Background Screening
Trends India

2022

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

First Advantage

GLOSSARY OF TERMS

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

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

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

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

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

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

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

FOR EXAMPLE

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

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

As per the customer'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 customer, either as standardized by First Advantage or a customer customized matrix - a disconnect identified [Discrepancy] would be categorized as major or minor discrepancy, suspect, [Possible Suspect], etc.

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

FOREWORD

Dear Readers,

Technological advancements have greatly impacted the background verification industry in recent years including the products offered, the way verification processes work and the delivery of the applicant experience. The rise of automation and artificial intelligence has made the background verification process more efficient.

Online platforms and databases have made it easier for organisations to access and verify information. HR tech APIs are becoming popular because they integrate background screening right into hiring platforms. Biometric-based checks and digital identity technologies are being introduced to assist in the background check process.

First Advantage has also embarked on transformation journey including platform, applicant experience, analytics, digital solutions, and end to end integrations.

Along the applicant journey and beyond, leading HR teams around the globe are relying on First Advantage for screening, verifications, and compliance. Striking the balance between tech and people, our innovations help you to **"Hire Smarter and Onboard Faster."**

Highlights of Q4-22

- In Q4-22, Industries such as BFSI, Healthcare & Pharma, Telecom, Engineering & Infrastructure showed substantially greater discrepancy percentages than the overall average of 8.3 percent.

- Discrepancy percentage in the BFSI sector increased from 9.67% in Q3-22 to 10.30% in Q4-22.

- For Employment Verifications, IT, FMCG, Engineering & Infrastructure and Retail sectors have shown higher inclination towards alternate modes of verification.

In the current remote-work and hybrid work environment, it is more important than ever that businesses understand best practices and trends for employee background checks when looking to expand or manage their workforces.

We are delighted that you are getting the required perspective and insights from our Trends report.

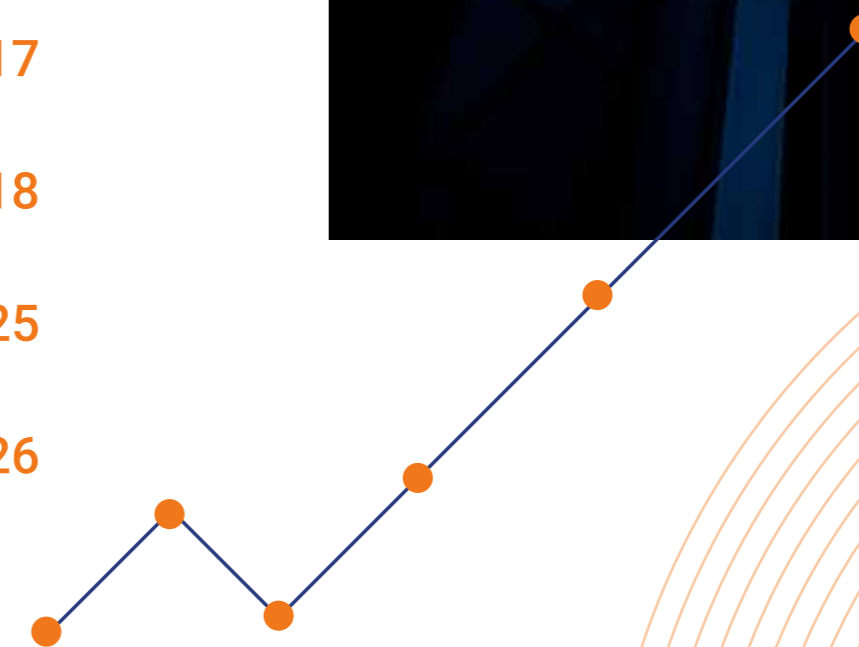Always, proud to be of service to you!

AMIT SINGH
Senior Vice President & Head - Commercial, First Advantage India
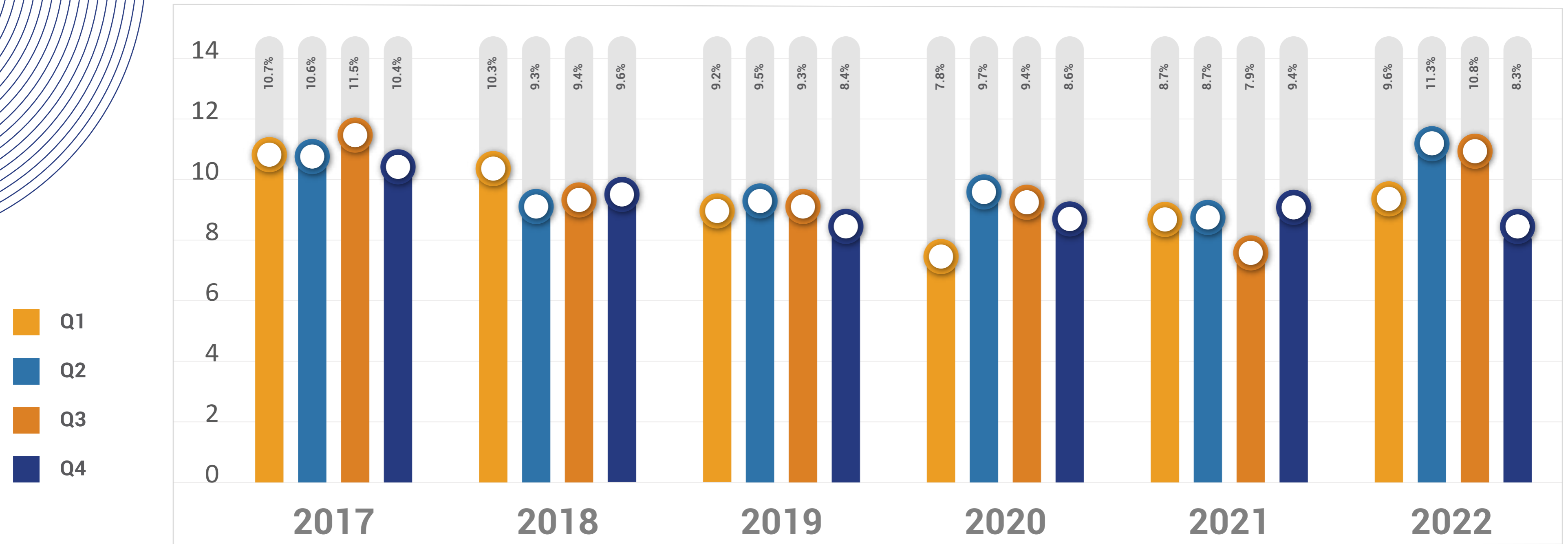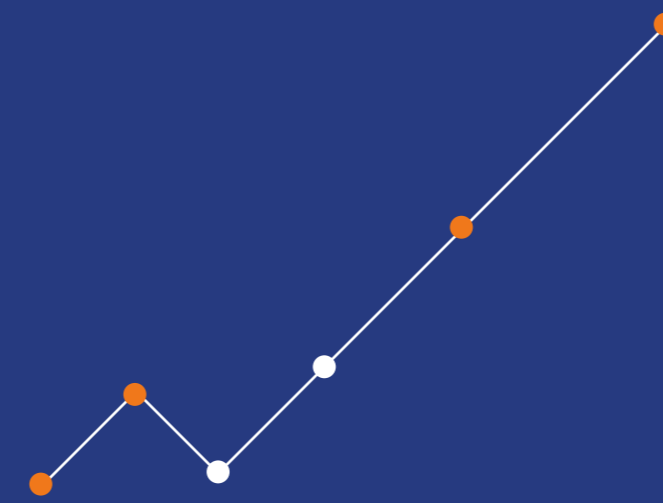*Amit.Singh3@fadv.com*

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First Advantage

CASE LEVEL TREND

1.A. Discrepancy Percentage - By Quarter
[Q1-17 to Q4-22]

Legend:
- Q1
- Q2
- Q3
- Q4

Chart data (Discrepancy Percentage by Quarter):

Year	Q1	Q2	Q3	Q4
2017	10.7%	10.6%	11.5%	10.4%
2018	10.3%	9.3%	9.4%	9.6%
2019	9.2%	9.5%	9.3%	8.4%
2020	7.8%	9.7%	9.4%	8.6%
2021	8.7%	8.7%	7.9%	9.4%
2022	9.6%	11.3%	10.8%	8.3%

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CASE LEVEL TREND

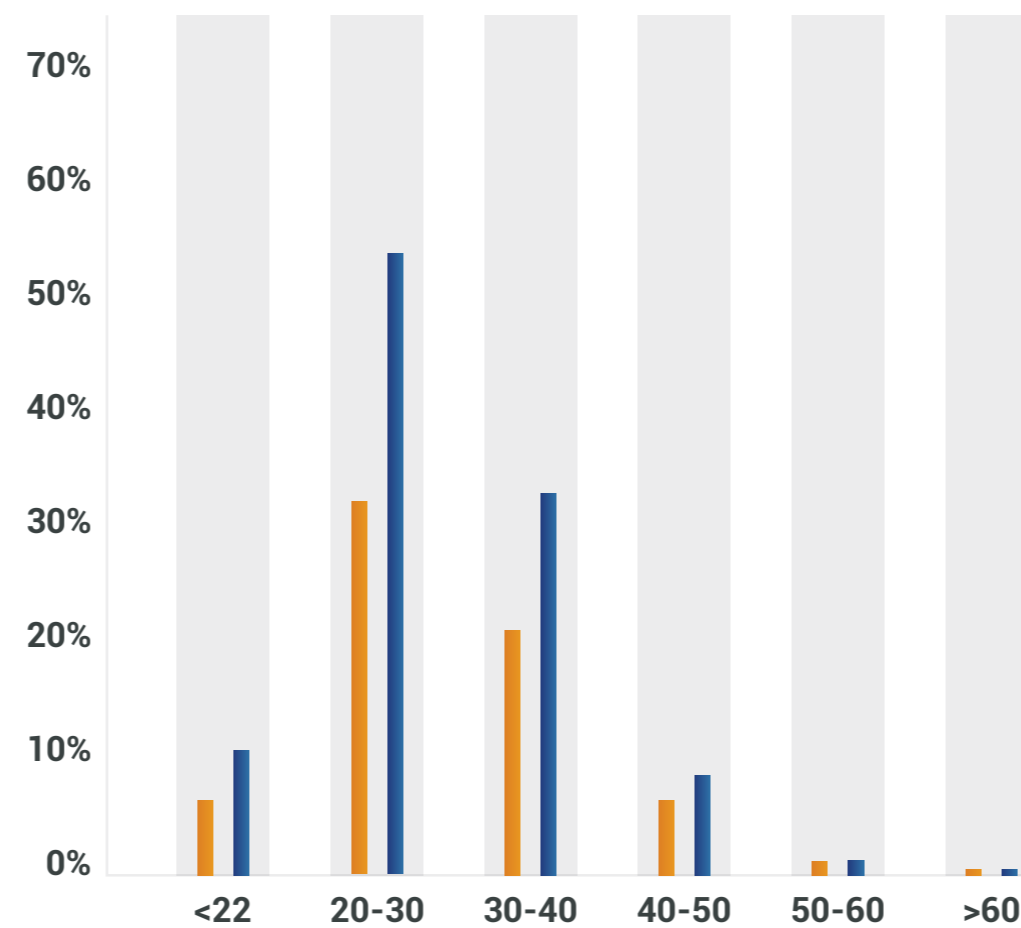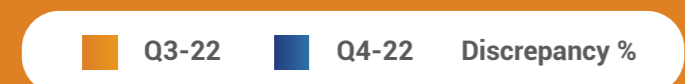## 1.B. Discrepancy Percentage - By Age
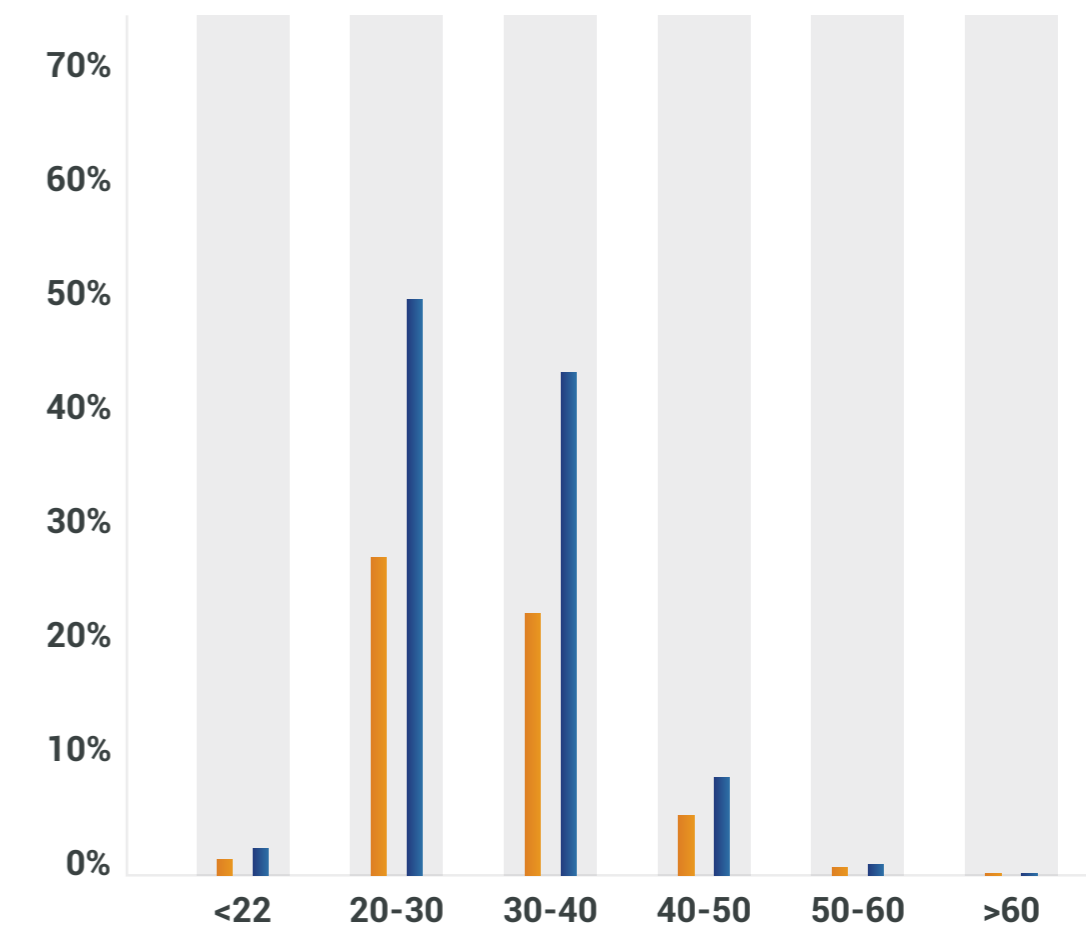## [Q3-22 to Q4-22]
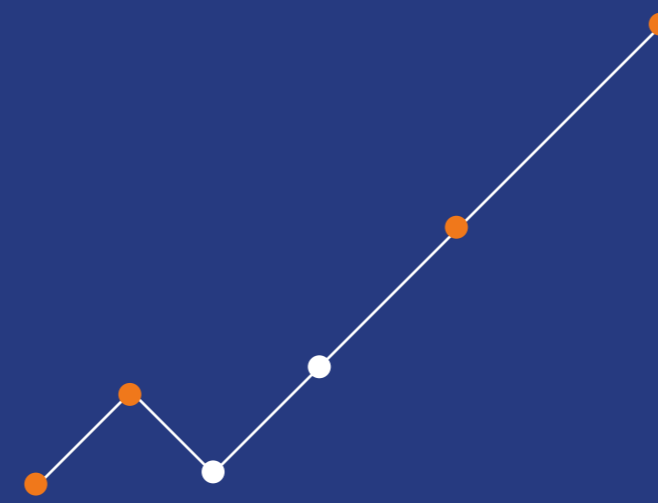
In Q4'22, most of the candidates screened were between the ages of 22 and 30.

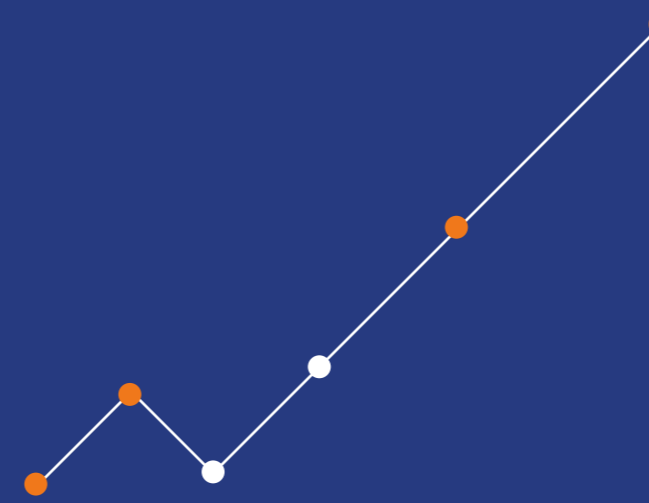The majority of the applicant discrepancy data came from the age bracket of 22 to 30 years old.

| Q3-22 | Q4-22 | Discrepancy % |

Screenings by Age

Discrepancy by Age

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CASE LEVEL TREND

1.C. Discrepancy Percentage - By Industry
[Q3-22 to Q4-22]
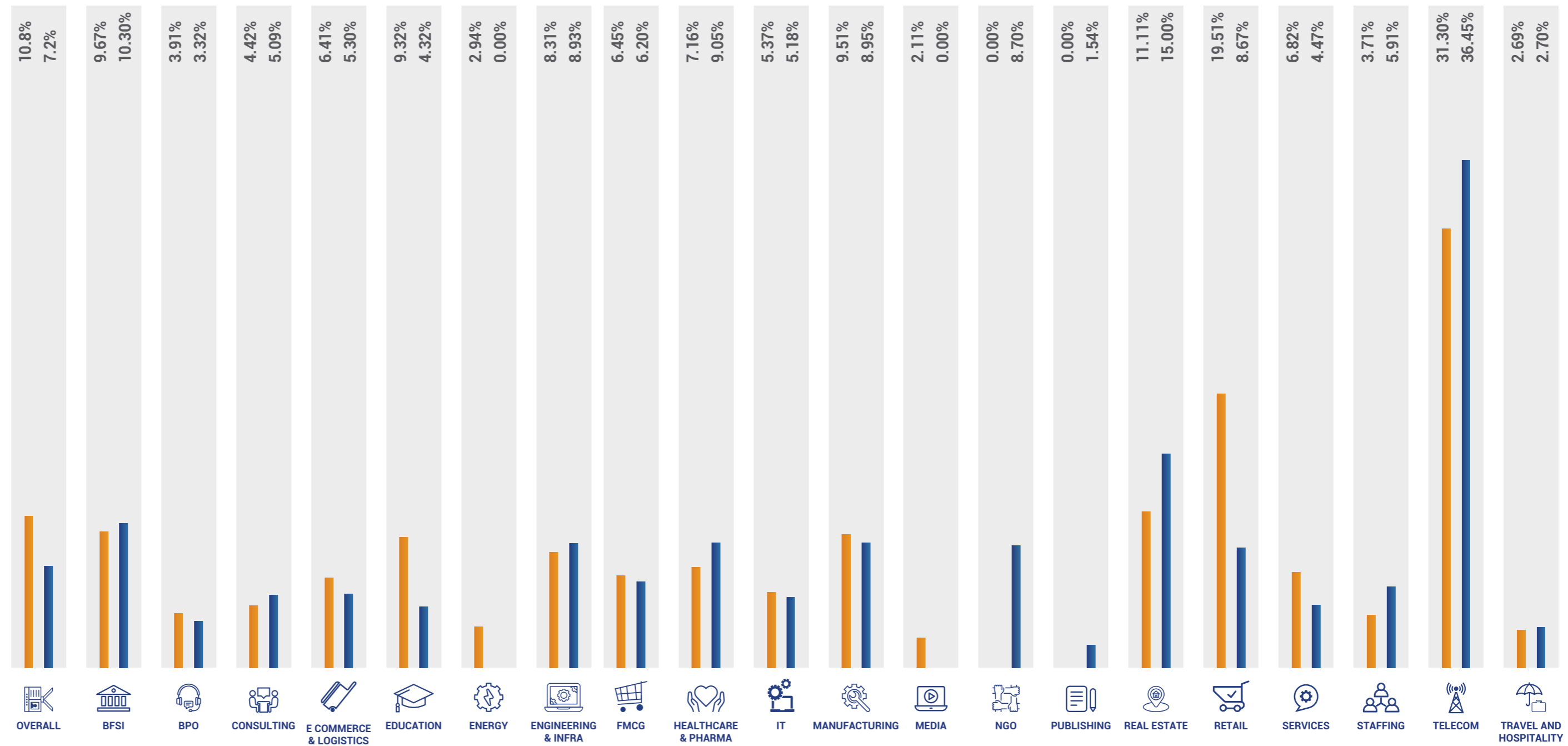
In Q4-22, Industries such as BFSI, Healthcare & Pharma, Telecom, Engineering & Infra had discrepancies percentages that are much higher than the overall average of 8.3 percent.

Telecom, Healthcare & Pharma, Real Estate Industries had higher discrepancies compared to Q3-22.
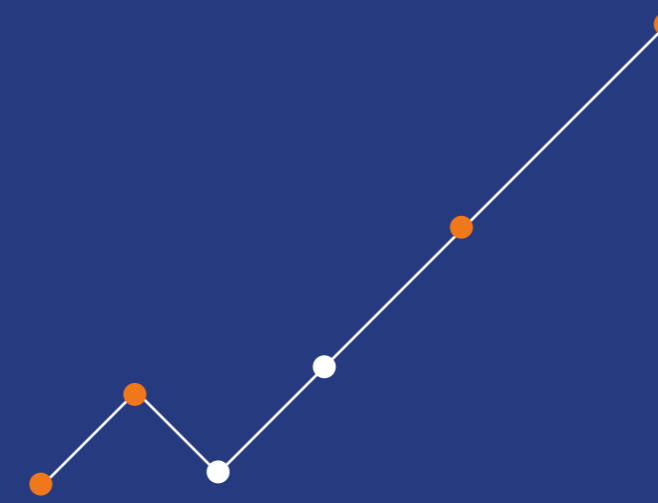
■ Q3-22　■ Q4-22　Discrepancy %

Industry	Q3-22	Q4-22
OVERALL	10.8%	7.2%
BFSI	9.67%	10.30%
BPO	3.91%	3.32%
CONSULTING	4.42%	5.09%
E COMMERCE & LOGISTICS	6.41%	5.30%
EDUCATION	9.32%	4.32%
ENERGY	2.94%	0.00%
ENGINEERING & INFRA	8.31%	8.93%
FMCG	6.45%	6.20%
HEALTHCARE & PHARMA	7.16%	9.05%
IT	5.37%	5.18%
MANUFACTURING	9.51%	8.95%
MEDIA	2.11%	0.00%
NGO	0.00%	8.70%
PUBLISHING	0.00%	1.54%
REAL ESTATE	11.11%	15.00%
RETAIL	19.51%	8.67%
SERVICES	6.82%	4.47%
STAFFING	3.71%	5.91%
TELECOM	31.30%	36.45%
TRAVEL AND HOSPITALITY	2.69%	2.70%

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CASE LEVEL TREND

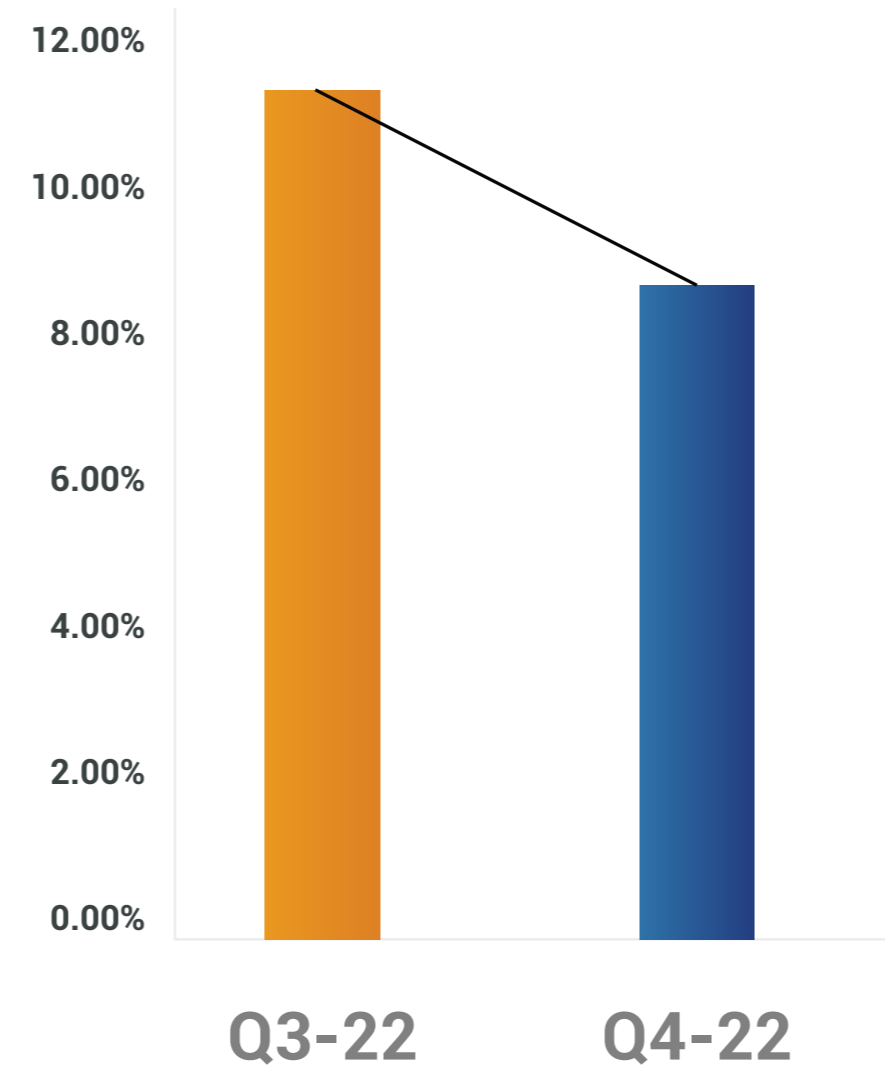## 1.D. Case and Component Discrepancy Percentage
[Q3-22 to Q4-22]

Case Discrepancy - Over 8 percent of candidates screened in Q4 2022 have noted discrepancies, i.e., 4 percent increase as compared to Q3-22.
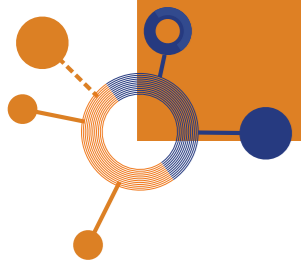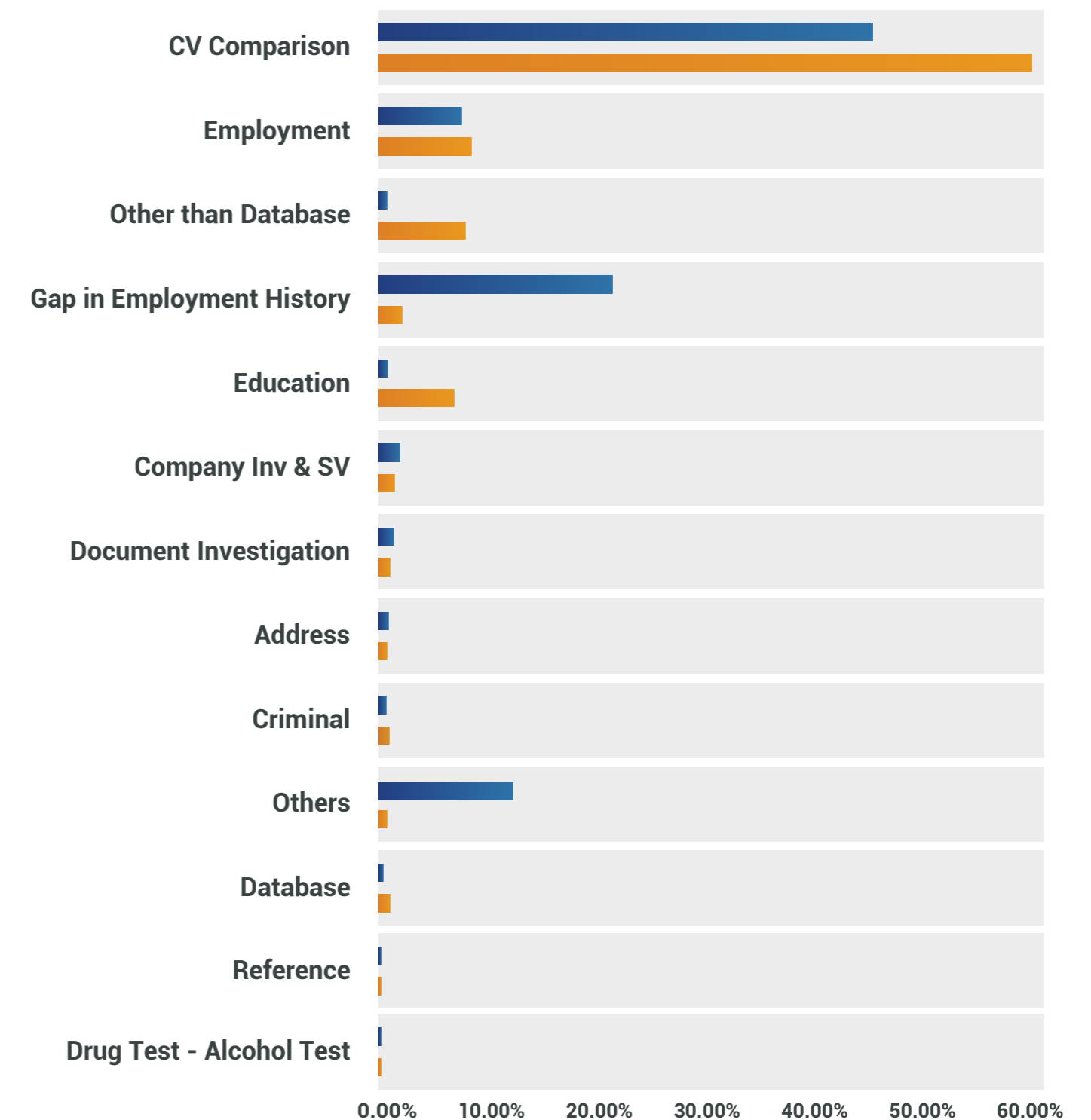
CV comparison revealed a significant decrease in noted discrepancies of 25 percent in Q4'22 compared to Q3'22.

Education discrepancy decreased from 6 percent to 1 percent compared to Q3'22.

Decreased difference in Address and Criminal screenings by 1 percent and 54 percent, respectively.

Q3-22   Q4-22   Discrepancy %

Case Discrepancy

CASE LEVEL TREND

2.A. Discrepancy Percentage - By Industry by Component Education
[Q3-22 vs Q4-22]

	EDUCATION	BFSI	BPO	CONSULTING	E COMMERCE & LOGISTICS	ENGINEERING & INFRA	FMCG	HEALTHCARE & PHARMA	IT
Q3-22	0.52%	15.03%	0.61%	0.40%	2.17%	1.03%	1.87%	0.79%	0.61%
Q4-22	0.63%	0.83%	0.50%	5.56%	1.23%	0.88%	1.80%	0.64%	0.57%

Education and Publishing industries showed a rise in discrepancy in Q4-22 against Q3-22.

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CASE LEVEL TREND

2.A. Discrepancy Percentage - By Industry by Component Education
[Q3-22 vs Q4-22]

	MANUFACTURING	MEDIA	PUBLISHING	REAL ESTATE	RETAIL	SERVICES	STAFFING	TELECOM	TRAVEL AND HOSPITALITY
Q3-22	1.29%	0.70%	0.00%	0.93%	12.23%	0.73%	0.65%	4.13%	2.44%
Q4-22	0.84%	0.00%	1.80%	0.00%	3.10%	0.36%	0.28%	2.77%	2.00%

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CASE LEVEL TREND

2.B. Discrepancy Percentage - By Industry by Component Employment
[Q3-22 vs Q4-22]

	EDUCATION	BFSI	BPO	CONSULTING	E COMMERCE & LOGISTICS	ENERGY	ENGINEERING & INFRA
Q3-22	7.21%	10.55%	3.71%	4.75%	5.05%	4.08%	4.23%
Q4-22	3.74%	8.70%	3.44%	5.56%	6.30%	5.00%	5.83%

IT, Consulting, FMCG, Healthcare and E Commerce & Logistics sectors leads to rise in discrepancy in Q4-22 compared to Q3-22.

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CASE LEVEL TREND

2.B. Discrepancy Percentage - By Industry by Component Employment [Q3-22 vs Q4-22]

	FMCG	HEALTHCARE & PHARMA	IT	MANUFACTURING	MEDIA	REAL ESTATE	RETAIL
Q3-22	3.87%	5.98%	5.79%	5.62%	2.85%	5.00%	9.08%
Q4-22	5.81%	8.87%	6.41%	5.87%	1.12%	0.00%	8.44%

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CASE LEVEL TREND

2.B. Discrepancy Percentage - By Industry by Component Employment [Q3-22 vs Q4-22]
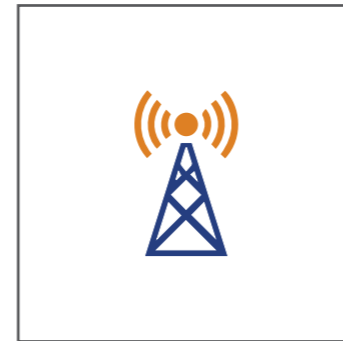
	SERVICES	STAFFING	TELECOM	TRAVEL AND HOSPITALITY
Q3-22	5.26%	4.69%	16.35%	6.16%
Q4-22	4.66%	4.73%	22.70%	6.78%

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CASE LEVEL TREND

2.C. Discrepancy Percentage - By Industry by Component Address
[Q3-22 vs Q4-22]

	EDUCATION	BFSI	CONSULTING	ENGINEERING & INFRA	FMCG	HEALTHCARE & PHARMA	IT
Q3-22	0.00%	1.43%	0.01%	6.14%	0.00%	0.46%	0.15%
Q4-22	1.44%	1.97%	0.02%	6.91%	0.27%	0.33%	0.27%

Sectors like IT, BFSI, Manufacturing, Consulting and Education have demonstrated a significant increase in discrepancy in Q4-22 compared to Q3-22.

CASE LEVEL TREND

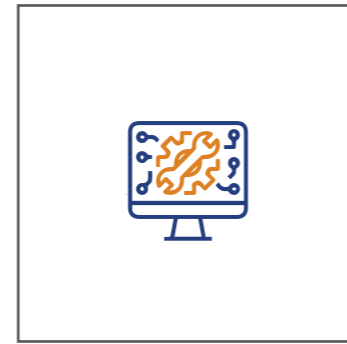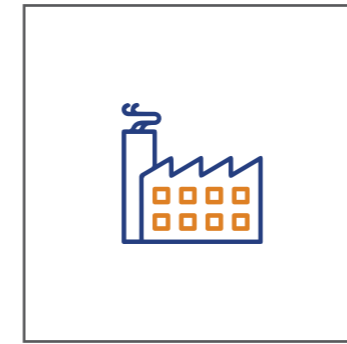## 2.C. Discrepancy Percentage - By Industry by Component Address [Q3-22 vs Q4-22]
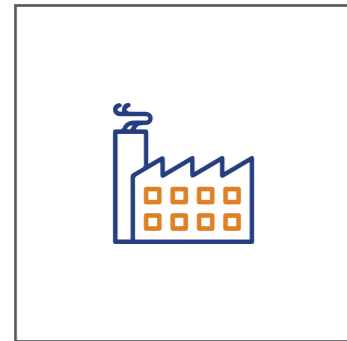
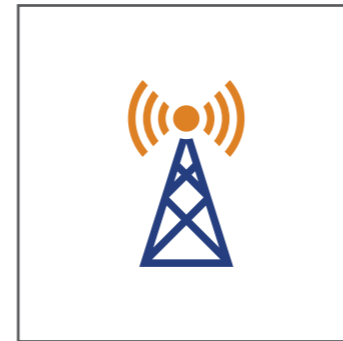|	MANUFACTURING	RETAIL	TELECOM	TRAVEL AND HOSPITALITY
Q3-22	3.25%	8.70%	18.75%	0.02%
Q4-22	4.35%	8.92%	18.23%	0.00%

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ALTERNATE METHODS OF VERIFICATION
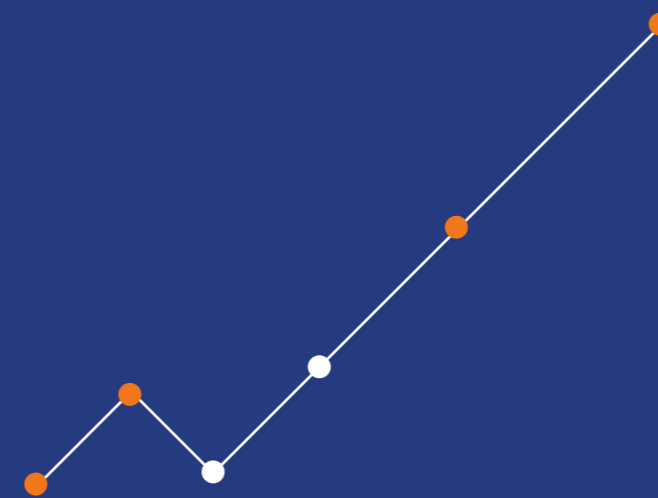
DIGITAL ADDRESS

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

CASE LEVEL TREND

3.A.1. Alternate Modes Of Verification: Component Employment [Q3-22 to Q4-22]
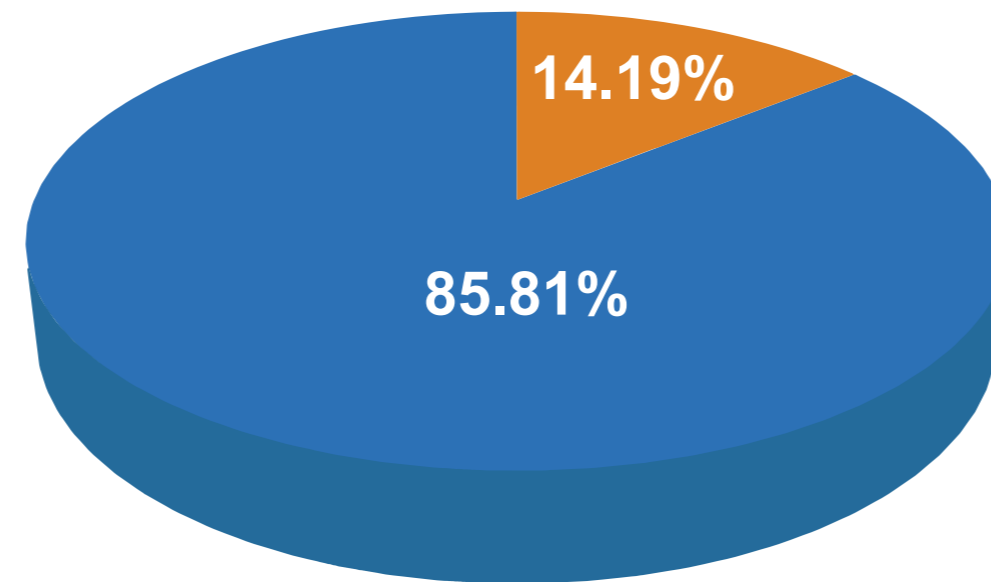
14 out of every 100 Employment Verifications were conducted through the alternate modes of verification.

■ STANDARD   ■ ALTERNATE

14.19%
85.81%

13.58%
86.42%

Q3-22

Q4-22

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CASE LEVEL TREND

3.A.2. Alternate Modes Of Verification: Component Employment [Q3-22 to Q4-22]

	EDUCATION		BFSI		BPO	
	STANDARD	ALTERNATE	STANDARD	ALTERNATE	STANDARD	ALTERNATE
Q3-22	85.50%	14.50%	89.35%	10.65%	91.07%	8.93%
Q4-22	93.83%	6.17%	92.86%	7.14%	81.77%	18.23%

In Q4-22 sectors, IT, Retail, FMCG, Engineering & Infra to name a few, are accepting a higher percentage of alternate modes of verification compared to others.

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CASE LEVEL TREND

3.A.2. Alternate Modes Of Verification: Component Employment [Q3-22 to Q4-22]
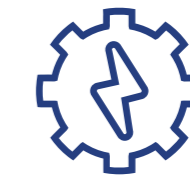
	CONSULTING		E COMMERCE & LOGISTICS		ENERGY	
	STANDARD	ALTERNATE	STANDARD	ALTERNATE	STANDARD	ALTERNATE
Q3-22	92.54%	7.46%	88.06%	11.94%	66.67%	33.33%
Q4-22	90.29%	9.71%	74.63%	25.37%	98.00%	2.00%

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CASE LEVEL TREND

3.A.2. Alternate Modes Of Verification: Component Employment [Q3-22 to Q4-22]
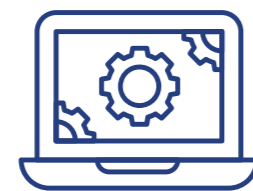
	ENGINEERING & INFRA		FMCG		HEALTHCARE & PHARMA	
	STANDARD	ALTERNATE	STANDARD	ALTERNATE	STANDARD	ALTERNATE
Q3-22	76.55%	23.45%	73.41%	26.59%	88.48%	11.52%
Q4-22	81.20%	18.80%	76.57%	23.43%	86.64%	13.36%
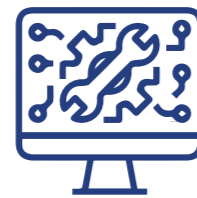
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CASE LEVEL TREND

3.A.2. Alternate Modes Of Verification: Component Employment
[Q3-22 to Q4-22]
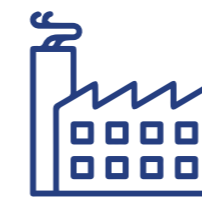
	IT		MANUFACTURING		MEDIA	
	STANDARD	ALTERNATE	STANDARD	ALTERNATE	STANDARD	ALTERNATE
Q3-22	82.33%	17.67%	86.58%	13.42%	73.06%	26.94%
Q4-22	80.88%	19.12%	90.21%	9.79%	79.47%	20.53%
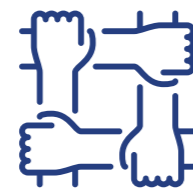
CASE LEVEL TREND

3.A.2. Alternate Modes Of Verification: Component Employment [Q3-22 to Q4-22]

	NGO	REAL ESTATE		RETAIL	
	STANDARD	STANDARD	ALTERNATE	STANDARD	ALTERNATE
Q3-22	100%	81.08%	18.92%	73.05%	26.95%
Q4-22	100%	82.35%	17.65%	75.32%	24.68%

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CASE LEVEL TREND

3.A.2. Alternate Modes Of Verification: Component Employment
[Q3-22 to Q4-22]

	SERVICES		STAFFING		TELECOM	
	STANDARD	ALTERNATE	STANDARD	ALTERNATE	STANDARD	ALTERNATE
Q3-22	80.52%	19.48%	93.52%	6.48%	89.51%	10.49%
Q4-22	95.21%	4.79%	89.32%	10.68%	90.91%	9.09%

CASE LEVEL TREND

3.A.2. Alternate Modes Of Verification: Component Employment [Q3-22 to Q4-22]

	TRAVEL AND HOSPITALITY		FACILITY MANAGEMENT		PUBLISHING	
	STANDARD	ALTERNATE	STANDARD	ALTERNATE	STANDARD	ALTERNATE
Q3-22	79.38%	20.62%	70.00%	30.00%	63.83%	36.17%
Q4-22	86.64%	13.36%	100%	0.00%	82.14%	17.86%

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CASE LEVEL TREND

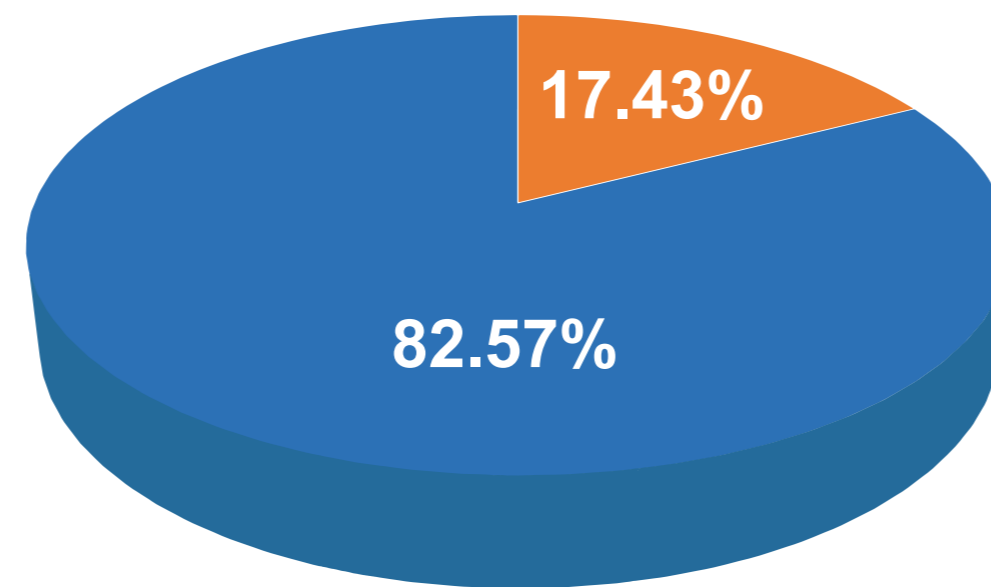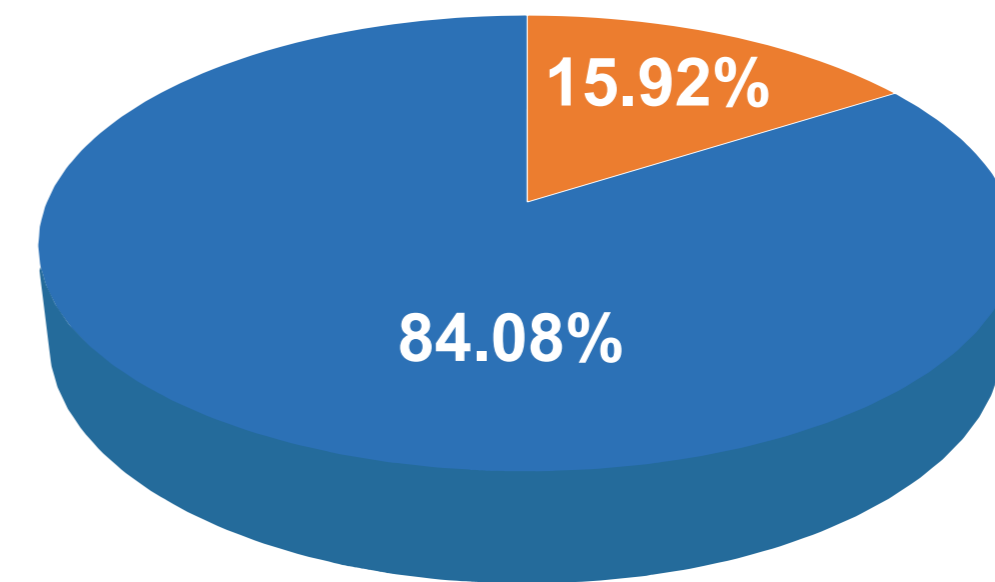## 4.A.1. Alternate Modes Of Verification: Component Address [Q3-22 to Q4-22]
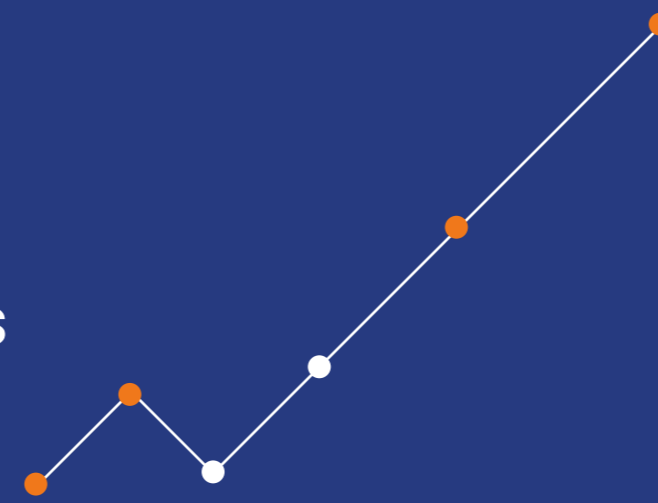
16 out of every 100 Address Verifications were conducted through the alternate modes of verification.

■ STANDARD   ■ ALTERNATE

17.43%

82.57%

Q3-22

15.92%

84.08%

Q4-22

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CASE LEVEL TREND

4.A.2. Alternate Modes Of Verification: Component Address
[Q3-22 to Q4-22]
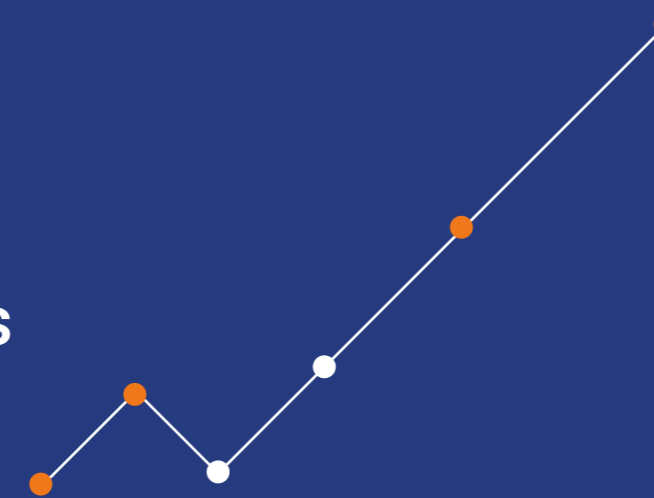
	EDUCATION		BFSI		BPO	
	STANDARD	ALTERNATE	STANDARD	ALTERNATE	STANDARD	ALTERNATE
Q3-22	14.81%	85.19%	93.31%	6.69%	98.45%	1.55%
Q4-22	18.32%	81.68%	97.43%	2.57%	99.44%	0.56%

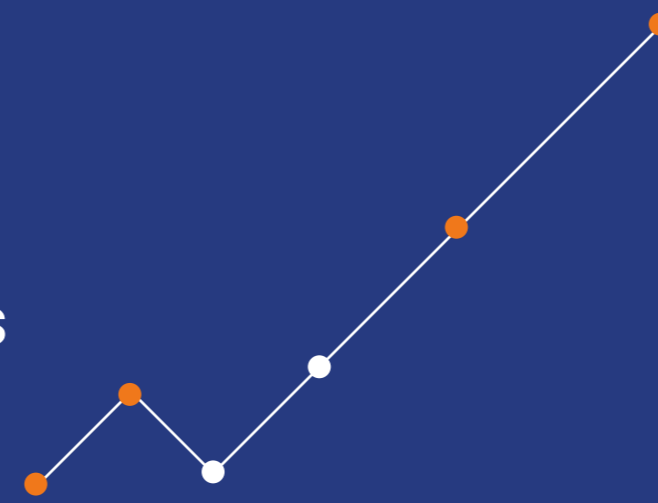In Q4-22 sectors like BFSI, Consulting, Engineering & Infra and Education are accepting a higher percentage of alternate modes of verification compared to others.

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CASE LEVEL TREND

4.A.2. Alternate Modes Of Verification: Component Address
[Q3-22 to Q4-22]
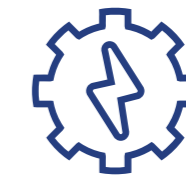
	CONSULTING		E COMMERCE & LOGISTICS		ENERGY
	STANDARD	ALTERNATE	STANDARD	ALTERNATE	STANDARD
Q3-22	82.13%	17.87%	98.88%	1.12%	100.00%
Q4-22	77.20%	22.80%	100.00%	0.00%	100.00%

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CASE LEVEL TREND

4.A.2. Alternate Modes Of Verification: Component Address
[Q3-22 to Q4-22]

	ENGINEERING & INFRA		FMCG		HEALTHCARE & PHARMA	
	STANDARD	ALTERNATE	STANDARD	ALTERNATE	STANDARD	ALTERNATE
Q3-22	98.23%	1.77%	99.64%	0.36%	99.53%	0.47%
Q4-22	96.90%	3.10%	100.00%	0.00%	99.53%	0.47%

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CASE LEVEL TREND

4.A.2. Alternate Modes Of Verification: Component Address
[Q3-22 to Q4-22]

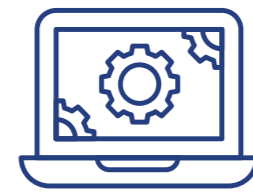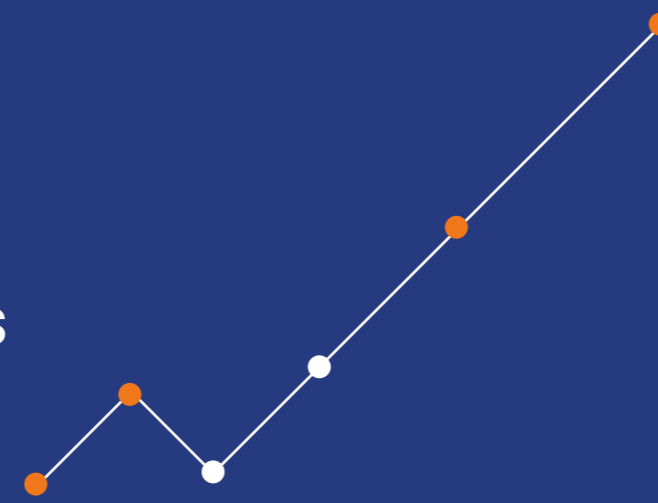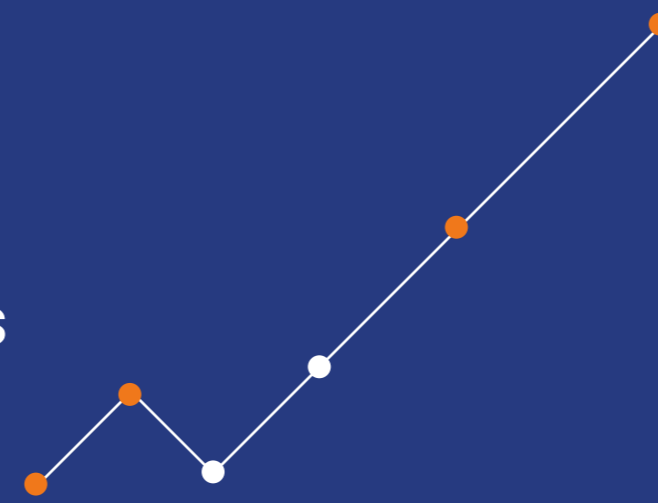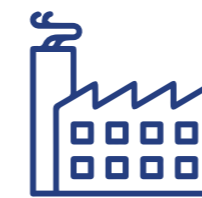|	IT		MANUFACTURING		MEDIA
	STANDARD	ALTERNATE	STANDARD	ALTERNATE	STANDARD
Q3-22	68.75%	31.25%	95.25%	4.75%	100.00%
Q4-22	67.46%	32.54%	95.18%	4.82%	100.00%

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CASE LEVEL TREND

4.A.2. Alternate Modes Of Verification: Component Address [Q3-22 to Q4-22]
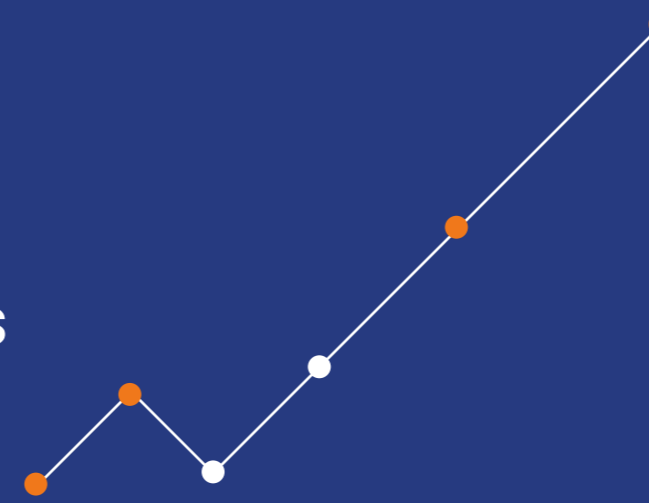
	NGO	REAL ESTATE	RETAIL	
	STANDARD	STANDARD	STANDARD	ALTERNATE
Q3-22	100.00%	100.00%	99.22%	0.78%
Q4-22	100.00%	0.00%	99.60%	0.40%

First Advantage

CASE LEVEL TREND

4.A.2. Alternate Modes Of Verification: Component Address
[Q3-22 to Q4-22]
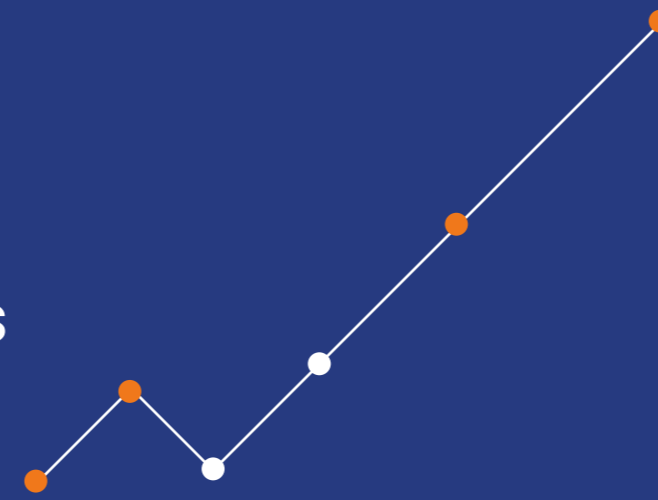
	SERVICES	STAFFING		TELECOM	
	STANDARD	STANDARD	ALTERNATE	STANDARD	ALTERNATE
Q3-22	100.00%	91.86%	8.14%	99.60%	0.40%
Q4-22	100.00%	93.60%	6.40%	99.57%	0.43%

First Advantage

CASE LEVEL TREND

4.A.2. Alternate Modes Of Verification: Component Address [Q3-22 to Q4-22]
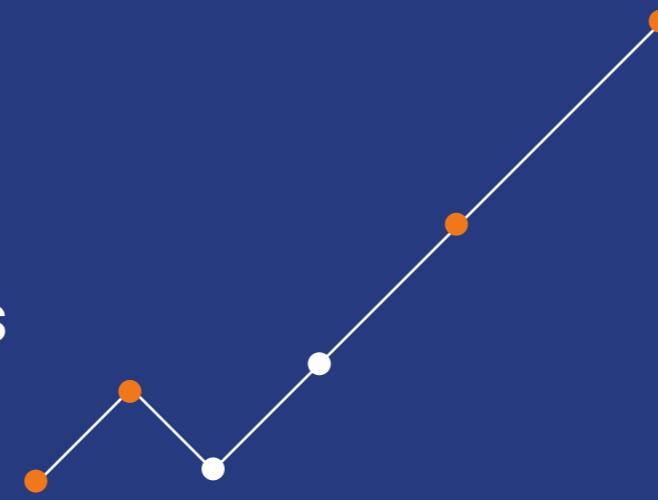
TRAVEL AND HOSPITALITY

	STANDARD	ALTERNATE
Q3-22	99.29%	0.71%
Q4-22	99.84%	0.16%

First Advantage

SCREENING INSIGHTS
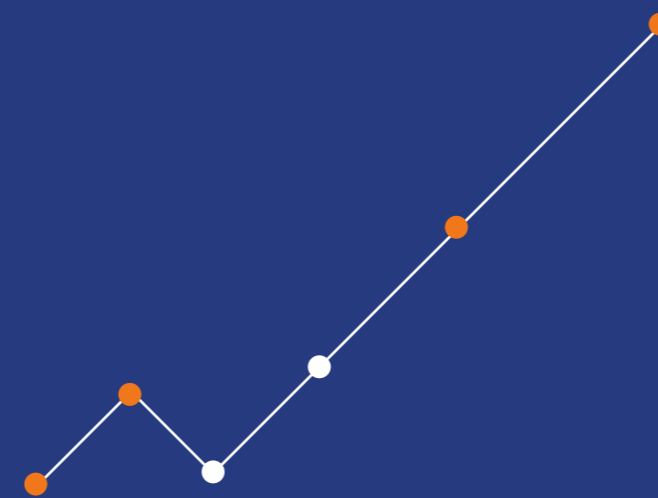
⚠ In Q4'22, the most frequent first names screened were Rahul, Abhishek, Shubham, Amit and Priyanka, while the most common last names screened were Kumar, Sharma, Singh, Patil and Gupta.

⚠ First Advantage completes 96 percent of criminal checks in three days and 80 percent in one day.

⚠ First Advantage has screening capabilities in over 200+ countries, with candidates who would have lived in other countries and are hired in India.

⚠ USA, Australia, UK, Singapore and Canada are top countries screened for candidates working in India.

⚠ Discrepancy in background screening was majorly at Associate Level.

First Advantage

FA CAPABILITIES AND SERVICES

01 MSS – Managed Screening Services

Executive Advantage
02

03 Social Media

Insta Advantage Products

05 Vendor Screening

Consultative Services on demand
06

04

GAP ANALYSIS

EMPLOYMENT VERIFICATION

EDUCATION VERIFICATION

PROFESSIONAL QUALIFICATION CHECK

INSTA ID

DIGITAL ADDRESS

E-COURT

PROFESSIONAL REFERENCE

CV COMPARISON

COMPANY VERIFICATION

ADDRESS VERIFICATION

FINANCIAL DOCUMENT
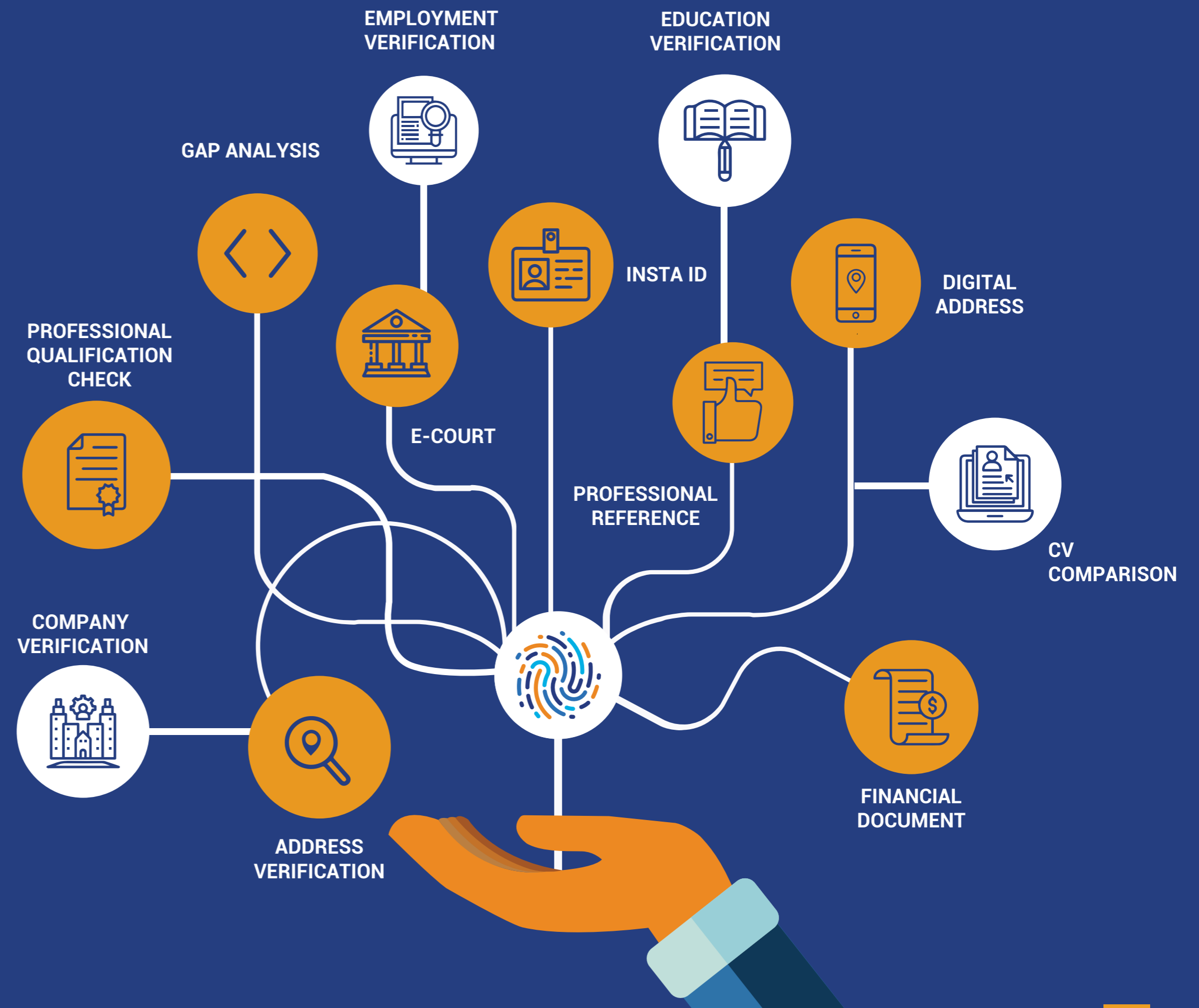
First Advantage

ABOUT US
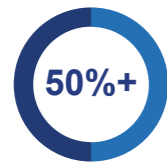
50%+
of Fortune 100 Trust
First Advantage

5,500
First Advantage
Employees Worldwide

12 Years
Average Customer
Tenure for Top 100
Customers

200+ Countries
& Territories

~93 million
Screens Completed

~96%
Average gross
retention rate from
2019 to 2021

33,000+
Customers

- ■ Screening capabilities
- ● First Advantage locations

First Advantage (NASDAQ: FA) is a leading global provider of technology solutions for screening, verifications, safety, and compliance related to human capital.

The Company delivers innovative solutions and insights that help customers manage risk and hire the best talent. Enabled by its proprietary technology, First Advantage's products and solutions help companies protect their brands and provide safer environments for their customers and their most important resources: employees, contractors, contingent workers, tenants, and drivers.

For more information about First Advantage, visit the Company's website at https://fadv.com/.

First Advantage

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

WE ARE FA

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