

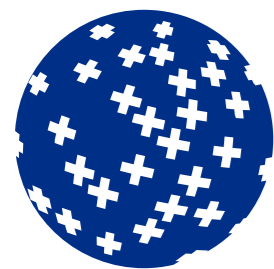
BACKGROUND SCREENING

TRENDS INDIA

Quantifying the trends and qualifying the nature of discrepancy patterns in India

TRENDS
REPORT
2021

JANUARY TO MARCH



First Advantage



FOREWORD

“ We are serving innovation through integrated technological developments and digital screening solutions. ”



Dear Readers,

With the resurgence of Covid-19 cases in India, businesses were distressed that the second wave of pandemic would set back the gains made by the Indian economy. Though, there are uncertainties surrounding the pandemic going ahead, but as per the latest reports from advisors, the impact is not likely to be large on economy.

Considering the shift to a digital workplace across Industries, we have observed that the organizations have successfully built new digital initiatives to continue their business uninterrupted. As companies fight for the best talent available in the marketplace, it has become a necessity for them to get the insights they need to hire people with the right skills and backgrounds.

With our digital initiatives driven by modern technology and alternate screening solutions, we have transformed our processes to adapt with the changing environmental and economic conditions. Our focus, as always, has been to enhance customer onboarding experiences, reduce delivery cycle timelines and provide improved quality performance.

Our proactive approach to background screening is enabling companies to make informed hiring decisions, resulting in improving the quality of hires.

Major highlights for Q1 (Jan-Mar'21)

- Fueled by hiring growth in IT and Consulting sector, the first quarter has showed very promising trends with volumes increasing by 28% as compared to the previous quarter (Q4-20)
- Sectors like BPO, Banking & Financial Services, FMCG, Pharma & Healthcare, Manufacturing, Retail and Telecom display discrepancy percentages above the industry average of 8.7% in Q1-21
- More than 91% of the fraudulent occurrences have been observed in 22 - 40 years age bracket

As we continue our journey to a product company, we thank you for your continued support in ensuring we continuously improve and deliver a world-class customer experience.

Your valuable feedbacks have encouraged us to provide new insights in our Trends Report and add value to your screening processes.

Always, Proud to be of service to you!

AMIT SINGH

Head - Commercial, First Advantage India

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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.

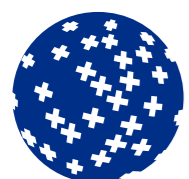
FOR EXAMPLE

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.



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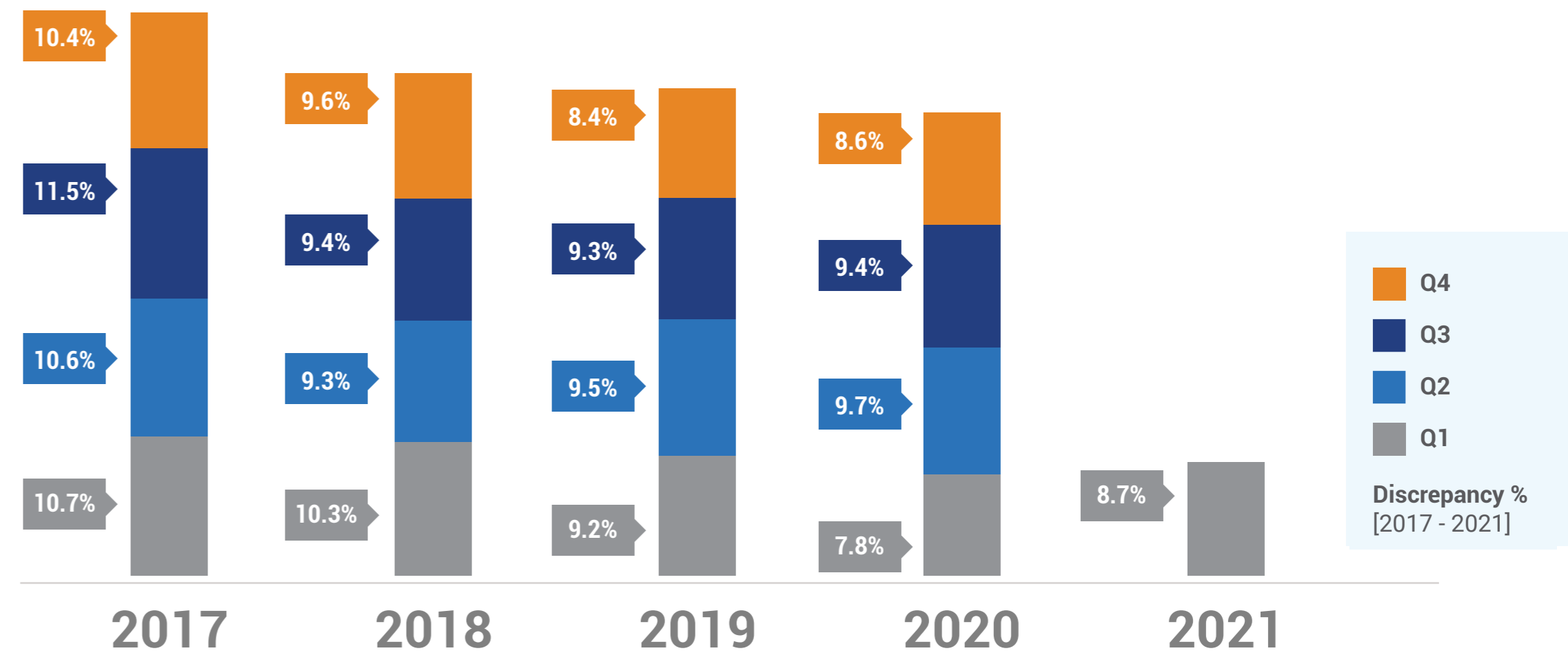


CASE LEVEL TREND

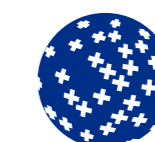
1.A. Discrepancy Percentage By Quarter [Q1-17 to Q1-21]

A study of the Case Level Quarterly Discrepancy Analysis for Q1-21 shows that the discrepancy percentage is at 8.7 percent.

The discrepancy versus verified percentage in 2017 has averaged at 10.8 percent. It was at 9.6 percent in 2018 and 9.1 percent in 2019. In 2020 it had averaged at 8.9 percent.



Based on Discrepancy Vs. Verified Cases



CASE LEVEL TREND

1.B.Discrepancy Percentage By Age [Q4-20 v/s. Q1-21]

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.

More than 91 percent of the fraudulent occurrences have transpired in the 22 to 40 years age bracket in both the quarters.



Q4-20

Q1-21

Q4-20

Q1-21

Q4-20

Q1-21

AGE BRACKET	<= 21 years	>= 22 to 30 years	>= 31 to 40 years	>= 41 to 50 years	>= 51 years	Grand Total
VERIFIED CASES%	6.7% 2.9%	62.3% 63.3%	25.5% 27.9%	4.9% 5.2%	0.6% 0.7%	100.0%
DISCREPANCY CASES%	1.5% 0.6%	57.4% 55.4%	33.7% 36.1%	6.0% 6.6%	1.3% 1.3%	100.0%
DISCREPANCY Vs. VERIFIED%	1.9% 1.7%	7.9% 7.6%	11.3% 11.3%	10.5% 11.2%	18.9% 16.8%	

■ Q4-20
■ Q1-21
 Discrepancy %

Please note: Cases wherein the date of birth is not mentioned have been excluded from the analysis. These cases have a 07 percent and 10 percent discrepancy in Q4-20 and Q1-21 respectively.

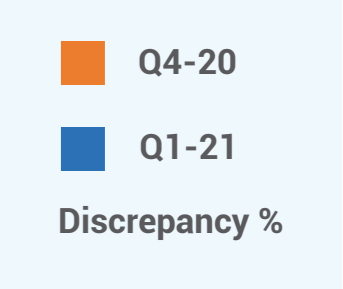
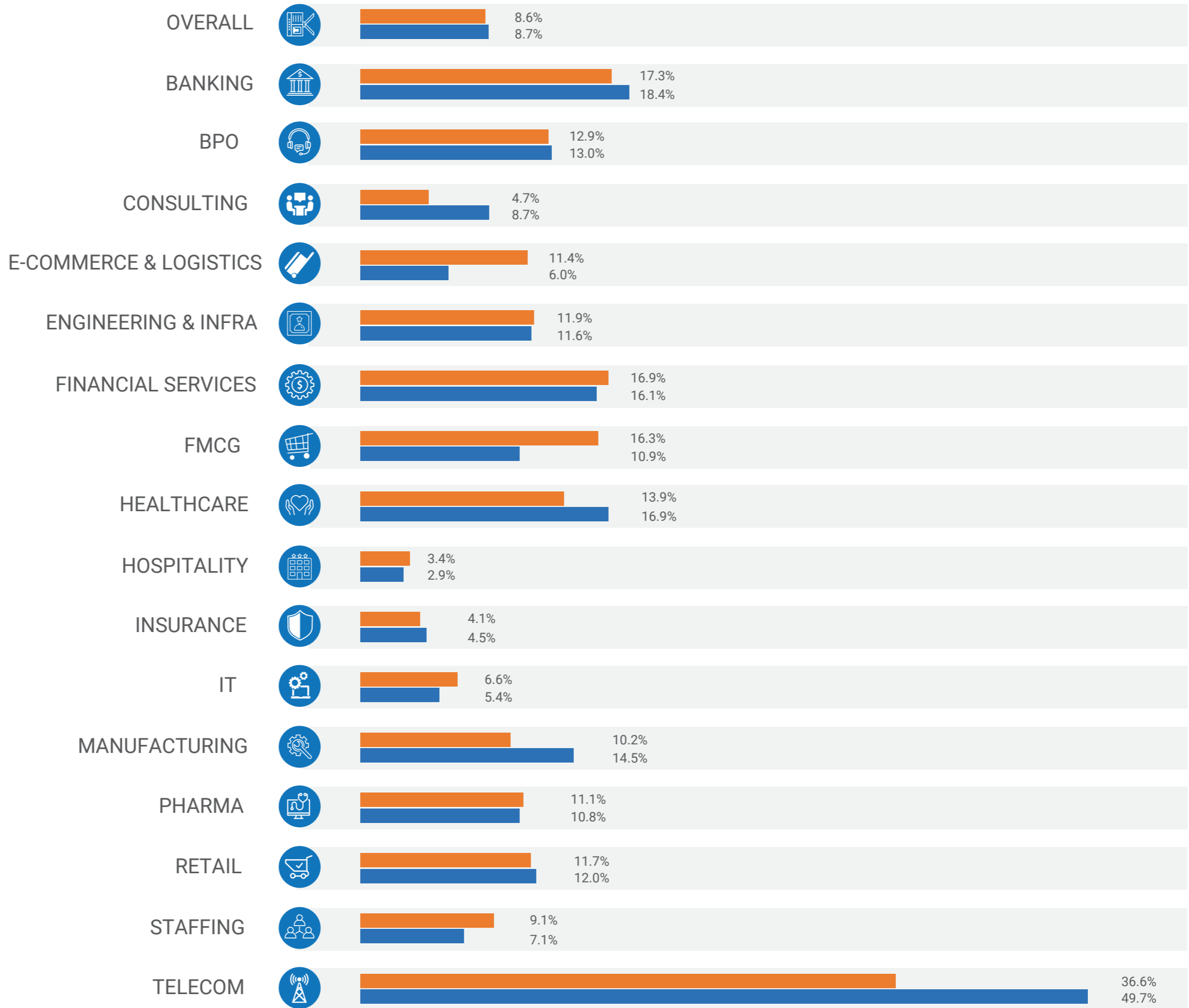
CASE LEVEL TREND

1.C.Discrepancy Percentage By Industry [Q4-20 vs. Q1-21]

Sectors like Banking, BPO, Engineering & Infra, Financial Services, FMCG, Healthcare, Manufacturing, Pharma, Retail and Telecom display discrepancy percentages way above the industry average of 8.7 percent in Q1-21.

Consulting, Healthcare, Manufacturing and Telecom have shown a much higher discrepancy percentage in the first quarter this year as compared to fourth quarter of 2020.

50 out of every 100 candidates screened in the Telecom sector were discrepant which is in line with the usual high discrepancy trending of the Telecom sector.

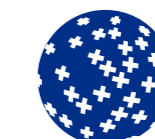
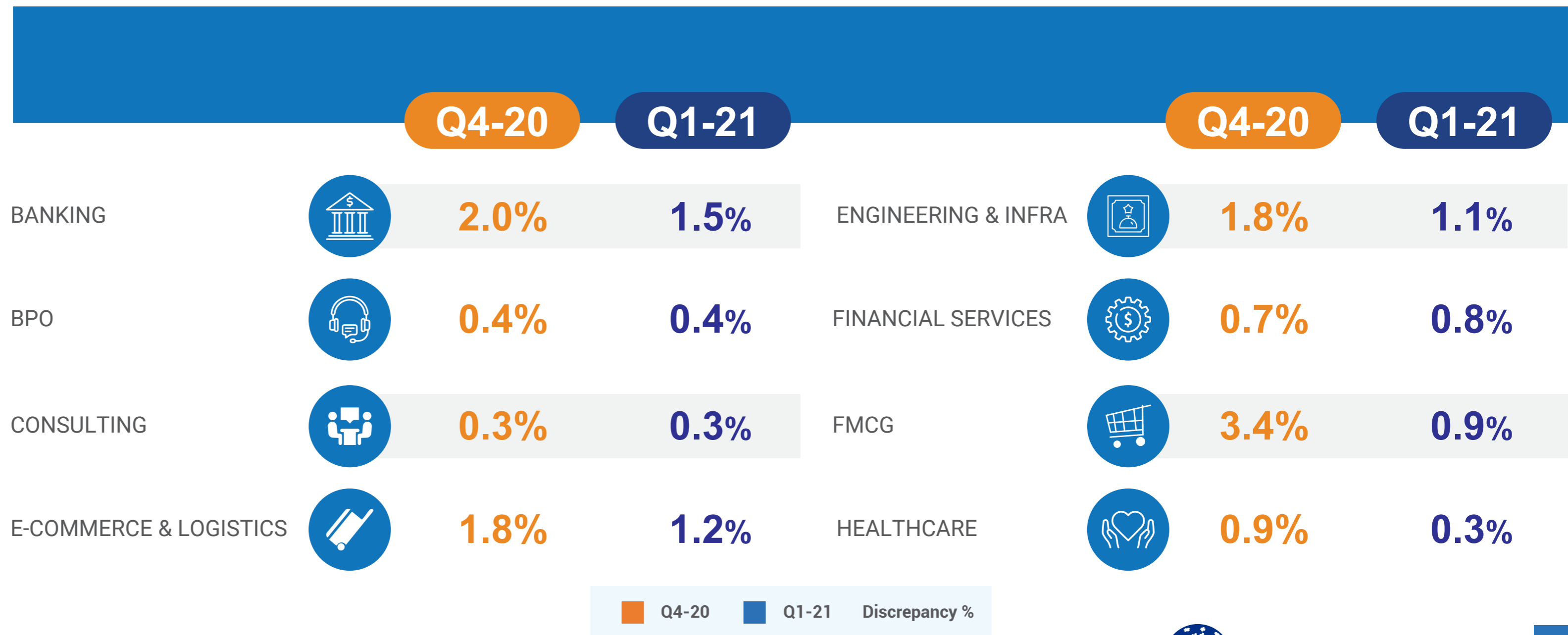


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2.A. Discrepancy Percentage - By Industry by Component Education [Q4-20 vs Q1-21]

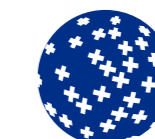
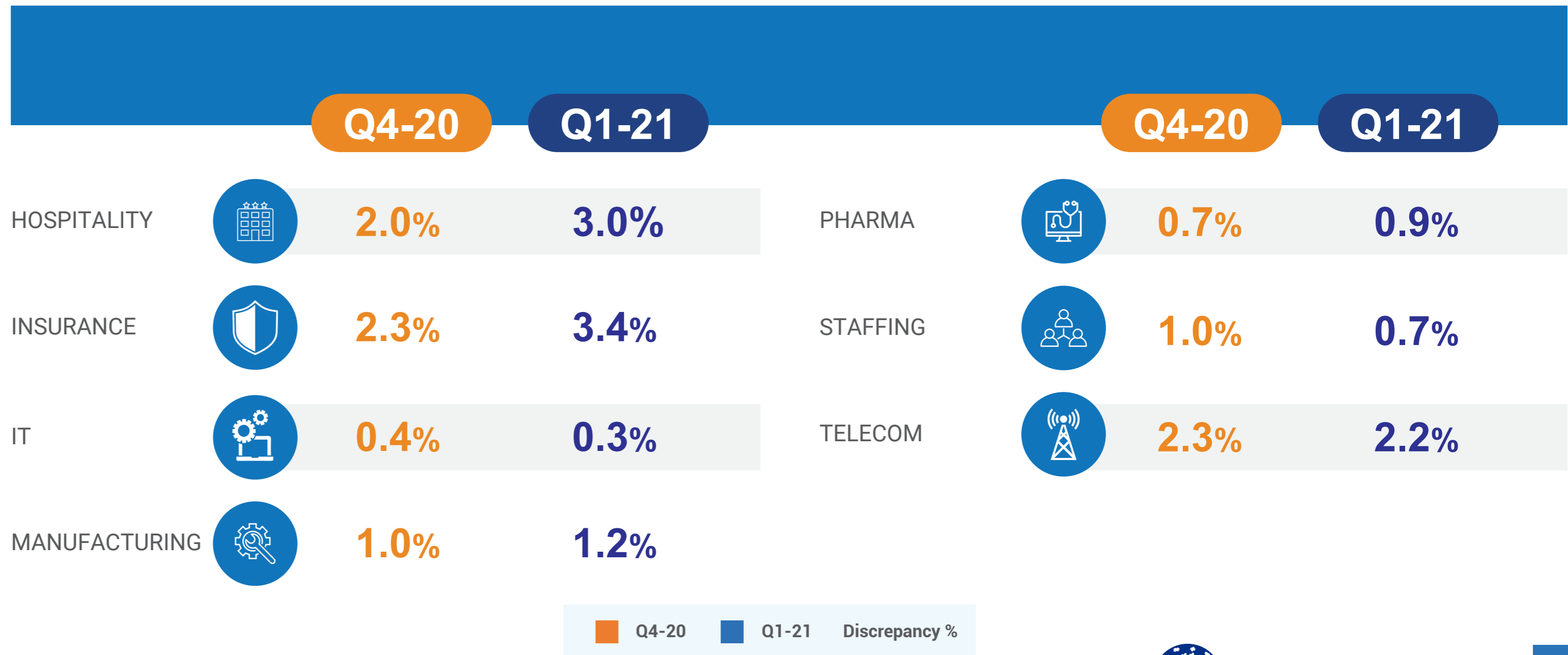


The Insurance sector shows a discrepancy percentage of 3.4 percent in the first quarter of 2021 as compared to 2.3 percent in the fourth quarter in 2020.



CHECK LEVEL TREND

2.A. Discrepancy Percentage -
By Industry by Component Education
[Q4-20 vs Q1-21]

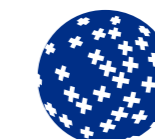
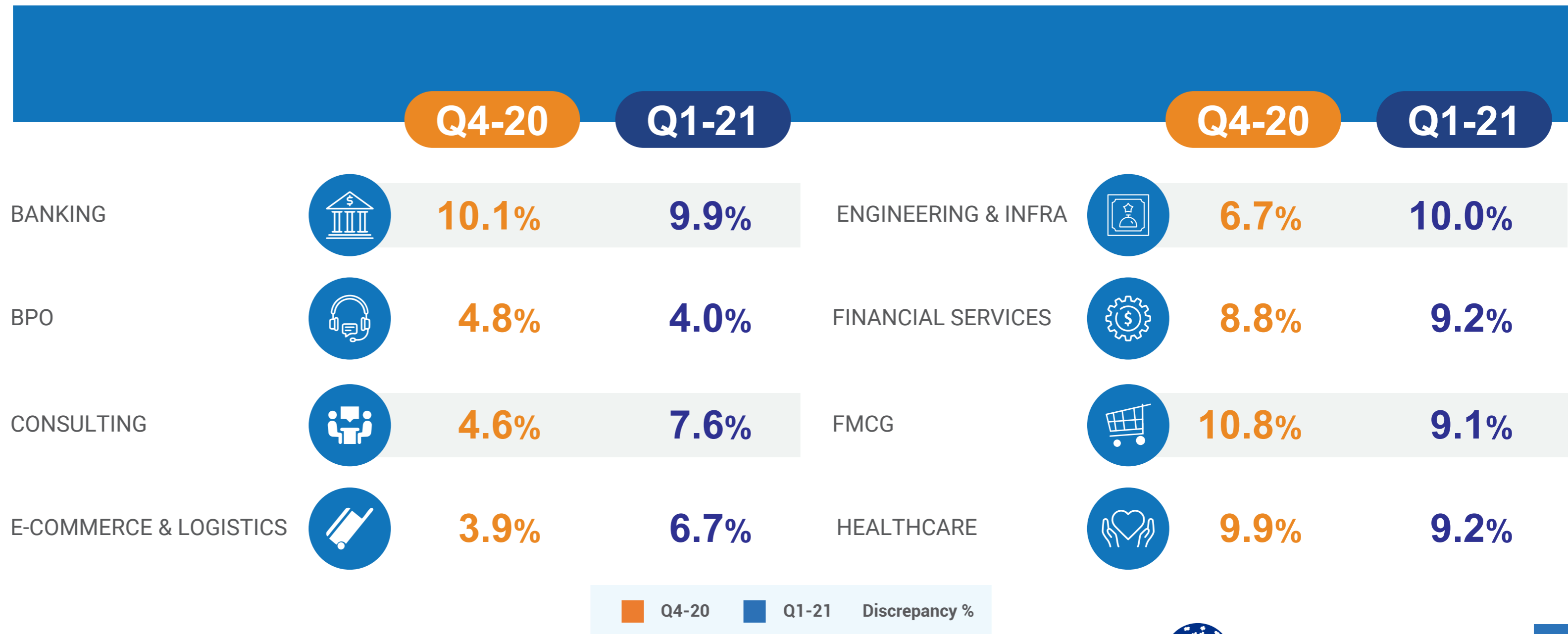


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2.B.Discrepancy Percentage - By Industry by Component Employment [Q4-20 vs Q1-21]



Employment component has witnessed high discrepancy percentages in most of the industrial sectors - especially in traditional sectors like Banking, Engineering & Infra, Financial Services, FMCG, Healthcare, Insurance, Telecom to name a few.

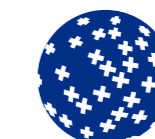
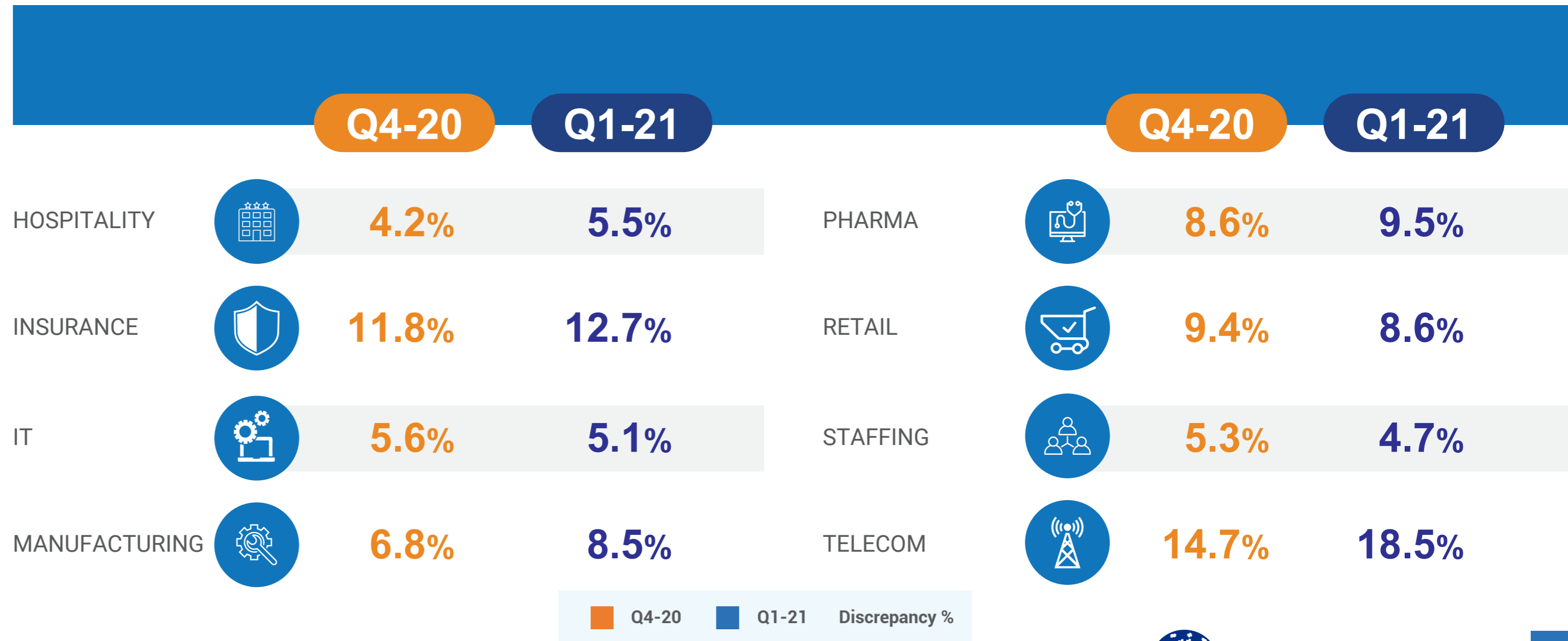


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2.B.Discrepancy Percentage -
By Industry by Component Employment
[Q4-20 vs Q1-21]



Out of every 100 Employment checks verified in the Telecom sector – 19 were discrepant in Q1-21.

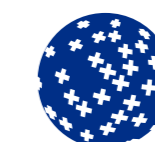
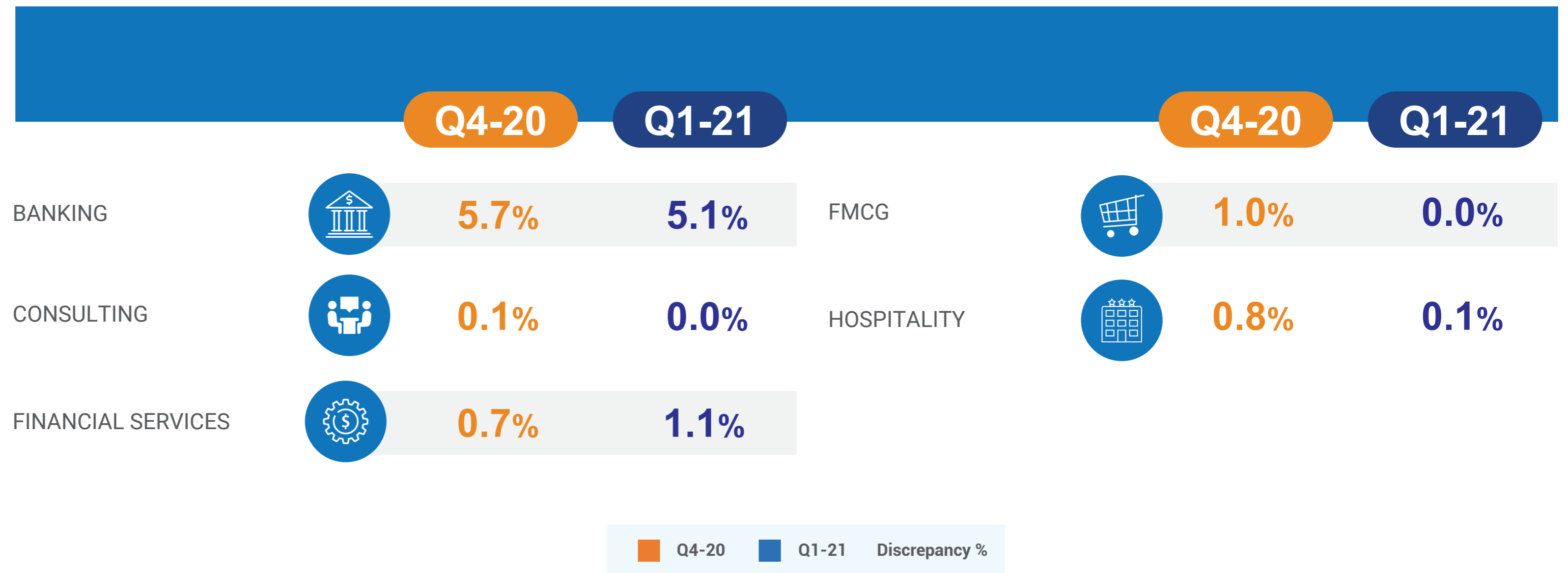


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2.C.Discrepancy Percentage - By Industry by Component Address [Q4-20 vs Q1-21]

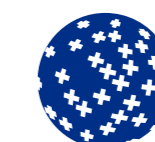
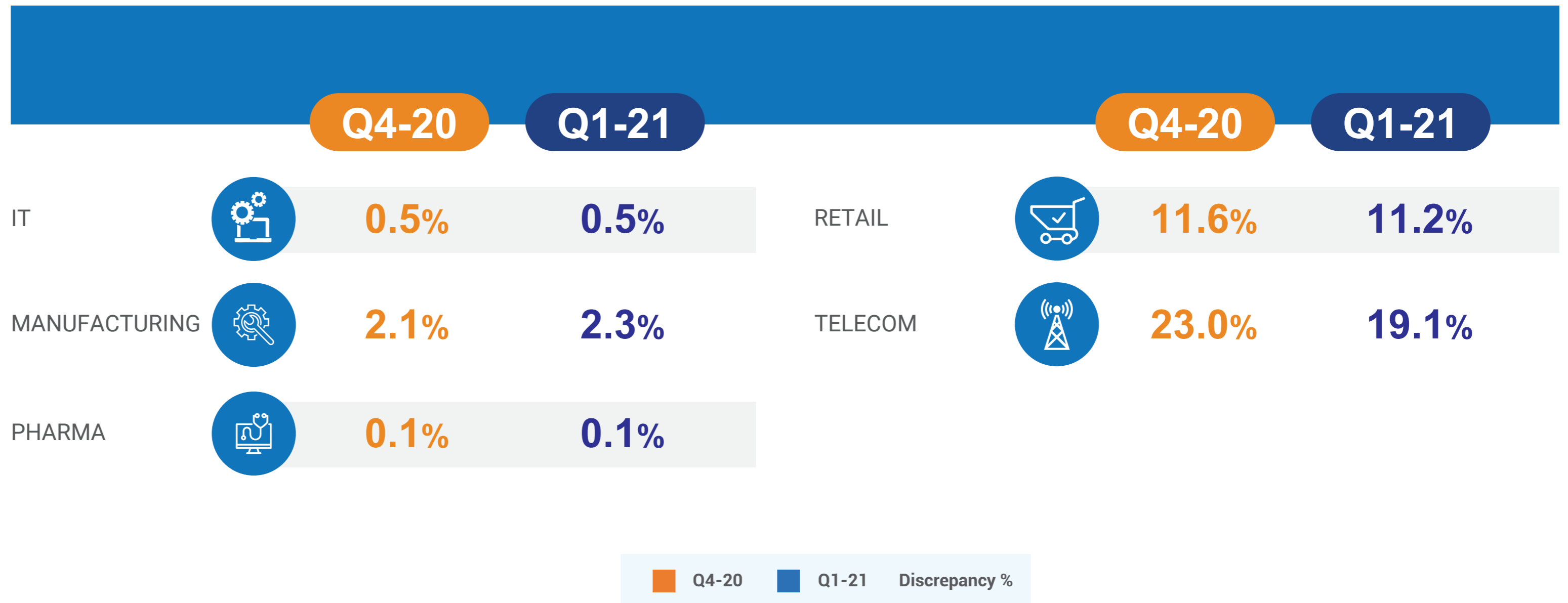


Address component has witnessed high discrepancy percentages in the Banking, Retail and Telecom sectors.



CHECK LEVEL TREND

2.C.Discrepancy Percentage By Industry by Component Address [Q4-20 vs Q1-21]



CHECK LEVEL TREND

3. Discrepancies

By Component across Zones in India and Overseas [Q4-20 vs. Q1-21]



The discrepancy trend across zones in India and Overseas has displayed an interesting spectrum.

The highlighting factors:

a) Discrepancy rate for Education checks were the highest in the Northern zone.

b) Discrepancy rates for Employment checks were very high in the Southern zone.

c) Discrepancy rates for Address checks were high in the Northern zone in this quarter.

Q4-20



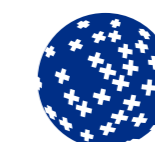
	EDUCATION	EMPLOYMENT	ADDRESS
NORTH	32%	23%	27%
SOUTH	27%	38%	35%
WEST	21%	26%	23%
EAST	17%	5%	14%
OVERSEAS	2%	8%	0.4%

Q1-21



	EDUCATION	EMPLOYMENT	ADDRESS
NORTH	30%	22%	31%
SOUTH	29%	39%	28%
WEST	21%	27%	29%
EAST	16%	4%	11%
OVERSEAS	4%	8%	0.4%

■ Q4-20
■ Q1-21
 Discrepancy %



CHECK LEVEL TREND

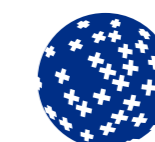
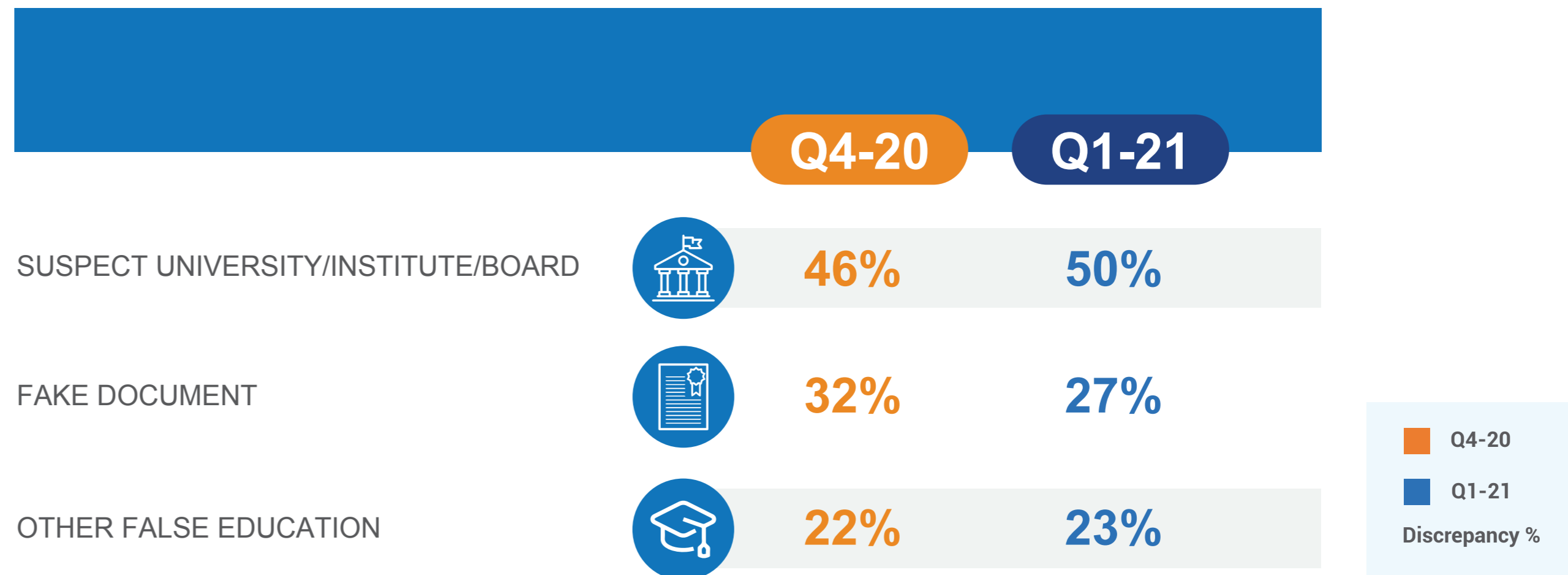
4.A. Categorization of Discrepancies By Component Education [Q4-20 vs. Q1-21]



A study of Education discrepancies shows a very interesting spectrum.

The discrepancy trend for Q1-21 depicts:

- Suspect Institution forms the biggest chunk in this quarter at 50 percent.
- Fake document was at 27 percent.
- Discrepancies like 'Other False Education 'were at 23 percent. Other False Education includes 'Did not officially complete the course, Registration or Credential or membership expired, etc.'

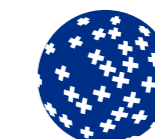
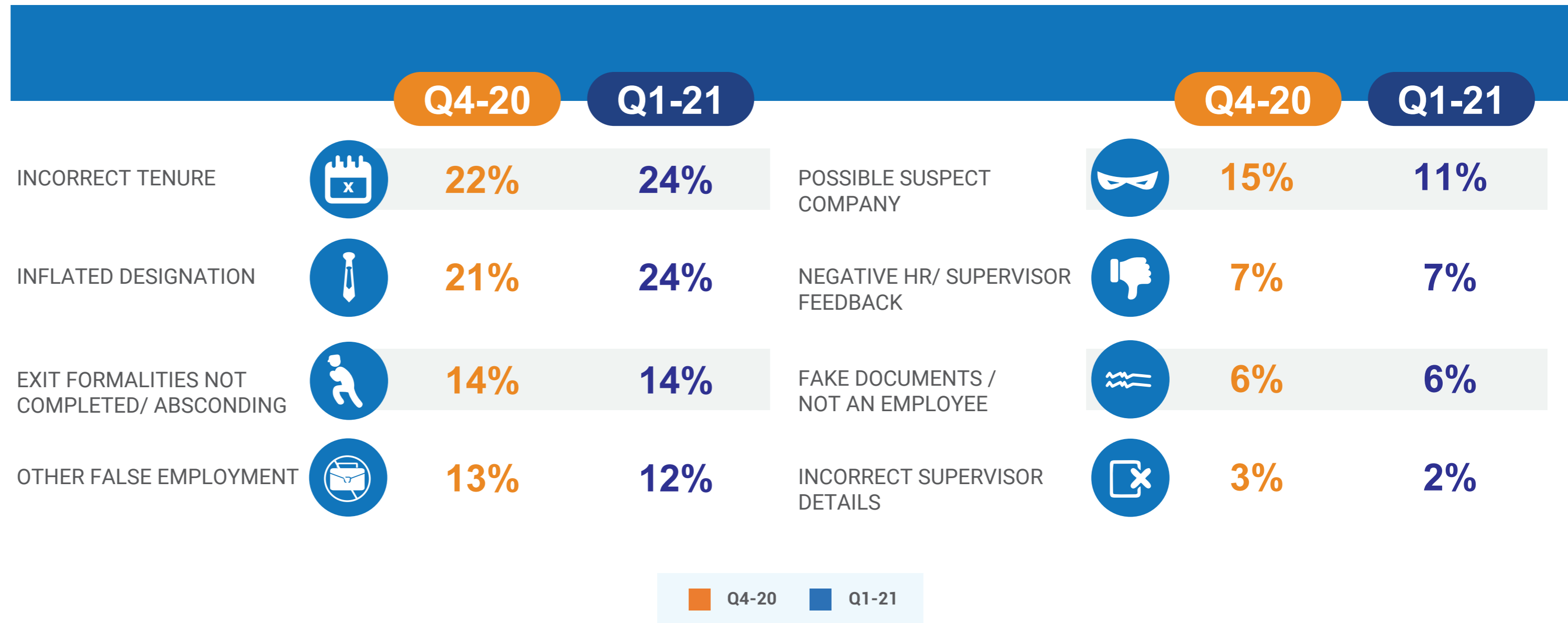


CHECK LEVEL TREND

4.B.Categorization of Discrepancies By Component Employment [Q4-20 vs. Q1-21]



In the first quarter of 2021, 'Incorrect Tenure' has topped the graph at 24 percentage. It is followed by 'Inflated Designation' at 24 percentage and 'Exit Formalities Not Completed/Absconding' at 14 percentage. 'Other False Employment' was at 12 percentage. Other False Employment includes 'Incorrect Employee Code, 'Not Eligible for rehire, Active Employee, etc.'



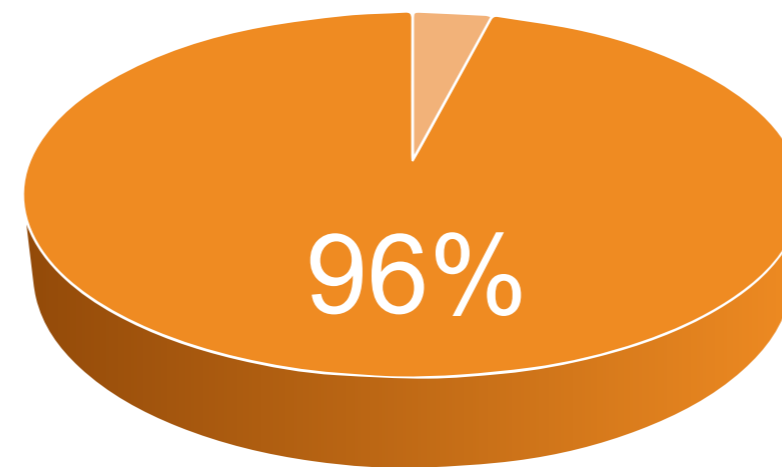
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4.C.Categorization of Discrepancies By Component Address [Q4-20 vs. Q1-21]



Q4-20

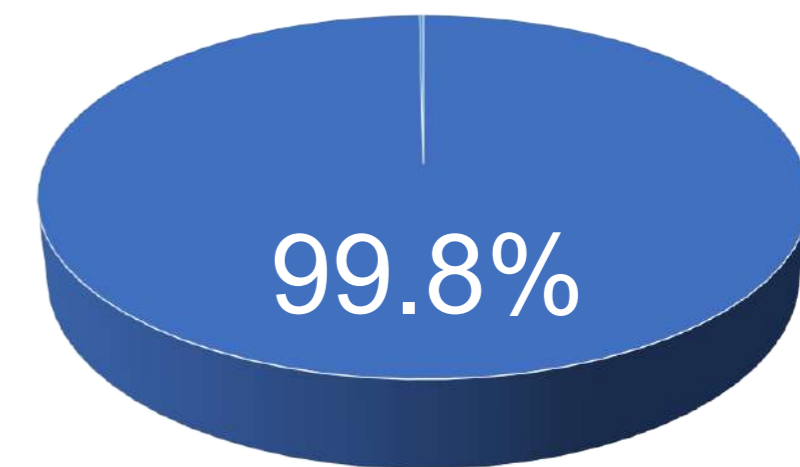
4%



- PERIOD OF STAY
- NOT RESIDING AT ADDRESS

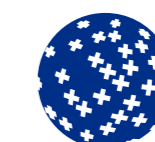
Q1-21

0.2%



- PERIOD OF STAY
- NOT RESIDING AT ADDRESS

In the first quarter of 2021 'Period of Stay' forms the biggest chunk of discrepancies at 99.8 percent.



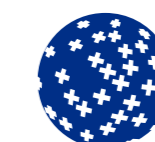
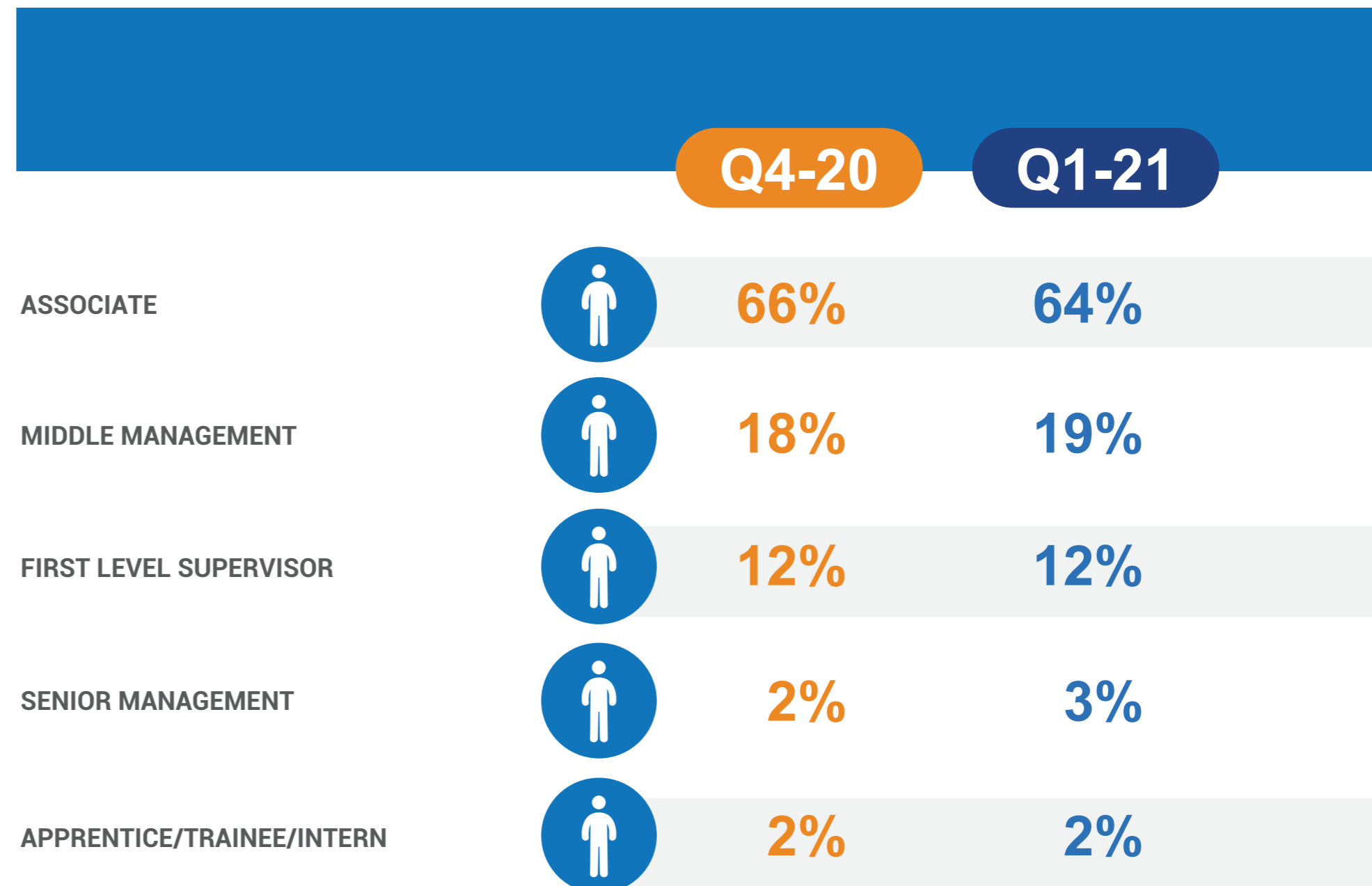
CASE LEVEL TREND

5.A. Discrepancies - By Employee Category [Q4-20 vs. Q1-21]

In the first quarter of 2021 - Associate level discrepancy continues to top the graph at 64 percent.

It is followed by Middle Management at 19 percent and First Level Supervisor at 12 percent.

The graph depicts the Senior Management employee level discrepancies at 3 percent.



CASE LEVEL TREND

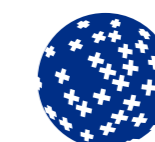
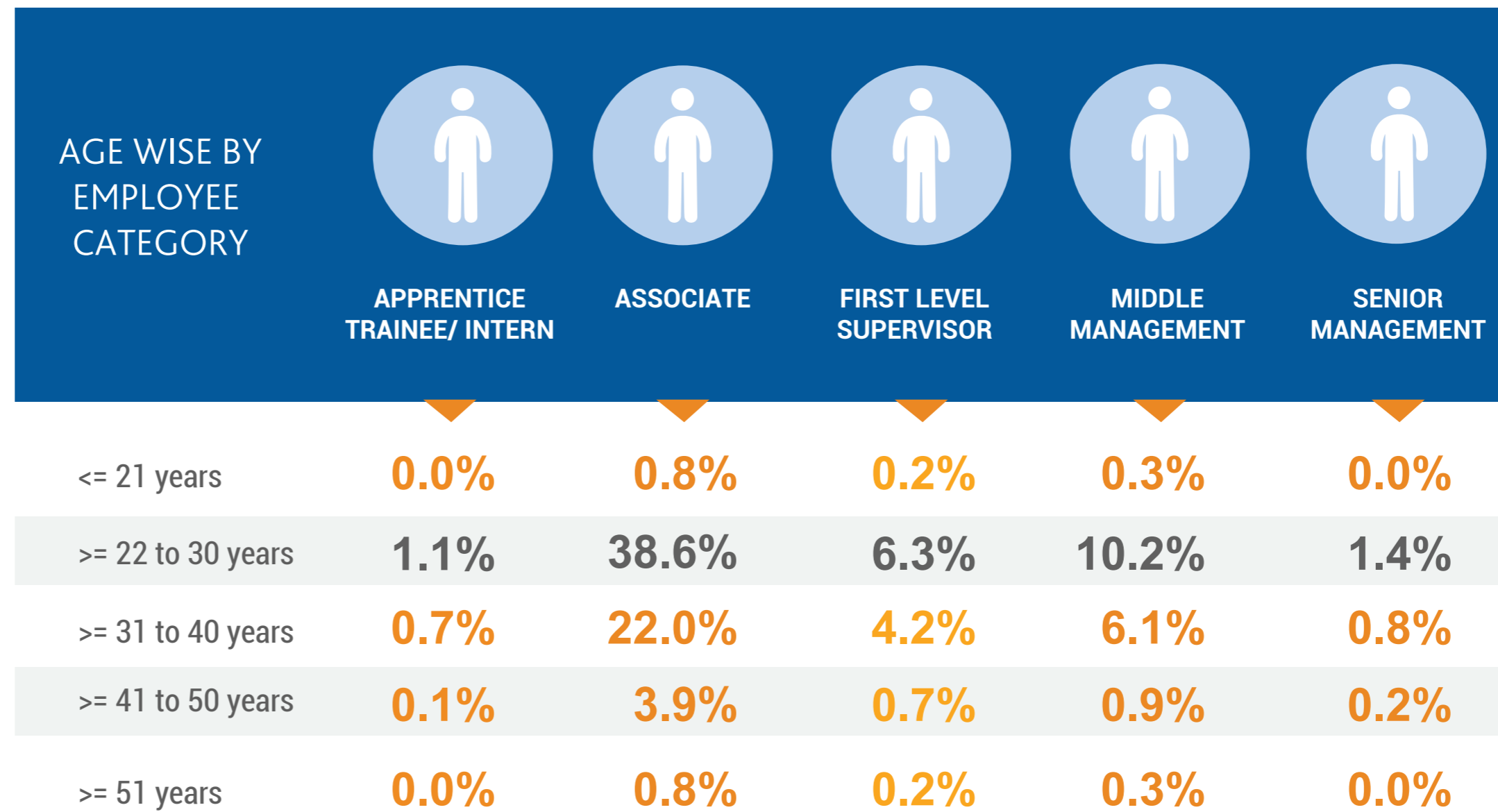
5.B.Discrepancies - By Employee Category By Age [Q4-20 vs. Q1-21]

Q4-20

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 38.6 %

Highest number of discrepancies have occurred in the > = 22 to 30 years age bracket in all the employee levels.



CASE LEVEL TREND

5.B.Discrepancies - By Employee Category By Age [Q4-20 vs. Q1-21]

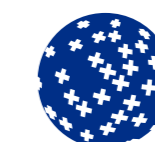
Q1-21

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 36.3 %

Highest number of discrepancies have occurred in the > = 22 to 30 years age bracket in all the employee levels.

AGE WISE BY EMPLOYEE CATEGORY	APPRENTICE TRAINEE/ INTERN	ASSOCIATE	FIRST LEVEL SUPERVISOR	MIDDLE MANAGEMENT	SENIOR MANAGEMENT
<= 21 years	0.0%	0.3%	0.0%	0.1%	0.0%
>= 22 to 30 years	1.1%	36.3%	6.7%	10.2%	1.5%
>= 31 to 40 years	0.7%	22.8%	4.1%	7.3%	1.1%
>= 41 to 50 years	0.1%	4.1%	0.7%	1.2%	0.2%
>= 51 years	0.0%	0.7%	0.2%	0.2%	0.0%



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6. Verification Success % [Q4-20 vs. Q1-21]

First Advantage's verification success percentage is as high as 99 percent.

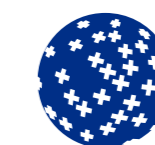
Only a miniscule 1 percent of the checks are tagged as Unable to verify wherein the Verifying authorities refuse to provide verifications in spite of several requests.



Q4-20



Q1-21



ALTERNATE METHODS OF VERIFICATION –

The COVID-19 pandemic is changing the way we approach employment background checks. While many companies have reduced hiring or implemented a hiring freeze, there are organizations hiring as usual – and in some industries, many are even ramping up.

To meet the hiring needs, companies transferred the verification process from standard to digital mode of verifications for address and Employment checks respectively.

DIGITAL ADDRESS

Alternate mode of address verification using digital methodology, thus enabling a fast, reliable validation of the address provided by candidates:

An automated solution which uses advanced GPS technology to match the geographic coordinates of the address provided by the candidate with the co-ordinates captured via the mobile device from where the candidate is physically present.

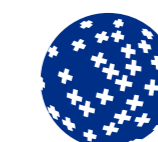


EMPLOYMENT THROUGH PAN & TAN VALIDATION

Validation of a candidate's association as an employee with the concerned employer through linkage between PAN of the candidate and TAN of the employer in the TDS records available on TRACES portal

EMPLOYMENT THROUGH UAN VALIDATION

Using the UAN, validation of candidate's association with the employer and the dates of enrollment using the EPFO portal for records

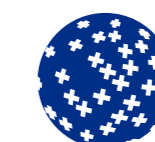
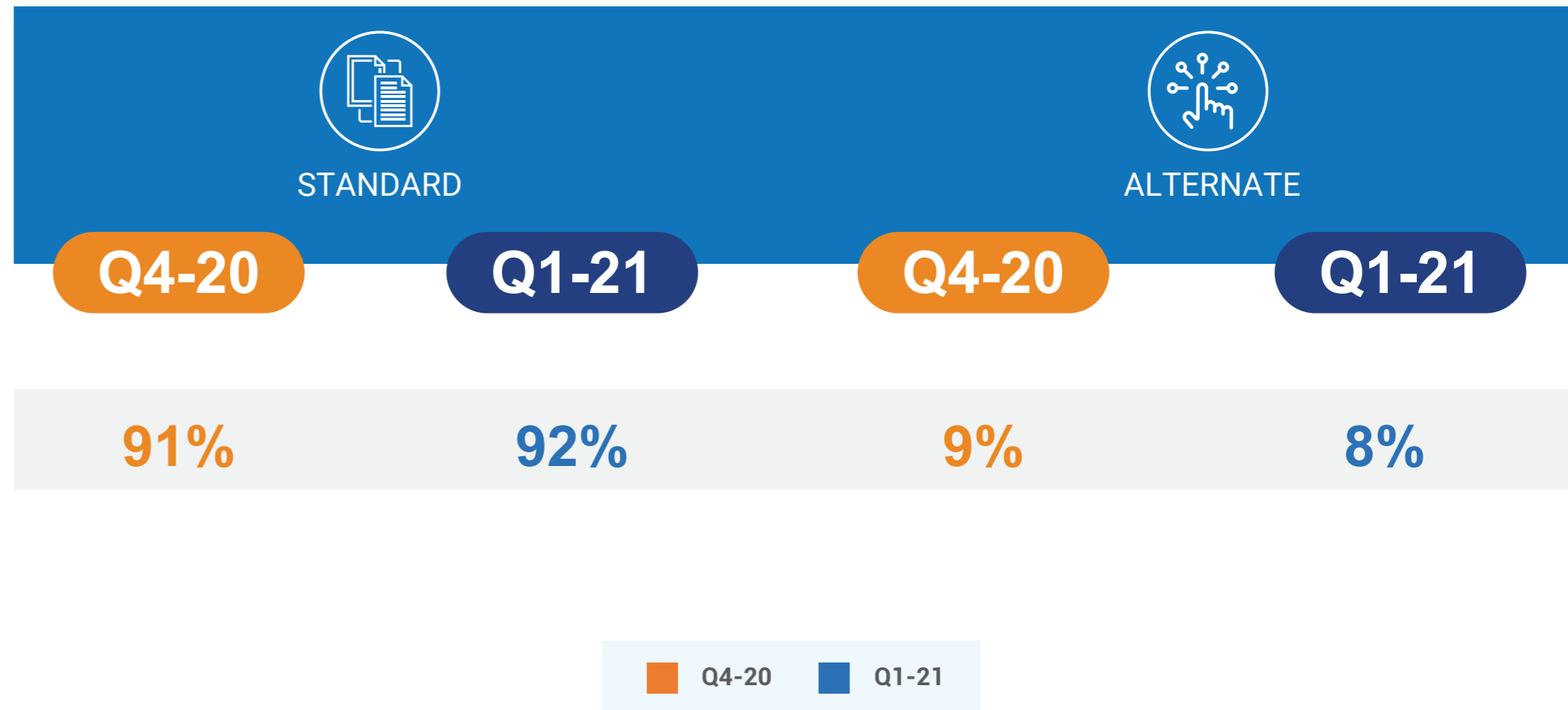
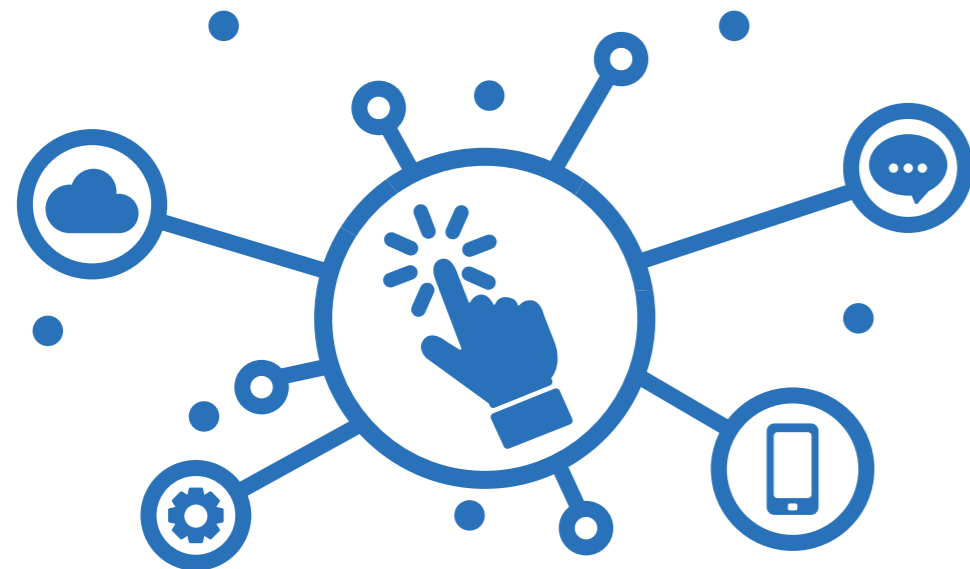


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7.A.1. Alternate Modes Of Verification: Component Employment [Q4-20 vs. Q1-21]

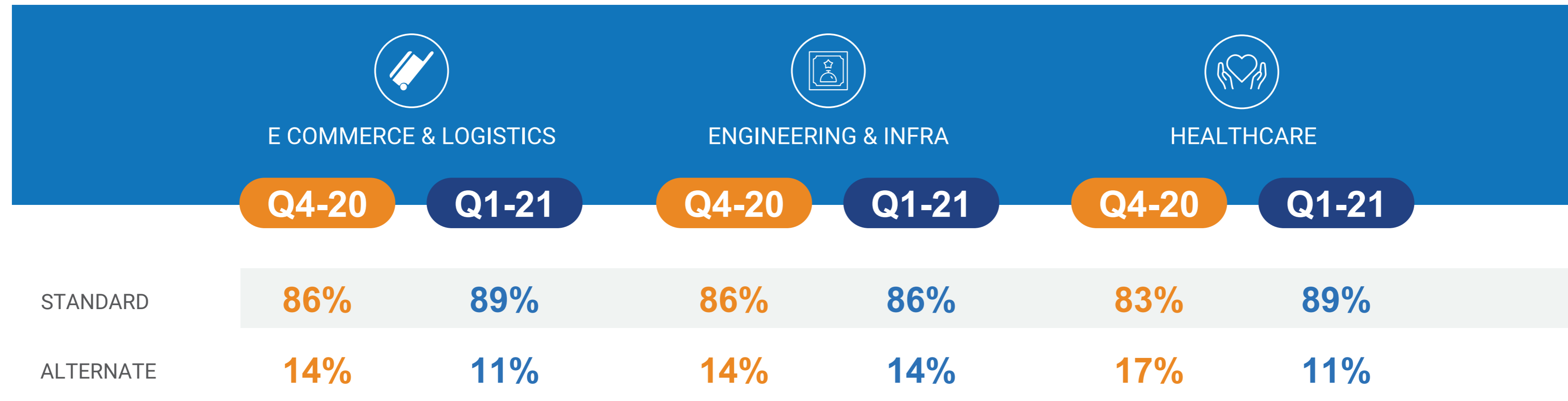


08 out of every 100 Employment verifications were conducted through the alternate modes of verification.

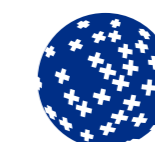


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7.A.2. Alternate Modes Of Verification:
Component Employment By Industry
[Q4-20 vs. Q1-21]

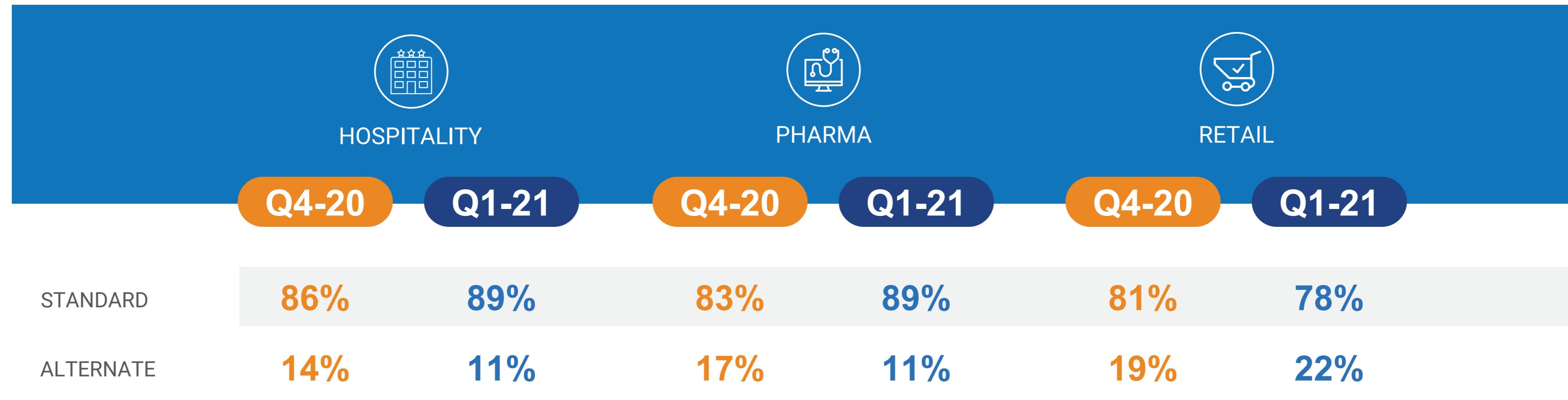


In the first quarter of 2021 in the Employment component – many sectors individually like *E-Commerce & Logistics, Engineering & Infra, Healthcare, Hospitality, Insurance, , IT, Pharma & Retail* to name few - have shown higher inclination to alternate modes of verification as compared to the industry average of 08 percent.



CHECK LEVEL TREND

7.A.2.Alternate Modes Of Verification:
Component Employment By Industry
[Q4-20 vs. Q1-21]



The leaning in the Retail sector has increased towards alternate modes of verification from 19 percent in Q4-20 to 22 percent in Q1-21.

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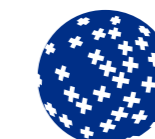
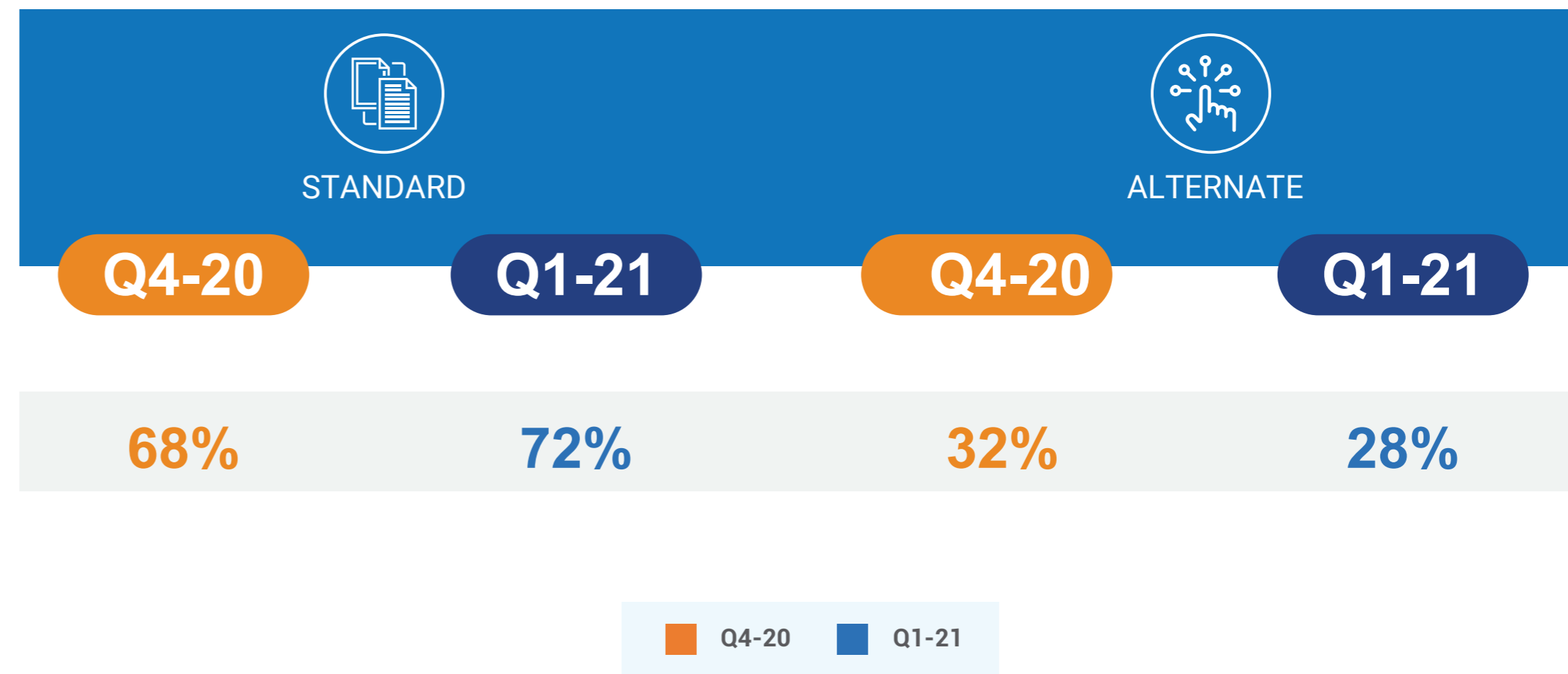
7.B.1. Alternate Modes Of Verification: Component Address [Q4-20 vs. Q1-21]



As we delve deeper into data to comprehend the changes that have swept through industrial sectors primarily through a background screening industry perspective, two things become quickly visible – Darwinian’s evolutionary theory of survival of the fittest and the ability to quickly adapt to change in vastly uncertain times worldwide.

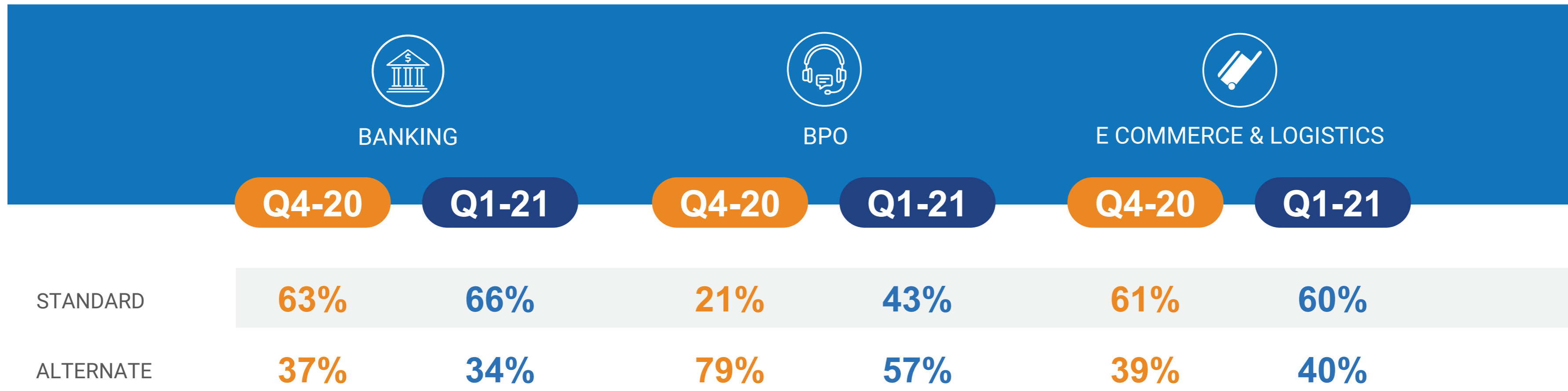
Alternate modes of verification in the Address component is a good example of how First Advantage- not only identified but moved swiftly from the standard modes of verification to alternate modes.

In Q1-21, 28 out of every 100 Address verifications - were conducted through alternate modes of verification.



CHECK LEVEL TREND

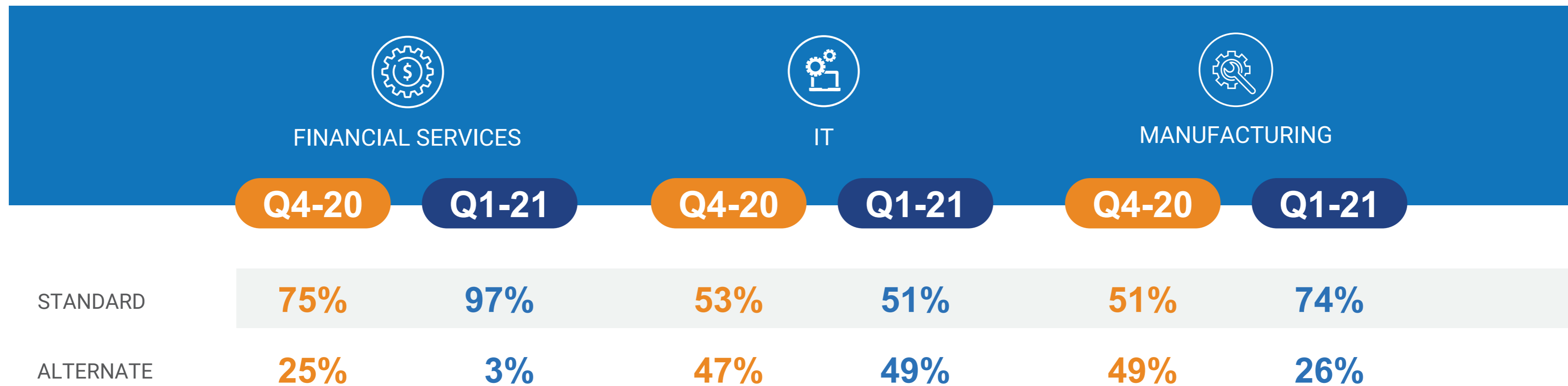
7.B.2.Alternate Modes Of Verification: Component Address By Industry [Q4-20 vs. Q1-21]



Almost all the industrial sectors - surprisingly traditional sectors like *Banking, BPO, IT, Manufacturing*, to name some and new sectors like E-Commerce & Logistics have adapted to the alternate mode of verification in the Address component.

CHECK LEVEL TREND

7.B.2. Alternate Modes Of Verification: Component Address By Industry [Q4-20 vs. Q1-21]



Industrial sectors like *Banking, BPO, Consulting, E-Commerce & Logistics, IT* are some of the sectors which have moved to alternate modes more swiftly than the other sectors.

Financial Services & Insurance have defied the conventional trends – they have gone back to the standard modes of verification in Q1-21.

8. CASE LEVEL INFLOW

[Q1-20 vs. Q1-21]

The case level inflow in the first quarter of 2021 has showed very heartening trends with volumes increasing steeply. The study of the volumes displays recruitment and background screening trends coinciding with the pre-covid cyclical trends of job markets.

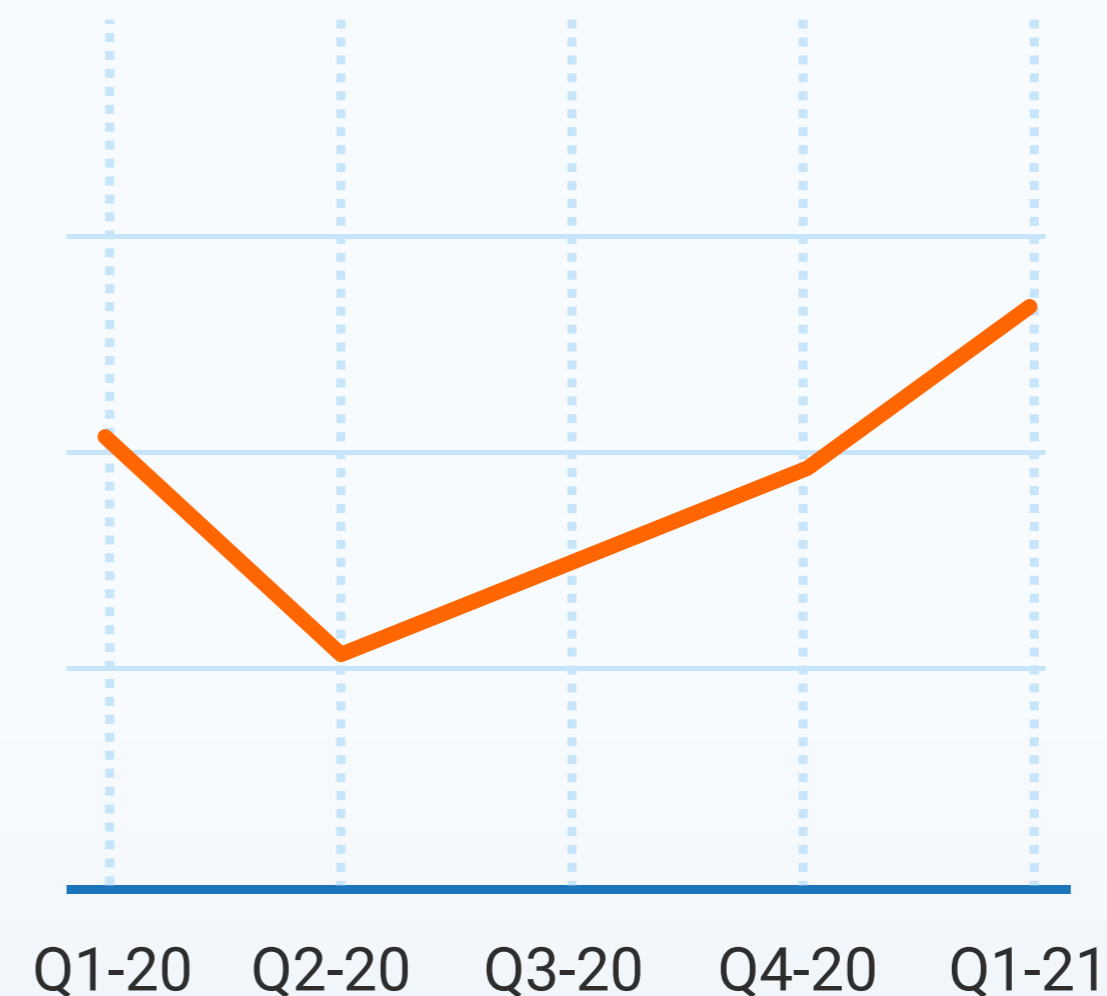
The inflow of cases have risen by 7 percent in the first quarter of 2021 as compared to the first quarter of 2020.

The first quarter of 2021 has also shown an increase of 28 percent as compared to the fourth quarter of 2020.

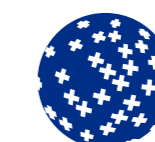
There is light at the end of the tunnel – only we do not know the length of the tunnel as of now! Even as we thought we could see a faint glimmer of light, there is ambiguity looming in the form of second wave of Covid and ensuing lockdowns.

V-Shaped Recovery

The underlining trend in the volume story overall clearly depicts that the markets had bottomed out in 2020.



Sectors like *BPO, Consulting, E- Commerce & Logistics, Engineering & Infra, Insurance, IT, Telecom* have not only recorded a sharp recovery but have actually shown the first quarter of 2021 in a much higher volumes as compared to the first quarter of 2020.



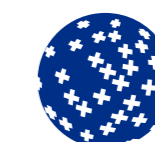
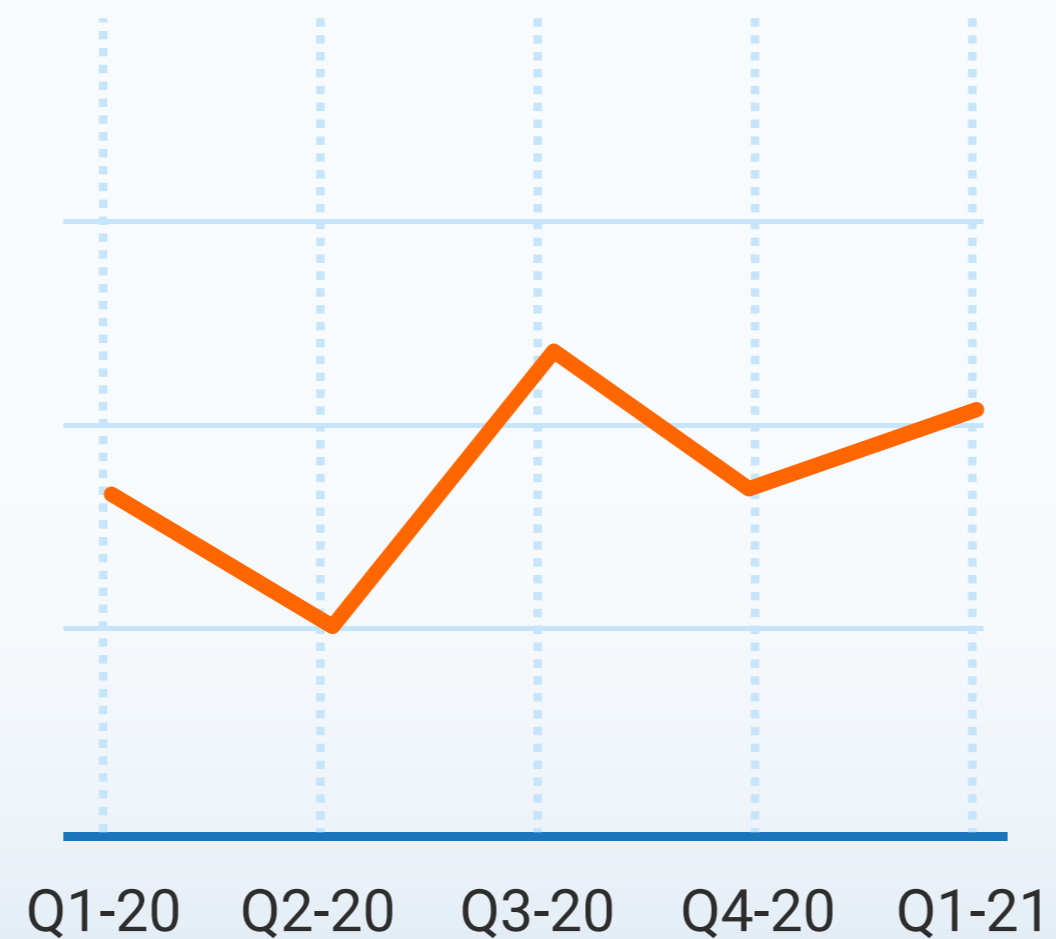
8. CASE LEVEL INFLOW

[Q1-20 vs. Q1-21]

W-Shaped recovery

We have sectors like *Pharma* and *Staffing* showing a W-shaped recovery.

The *Pharma* sector has recovered quickly in Q1 this year after a fall in Q4 last year. The inflow has risen by 22 percent in the first quarter of 2021 as compared to the first quarter of 2020.

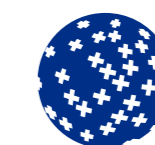
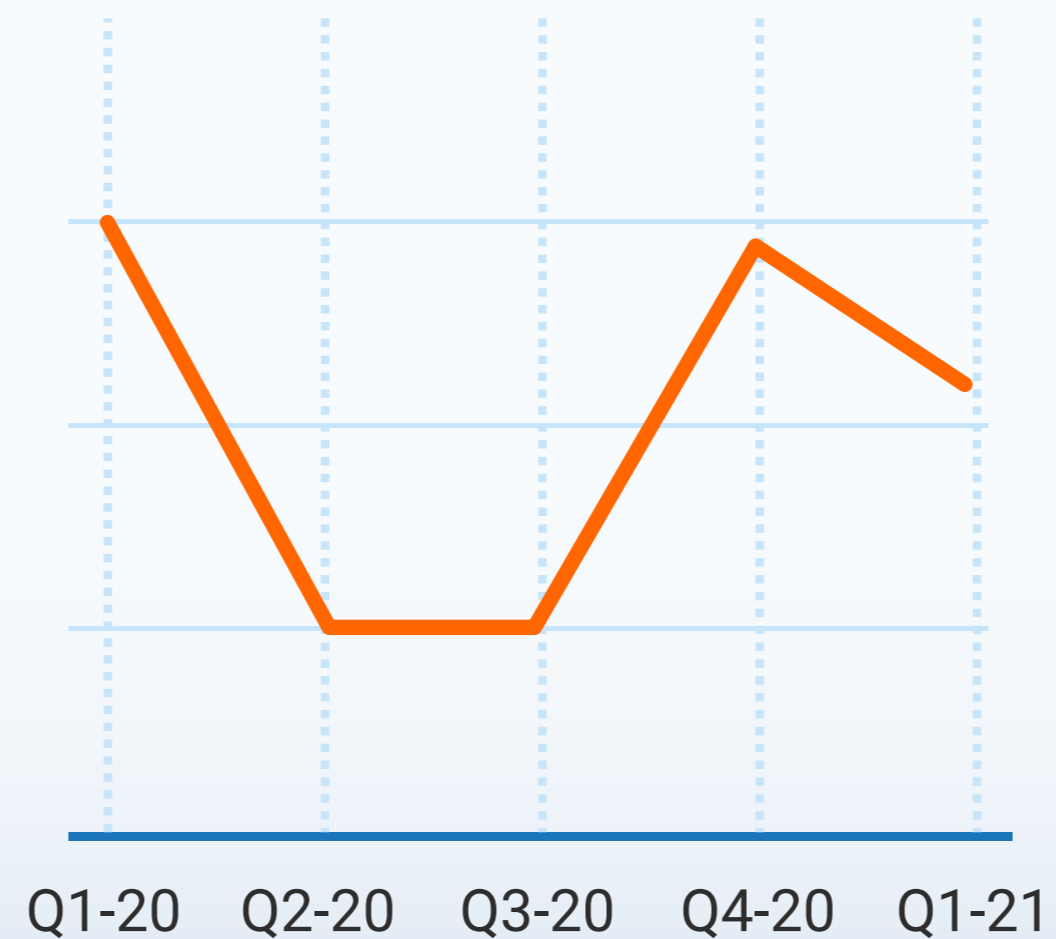


8. CASE LEVEL INFLOW

[Q1-20 vs. Q1-21]

Zigzag trend

Sectors like *Healthcare, Manufacturing and Retail* are following the wait and watch sort of trends - wherein volumes had picked up in Q4 last year after a fall, now again they are showing a slight fall in Q1 this year. This trend could also imply that the impact of the second wave has affected these sectors more quickly than the others.



VENDOR SCREENING

Our vendor screening has been further strengthened by including financial assessment for your vendors/partners

Financial assessment based on the information / documents sourced from various public domain. Contains information like Registration details, Director and Shareholder Details, GST details, Summary of financial statements of last three FY's.

Vendor Screening Solutions helps in minimizing a company's potential liability by screening current agencies, prospective customers, vendors and suppliers. These solutions also help businesses take decisions to expand operations by verifying vendor's credentials.



Company Verification
Online Research



Company Verification
Site Visit



TAN
Validation



Validation of Certificate
of Incorporation



Court Record
Search



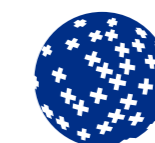
Financial
Assessment



India Database
Checks



Global Database
Checks

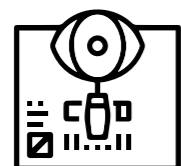


FUTURE OF BACKGROUND VERIFICATION INDUSTRY



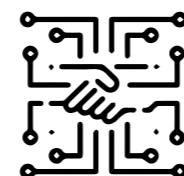
1 ATS TRACKING SYSTEM INTEGRATION

Initiate Background Verification from within your ATS to streamline the process and reduce Turnaround Time



2 DIGITAL CONSENT

Digital consent form helps in getting Candidate information quickly and to easily start the Background Verification process.



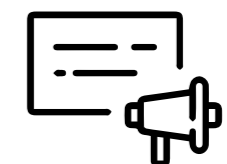
3 REVIEW OF BACKGROUND VERIFICATION PROCESS

Filtering the report as per your business needs and concentrating on the specific requirements to help fast track your hiring process.



4 AUTOMATED STATUS NOTIFICATIONS

Automated status notifications ensuring real time process updates and access to current Background Verification status to employer and candidates.



SUCCESS FACTORS



Few experiences shared by our clients for our services

We are pleased with the quality of work that FADV has rendered to us. Their online verification systems are very critical to our company's operations and will definitely recommend their services because of professionalism, customer service and reliability. Staff members are quick in responding to any queries, have been courteous and focused on the needs of our business. We wish all the more success to FADV and look forward to a long term association not just domestic but globally as well

BGV Head, Brillio

CGI has been using FADV services since 2006, the quality of service and response has been extremely above expectations. They have a global reach with solutions which is customer friendly and accurate. Relationship with the account managers and the account leads are very proactive. We look forward for a greater partnership.

HR and BGV, CGI

On behalf of Artech, I would hereby like to appreciate FADV for the outstanding support towards achieving our business goals, especially during the pandemic situation of COVID. The SPOCs had always been available round the clock without a hitch, which is commendable. Artech looks forward to a continued long and fruitful relationship with FADV.

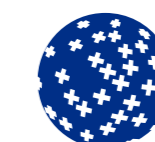
Sr. Manager Human Resources, Artech

We have been using FADV services since 2016. The service of FADV is very efficient in every aspect of BGV. Their timelines and enhanced checks with a user friendly portal is recommendable. The account managers and the entire team are extremely proactive and address the queries as needed. FADV's service quality and accountability is extremely satisfying.

HR and Head of BGV, Mavenir (India) Pvt. Ltd

Excellent services, extremely customer friendly, Quick turnaround time, accurate & timely results.. They give us some good advises which also enhances our knowledge.

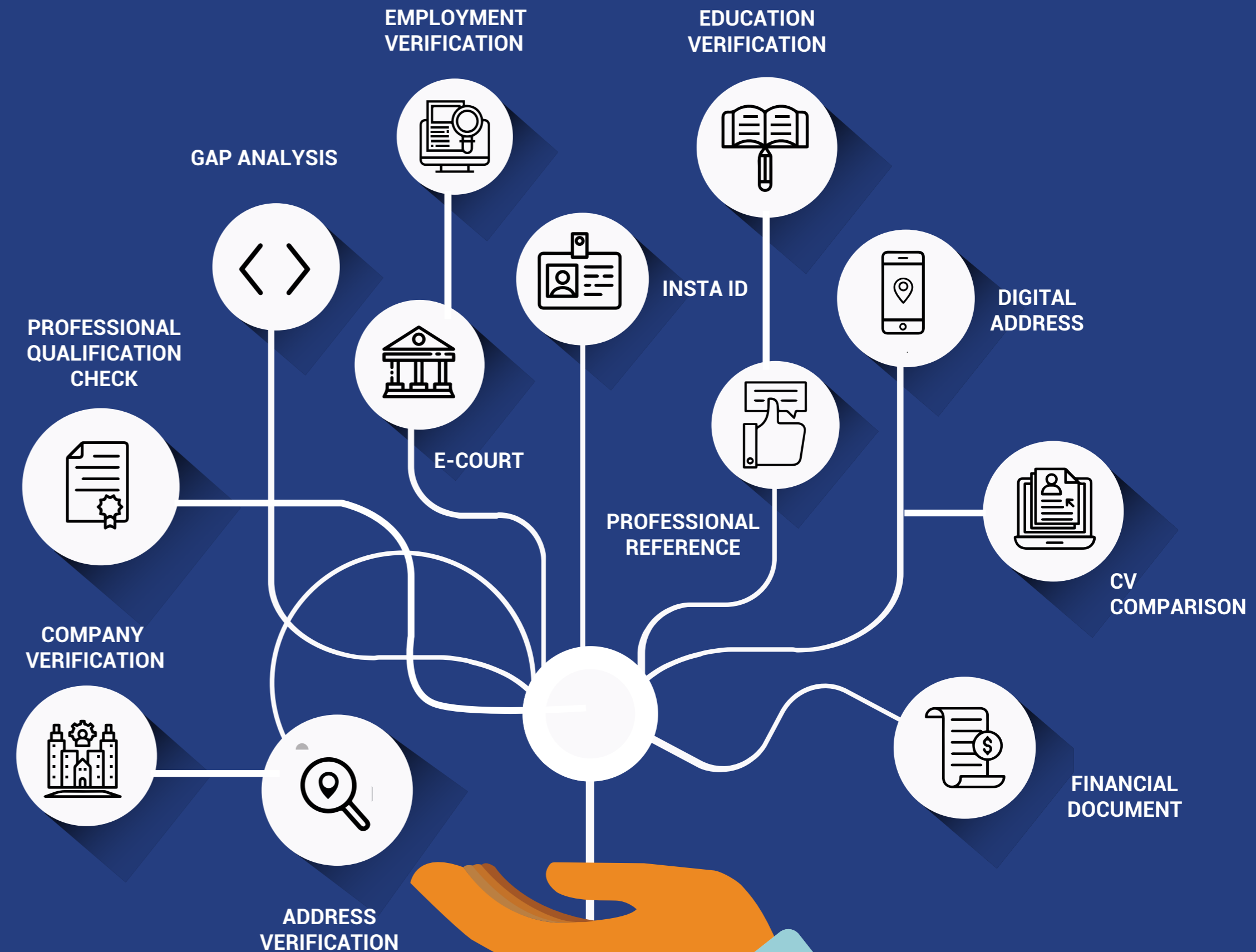
Head of BGV, Mindtree Ltd

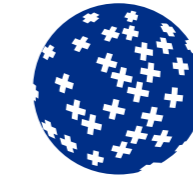


FADV CAPABILITIES AND SERVICES

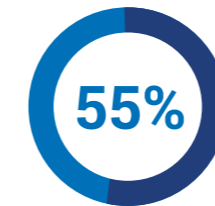
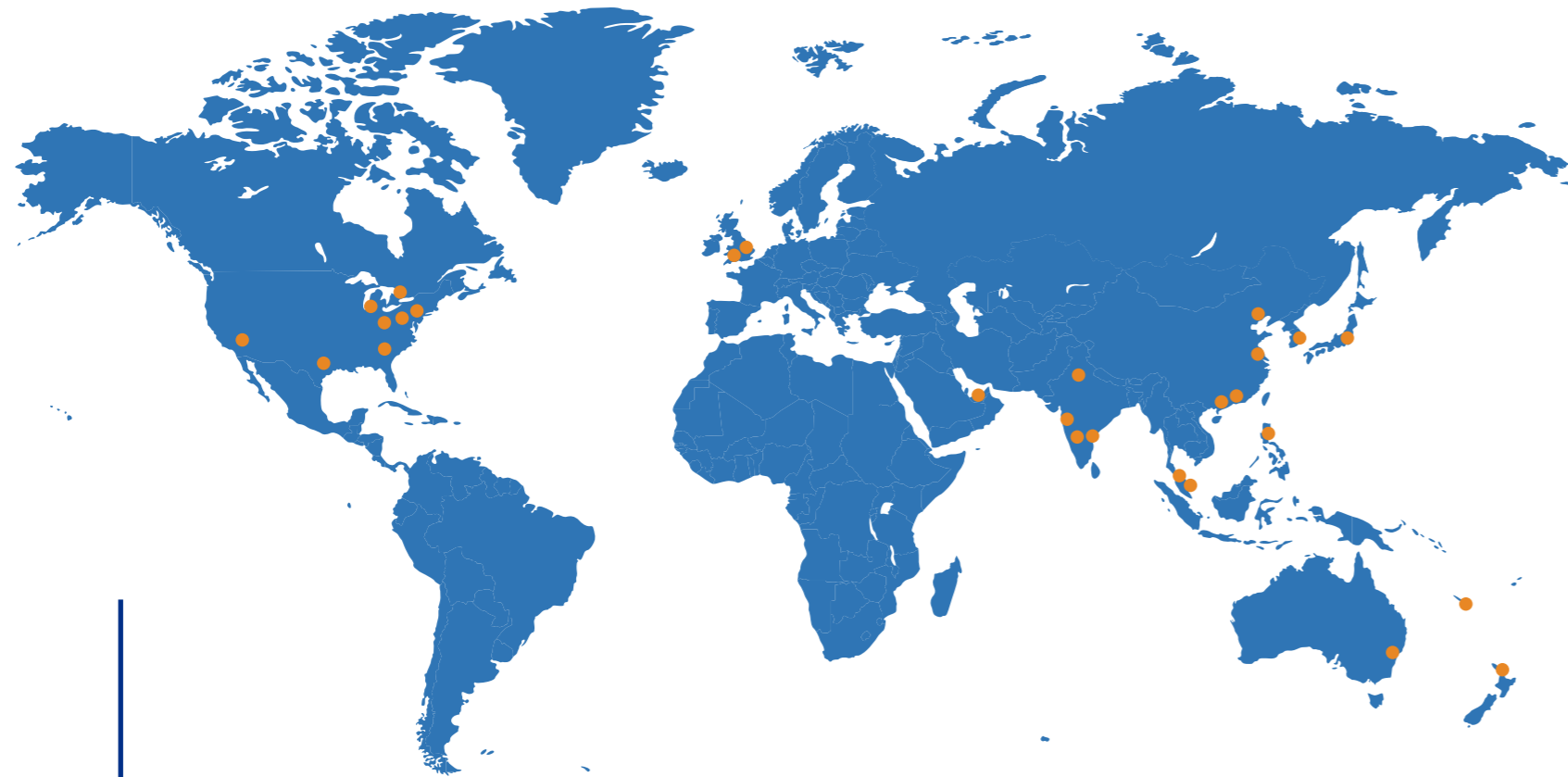
Our verifications determine whether the information provided by a candidate is accurate. Common inaccuracies include grades achieved, positions held and length of employment - all of which can have a significant impact on a candidate's ability to perform effectively in their role. We always contact former employers / institutions directly, rather than the individual provided by a candidate, to avoid the possibility of speaking to someone masquerading as a legitimate referee.

Digital Onboarding is a solution for any organization in order to adhere to social distancing norms. The service assures efficient online onboarding of the candidate, removes the hassle of paperwork and further eliminates the need of the candidate's physical presence.

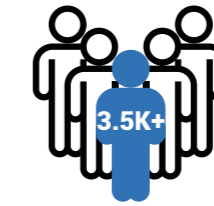




ABOUT US



55%
of Fortune 100 trust FADV



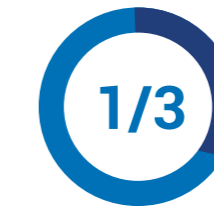
3500+
Employees Around the World



12 years
Average Customer Tenure



75 million +
Background Checks Annually



1/3
of Global 500 trust FADV



30k+
Active Customers

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.

WE ARE YOUR



First Advantage