



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

# FOREWORD

OCTOBER TO DECEMBER-2021

“

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

”



Dear Readers,

The world news in the last few weeks has been difficult. As a result of the geopolitical situation, Industries have been impacted and businesses are relying on technology to streamline their operations.

Since businesses are pursuing a variety of expansion strategies, it has created a strong demand for skilled talent in the market. Organizations all around the globe have chosen digital transformations to increase the agility and speed of their processes. Widening skills shortages and the need to fill positions has rapidly increased. Employee background checks is the pressing need to bring in superior talent with the right capabilities and legitimate credentials to mitigate potential risk at workplace.

First Advantage ventured into a digital journey with integrated technology in our day-to-day operations. Our digital work environment is created to assist our clients' hiring needs by increasing both quality and efficiency. Our primary focus is on improving client onboarding experience, lowering delivery cycle times and enhancing quality performance which helps our clients to **"Onboard faster. Hire smarter"**. Looking ahead, we are focusing on product-centered innovation, ensuring that our customers' requirements are met.

## Highlights

- In Q4-21, sectors like Banking, Financial Services, Engineering, FMCG, Healthcare, Manufacturing, Pharma and Telecommunication has witnessed major discrepancy which is higher than the **overall** average of 8.5%
- Employment component has witnessed higher inclination to alternate modes of verification in sectors like IT, Engineering, FMCG, Hospitality and Retail as compared to the industry average of 14% in Q4-21

Please feel free to drop me a note in case you are looking for any specific information in our next trends report and we will do our best to incorporate them.

Always, proud to be of service to you!

## AMIT SINGH

Head – Commercial  
First Advantage India  
Amit.Singh3@fadv.com



# 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.

## Possible Suspect

Any organization or company whose credentials might not be genuine.

## Component(s)

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

## 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.

## 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.

## 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].

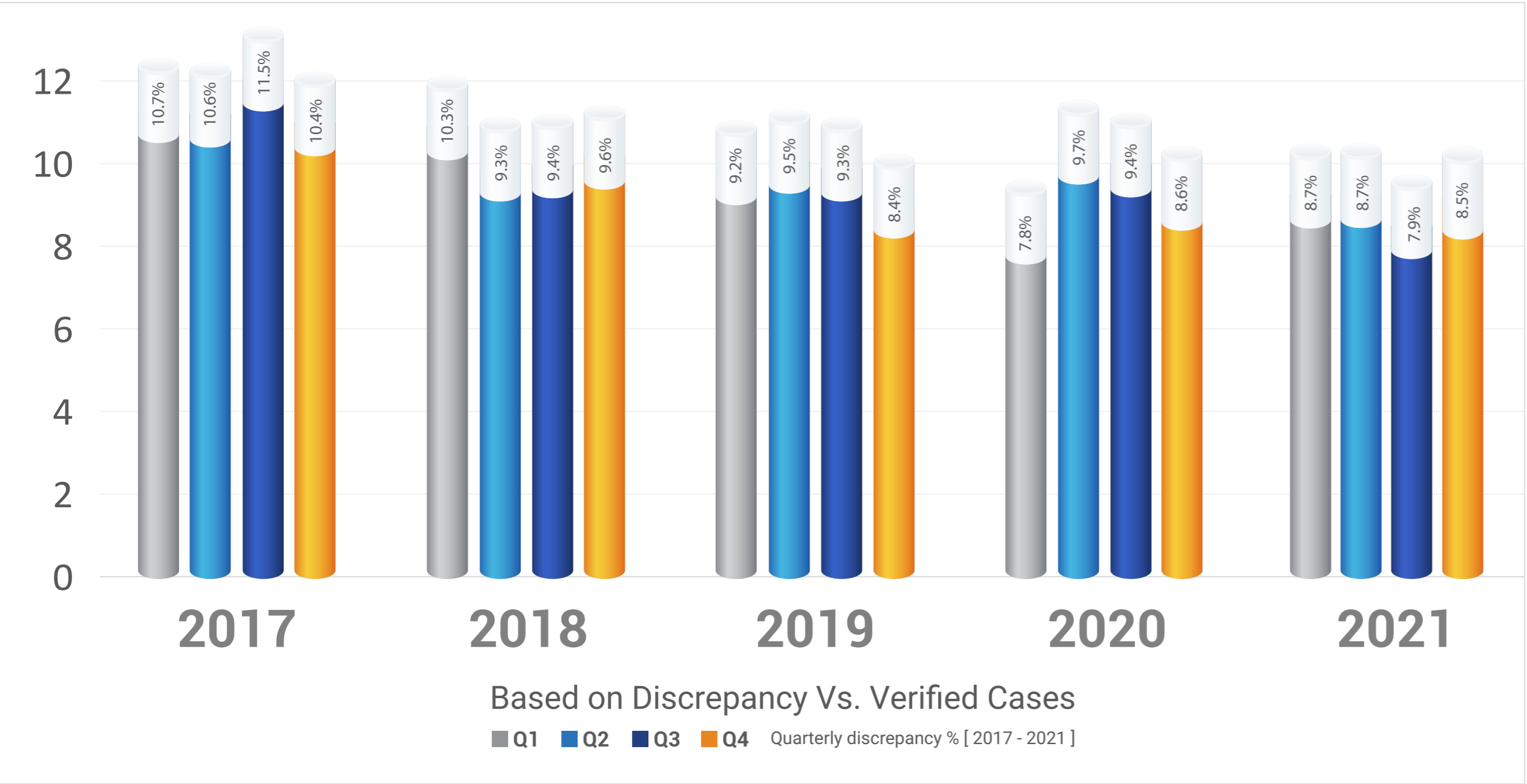
Depending on a predefined matrix followed by the client, either as standardized by First Advantage or a client customized matrix - a disconnect identified [Discrepancy] would be categorized as major or minor discrepancy, suspect, [Possible Suspect], etc.

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# CASE LEVEL TREND

## 1.A. Discrepancy Percentage By Quarter [Q1-17 to Q4-21]



Based on our Q4-21 Case Level Quarterly Discrepancy Analysis the discrepancy percentage is at 8.5 percent.

According to the discrepancy versus verified percentage in 2017 it 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. Considering 2021 it remains at 8.5 percent respectively.



# CASE LEVEL TREND

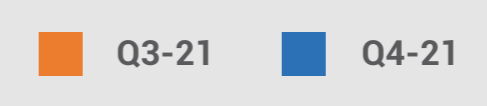
## 1.B. Discrepancy Percentage - By Age [Q3-21 v/s. Q4-21]

		AGE BRACKET	<= 21 years	>= 22 to 30 years	>= 31 to 40 years	>= 41 to 50 years	>= 51 years	Grand Total
Q3-21	VERIFIED CASES%		5.2%	62.7%	26.8%	4.5%	0.7%	100.0%
			6.7%	63.2%	25.6%	4.0%	0.4%	
Q3-21	DISCREPANCY CASES%		1.0%	58.2%	33.8%	5.9%	1.1%	100.0%
			1.9%	59.1%	33.1%	5.4%	0.7%	
Q3-21	DISCREPANCY Vs. VERIFIED%		1.5%	7.4%	10.0%	10.3%	12.2%	
			2.1%	7.2%	9.9%	10.4%	11.5%	

The candidates aged >= 22 to 30 years [age group] had the highest number of instances verified.

Similarly, the applicants aged >=22 to 30 years [age group] had the highest number of discrepancies.

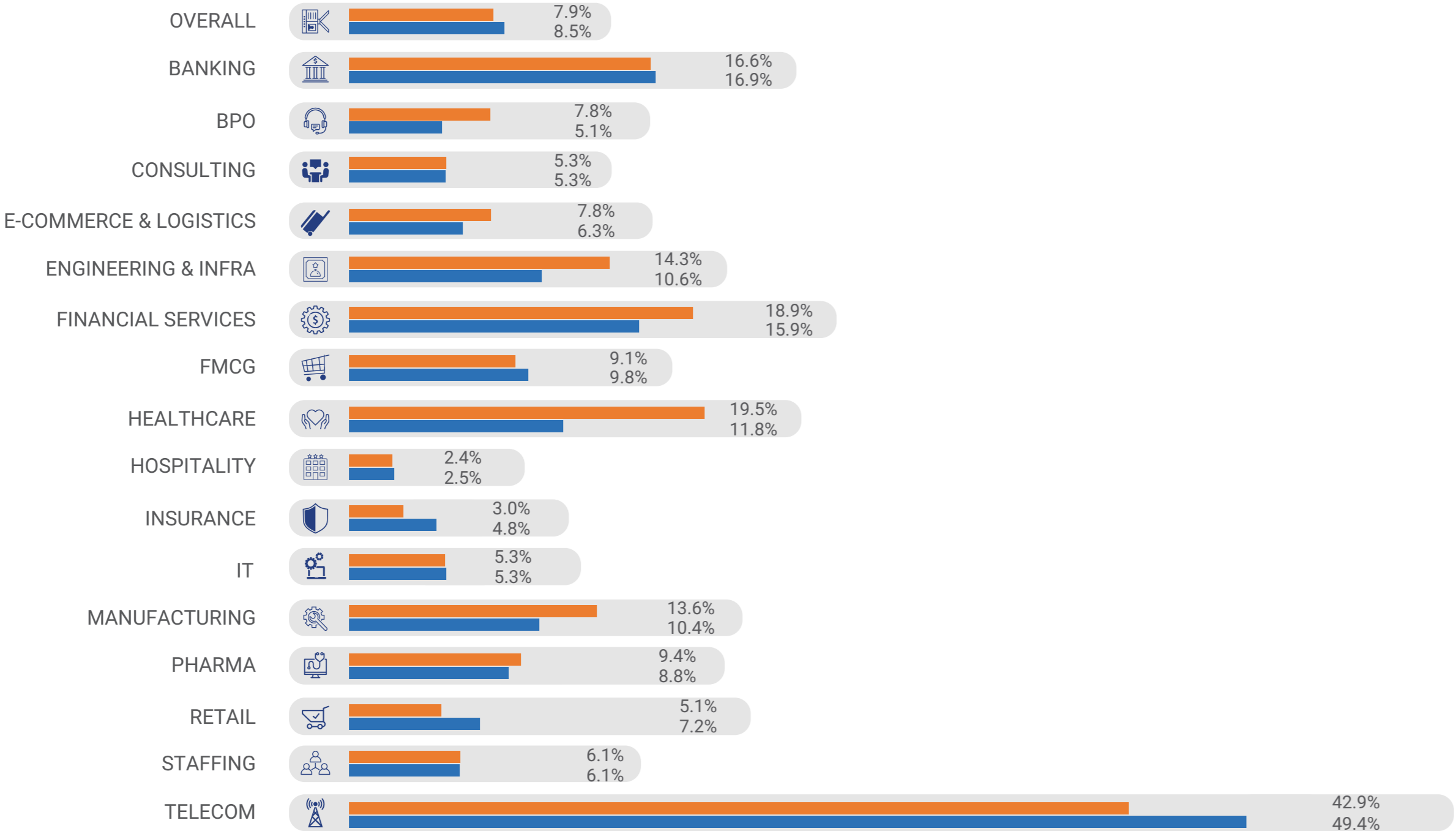
In both quarters, more than 92 percent of the misleading incidents occurred among those aged 22 to 40.



Please note: Cases wherein the date of birth is not mentioned have been excluded from the analysis. These cases have a 05 percent and 04 percent discrepancy in Q3-21 and Q4-21 respectively.

# CASE LEVEL TREND

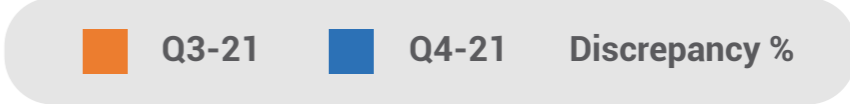
## 1.C. Discrepancy Percentage - By Industry [Q3-21 vs. Q4-21]



In Q4-21, sectors such as Banking, Engineering & Infra, Financial Services, FMCG, Healthcare, Manufacturing, Pharma, and Telecom had discrepancy percentages that are much higher than the **overall** average of 8.5%.

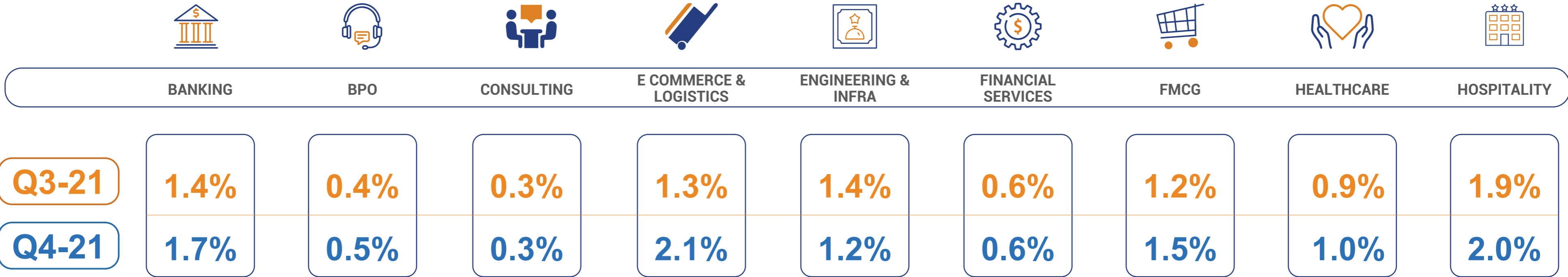
In the fourth quarter of **2021**, the banking, FMCG, and retail sectors had higher discrepancy percentages than the third quarter **of 2021**.

In the banking industry, 17 out of every 100 individuals screened had discrepancies.



# CHECK LEVEL TREND

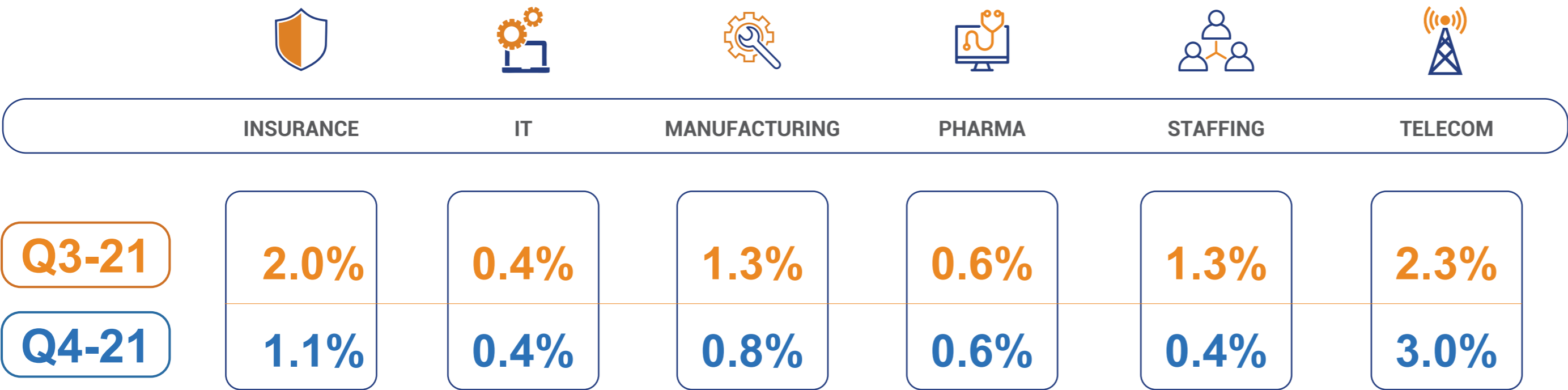
## 2.A.Discrepancy Percentage - By Industry by Component Education [Q3-21 vs Q4-21]





# CHECK LEVEL TREND

## 2.A.Discrepancy Percentage - By Industry by Component Education [Q3-21 vs Q4-21]



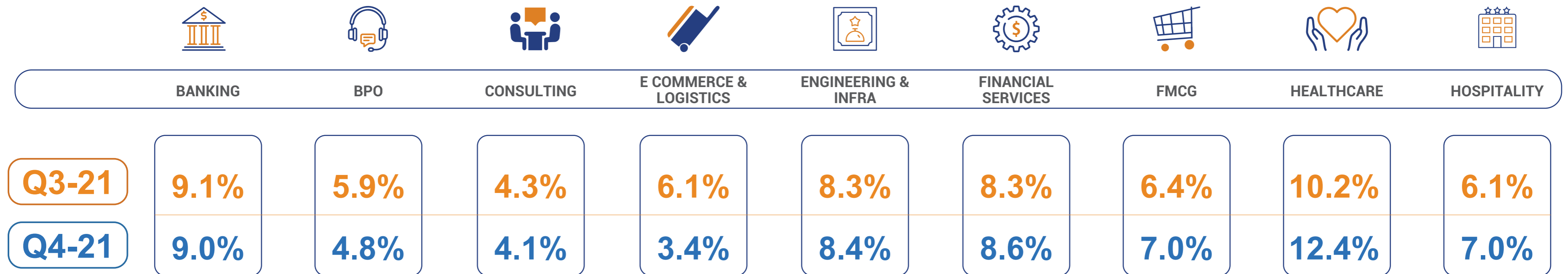
In the Education component, sectors like Banking, BPO, E-Commerce & Logistics, FMCG, Healthcare, Hospitality, Telecom have shown a slight increase in the discrepancy percent in the fourth quarter of 2021 as compared to the third quarter.

# CHECK LEVEL TREND

2.B.Discrepancy Percentage - By Industry by Component Employment  
[Q3-21 vs Q4-21]



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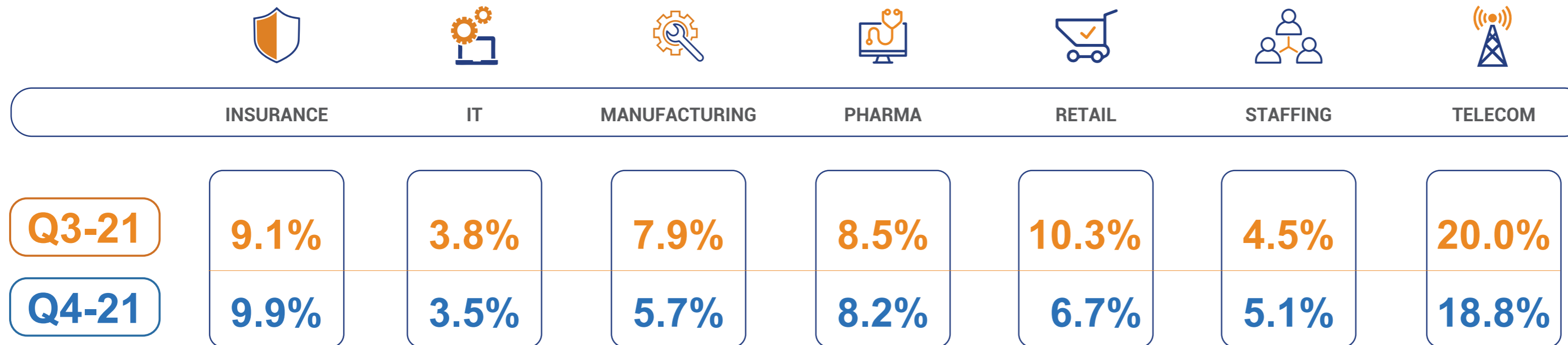


# CHECK LEVEL TREND

2.B.Discrepancy Percentage - By Industry by Component Employment  
[Q2-21 vs Q3-21]



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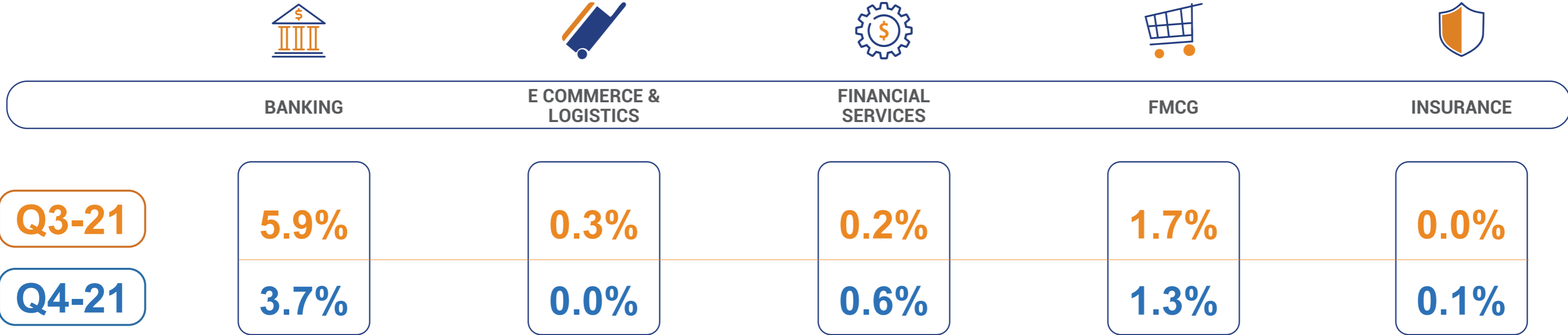


**Employment** component has witnessed high discrepancy percentages in most of the industrial sectors - especially in traditional sectors like Banking, Engineering & Infra, Financial Services, Healthcare, Insurance, Pharma, Telecom to name a few.

Out of every 100 Employment checks verified in the Telecom sector – 19 were discrepant in Q4-21.

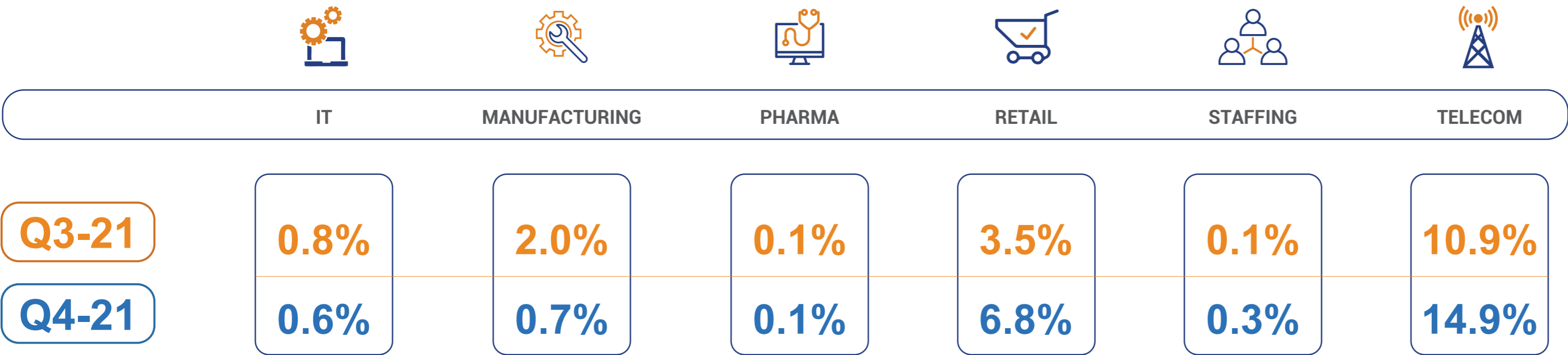
# CHECK LEVEL TREND

## 2.C.Discrepancy Percentage - By Industry by Component Address [Q3-21 vs Q4-21]



# CHECK LEVEL TREND

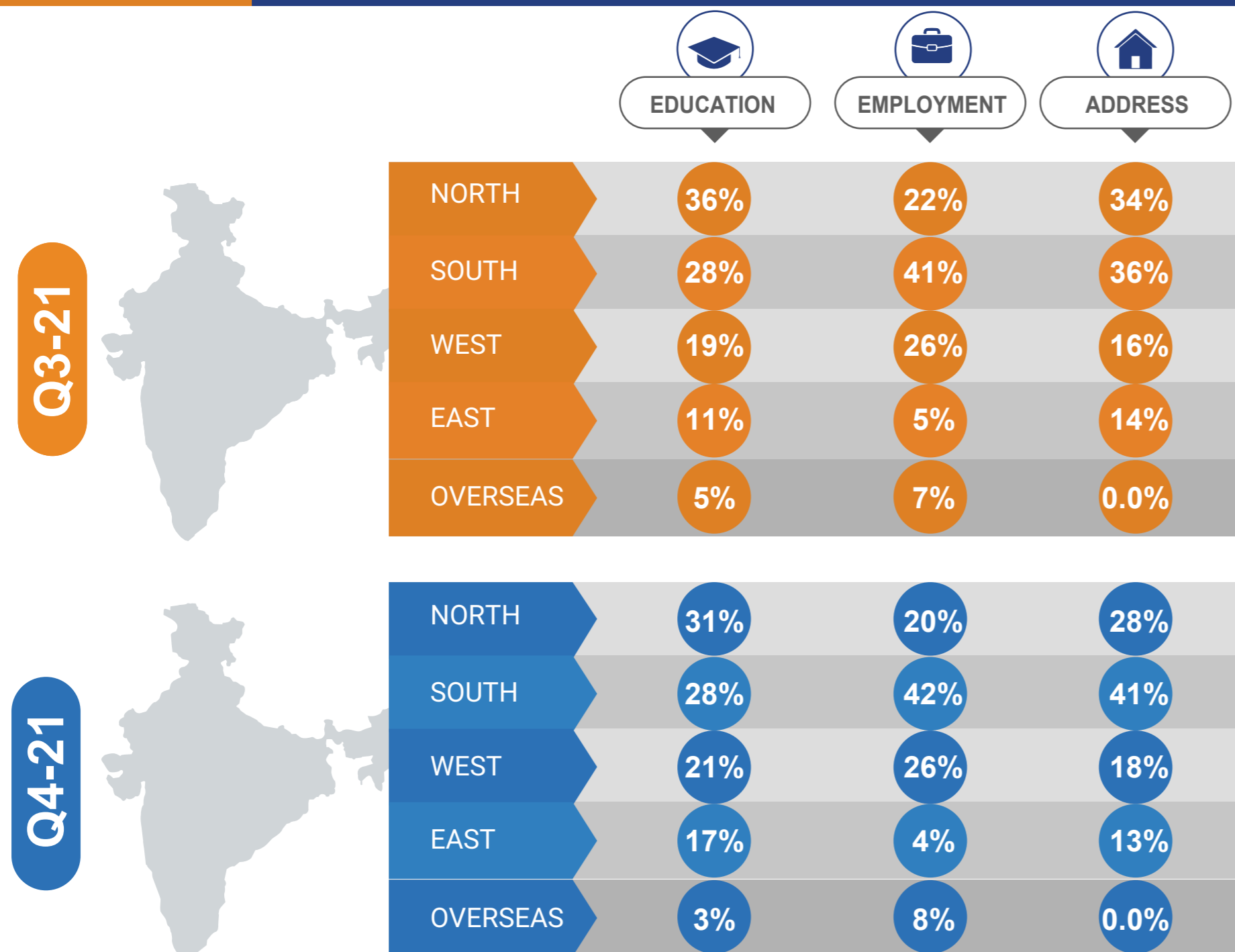
## 2.C.Discrepancy Percentage - By Industry by Component Address [Q3-21 vs Q4-21]



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

# CHECK LEVEL TREND

## 3. Discrepancies - By Component across Zones in India and Abroad [Q3-21 vs. Q4-21]



The discrepancy trend in India and abroad has shown an intriguing spectrum.

The important factors:

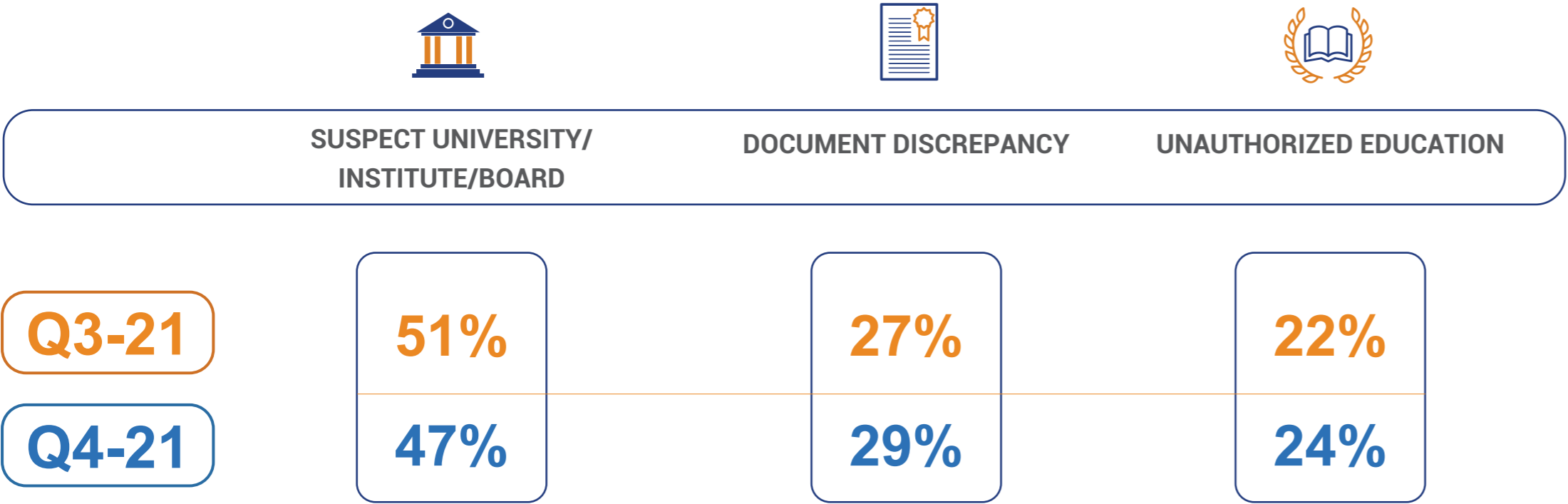
Discrepancy rates for Education checks were high in the Northern zone.

Discrepancy rates for Employment checks and Address checks were very high in the Southern zone.



# CHECK LEVEL TREND

## 4.A. Categorization of Discrepancies By Component Education [Q3-21 vs. Q4-21]



A study of Education discrepancies shows a very interesting spectrum.

The discrepancy trend for Q4-21 depicts:

With 47 percent, Suspect Institution takes the lead in this quarter.

Document Discrepancy was at 29 percent.

Unauthorized Education were at 24 percent. It includes discrepancies like 'Did not officially complete the course, Registration or Credential or membership expired, etc.'

# CHECK LEVEL TREND

## 4.B. Categorization of Discrepancies By Component Employment [Q3-21 vs. Q4-21]



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In the fourth quarter of 2021, 'Incorrect Tenure' has topped the graph at 29 percent.

'Inflated Designation' placed second at 22 percent, followed by 'Exit Formalities Not Completed/Absconding' at 17 percent.

Unauthorized Employment is at 9 percent. It includes discrepancies like 'Discrepancy in Permanent/Contractual Status', 'Not Eligible for rehire, Active Employee, etc.'

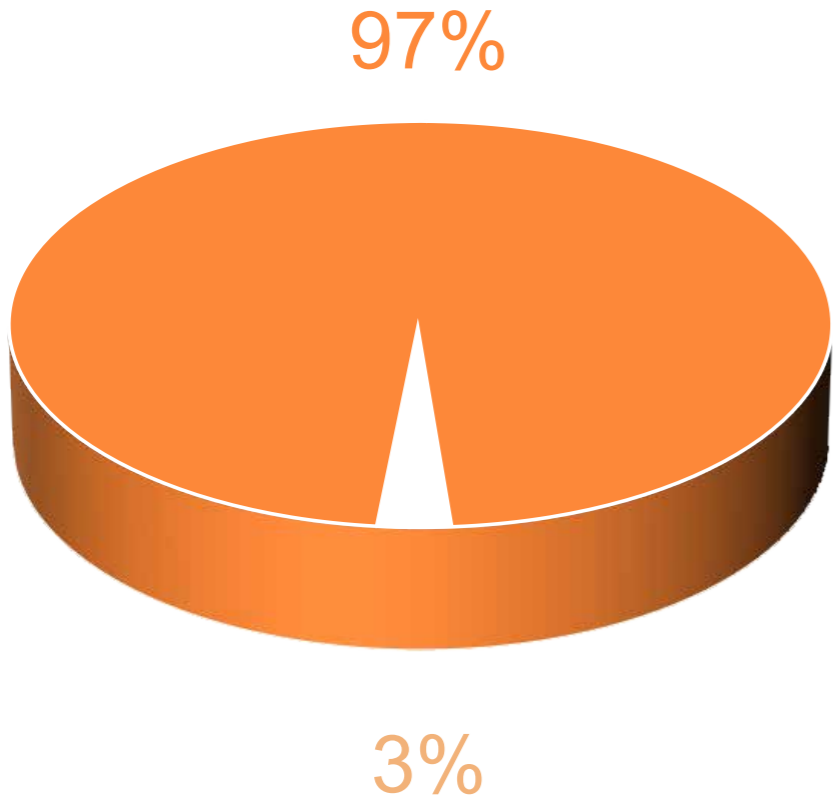


# CHECK LEVEL TREND

## 4.C.Categorization of Discrepancies By Component Address [Q3-21 vs. Q3-21]

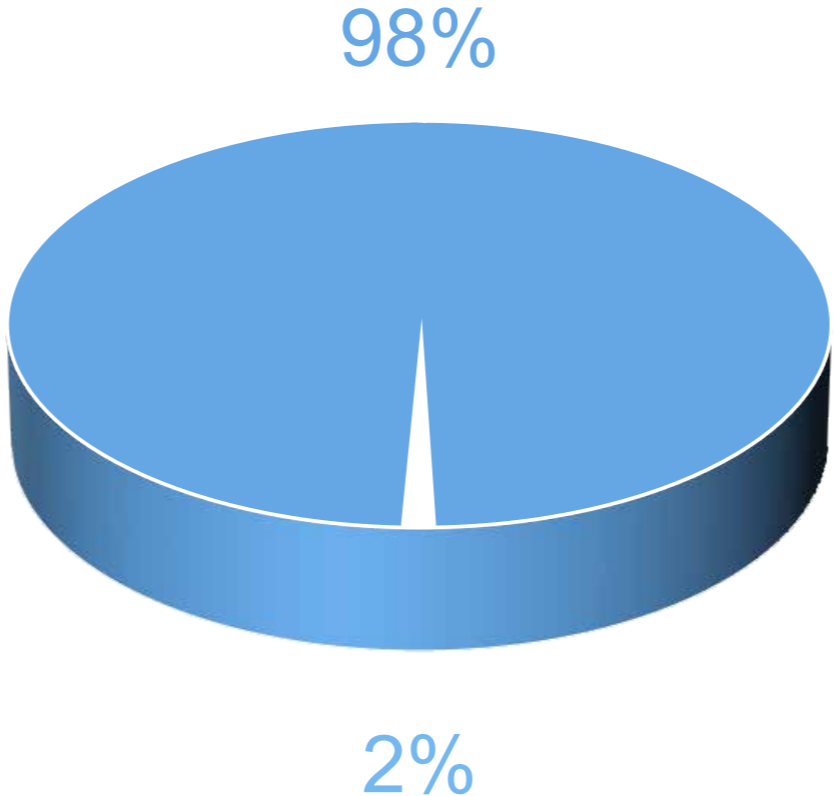


Q3-21



- PERIOD OF STAY
- NOT RESIDING AT ADDRESS

Q4-21

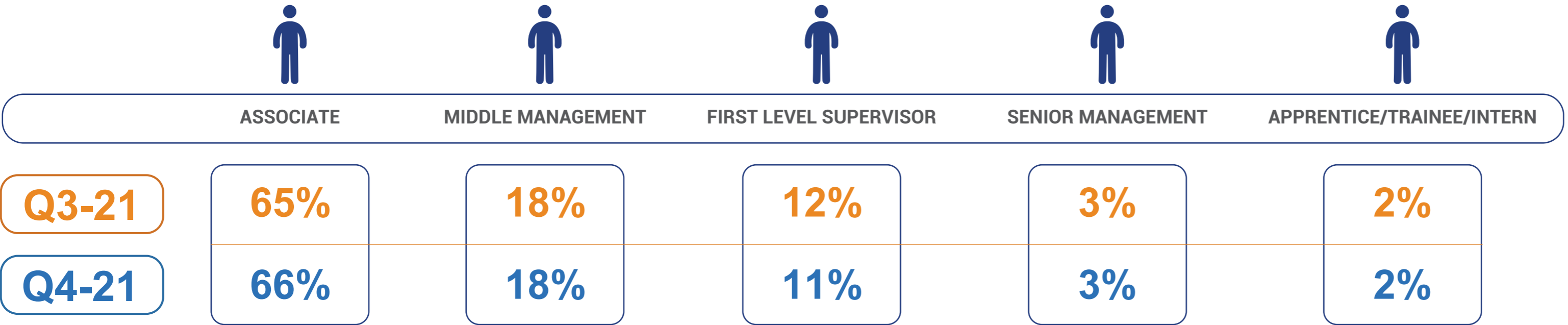


- PERIOD OF STAY
- NOT RESIDING AT ADDRESS

Period of Stay' accounts for 98 percent of discrepancies in the fourth quarter of 2021.

# CASE LEVEL TREND

## 5.A.Discrepancies - By Employee Category [Q3-21 vs. Q4-21]



As per the above-mentioned chart associate level discrepancy continues to lead in the fourth quarter of 2021, at 66 percent.

Middle management comes second with 18 percent, followed by first-level supervisors with 11 percent

Employee level discrepancies at the Senior Management level are shown in the graph at 3 percent.

# CASE LEVEL TREND

## 5.B. Discrepancies - By Employee Category By Age [Q3-21 vs. Q4-21]

DISCREPANCIES - BY AGE BRACKET	APPRENTICE TRAINEE/INTERN	ASSOCIATE	FIRST-LEVEL SUPERVISOR	MIDDLE MANAGEMENT	SENIOR MANAGEMENT
<= 21 years	0.01%	0.6%	0.1%	0.1%	0.02%
>= 22 to 30 years	1.2%	38.0%	7.2%	10.7%	1.6%
>= 31 to 40 years	0.7%	21.8%	3.9%	6.4%	0.8%
>= 41 to 50 years	0.1%	3.6%	0.7%	1.1%	0.2%
>= 51 years	0.03%	0.7%	0.2%	0.2%	0.03%

### Q3-21

According to discrepancy – Employee Category by Age Level reveals fascinating information that effectively relate both the candidate's age and designation.

The Associate level has the most discrepancies, accounted at 38 percent.

Throughout all employee levels, the highest number of discrepancies were found in the age group of > = 22 to 30 years.

# CASE LEVEL TREND

## 5.B. Discrepancies - By Employee Category By Age [Q3-21 vs. Q4-21]

DISCREPANCIES - BY AGE BRACKET	APPRENTICE TRAINEE/INTERN	ASSOCIATE	FIRST-LEVEL SUPERVISOR	MIDDLE MANAGEMENT	SENIOR MANAGEMENT
<= 21 years	0.04%	1.2%	0.2%	0.2%	0.03%
>= 22 to 30 years	1.2%	39.5%	6.7%	10.6%	1.5%
>= 31 to 40 years	0.6%	21.4%	3.8%	6.5%	0.8%
>= 41 to 50 years	0.1%	3.4%	0.5%	1.0%	0.1%
>= 51 years	0.02%	0.4%	0.1%	0.1%	0.01%

### Q4-21

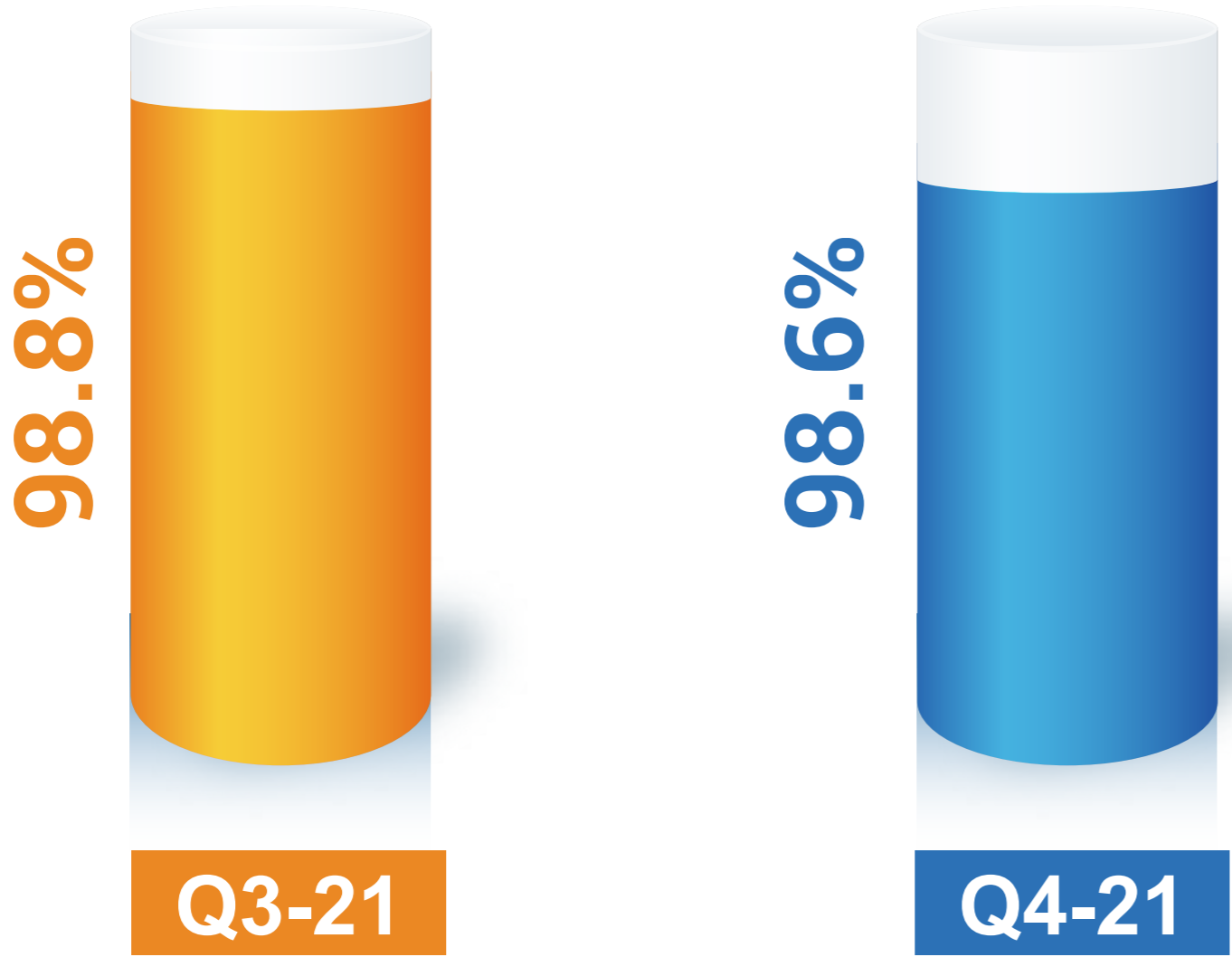
According to discrepancy – Employee Category by Age Level reveals fascinating information that effectively relate both the candidate's age and designation.

As per the given graph highest discrepancies were found at the Associate level, reaching 39.5 percent.

Throughout all employee levels, the highest number of discrepancies were found in the age group of > = 22 to 30 years.

# CHECK LEVEL TREND

6. Verification Success % [Q3-21 vs. Q4-21]



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

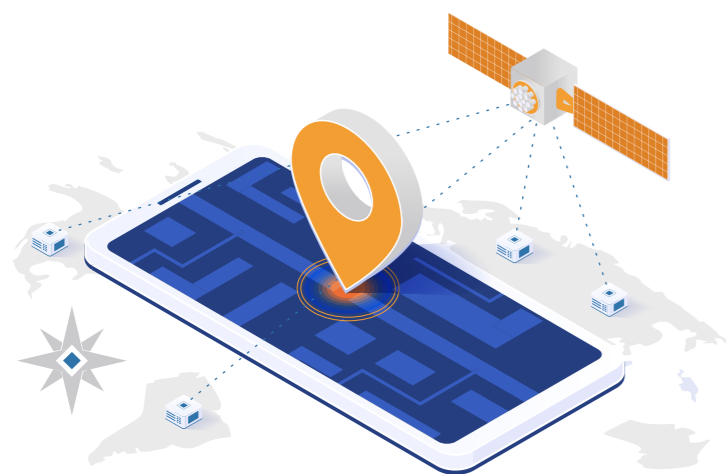
Around 1% of the checks are marked as Unable to verify, indicating that the Verifying authorities have refused to give verifications despite several attempts.

# ALTERNATE METHODS OF VERIFICATION

## 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

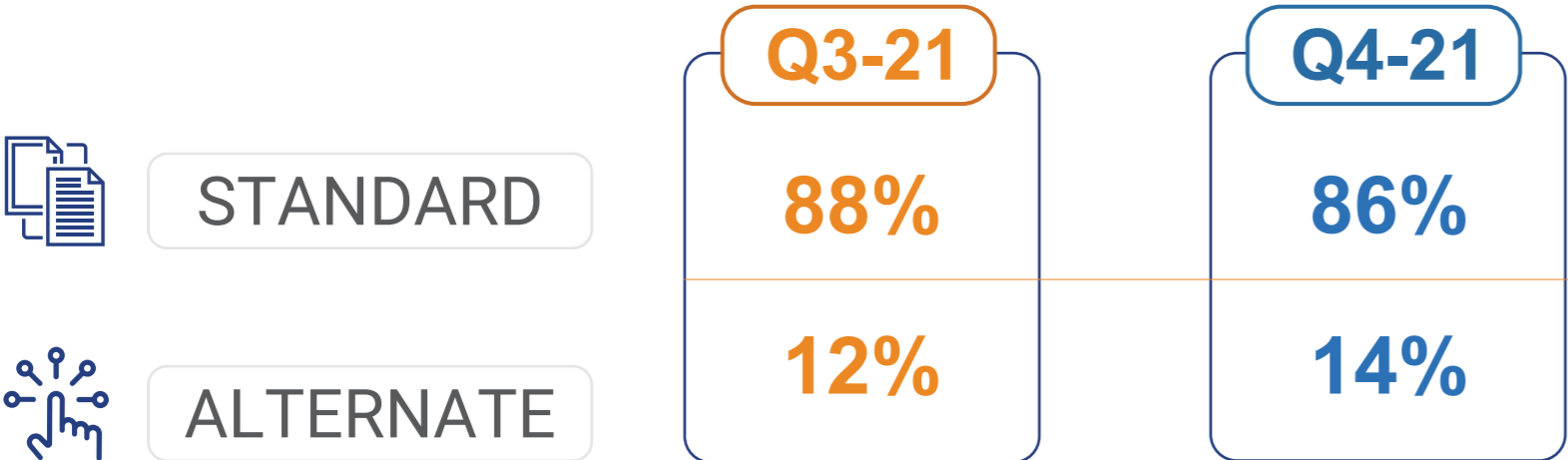
Using the UAN, validation of candidate's association with the employer and the dates of enrollment using the EPFO portal for records





# CHECK LEVEL TREND

## 7.A.1. Alternate Modes Of Verification: Component Employment [Q3-21 vs. Q4-21]



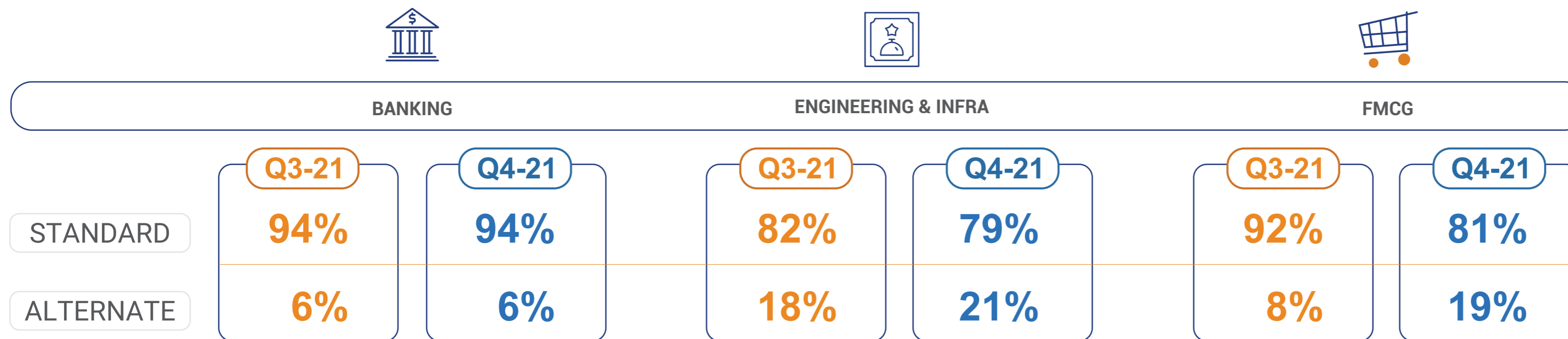
14 out of every 100 Employment verifications were conducted through the alternate modes of verification.



# CHECK LEVEL TREND

7.A.2. Alternate Modes Of Verification: Component Employment By Industry [Q3-21 vs. Q4-21]

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In the fourth quarter of 2021 in the **Employment component** – many sectors individually like Engineering & Infra, FMCG, Hospitality, IT, and Retail to name a few - have shown a higher inclination to alternate modes of verification as compared to the industry average of 14 percent.

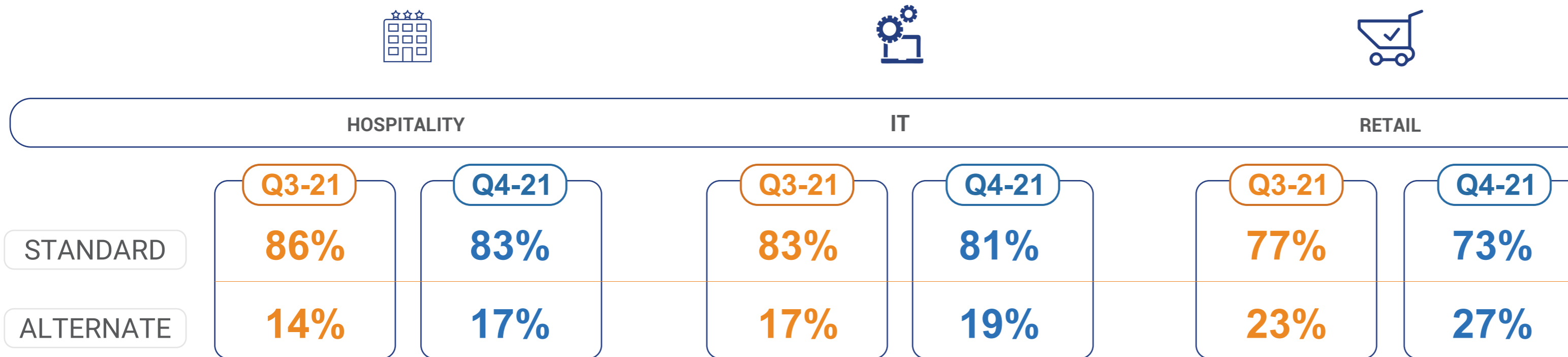
Q3-21 Q4-21



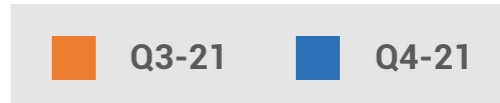
# CHECK LEVEL TREND

7.A.2.Alternate Modes Of Verification: Component Employment By Industry [Q3-21 vs. Q4-21]

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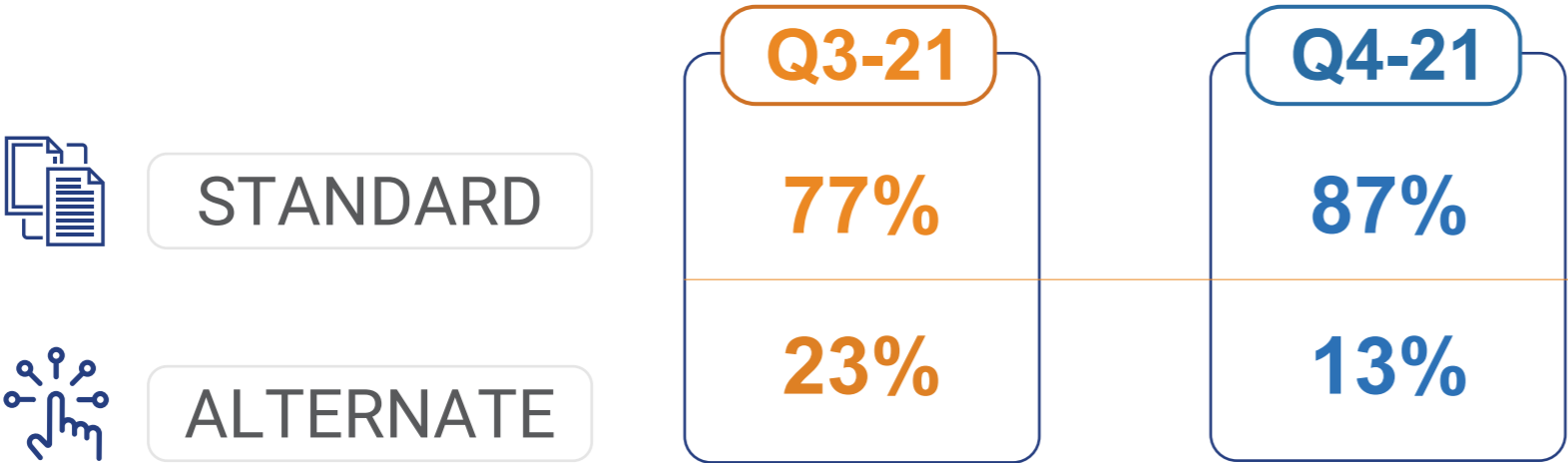
The leaning towards alternate modes of verification has also increased in most of the sectors in Q4-21 as compared to Q3-21.





# CHECK LEVEL TREND

## 7.B.1. Alternate Modes Of Verification: Component Address [Q3-21 vs. Q4-21]



As we dig further into the data to understand the changes that have swept across industrial sectors, particularly from the perspective of the background screening business, two things become clear: Darwin's evolutionary theory of survival of the fittest and the ability to swiftly embrace change.

**Address component** is an excellent illustration of how First Advantage swiftly adjusts to change - in the fourth quarter of 2021, we saw several industrial sectors restore to regular forms of verification in this new normal - following the pandemic's tremors and devastation. In Q4-21, 87 percent of the verifications were performed using conventional modes, compared to 77 percent in Q3-21.

In Q4-21, 13 out of every 100 Address verifications - were conducted through an alternate mode.

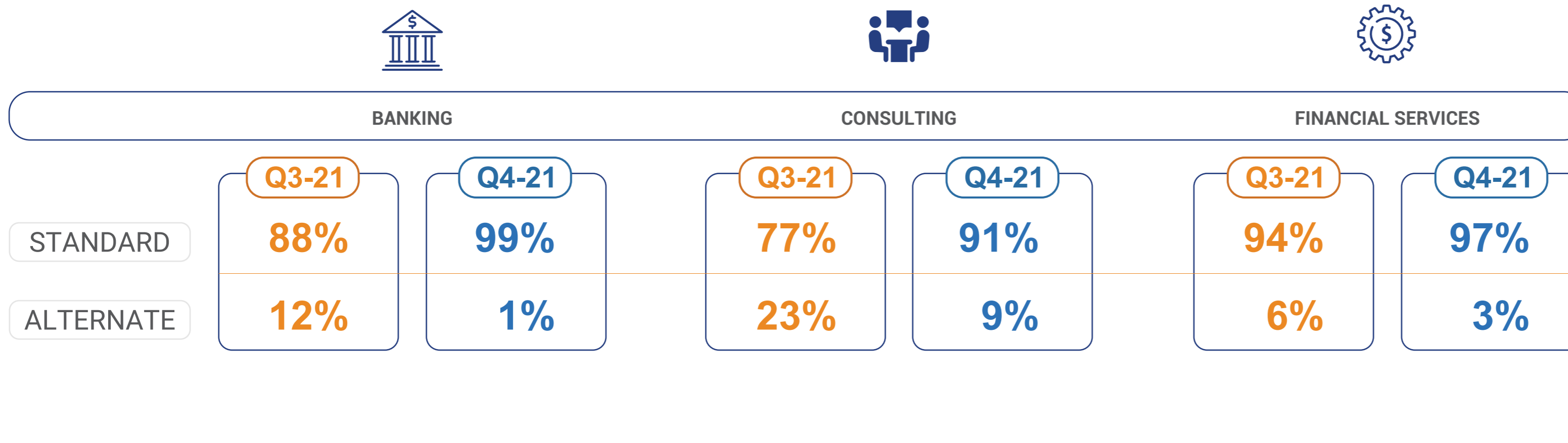


# CHECK LEVEL TREND

7.B.2.Alternate Modes Of Verification: Component Address By Industry  
[Q3-21 vs. Q4-21]



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Almost all industrial sectors, including banking, BPO, consulting, E-Commerce & Logistics, FMCG, Healthcare, Hospitality, Insurance, Manufacturing, and Telecom, have returned to the traditional techniques of verification in the Address Component.

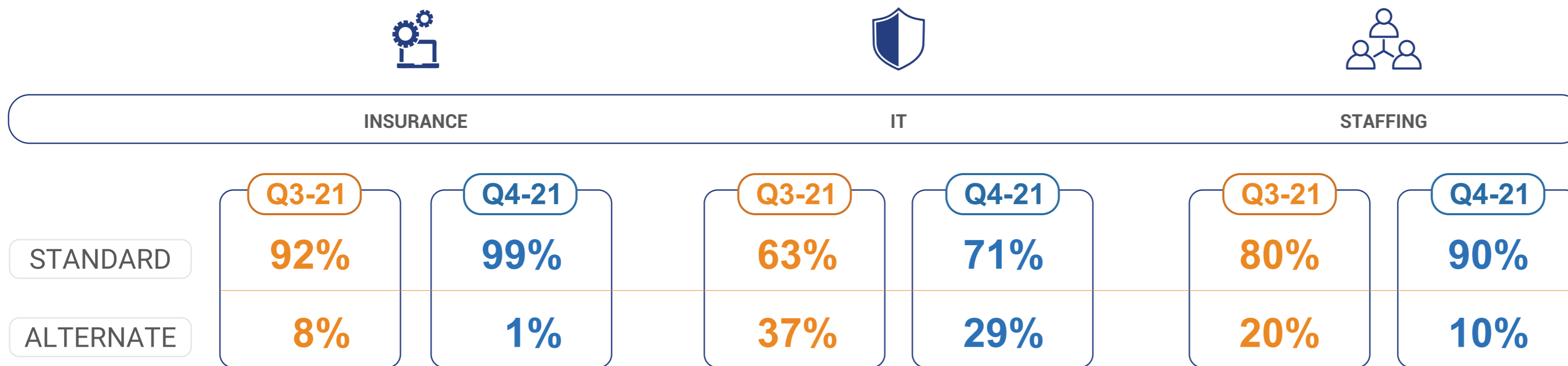
Q3-21 Q4-21

# CHECK LEVEL TREND

7.B.2.Alternate Modes Of Verification: Component Address By Industry  
[Q3-21 vs. Q4-21]



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In the fourth quarter of 2021, we've noticed that industries like IT and Staffing still leaning towards alternate modes for some candidate screenings.

Q3-21 Q4-21

# 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.



Financial Assessment

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



Court Record Search



Company Verification Site Visit



TAN Validation



Validation of Certificate of Incorporation



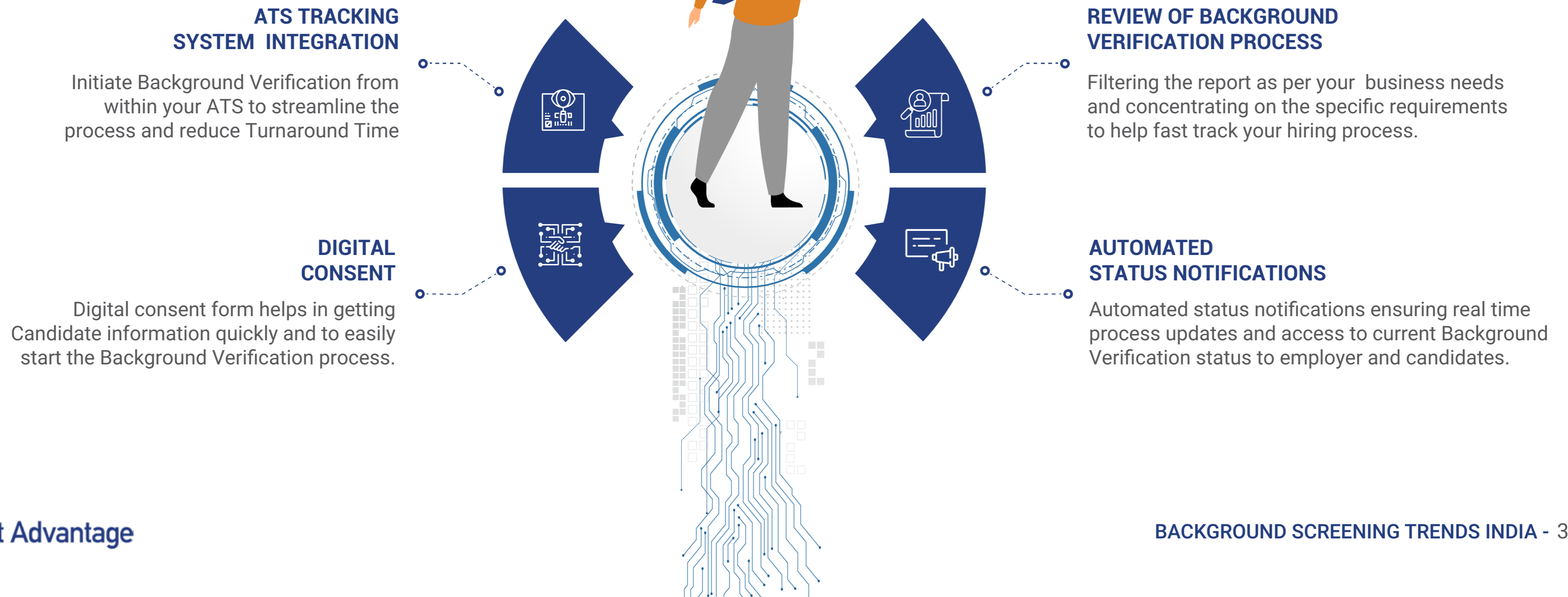
Global Database Checks



India Database Checks

# FUTURE OF BACKGROUND VERIFICATION INDUSTRY

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# 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.

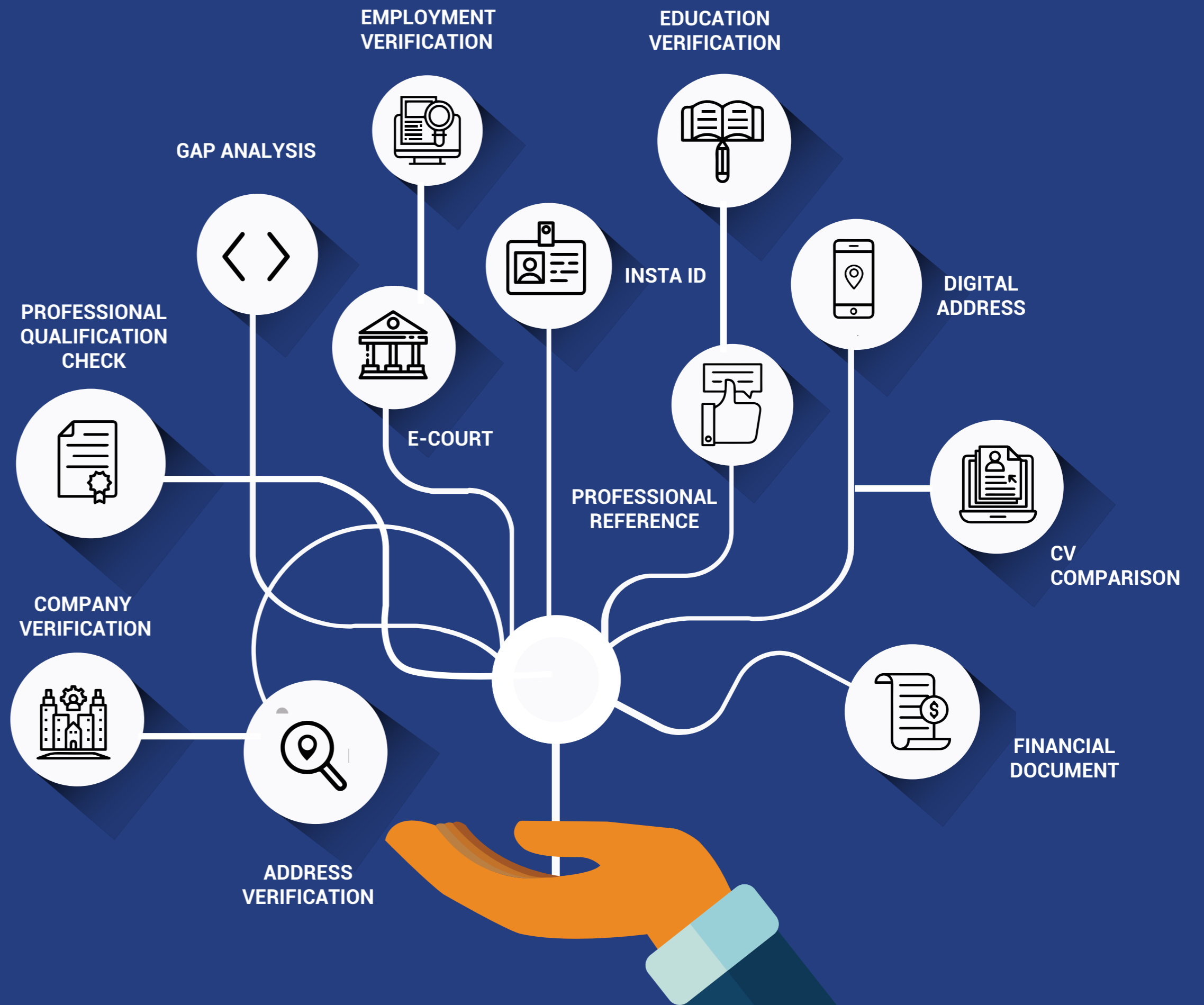
**Head of BGV, Mindtree Ltd**

# FA CAPABILITIES AND SERVICES

OCTOBER TO DECEMBER-2021

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



<p><b>55%</b> of Fortune 100 Trust First Advantage</p>	<p><b>4.2K</b> First Advantage Employees Worldwide</p>	<p><b>12 years</b> Average Customer Tenure for Top 100 Customers</p>
<p><b>75+ million</b> Screens completed in 2020</p>	<p><b>200+ Countries</b> &amp; Territories</p>	<p><b>30,000 +</b> Active Customers in 2020</p>

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.

“

Delivering innovative solutions & insights that help  
our clients manage risk and hire the best talent

”

We are FA

