BACKGROUND SCREENING TRENDS INDIA

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

2024

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.

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.

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

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

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.

FOREWORD

In an era marked by rapid technological advances, the landscape of background screening is undergoing a significant transformation. Digital innovations are fundamentally changing how organizations conduct pre-employment screenings and due diligence, powered by cutting-edge technologies. This shift promises unmatched efficiency, precision, and security, reshaping the essence of our industry.

First Advantage is a leading provider within this transformation, combining technological expertise and human creativity. Our commitment to digitalization, analytics, and seamless integration empowers businesses to **"Hire Smarter and Onboard Faster".**

The digital transformation journey at First Advantage emphasizes a shift from right to left in the screening process. This approach not only helps HR professionals meet regulatory standards but also drives recruitment process productivity. Early screening in India offers significant benefits, including risk mitigation, improved productivity, and an enhanced candidate experience. Most of the screening now happens in the initial phases, yielding time efficiency, cost savings, improved decision-making, and better compliance.

We are privileged to be your partner in this transformative journey. Providing indispensable perspectives and insights through our trends, let us embrace the digital future and unlock a realm of fresh possibilities in background screening.

VISHNUVARDHAN KUNDHU

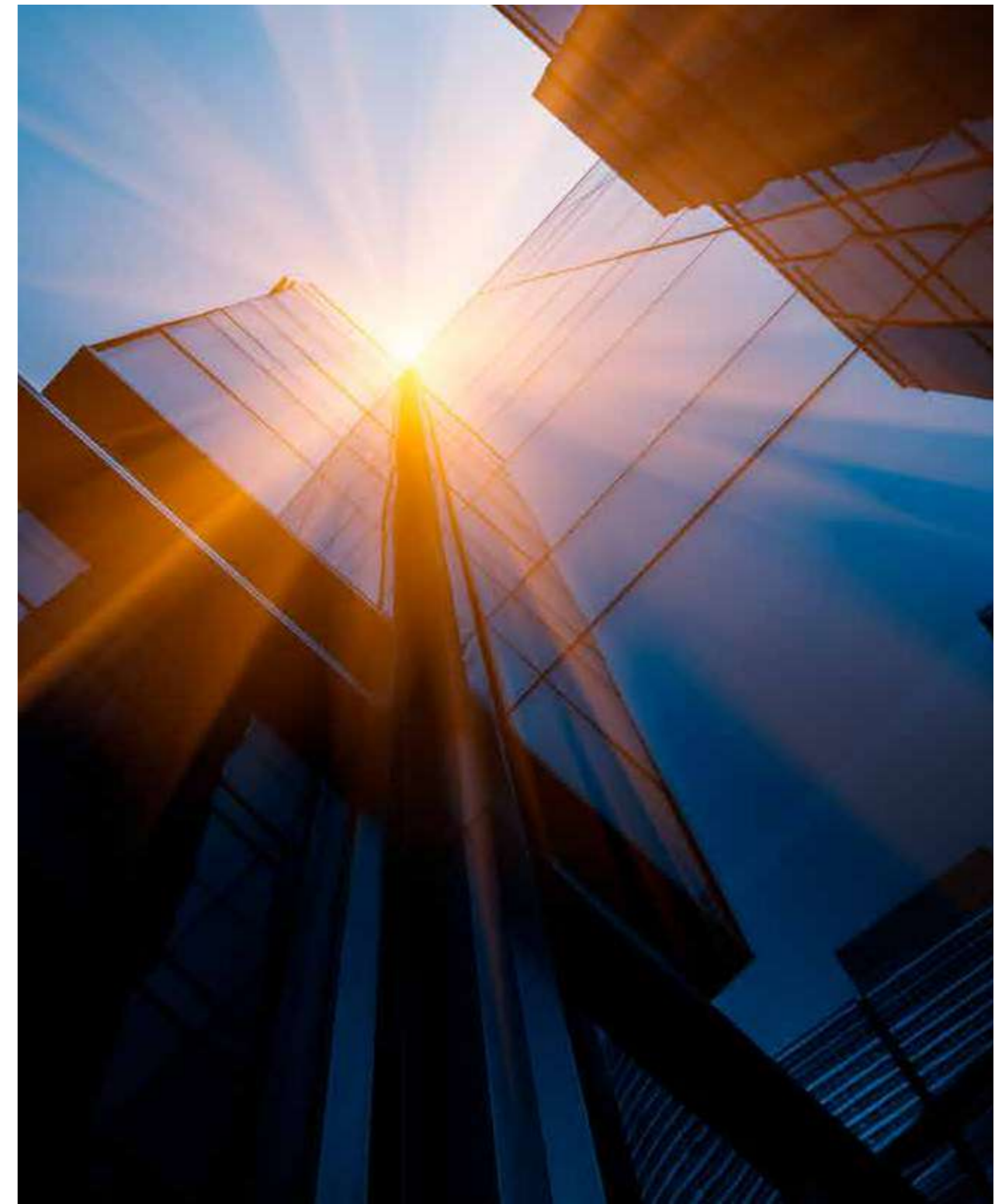Senior Vice President Operations, First Advantage India
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First Advantage

CONTENTS

CASE LEVEL TREND

1.A. Discrepancy Percentage - By Quarter
[Q1-18 to Q1-24]

	2018	2019	2020	2021	2022	2023	2024
Q1	10.3%	9.2%	7.8%	8.7%	9.6%	11.5%	9.6%
Q2	9.3%	9.5%	9.7%	8.7%	11.3%	9.7%	
Q3	9.4%	9.3%	9.4%	7.9%	10.8%	10.2%	
Q4	9.6%	8.4%	8.6%	9.4%	8.3%	10.5%	
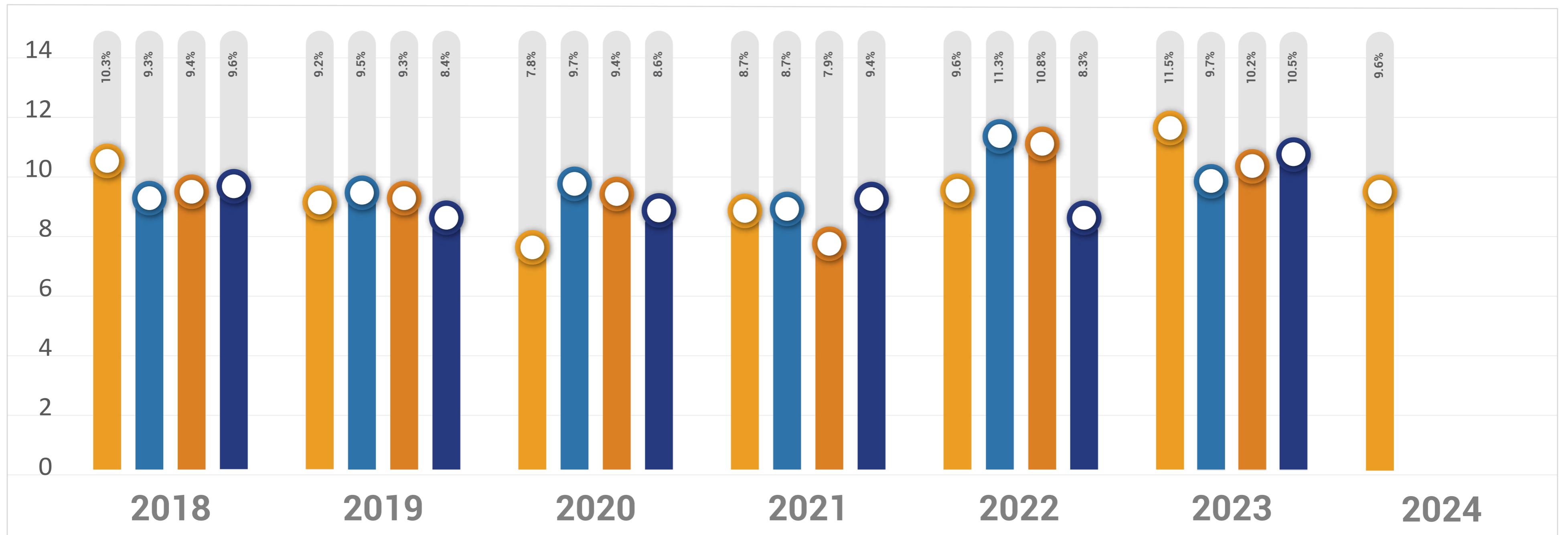
Legend: Q1 — Q2 — Q3 — Q4

SCREENING INSIGHTS

1.B. Discrepancy Percentage - By Age
[Q4-23 to Q1-24]
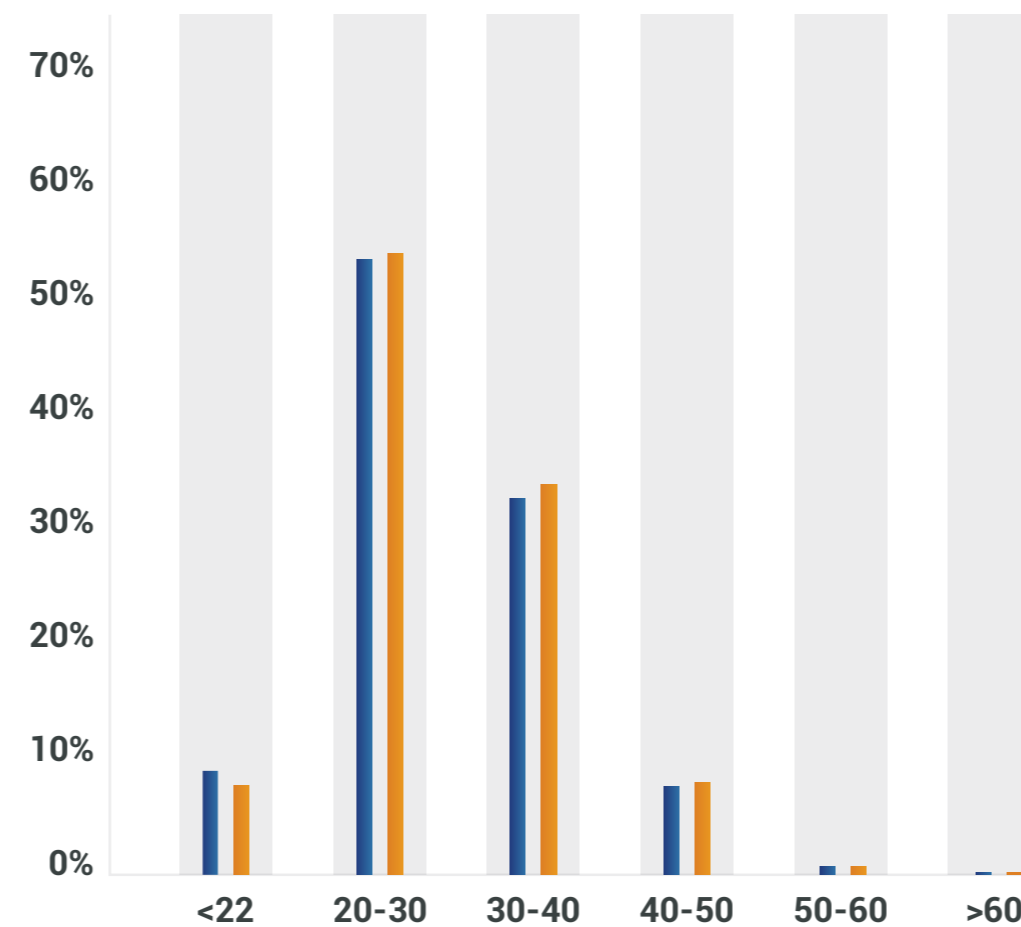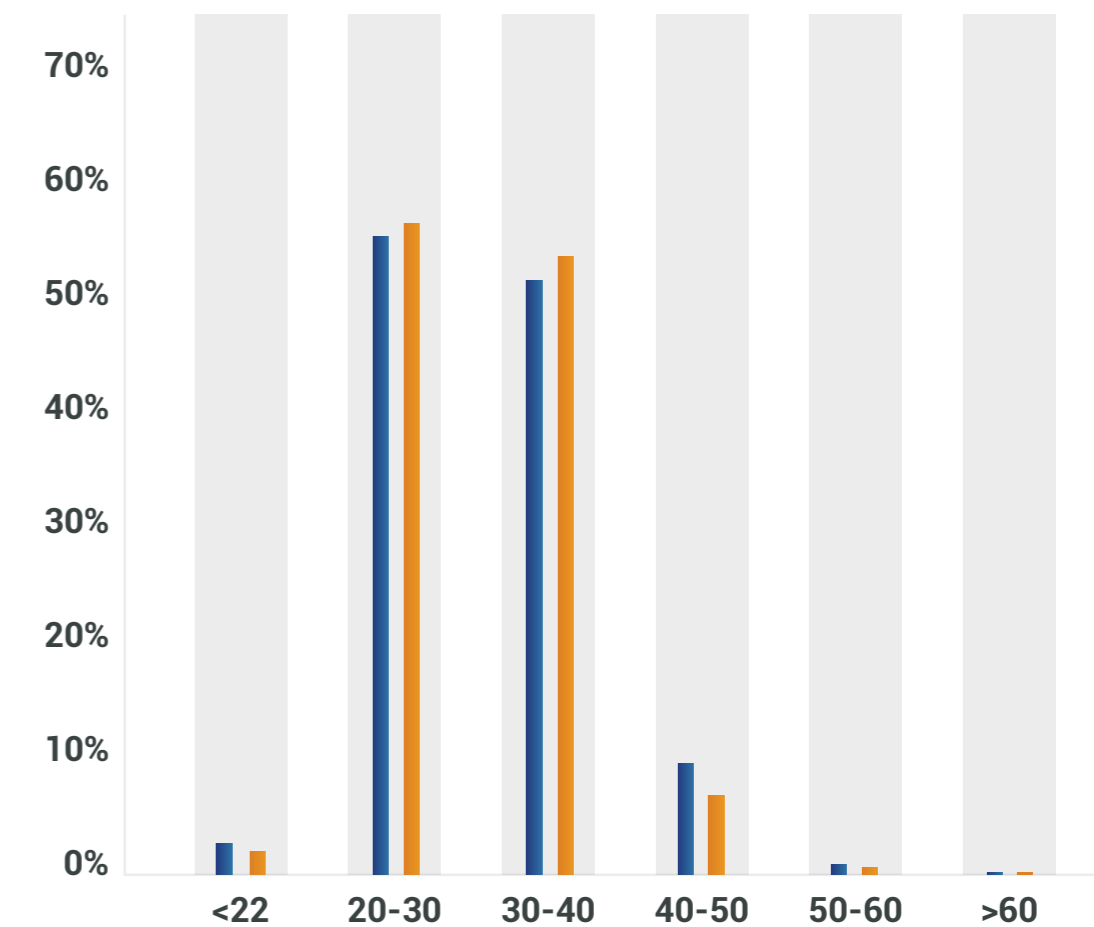
In Q1-24, most of the candidates screened were between the ages of 22 and 30.

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

■ Q4-23   ■ Q1-24   Discrepancy %

Screenings by Age

Discrepancy by Age

CASE LEVEL TREND

1.C. Discrepancy Percentage - By Industry
[Q3-23 to Q1-24]
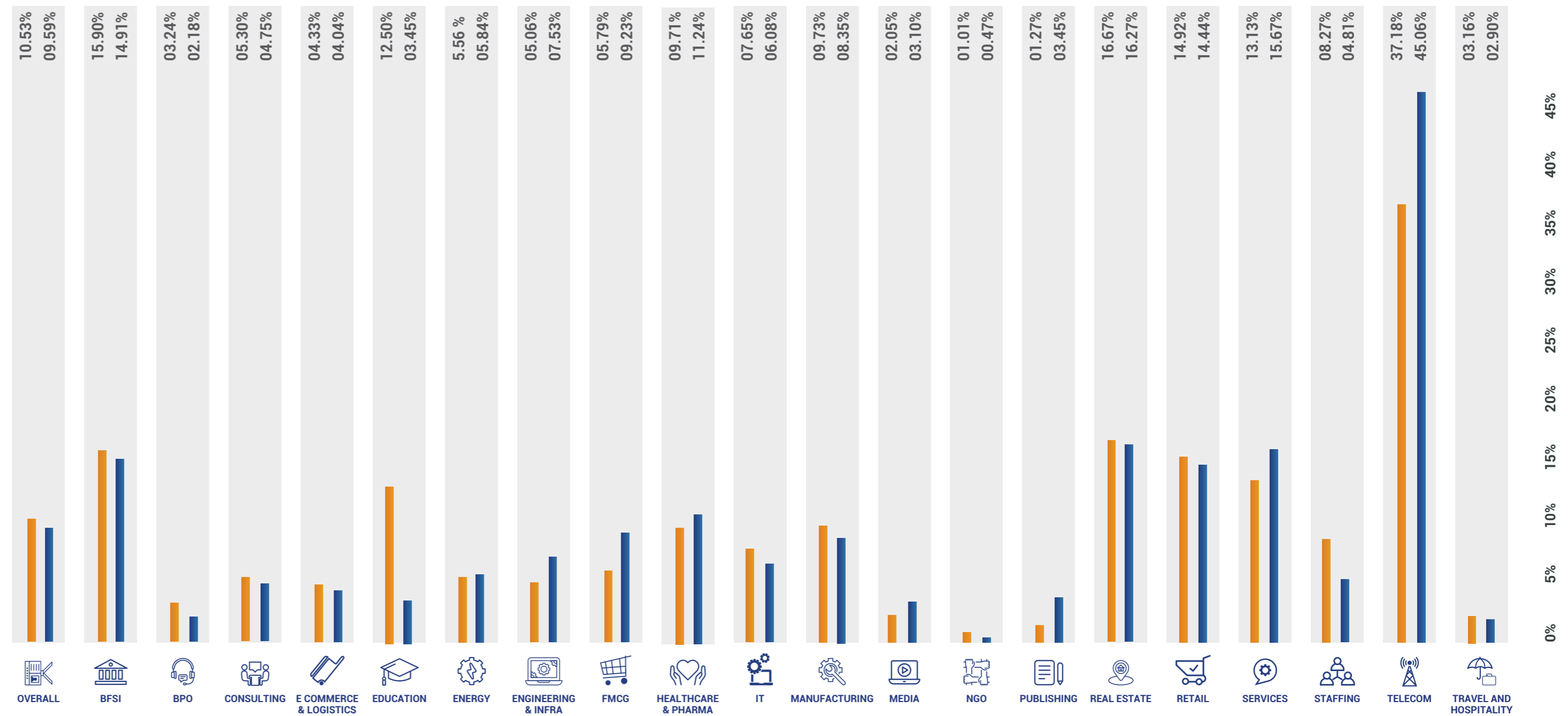
In Q1-24, Industries such as FMCG, Healthcare & Pharma, Services and Telecom sectors had discrepancies percentages that are much higher than the overall average of 9.59 %.

Telecom, FMCG & Services Industries had higher discrepancies compared to Q4-23.

■ Q1-24   ■ Q4-23   Discrepancy %

Industry	Q1-24	Q4-23
OVERALL	10.53%	09.59%
BFSI	15.90%	14.91%
BPO	03.24%	02.18%
CONSULTING	05.30%	04.75%
E COMMERCE & LOGISTICS	04.33%	04.04%
EDUCATION	12.50%	03.45%
ENERGY	5.56 %	05.84%
ENGINEERING & INFRA	05.06%	07.53%
FMCG	05.79%	09.23%
HEALTHCARE & PHARMA	09.71%	11.24%
IT	07.65%	06.08%
MANUFACTURING	09.73%	08.35%
MEDIA	02.05%	03.10%
NGO	01.01%	00.47%
PUBLISHING	01.27%	03.45%
REAL ESTATE	16.67%	16.27%
RETAIL	14.92%	14.44%
SERVICES	13.13%	15.67%
STAFFING	08.27%	04.81%
TELECOM	37.18%	45.06%
TRAVEL AND HOSPITALITY	03.16%	02.90%

CASE LEVEL TREND
1.D. Case and Component Discrepancy Percentage [Q1-24 to Q4-23]
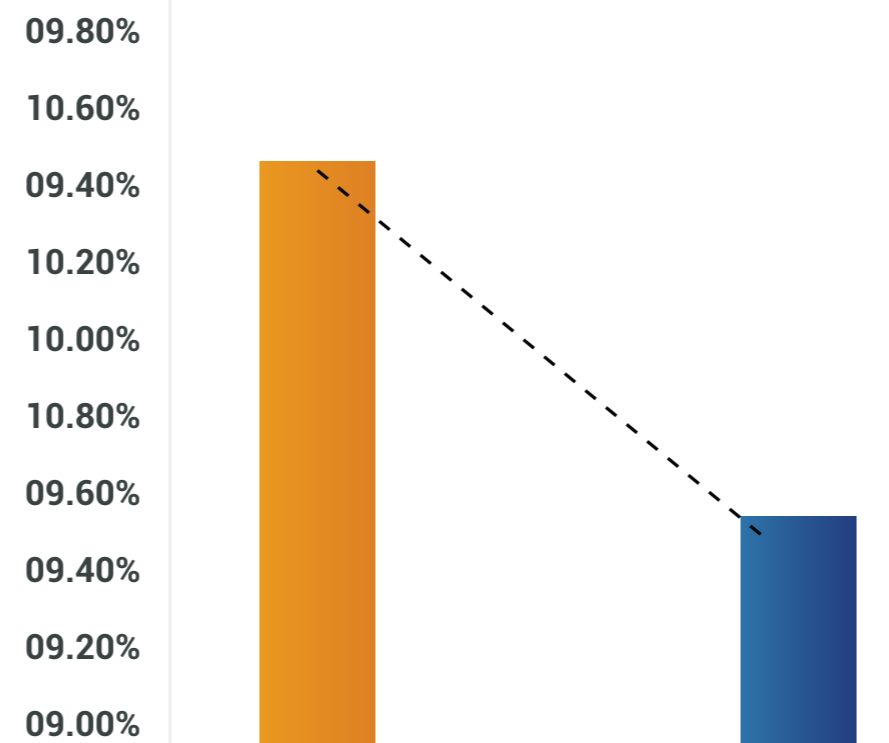
Case Discrepancy - Over 9.5 percent of candidates screened in Q1 2024 have noted discrepancies, i.e., 9 percent increase as compared to Q4-23.

CV comparison revealed a significant decrease in noted discrepancies of 26 percent in Q1'24 compared to Q4'23.

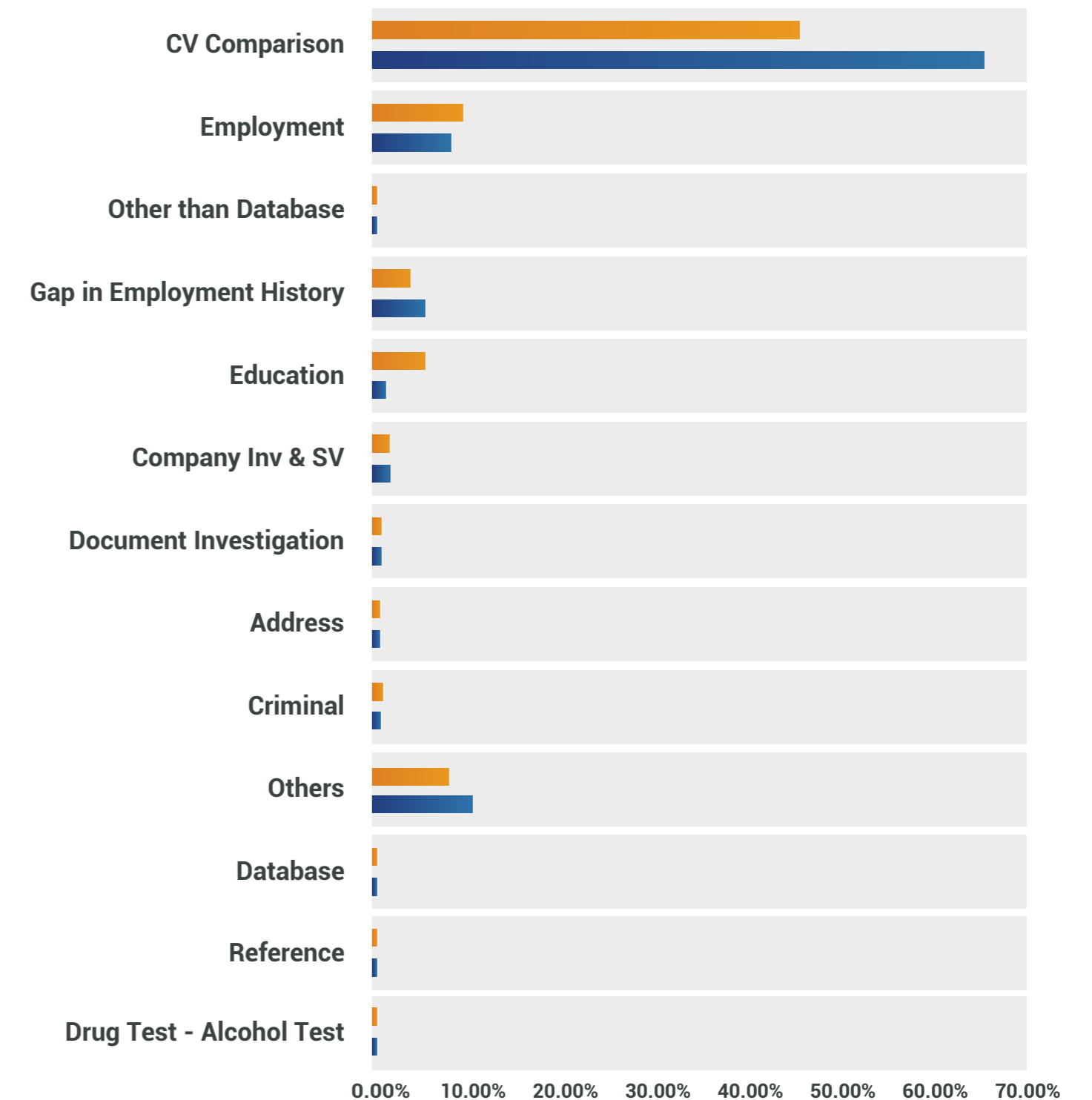Education discrepancy decreased from 3.24 percent to 2.81 percent compared to Q4'23.

Decreased difference in Address and Criminal screenings by 2 percent and 8 percent, respectively

■ Q1-24   ■ Q4-23   Discrepancy %

Case Discrepancy
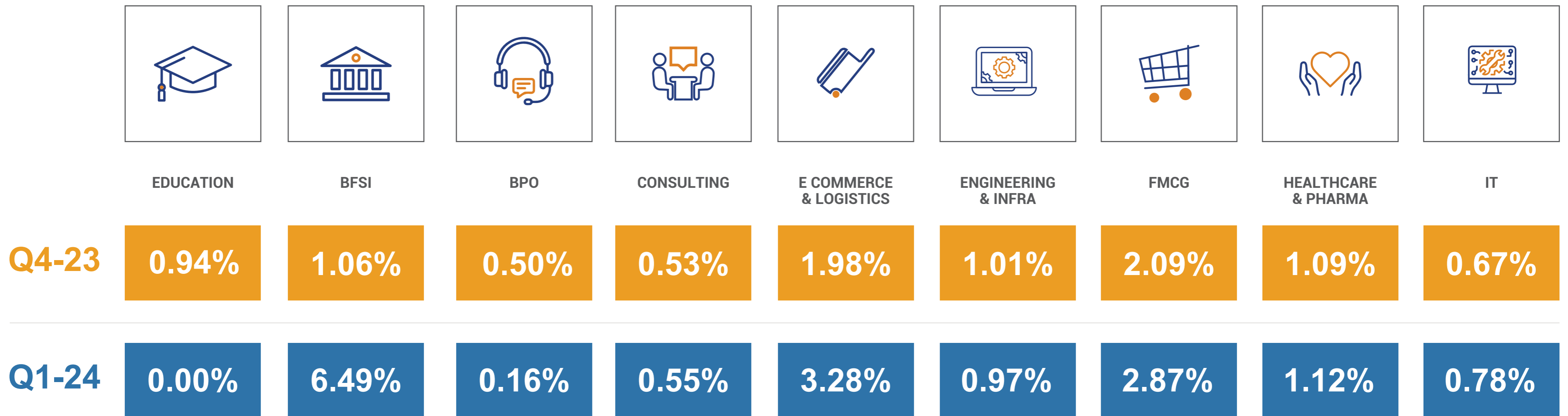
Chart (Case Discrepancy) axis labels:
09.80%, 10.60%, 09.40%, 10.20%, 10.00%, 10.80%, 09.60%, 09.40%, 09.20%, 09.00%
Q4-23   Q1-24

Horizontal bar chart categories:
CV Comparison, Employment, Other than Database, Gap in Employment History, Education, Company Inv & SV, Document Investigation, Address, Criminal, Others, Database, Reference, Drug Test - Alcohol Test

Axis: 0.00%, 10.00%, 20.00%, 30.00%, 40.00%, 50.00%, 60.00%, 70.00%

CASE LEVEL TREND

2.A. Discrepancy Percentage - By Industry by Component Education [Q4-23 to Q1-24]

	EDUCATION	BFSI	BPO	CONSULTING	E COMMERCE & LOGISTICS	ENGINEERING & INFRA	FMCG	HEALTHCARE & PHARMA	IT
Q4-23	0.94%	1.06%	0.50%	0.53%	1.98%	1.01%	2.09%	1.09%	0.67%
Q1-24	0.00%	6.49%	0.16%	0.55%	3.28%	0.97%	2.87%	1.12%	0.78%

BFSI, E-commerce & Logistics, FMCG, and Services industries has showed a rise in discrepancy in Q4-23.

CASE LEVEL TREND

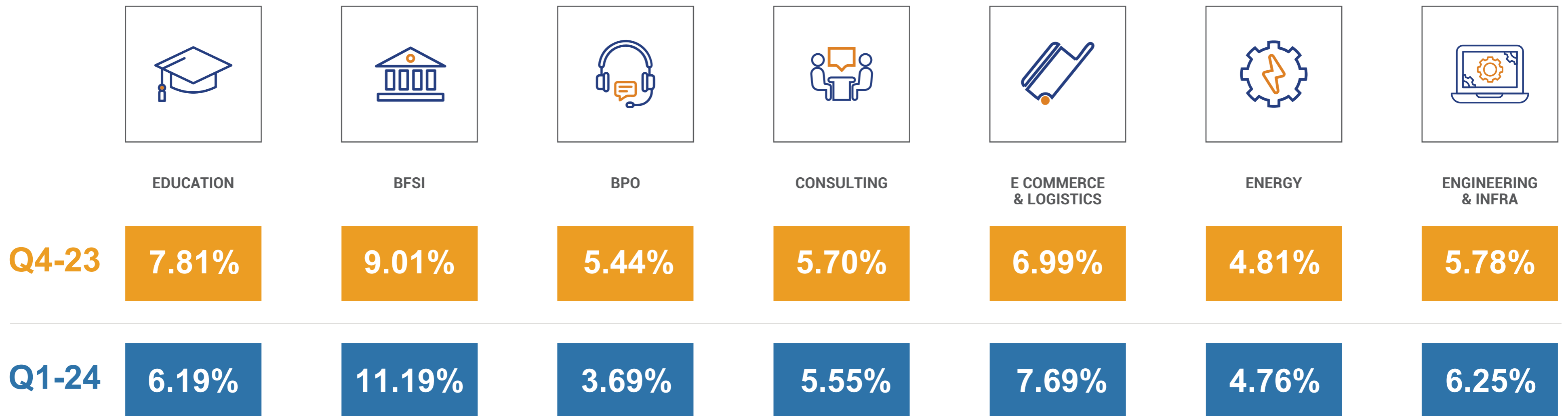2.A. Discrepancy Percentage - By Industry by Component Education [Q4-23 to Q1-24]

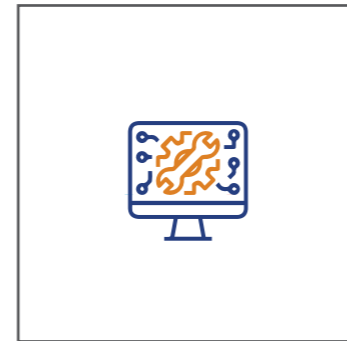|	MANUFACTURING	MEDIA	REAL ESTATE	RETAIL	SERVICES	STAFFING	TELECOM	TRAVEL AND HOSPITALITY
Q4-23	1.12%	0.57%	1.95%	2.67%	2.89%	2.83%	2.99%	1.56%
Q1-24	1.15%	2.36%	2.80%	1.23%	6.06%	1.90%	5.03%	0.47%

CASE LEVEL TREND

2.B. Discrepancy Percentage - By Industry by
Component Employment [Q4-23 to Q1-24)]

	EDUCATION	BFSI	BPO	CONSULTING	E COMMERCE & LOGISTICS	ENERGY	ENGINEERING & INFRA
Q4-23	7.81%	9.01%	5.44%	5.70%	6.99%	4.81%	5.78%
Q1-24	6.19%	11.19%	3.69%	5.55%	7.69%	4.76%	6.25%
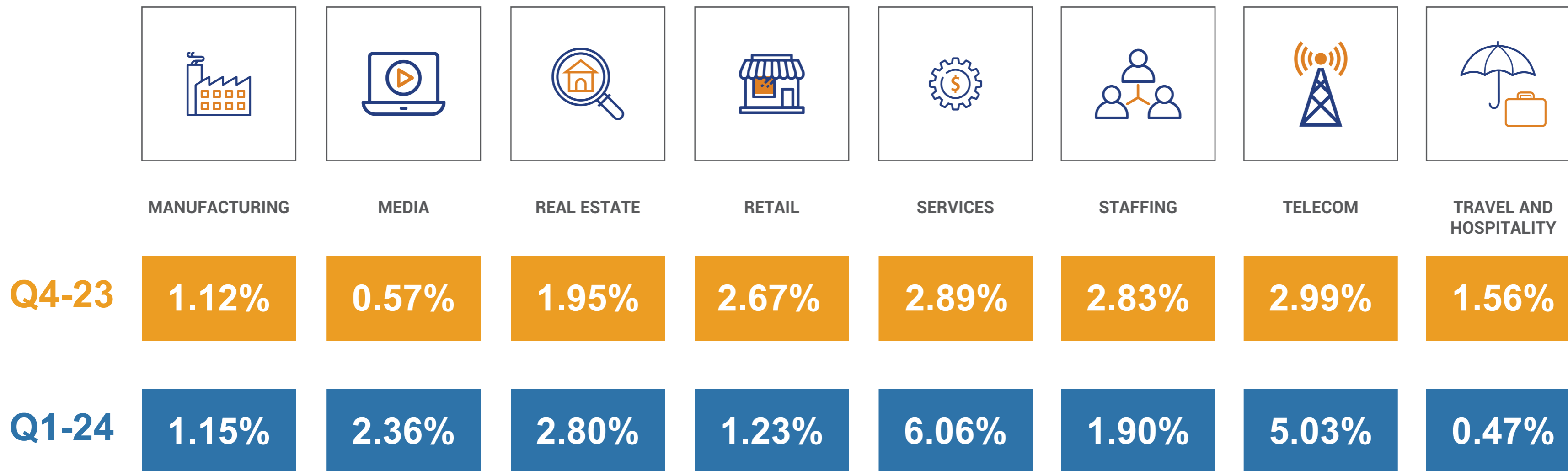
BFSI, Engineering & Infra, Healthcare & Pharma, Retail and Services sectors leads to rise in discrepancy in Q1-24 compared to Q4-23.

CASE LEVEL TREND

2.B. Discrepancy Percentage - By Industry by Component Employment [Q4-23 to Q1-24]
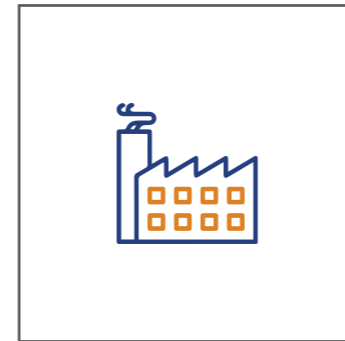
	FMCG	HEALTHCARE & PHARMA	IT	MANUFACTURING	MEDIA	NGO	REAL ESTATE
Q4-23	6.23%	8.07%	10.83%	6.71%	3.33%	14.29%	4.31%
Q1-24	5.17%	12.19%	8.06%	6.87%	1.69%	20.00%	10.12%
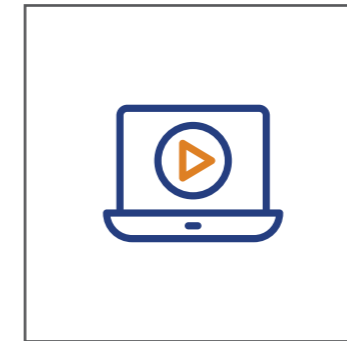
CASE LEVEL TREND

2.B. Discrepancy Percentage - By Industry by
Component Employment [Q4-23 to Q1-24]
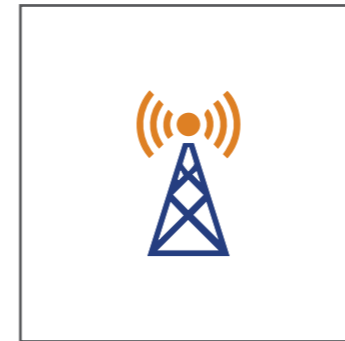
	RETAIL	SERVICES	STAFFING	TELECOM	TRAVEL AND HOSPITALITY
Q4-23	13.30%	6.67%	7.75%	25.80%	6.84%
Q1-24	16.36%	9.41%	3.86%	32.27%	6.57%

CASE LEVEL TREND

2.C. Discrepancy Percentage - By Industry by Component Address [Q4-23 to Q1-24]

	EDUCATION	BFSI	CONSULTING	E COMMERCE & LOGISTICS	ENGINEERING & INFRA	FMCG	HEALTHCARE & PHARMA
Q4-23	1.39%	2.77%	0.02%	0.00%	0.42%	0.81%	0.05%
Q1-24	0.00%	2.30%	0.04%	0.21%	0.46%	3.21%	0.18%

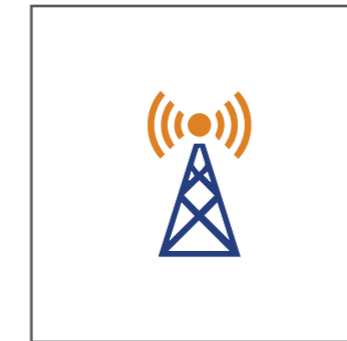Sectors like BFSI, FMCG, Retail and Telecom have demonstrated a significant increase in discrepancy in Q1-24 compared to Q4-23.

CASE LEVEL TREND

2.C. Discrepancy Percentage - By Industry by Component Address [Q4-23 to Q1-24]
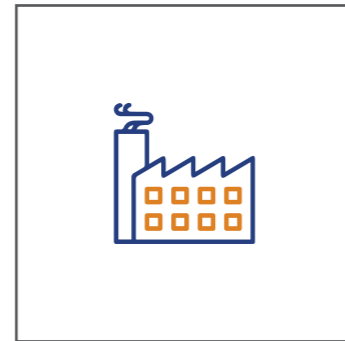
	IT	MANUFACTURING	RETAIL	STAFFING	TELECOM	TRAVEL AND HOSPITALITY
Q4-23	0.31%	2.23%	10.55%	0.00%	15.44%	0.28%
Q1-24	0.58%	1.33%	10.79%	0.15%	18.79%	0.31%

CASE LEVEL TREND

3.A.1. Alternate Modes Of Verification:
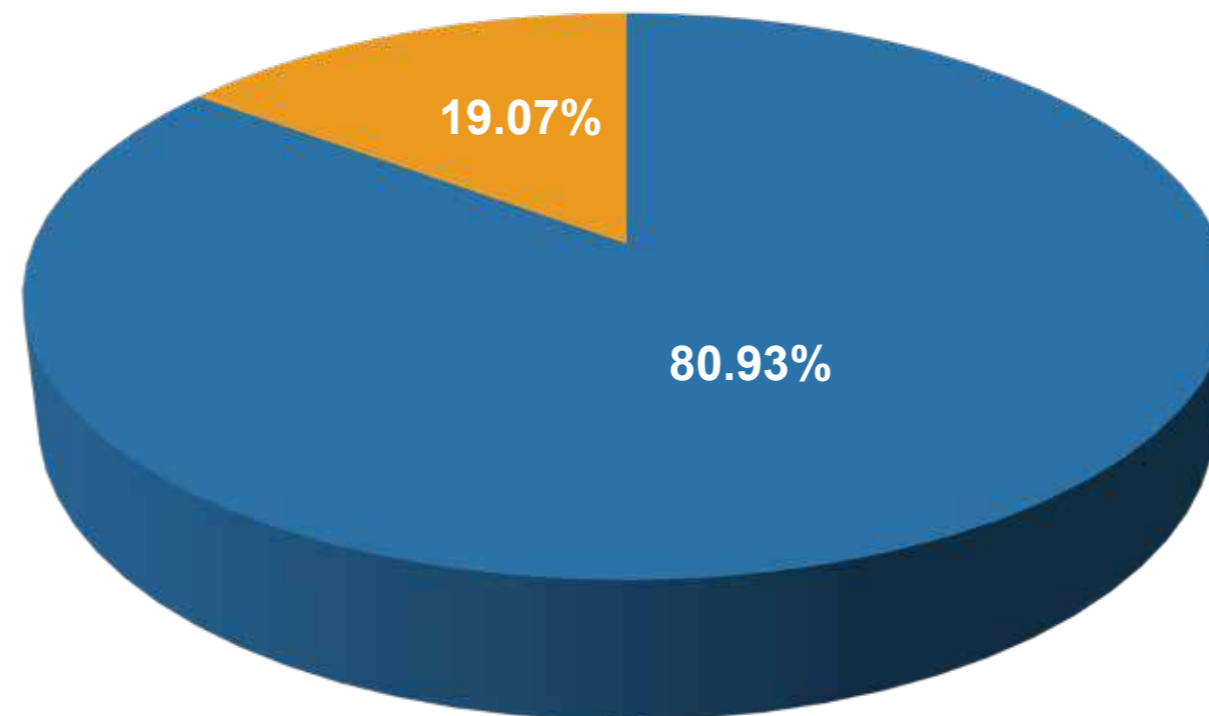## Component Employment [Q4-23 to Q1-24]

Q4-23

18.40%

81.60%

Q1-24

19.07%

80.93%
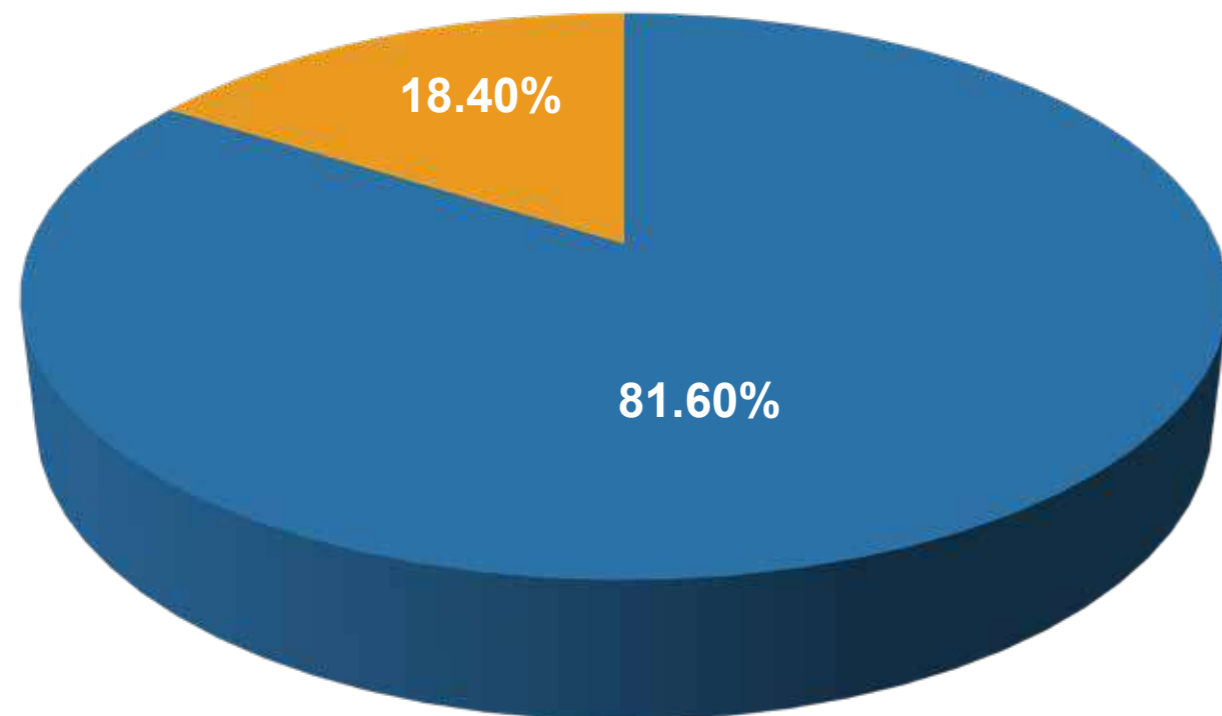
19 out of every 100 Employment Verifications were conducted through the alternate modes of verification.

■ STANDARD   ■ ALTERNATE

CASE LEVEL TREND

3.A.2. Alternate Modes Of Verification:
Component Employment [Q4-23 to Q1-24]

	EDUCATION		BFSI		BPO	
	STANDARD	ALTERNATE	STANDARD	ALTERNATE	STANDARD	ALTERNATE
Q4-23	87.50%	12.50%	83.69%	16.31%	82.10%	17.90%
Q1-24	93.81%	6.19%	85.73%	14.27%	82.07%	17.93%

In Q1-24 sectors, IT, Consulting, FMCG, Engineering & Infra and Manufacturing to name a few, are accepting a higher percentage of alternate modes of verification compared to others.

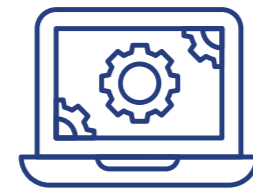|	CONSULTING		E COMMERCE & LOGISTICS		ENERGY	
	STANDARD	ALTERNATE	STANDARD	ALTERNATE	STANDARD	ALTERNATE
Q4-23	83.45%	16.55%	73.32%	26.68%	71.12%	28.88%
Q1-24	81.63%	18.37%	75.82%	24.18%	79.52%	20.48%

CASE LEVEL TREND

3.A.2. Alternate Modes Of Verification:
Component Employment [Q4-23 to Q1-24]

	ENGINEERING & INFRA		FMCG		HEALTHCARE & PHARMA	
	STANDARD	ALTERNATE	STANDARD	ALTERNATE	STANDARD	ALTERNATE
Q4-23	79.80%	20.20%	76.24%	23.76%	79.44%	20.56%
Q1-24	76.12%	23.88%	68.74%	31.26%	79.31%	20.69%

CASE LEVEL TREND

3.A.2. Alternate Modes Of Verification:
Component Employment [Q4-23 to Q1-24]

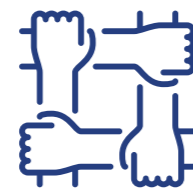|	IT		MANUFACTURING		MEDIA	
	STANDARD	ALTERNATE	STANDARD	ALTERNATE	STANDARD	ALTERNATE
Q4-23	78.75%	21.25%	84.73%	15.27%	70.00%	30.00%
Q1-24	75.92%	24.08%	83.34%	16.66%	77.97%	22.03%

CASE LEVEL TREND

3.A.2. Alternate Modes Of Verification:
Component Employment [Q4-23 to Q1-24]

	NGO		REAL ESTATE		RETAIL	
	STANDARD	ALTERNATE	STANDARD	ALTERNATE	STANDARD	ALTERNATE
Q4-23	92.86%	7.14%	77.59%	22.41%	78.67%	21.33%
Q1-24	90.00%	10.00%	69.64%	30.36%	79.05%	20.95%

CASE LEVEL TREND

3.A.2. Alternate Modes Of Verification:
Component Employment [Q4-23 to Q1-24]

	SERVICES		STAFFING		TELECOM	
	STANDARD	ALTERNATE	STANDARD	ALTERNATE	STANDARD	ALTERNATE
Q4-23	92.22%	7.78%	92.25%	7.75%	0.00%	0.00%
Q1-24	94.14%	5.86%	93.16%	6.84%	91.20%	8.80%

CASE LEVEL TREND

3.A.2. Alternate Modes Of Verification:
Component Employment [Q4-23 to Q1-24]

	TRAVEL AND HOSPITALITY		PUBLISHING	
	STANDARD	ALTERNATE	STANDARD	ALTERNATE
Q4-23	0.00%	0.00%	92.65%	7.35%
Q1-24	78.76%	21.24%	82.43%	17.57%

CASE LEVEL TREND

4.A.1. Alternate Modes Of Verification:
Component Address [Q4-23 to Q1-24]

Q4-23

12.46%

87.54%

Q1-24

9.68%

90.32%
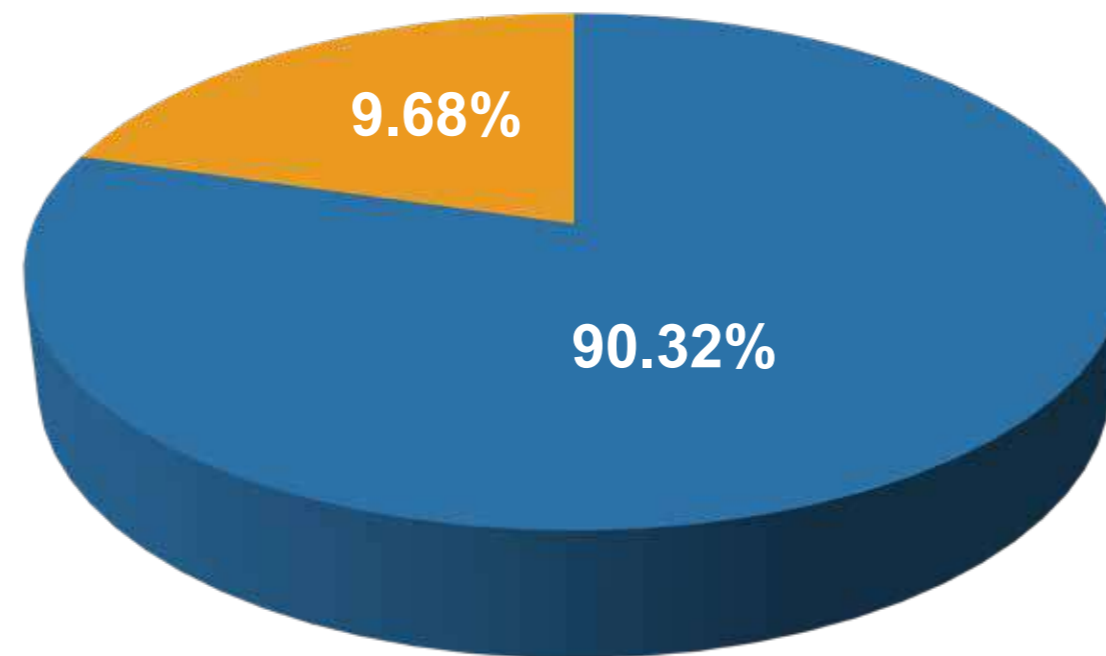
10 out of every 100 Address Verifications were conducted through the alternate modes of verification.

■ STANDARD ■ ALTERNATE

4.A.2. Alternate Modes Of Verification: Component Address [Q4-23 to Q1-24]

	EDUCATION		BFSI		BPO	
	STANDARD	ALTERNATE	STANDARD	ALTERNATE	STANDARD	ALTERNATE
Q4-23	16.67%	83.33%	96.78%	3.22%	80.98%	19.02%
Q1-24	8.16%	91.84%	97.01 %	2.99 %	90.78%	9.22%

In Q1-24 sectors, IT, BPO, Consulting, Staffing and Telecom to name a few, are accepting a higher percentage of alternate modes of verification compared to others.

4.A.2. Alternate Modes Of Verification: Component Address [Q4-23 to Q1-24]

JANUARY TO MARCH

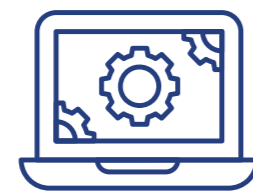|	CONSULTING		E COMMERCE & LOGISTICS	ENERGY	
	STANDARD	ALTERNATE	STANDARD	STANDARD	ALTERNATE
Q4-23	82.12%	17.88%	100%	2.46%	97.54%
Q1-24	88.82%	11.18%	100%	5.00%	95.00%
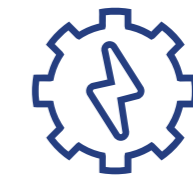
CASE LEVEL TREND

4.A.2. Alternate Modes Of Verification:
Component Address [Q4-23 to Q1-24]

	ENGINEERING & INFRA		FMCG		HEALTHCARE & PHARMA	
	STANDARD	ALTERNATE	STANDARD	ALTERNATE	STANDARD	ALTERNATE
Q4-23	97.56%	2.44%	99.60%	0.40%	97.24%	2.76%
Q1-24	96.34%	3.66%	100.0%	00.00%	98.00%	2.00%

CASE LEVEL TREND
4.A.2. Alternate Modes Of Verification: Component Address [Q4-23 to Q1-24]

	IT		MANUFACTURING		MEDIA
	STANDARD	ALTERNATE	STANDARD	ALTERNATE	STANDARD
Q4-23	75.10%	24.90%	99.69%	00.31%	100%
Q1-24	78.10%	21.90%	99.24%	00.76%	100%

4.A.2. Alternate Modes Of Verification: Component Address [Q4-23 to Q1-24]

	NGO	REAL ESTATE	RETAIL	
	STANDARD	STANDARD	STANDARD	ALTERNATE
Q4-23	100%	100%	97.10%	2.90%
Q1-24	100%	100%	99.85%	0.15%

CASE LEVEL TREND

4.A.2. Alternate Modes Of Verification: Component Address [Q4-23 to Q1-24]

	SERVICES		STAFFING		TELECOM	
	STANDARD	ALTERNATE	STANDARD	ALTERNATE	STANDARD	ALTERNATE
Q4-23	2.99 %	9.14 %	5.35 %	7.90 %	0.34 %	4.70 %
Q1-24	97.01 %	90.86 %	94.65 %	90.86 %	99.66 %	95.30 %

CASE LEVEL TREND

4.A.2. Alternate Modes Of Verification: Component Address [Q4-23 to Q1-24]

TRAVEL AND HOSPITALITY

	STANDARD	ALTERNATE
Q4-23	6.80 %	4.65 %
Q1-24	93.20 %	95.35 %

SCREENING INSIGHTS

⚠ 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, Canada, UK and Sri Lanka are top countries screened for candidates working in India

LEADER IN BACKGROUND SCREENING

30,000+
Customers

~5,000
First Advantage
Employees Worldwide

200+
Countries and
Territories

~100 Million
Screens
Worldwide

12 Years
Average Customer Tenure
for Top 100 Customers

~97%
Gross
Retention Rate

Unique global capabilities
required for multinational
corporations

Global coverage on a single
sign-on platform

Technology platform equipped to
address complexities of a global
compliance engine

200+
Countries &
territories

First Advantage (NASDAQ: FA) is a leading provider of employment background screening, identity, and verification solutions. The Company delivers innovative services and insights that help customers manage risk and hire the best talent. Enabled by its proprietary technology, First Advantage helps companies protect their brands and provide safer environments for their customers and their most important resources: employees, contractors, contingent workers, tenants, and drivers. Headquartered in Atlanta, Georgia, First Advantage performs screens in over 200 countries and territories on behalf of its more than 30,000 customers. For more information about First Advantage, visit the Company's website at https://fadv.com/.

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

WE ARE FA

For any queries email:
Info.india@fadv.com

First Advantage