



MIE BACKGROUND SCREENING INDEX (BSI)

FINDINGS 2019

WE GIVE YOU THE **FULL PICTURE**

FORWARD

THERE IS NO DENYING THAT 2019 WAS A TOUGH YEAR FOR SOUTH AFRICA. SOBERING STATISTICS SHOW THAT FOR THE FULL YEAR, THE ECONOMY ONLY GREW 0.2%, WHICH WAS DOWN FROM GROWTH OF 0.8% IN 2018.

The strained economic climate has had significant knock-on effects, where 2019 saw many businesses spend much of the year focused on financial and risk mitigation strategies as a result – either to ensure stability or at least some continued growth success.

One area that has been severely impacted is the local job market, with an approximate **8%** increase in large-scale retrenchment Section 189A referrals in 2018/19, as recorded by The Commission for Conciliation, Mediation and Arbitration (CCMA). And as we look forward, this outlook is expected to continue, at least in the short-term.

Beyond retrenchments, MIE also saw a number of companies face the process of restructuring and hiring budget freezes. While there remained companies that were unscathed from such realities, MIE noticed a trend that the overall process of hiring in 2019 was selective, affected by budget constraints, where only the ‘bare necessities’ in background screening checks was the reality.

As a direct result of this, MIE recorded a 9% decrease for overall y-o-y transaction volume of background screening checks. Despite this, however, our statistics do show that clients are incorporating a wider variety of background screening services critical to their hiring processes, including psychometric assessments and social media checks. We believe this indicates an increasing awareness of the potential reputational, legal and financial risks that exist if comprehensive commercial and candidate screening is not undertaken.

This ninth edition of our Background Screening Index (BSI) report provides our clients and the broader market with valuable insights into the background screening industry, highlighting 2019 trends and the related risks and challenges hiring businesses need to be aware of.

It remains evident that background screening services play a critical role in supporting businesses to make the right hiring decisions. We hope the insights enclosed in this report will support your hiring strategies, taking current and future risk into account, and towards your business growth aims and objectives, no matter the state of the economy.

Michelle Baron-Williamson
CEO of Managed Integrity Evaluation (MIE)

2019 YEAR IN REVIEW

VOLUMES OF CHECKS CONDUCTED, AND THEIR ASSOCIATED RISK,
FOR THE TOP 10 REQUESTED CHECK CATEGORIES.



TRENDSPOTTING



Steady demand
overall for
Commercial
Screening services



Steady demand
for overall
Candidate
Screening services



Criminal
remains
#1
most requested
check



Qualification
remains
#1
most likely aspect
to be misrepresented
on a CV



Near
40%
of Employment
History checks
conducted
presented
associated risk



Steady y-o-y
growth of
Fraud Listing
and Insurance
Regulation checks



Exponential growth
in Social Media
Screening checks -
183.47%

CANDIDATE SCREENING



QUALIFICATION



Steady growth
in y-o-y volume

12.78%

of total volume in 2019
found to have associated risk

SECTORS WITH HIGH ASSOCIATED RISK %



REAL ESTATE
42.51%



NON-PROFIT ORGANISATIONS
20.41%



MEDIA
18.61%



RETAIL
16.69%



TRANSPORT & LOGISTICS
17.36%

QUALIFICATIONS BY ASSOCIATED RISK %



CRIMINAL



Remains the most requested check

9.28%

of total volume in 2019
found to have associated risk

SECTORS WITH HIGH ASSOCIATED RISK %



**HEAVY INDUSTRIES
(INCLUDING MINING,
MANUFACTURING, ETC.)**
15.5%



SECURITY
12.97%

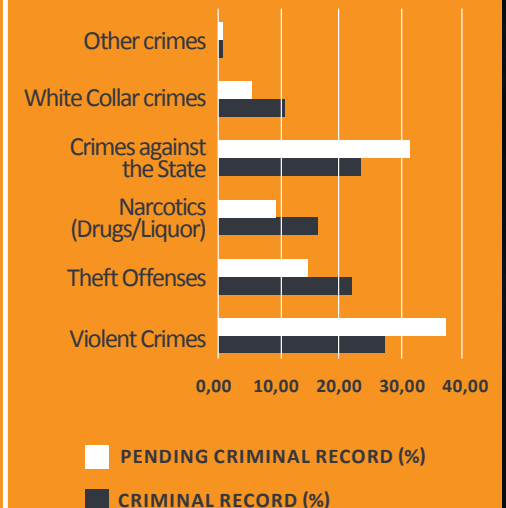


PROFESSIONAL SERVICES
11.47%



REAL ESTATE
11.31%

CRIMINAL RECORDS STATS



SUPPORTING THE PROCESS OF CRIMINAL RECORD CHECKS

Access to a national footprint whereby candidates can have their fingerprints captured for Criminal Record Check purposes

2018 VS 2019 COMPARISON:



Sharp increase in volume of fingerprint checks done

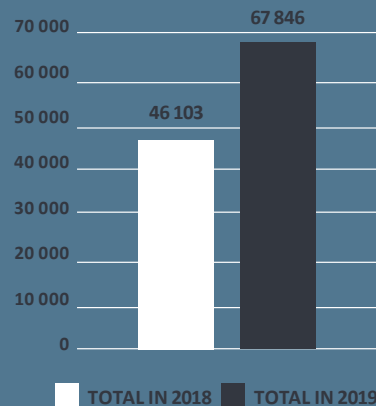


by 47.16%

21 743

more Fingerprint Zone checks carried out in 2019

VOLUME OF REQUESTED FINGERPRINT ZONE APPLICATIONS: 2018 VS 2019

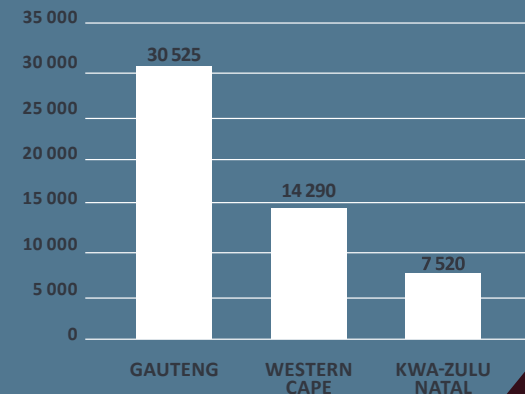


TOP 3 PROVINCES VIEW:

Gauteng is the largest province with requested checks:

30 525

TOP 3 PROVINCES FOR THESE VOLUMES IN 2019



CANDIDATE SCREENING



Volume down by 6.13%



Potential associated risk grew y-o-y, to 20.51% in 2019

SECTORS WITH HIGH ASSOCIATED RISK %



PHARMACEUTICALS
& HEALTHCARE
29.09%



SECURITY
25.37%



TRANSPORT &
LOGISTICS
25.26%



PROFESSIONAL
SERVICES
23.09%



MEDIA
21.45%



GLOBAL SCREENING



Demand continues to grow throughout Africa



Asylum, Work Visas and Qualifications are the most frequently requested checks in the onboarding process



African Countries

TOP FIVE COUNTRIES
outside of SA – with the
highest adoption and requests
for background screening
services for 2019:



ZIMBABWE



NAMIBIA



BOTSWANA



NIGERIA



KENYA

CANDIDATE SCREENING



SOCIAL MEDIA SCREENING

183.47% Exponential growth

27.29% Average risk score of all reports recorded for 2019



Employers are becoming more aware that Social Media (SM) Screening offers a reliable, comprehensive and objective means of assessing potential risk posed to them based on a candidate's behavioural traits



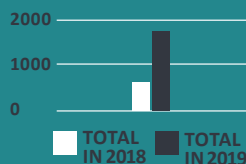
Social Media Screening checks are more frequently conducted on middle and higher management positions



Demand expected to grow and become mainstream

1749
completed for 2019

VOLUME OF REQUESTED SM CHECKS
2018 VS 2019



RISK COMPARISON



ASSESSMENTS SOLUTIONS

BECAUSE A SINGLE BAD HIRE CAN BE COSTLY

FIT FOR TODAY - TALENT ACQUISITION SOLUTION



- Access to the finest assessment practices to identify the best candidates from the application pool
- Improve organisational performance by employing key talent focused on increasing individual performance
- Best practice talent acquisition processes to position your brand as an employer of choice

FIT FOR TOMORROW - TALENT DEVELOPMENT AND MOBILITY SOLUTION



- Supports to identify employees more likely to be successful leaders and managers
- Align talent to the right roles and organisational strategy
- Obtain a better understanding of what your current human capital is capable of

We believe that people assets are the key to success for any organisation! We partner with our clients to ensure they have the best talent to deliver on organisational objectives by utilising a range of scalable, best of class assessments, combined with our industry expertise.

FORECAST:

2020 AND BEYOND



The demand for background screening services remains as associated risks in making the wrong hiring decision become more obvious



Further growth and demand for Social Media Screening checks as a key medium to truly understand the candidate



A higher demand for comprehensive Psychometric and Competency-based Assessments in pre-employment screening – driven by the need to minimise the potential risk exposure associated with unethical, deviant or unwanted behaviour in a potential employee, prior to appointment



Given the current hiring crunch and challenges around retaining key skills/talent we predict that more Employers will embrace Talent development solutions for succession planning - to identify, retain and invest in top performing employees



The AARTO Demerit System implementation will drive demand for AARTO Demerit System vetting checks across various automotive businesses



A continued focus on technological advancements towards more innovative solutions and delivery platforms that will benefit the industry



WE GIVE YOU THE **FULL PICTURE**

- ✓ BACKGROUND SCREENING
- ✓ COMMERCIAL SCREENING
- ✓ PSYCHOMETRIC ASSESSMENTS
- ✓ GLOBAL CAPABILITIES

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Smart Vetting Solutions

In compliance with the Protection of Personal Information Act (POPI), MIE only conducts background verifications on consenting candidates. As a registered Credit Bureau, MIE is also compliant with the regulations as set out in the National Credit Act Amendment 19 of 2014 (NCAA), which came into effect in March 2015.