 it has been consistent at 11.1 percent and in 2017 it averaged at 10.8 percent. In 2018 discrepancy rate has averaged at 9.6 percent.

**DID YOU KNOW**

First Advantage conducts 66+ million screens annually in 200 countries & territories
OVERALL DISCREPANCY

CASE LEVEL TREND

1.B | Discrepancy Percentage - By Gender [Q1-19]

Discrepancy Based on Gender

In Q1-19, 10% of the Male verified cases were discrepant [which means of every 100 cases verified of the Male gender - 10 were found to be discrepant]. 07% of the Female gender verified cases were discrepant.

The trends of the Male discrepancy cases have remained constant but the Female discrepancy cases have reduced by 1% in comparison to the previous quarter.

DID YOU KNOW

Managed screening services is an end-to-end customizable solution for managing the background screening process.
Highest number of cases have been verified for the > = 22 to 30 years [age bracket] candidates. Similarly highest number of discrepancies have been detected in the > = 22 to 30 years [age bracket] candidates.

The discrepancy versus verified percentage is highest in the > = 31 to 40 years [age bracket] candidates at 12.1 % [which means 12 out every 100 cases verified were discrepant in the > = 31 to 40 years [age bracket]], followed by > = 41 to 50 years [age bracket] candidates at 10.7 %.

Please note: Cases wherein the date of birth is not mentioned have been excluded from the analysis. These cases have a 09 % discrepancy.

### DISCREPANCY TRENDS

**CASE LEVEL TREND**

1.C | Discrepancy Percentage - By Age [Q1-19]
2.A | Discrepancy Percentage - Top 15 By Industry [Q1-19]

In Q1-19, total number of cases Verified were highest for the IT sector at 39 percent [i.e. out of every 100 cases Verified - 39 were from the IT sector] followed by Financial Services sector at 20 percent.

The highest number of discrepancy cases were detected in IT sector at 30 percent [i.e. out of every 100 discrepancy cases - 30 were from IT sector] followed by Financial Services at 22 percent.

The discrepancy percentage, that is the number of cases [Discrepancy Vs. Verified] based on industries, has a totally different story to say, with Telecom leading at 43 percent [i.e. out of every 100 Telecom cases verified - 43 cases were discrepant], followed by Banking, Healthcare and FMCG at 19 percent each. Pharma sector at 18 percent was followed by Financial Services at 10 percent.
DISCREPANCY TRENDS

CASE LEVEL TREND

2.B | Discrepancy Percentage - By Industry by Age [Q1-19]

<table>
<thead>
<tr>
<th>AGE BRACKET</th>
<th>&lt;= 21 years</th>
<th>&gt;= 22 to 30 years</th>
<th>&gt;= 31 to 40 years</th>
<th>&gt;= 41 to 50 years</th>
<th>&gt;= 51 years</th>
<th>Not considered in Analysis</th>
<th>Grand Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>OVERALL</td>
<td>2.7%</td>
<td>8.1%</td>
<td>12.1%</td>
<td>10.7%</td>
<td>10.3%</td>
<td>8.9%</td>
<td>9.2%</td>
</tr>
<tr>
<td>BANKING</td>
<td>3.3%</td>
<td>16.4%</td>
<td>27.0%</td>
<td>24.1%</td>
<td>20.0%</td>
<td>0.0%</td>
<td>18.8%</td>
</tr>
<tr>
<td>BPO</td>
<td>2.6%</td>
<td>7.3%</td>
<td>10.5%</td>
<td>10.6%</td>
<td>9.1%</td>
<td>9.1%</td>
<td>8.0%</td>
</tr>
<tr>
<td>CONSULTING</td>
<td>1.1%</td>
<td>3.2%</td>
<td>6.2%</td>
<td>4.6%</td>
<td>7.7%</td>
<td>0.0%</td>
<td>3.7%</td>
</tr>
</tbody>
</table>
## DISCREPANCY TRENDS

### CASE LEVEL TREND

2.B | Discrepancy Percentage - By Industry by Age [Q1-19]

<table>
<thead>
<tr>
<th>AGE BRACKET</th>
<th>&lt;= 21 years</th>
<th>&gt; 22 to 30 years</th>
<th>&gt; 31 to 40 years</th>
<th>&gt; 41 to 50 years</th>
<th>&gt; 51 years</th>
<th>Not considered in Analysis</th>
<th>Grand Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>FMCG</td>
<td>0.0%</td>
<td>22.2%</td>
<td>15.0%</td>
<td>20.7%</td>
<td>0.0%</td>
<td>18.5%</td>
<td></td>
</tr>
<tr>
<td>HEALTHCARE</td>
<td>8.3%</td>
<td>23.7%</td>
<td>23.5%</td>
<td>14.3%</td>
<td>7.4%</td>
<td>18.5%</td>
<td></td>
</tr>
<tr>
<td>FINANCIAL SERVICES</td>
<td>1.7%</td>
<td>9.4%</td>
<td>11.7%</td>
<td>15.0%</td>
<td>9.4%</td>
<td>10.1%</td>
<td></td>
</tr>
<tr>
<td>FMCG</td>
<td>0.0%</td>
<td>22.2%</td>
<td>15.0%</td>
<td>20.7%</td>
<td>0.0%</td>
<td>18.5%</td>
<td></td>
</tr>
<tr>
<td>HEALTHCARE</td>
<td>8.3%</td>
<td>23.7%</td>
<td>23.5%</td>
<td>14.3%</td>
<td>7.4%</td>
<td>18.5%</td>
<td></td>
</tr>
<tr>
<td>HOSPITALITY</td>
<td>3.2%</td>
<td>5.1%</td>
<td>7.0%</td>
<td>4.1%</td>
<td>2.2%</td>
<td>0.0%</td>
<td></td>
</tr>
</tbody>
</table>
## Background Screening Trends - India

### DISCREPANCY TRENDS

#### CASE LEVEL TREND

**2.B | Discrepancy Percentage - By Industry by Age [Q1-19]**

<table>
<thead>
<tr>
<th>AGE BRACKET</th>
<th>&lt;= 21 years</th>
<th>&gt; 22 to 30 years</th>
<th>&gt; 31 to 40 years</th>
<th>&gt; 41 to 50 years</th>
<th>&gt; 51 years</th>
<th>Not considered in Analysis</th>
<th>Grand Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>INSURANCE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2.8%</td>
<td>4.5%</td>
<td>9.3%</td>
<td>7.9%</td>
<td>1.6%</td>
<td>0.0%</td>
<td>6.5%</td>
</tr>
<tr>
<td><strong>IT</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2.2%</td>
<td>6.0%</td>
<td>9.2%</td>
<td>8.6%</td>
<td>13.3%</td>
<td>8.9%</td>
<td>7.0%</td>
</tr>
<tr>
<td><strong>LOGISTICS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>0.0%</td>
<td>3.7%</td>
<td>3.6%</td>
<td>5.7%</td>
<td>2.3%</td>
<td>0.0%</td>
<td>3.9%</td>
</tr>
<tr>
<td><strong>MANUFACTURING</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>0.0%</td>
<td>3.3%</td>
<td>14.1%</td>
<td>15.1%</td>
<td>5.9%</td>
<td>0.0%</td>
<td>7.4%</td>
</tr>
</tbody>
</table>

**January to March 2019**
DISCREPANCY TRENDS

CASE LEVEL TREND

2.B | Discrepancy Percentage - By Industry by Age [Q1-19]
The overall discrepancy trend shows that the age bracket of 31 to 40 years is the highest at 12.1% [which means of every 100 cases verified in this age bracket - 12 cases are discrepant].

- FMCG shows a high discrepancy trend in the age bracket of 22 to 30 years.
- Industrial sectors like Banking, Healthcare, Hospitality, Insurance, Pharma, Staffing and Telecom show a high discrepancy trend in the age bracket of 31 to 40 years.
- BPO, Financial Services, Logistics, Manufacturing and Retail show a high discrepancy trend in the age bracket of 41 to 50 years.
- Consulting and IT show a high discrepancy trend in the age bracket of 51 years.
- As confirmed in page number 7, cases wherein the date of birth is not mentioned have been excluded from the analysis. The same is applicable to all the above mentioned sectors as well.

The Discrepancy vs. Verified % by Age and by Industry is another interesting analytics.

Discrepancy Percentage - By Industry by Age [Q1-19]

First Advantage uniquely offers a single product worldwide including 96% of all countries & territories.
Discrepancy Percentage - By Top 15 Industry By Component Employment [Q1-19]

- INDUSTRY AVERAGE: 7.9%
- BANKING: 11.5%
- BPO: 7.1%
- CONSULTING: 4.1%
- FINANCIAL SERVICES: 11.3%
- FMCG: 13.9%
- HEALTH CARE: 20.2%
- HOSPITALITY: 11.4%

DID YOU KNOW
First Advantage is the Global leader in employment screening for 20+ years with 35,000+ clients worldwide
## DISCREPANCY TRENDS

### CASE LEVEL TREND

2.C.1 | Discrepancy Percentage - By Top 15 Industry By Component Employment [Q1-19]

<table>
<thead>
<tr>
<th>Sector</th>
<th>Discrepancy Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>INSURANCE</td>
<td>11.6%</td>
</tr>
<tr>
<td>PHARMACEUTICALS</td>
<td>16.5%</td>
</tr>
<tr>
<td>IT</td>
<td>5.5%</td>
</tr>
<tr>
<td>RETAIL</td>
<td>14.0%</td>
</tr>
<tr>
<td>LOGISTICS</td>
<td>5.4%</td>
</tr>
<tr>
<td>STAFFING</td>
<td>6.3%</td>
</tr>
<tr>
<td>MANUFACTURING</td>
<td>9.2%</td>
</tr>
<tr>
<td>TELECOM</td>
<td>6.7%</td>
</tr>
</tbody>
</table>

Employment discrepancies versus verifications trends were the highest in most of the sectors. Sectors like Banking, Financial Services, FMCG, Healthcare, Hospitality, Insurance, Manufacturing, Pharma and Retail were displaying a much higher discrepancy percentage as compared to the Industry average of 7.9 percent [which goes to say out of every 100 Employment checks verified 08 were discrepant].
**DISCREPANCY TRENDS**

**CASE LEVEL TREND**

2.C.2 | Discrepancy Percentage - By Top 15 Industry By Component Address [Q1-19]

<table>
<thead>
<tr>
<th>Industry</th>
<th>Discrepancy Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>INDUSTRY AVERAGE</td>
<td>2.0%</td>
</tr>
<tr>
<td>BANKING</td>
<td>3.8%</td>
</tr>
<tr>
<td>BPO</td>
<td>0.0%</td>
</tr>
<tr>
<td>CONSULTING</td>
<td>0.0%</td>
</tr>
<tr>
<td>FINANCIAL SERVICES</td>
<td>2.9%</td>
</tr>
<tr>
<td>FMCG</td>
<td>6.2%</td>
</tr>
<tr>
<td>HEALTH CARE</td>
<td>0.0%</td>
</tr>
<tr>
<td>HOSPITALITY</td>
<td>0.0%</td>
</tr>
</tbody>
</table>
Likewise in the Address component, sectors like Banking, Financial Services, FMCG, IT, Retail and Telecom were displaying a much higher discrepancy percentage as compared to the Industry average.
DISCREPANCY TRENDS

CASE LEVEL TREND

2.C.3 | Discrepancy Percentage - By Top 15 Industry By Component Education [Q1-19]

- INDUSTRY AVERAGE: 0.9%
- FINANCIAL SERVICES: 2.0%
- BANKING: 1.0%
- FMCG: 1.8%
- BPO: 1.0%
- HEALTH CARE: 2.3%
- CONSULTING: 0.2%
- HOSPITALITY: 1.4%
In the Education component most of the sectors were displaying a much higher discrepancy percentage as compared to the Industry average.

- INSURANCE: 2.5%
- PHARMACEUTICALS: 0.9%
- IT: 0.6%
- RETAIL: 0.0%
- LOGISTICS: 2.5%
- STAFFING: 1.0%
- MANUFACTURING: 1.0%
- TELECOM: 0.3%

*In the Education component most of the sectors were displaying a much higher discrepancy percentage as compared to the Industry average.*
DISCREPANCY TRENDS

CHECK LEVEL TREND

3.A | Discrepancy Percentage - By Component [Q2-18 to Q1-19]

Employment component has always had the highest number of discrepancies in comparison to other components. 59.4 % discrepancies are formed by it in this quarter [which means out of every 100 discrepancies identified - 59 are of the Employment Component].

- In Q1-19 - discrepancies related to Employment, Address and Education components were at 59.4 %, 8.5 % and 5.0 % respectively
- The remaining [Others] discrepancies of 27.1 %, were related to Criminal, Document Investigation, Database, Reference, etc. clubbed under others.
- The Employment related discrepancies have decreased slightly from 60.1 % in Q4-18 to 59.4 % in Q1-19.
- The Address related discrepancies have jumped from 6.0 % in Q4-18 to 8.5 % in Q1-19.
- Education related discrepancies have remained consistent in both the quarters.

Based on Discrepancy checks only

DID YOU KNOW

75% of employers have found a discrepancy on an applicant’s resume
### DISCREPANCY TRENDS

#### CASE LEVEL TREND

3.B | Discrepancy Percentage - By Component By Gender [Q4-18 vs. Q1-19]

<table>
<thead>
<tr>
<th>Component</th>
<th>Q1-19</th>
<th>Q4-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>EMPLOYMENT</td>
<td>79%</td>
<td>79%</td>
</tr>
<tr>
<td>ADDRESS</td>
<td>76%</td>
<td>75%</td>
</tr>
<tr>
<td>EDUCATION</td>
<td>82%</td>
<td>87%</td>
</tr>
<tr>
<td>CRIMINAL</td>
<td>87%</td>
<td>92%</td>
</tr>
<tr>
<td>REFERENCE</td>
<td>85%</td>
<td>80%</td>
</tr>
<tr>
<td>DOCUMENT INVESTIGATION</td>
<td>73%</td>
<td>73%</td>
</tr>
<tr>
<td>DATABASE</td>
<td>80%</td>
<td>79%</td>
</tr>
</tbody>
</table>

**Q1-19**

- Q1-19 Trends: In the Employment discrepancy checks - Males form the biggest chunk at 79% [which means out of every 100 Employment discrepancy checks - 79 are Males and 21 are Females]
- In Address discrepancy checks, Males are at 76% and Females are at 24%.
- In the Education discrepancy checks - Males form 82% and the remaining 18% are Females.
- In the Criminal discrepancy checks - Males form 87% and the remaining 13% are Females.

**Q4-18**

- It refers to some of the Components included in the 'Others' category.
- Based on Discrepancy Vs. Verified Checks.
- JANUARY TO MARCH 2019

First Advantage
A Symphony Telecommunications Company
DISCREPANCY TRENDS

CHECK LEVEL TREND

4 | Discrepancies - By Component across Zones in India and Abroad [Q4-18 vs. Q1-19]

The highlighting factors [Q1-19]:

- Discrepancy rates for Employment & Address checks are very high in the Southern zone.
- Discrepancy rate for Education checks is the highest in the Northern zone.

The discrepancy trend across zones in India and abroad has displayed an interesting spectrum and has remained constant except for a couple of surprises:

- Discrepancy trend is consistent in the Employment and Education component across zones in both the quarters.
- Discrepancy trend in the Address component has increased South India and West India and has decreased in North India and East India.
In Q1-19, State-wise discrepancies, Karnataka state leads at 24% [which means out of every 100 discrepant checks, 24 were from Karnataka State] followed by Maharashtra at 21%, Andhra Pradesh at 11%, Tamil Nadu at 8%, Uttar Pradesh at 6%, and New Delhi at 5%.

Based on Discrepancy checks only.

- In Q1-19, State-wise discrepancies, Karnataka state leads at 24% [which means out of every 100 discrepant checks, 24 were from Karnataka State].
- Maharashtra closely follows at 21%. Andhra Pradesh is at 11% followed by Tamil Nadu at 8%. Uttar Pradesh follows at 6% and New Delhi is at 5%.

First Advantage is ISO/IEC 27001:2013 and ISO 9001:2015 Certified
## DISCREPANCY TRENDS

### CHECK LEVEL TREND

**6.A | Employment Discrepancies - By Top 10 Cities [Q4-18 Vs. Q1-19]**

<table>
<thead>
<tr>
<th>City</th>
<th>Q1-19</th>
<th>Q4-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ahmedabad</td>
<td>2%</td>
<td>2%</td>
</tr>
<tr>
<td>Kolkata</td>
<td>3%</td>
<td>3%</td>
</tr>
<tr>
<td>Noida</td>
<td>4%</td>
<td>3%</td>
</tr>
<tr>
<td>Gurgaon</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>New Delhi</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>Pune</td>
<td>7%</td>
<td>6%</td>
</tr>
<tr>
<td>Chennai</td>
<td>7%</td>
<td>8%</td>
</tr>
<tr>
<td>Hyderabad</td>
<td>9%</td>
<td>9%</td>
</tr>
<tr>
<td>Mumbai</td>
<td>12%</td>
<td>13%</td>
</tr>
<tr>
<td>Bengaluru</td>
<td>18%</td>
<td>16%</td>
</tr>
</tbody>
</table>

Based on Discrepancy checks only.

- Bengaluru, Mumbai and Hyderabad are the metro cities which have topped in Employment related discrepancies in Q1-19.
DISCREPANCY TRENDS

CHECK LEVEL TREND

6.B | Education Discrepancies - By Top 10 Cities [Q4-18 Vs. Q1-19]

Based on Discrepancy checks only.

Mumbai, New Delhi and Bengaluru are the cities topping the Education related discrepancies in Q1-19.
DISCREPANCY TRENDS

CHECK LEVEL TREND

6.C | Address Discrepancies - By Top 10 Cities
[Q4-18 Vs. Q1-19]

- Based on Discrepancy checks only.
- Bengaluru, Pune and Hyderabad are the metro cities which have topped in Address related discrepancies in Q1-19.
**Discrepancy Trends**

### Check Level Trend

#### 7.A | Categorization of Discrepancies - By Component Employment [Q4-18 vs. Q1-19]

Employment screening involves confirming the accuracy of the candidate's claims about his/her previous employment records, with the HR and/or Supervisor [preferably the last reporting manager] of the previous employer/s. The verifications are conducted based on documentary proof (i.e. copy of salary slip, relieving letter, experience letter, etc.) submitted by the candidate.

The HR verification would ideally include questions about the tenure, designation, salary, reason for leaving, exit formalities, etc.

The supervisor verification is more focused on the skills, performance, strengths, weaknesses and areas of improvement, etc. of the candidate.

In addition to the above, it also involves an intensive research on the net, and/or physical verifications conducted to ascertain the existence of the company.

<table>
<thead>
<tr>
<th>Component Employment</th>
<th>Q1-19</th>
<th>Q4-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Incorrect Tenure</td>
<td>25%</td>
<td>25%</td>
</tr>
<tr>
<td>Inflated Designation</td>
<td>17%</td>
<td>17%</td>
</tr>
<tr>
<td>Possible Suspect Company</td>
<td>10%</td>
<td>8%</td>
</tr>
<tr>
<td>Fake Documents/Not an Employee</td>
<td>7%</td>
<td>7%</td>
</tr>
<tr>
<td>Exit Formalities Not Completed/Absconding</td>
<td>17%</td>
<td>19%</td>
</tr>
<tr>
<td>Other False Employment</td>
<td>13%</td>
<td>14%</td>
</tr>
<tr>
<td>Negative HR/Supervisor Feedback</td>
<td>9%</td>
<td>6%</td>
</tr>
<tr>
<td>Incorrect Supervisor Details</td>
<td>4%</td>
<td>3%</td>
</tr>
</tbody>
</table>

- Based on Discrepancy checks only.
- Other False Employment includes Active Employee, Not a Direct Employee, Inflated Compensation, Not eligible for rehire, etc.
- In Q1-19, as usual, 'Incorrect Tenure' has topped the graph at 25%. It is followed by 'Exit Formalities Not Completed/Absconding' at 17%, 'Inflated Designation' at 17% and 'Other False Employment' at 13%.
A study of Education discrepancies shows a very interesting spectrum in the Q4-18 vs. Q1-19 trends.

The discrepancy trend for:
- Suspect Institution forms the biggest chunk in this quarter at 40%.
- Fake document has decreased from 39% in Q4-18 to 34% in Q1-19.
- Discrepancies like ‘Other False Education’ have increased from 20% in Q4-18 to 24% in Q1-19. Other False Education includes ‘Did not officially complete the course, Registration or Credential or membership expired, etc.’
DISCREPANCY TRENDS

CHECK LEVEL TREND

7.B.2 | Discrepancies - By Education Level [Q4-18 vs. Q1-19]

Education discrepancies at the graduate level have always been trending on a very high percentage, quarter on quarter, as compared to the post graduate and undergraduate levels.

- **Q4-18**
  - Under Graduate: 4%
  - Graduate: 64%
  - Post Graduate: 32%

- **Q1-19**
  - Under Graduate: 3%
  - Graduate: 69%
  - Post Graduate: 28%

Discrepancy by Education level of the candidate is another talking point of the Education verifications conducted by First Advantage.

- The discrepancy trend for Under Graduate level has slightly decreased from 4% in Q4-18 to 3% in Q1-19.
- The discrepancy percentage in the Graduate level has increased 64% in Q4-18 to 69% in Q1-19 [which means 69 out of every 100 Education discrepancies identified in Q1-19 were from the Graduate level].
- The discrepancy trend for Post Graduate level has decreased from 32% in Q4-18 to 28% in Q1-19.

DID YOU KNOW

Executive Advantage is for screening high-level employees to help protect organization’s reputation and to drive leadership in marketplace innovation.
Address checks are conducted based on the supporting documents and addresses shared by the candidate in his/her background verification form. The checks focus on basically two things, one is the period of stay at the given address and second whether he/she is actually a resident of the given address or not.

Most of these verifications are physical verifications - conducted by FADV field associates paying a visit to the given address, which makes the verification more concrete and precise.

- Based on Discrepancy checks only.
- Address discrepancies have shown a consistent trend.
- ‘Period of Stay’ forms the biggest chunk of discrepancies at 99 % [which means out of every 100 Address discrepancy checks - 99 are for ‘Period of Stay’].
- 1 % of the Address discrepancies are for ‘Not residing at Address’ [which goes to say that out of every 100 Address discrepancies - 1 is for ‘Not residing at Address’].
**DISCREPANCY TRENDS**

**CASE LEVEL TREND**

8.A | Discrepancies - By Employee Category [Q2-18 to Q1-19]

The Hierarchy matrix graph is a quick insight into the discrepancy by Employee category [all levels].

The trend has remained consistent for all levels in the last four quarters.

- **Q2-18**: 65% Associate, 18% Middle Management, 12% First Level Supervisor, 3% Senior Management, 2% Apprentice Trainee/Intern
- **Q3-18**: 66% Associate, 18% Middle Management, 12% First Level Supervisor, 2% Senior Management, 2% Apprentice Trainee/Intern
- **Q4-18**: 65% Associate, 18% Middle Management, 13% First Level Supervisor, 2% Senior Management, 2% Apprentice Trainee/Intern
- **Q1-19**: 67% Associate, 17% Middle Management, 12% First Level Supervisor, 2% Senior Management, 2% Apprentice Trainee/Intern

Based on Discrepancy cases only.

- In Q1-19 - Associate level discrepancy continues to top the graph at 67% [which means out of every 100 discrepancy cases - 67 are from the Associate level].
- It is followed by Middle Management at 17% and First Level Supervisor at 12%.
- The graph depicts the Senior Management level discrepancies at 2%.

**DID YOU KNOW**

Insta Advantage – Employment is fast, easy, reliable and compliant way to remove the burden of ex-employee verification requests
Based on Discrepancy cases only.

- The discrepancy - by Employee Category by Age Level analysis depicts interesting details which basically links both the candidate’s age and designation.
- Maximum discrepancies have been observed at the Associate level at 43.7% [which means out of every 100 discrepant cases - 44 are from the Associate level in the > = 22 to 30 years age bracket].
- The First Level Supervisor too has the highest number of discrepancies in the > = 22 to 30 years age bracket.
- Another very interesting permutation and combination of Employee Category and age bracket comes to light in the Senior and Middle Management level and age comparison - the discrepancies are highest in the age > = 31 to 40 years age bracket. An obvious reason for this of course could be - the average time span an employee would take to reach the higher rungs of the ladder [levels] in an organization.
DISCREPANCY TRENDS

CASE LEVEL TREND

8.C | Discrepancies - By Employee Category By Industry [Q1-19]

<table>
<thead>
<tr>
<th>INDUSTRY</th>
<th>APPRENTICE/TRAINEE INTERN</th>
<th>ASSOCIATE</th>
<th>FIRST LEVEL SUPERVISOR</th>
<th>MIDDLE MANAGEMENT</th>
<th>SENIOR MANAGEMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>BANKING</td>
<td>2.68%</td>
<td>52.47%</td>
<td>15.57%</td>
<td>25.83%</td>
<td>3.45%</td>
</tr>
<tr>
<td>BPO</td>
<td>2.62%</td>
<td>80.31%</td>
<td>9.97%</td>
<td>6.56%</td>
<td>0.52%</td>
</tr>
<tr>
<td>CONSULTING</td>
<td>2.40%</td>
<td>78.40%</td>
<td>8.00%</td>
<td>10.40%</td>
<td>0.80%</td>
</tr>
<tr>
<td>FINANCIAL SERVICES</td>
<td>3.25%</td>
<td>55.52%</td>
<td>14.52%</td>
<td>23.56%</td>
<td>3.15%</td>
</tr>
<tr>
<td>FMCG</td>
<td>1.03%</td>
<td>50.52%</td>
<td>29.90%</td>
<td>16.49%</td>
<td>2.06%</td>
</tr>
<tr>
<td>HEALTHCARE</td>
<td>4.42%</td>
<td>48.67%</td>
<td>17.70%</td>
<td>28.32%</td>
<td>0.88%</td>
</tr>
<tr>
<td>HOSPITALITY</td>
<td>3.03%</td>
<td>71.72%</td>
<td>7.74%</td>
<td>15.15%</td>
<td>2.36%</td>
</tr>
<tr>
<td>INSURANCE</td>
<td>1.92%</td>
<td>29.71%</td>
<td>9.27%</td>
<td>49.84%</td>
<td>9.27%</td>
</tr>
<tr>
<td>IT</td>
<td>1.48%</td>
<td>81.47%</td>
<td>8.80%</td>
<td>6.83%</td>
<td>1.42%</td>
</tr>
<tr>
<td>LOGISTICS</td>
<td>0.00%</td>
<td>68.75%</td>
<td>12.50%</td>
<td>18.75%</td>
<td>0.00%</td>
</tr>
<tr>
<td>MANUFACTURING</td>
<td>1.90%</td>
<td>53.99%</td>
<td>14.83%</td>
<td>27.38%</td>
<td>1.90%</td>
</tr>
<tr>
<td>PHARMA</td>
<td>6.41%</td>
<td>51.25%</td>
<td>22.28%</td>
<td>18.66%</td>
<td>1.39%</td>
</tr>
<tr>
<td>RETAIL</td>
<td>0.00%</td>
<td>54.55%</td>
<td>3.03%</td>
<td>36.36%</td>
<td>6.06%</td>
</tr>
<tr>
<td>STAFFING</td>
<td>0.87%</td>
<td>85.22%</td>
<td>12.17%</td>
<td>1.74%</td>
<td>0.00%</td>
</tr>
<tr>
<td>TELECOM</td>
<td>1.06%</td>
<td>79.12%</td>
<td>12.63%</td>
<td>6.25%</td>
<td>0.93%</td>
</tr>
</tbody>
</table>

- Based on Discrepancy cases only.
DISCREPANCY TRENDS

CASE LEVEL TREND

9 | Verification success percentage [Q4-18 vs Q1-19]

- First Advantage's Verifications success percentage is as high as 99% approximately [98.9% in Q1-19].
- Only a miniscule 1% of the checks are tagged as Unable to verify wherein the Verifying authorities refuse to provide verifications in spite of several requests.

DID YOU KNOW

Robotics process Automation provides enhanced productivity, improved accuracy and compliance.
CONCLUSION

HIGHLIGHTS DISCREPANCY ANALYSIS [Q1-19]

- Although background screening in India is not a mandate like in the US and other developed countries – the awareness and importance of screening backgrounds is growing at a very fast pace. It is being basically seen as risk mitigating tool which forearms employers and helps weeding out negative resources.

- A quarter on quarter [QoQ] study i.e. the first quarter of 2018 and 2019 has shown 32 percent increase in the overall inflow of cases.

- The inflow of cases - in the first quarter of 2019 in comparison to the fourth quarter of 2018 has shown an increase of 5 percent. Sectors like IT, Financial Services, Banking, Consulting, BPO, Retail, Logistics and FMCG have contributed to the rise in volumes.

- Only 1% of the checks worked upon by First Advantage have ended up as ‘Unable to Verify’. This gives us more reason to cheer as Verifying Authorities across locations are now more willing to support the concept of background screening by providing verifications.

- As the awareness is growing it is also serving as a deterrent for a candidate to fake information and at the same time is encouraging them to be more open with sharing information irrespective of the information being negative or positive.

- Employers are feeling a lot more confident – since they are equipped with more inside information of the candidate whom they are planning to take on board and are also happy to have the option of making choices and deciding who would be more apt for their organization.
ABOUT US

First Advantage provides comprehensive background screening solutions including employee screening, vendor screening, consumer screening and ‘know your customer’ offering. First Advantage supports thousands of clients globally featuring quality products and business practices, configurable technology, helpful compliance and managed services, and highly responsive client support allowing for faster decisions with dramatically better insights. With an advanced global technology platform, superior customer service and compliance expertise delivered by experts who understand local markets, First Advantage helps customers around the world build fully scalable, configurable screening programs that meet their unique needs.
The journey for First Advantage 3.0 is just beginning! The new Vision statement is at the core of FADV 3.0.

Our Vision

“Deliver innovative solutions and insights that help our clients manage risk and hire the best talent”
Verify Direct powered by First Advantage launched in 2009 is the first ever Asia-Pacific wide contributory database driven online background screening service. It covers all industries and provides instant verifications through secured online transactions 24/7. This online service facilitates faster verification of facts submitted by candidates seeking employment, loans or any other legitimate business purpose.

VerifyDirectTM is simplified leading portal offering a full spectrum of premium quality online background screening and risk mitigation solutions to businesses as well as individuals, also offers robust services to small and mid-sized businesses (SMB) and consumers.

In India, First Advantage & Verify Direct operate out of state-of-the-art offices in Mumbai, Bangalore, Delhi & Chennai.

For more information contact us at: 1800.103.5563 VerifyDirect@fadv.com www.verifydirectintl.com
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- Brand Integrity & Goodwill
- Financial Risk
- Regulatory Compliance Issues
- Data / IP Theft
- Assault / Harassment damages
- Negative media
- Loss of customers & business
- Poor organizational climate
- Data / IP Theft
- Loss of customers & business
- Poor organizational climate

Here Is Our Offering

- A far-reaching background check
- Led by specialists
- Via expert research methodologies
- In a fully compliant manner, abiding by existing laws
- Presented in a comprehensive Dossier Report

Verifications Offered

- Assessments
- Education
- Employment
- Criminal
- Owner/Proprietor
- Health
- Financial Creditability
- CV Validation
- Global Checks
- Address
- Identity
- Database
- Social Media Checks

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First Advantage, a talent acquisition solutions provider, offers companies around the globe solutions to improve their decision making and process for talent acquisition across the employment continuum. Custom tailored for each client, the solutions address recruiting, screening and assessment, on-boarding and re-screening. As employers tackle the challenges of recruitment and talent management, they turn to First Advantage for integrated solutions. We adhere to and practice a ‘no tolerance for non-compliance’ policy ensuring complete authenticity and auditability, and are compliant with FCPA, FCRA and other local and international regulations.

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