MIE
Smart Vetting Solutions

2021 BACKGROUND SCREENING INDEX

OVERVIEW

One of the most positive developments to come out of the past years has been the rapid adoption of technology as an enabler on many fronts. Companies had to re-evaluate how they do business and many people had to learn how to work, study, collaborate and connect in an online environment.

With many industries facing a hiring crunch, companies had to rely on smarter vetting solutions to ensure the correct individuals are hired for positions available. With 2 265 972 transactions completed during 2021, MIE has seen a steady increase in the demand for background screening services over the past five years. Year-on-year, qualification and criminal record verification remain the most requested checks. This is encouraging and highlights the importance of conducting regular background screening. It also shows that more companies are committed to improving regulatory compliance, as well as mitigating reputational risk through incorrect hires.

MIE is committed to offering innovative solutions to ensure we remain the preferred background screening supplier in Africa, especially during unpredictable times such as those faced over the past two years, which some organisations and industries continue to face.

This edition of MIE's annual background screening report highlights key findings for background screening conducted in 2021. We trust that these insights will assist companies to refine their strategies as they continue to navigate a changed recruitment landscape.

Background screening improves quality of hires, helps manage costs and uncovers discrepancies

Post-employment screening keeps you on top of any changes to an individual's circumstances that might require company intervention to protect image and brand

Background screening, especially outside the borders of South Africa, helps improve regulatory compliance

Top five requested checks for 2021:
Criminal
Qualification
Identity
Adverse Financial History
Fraud Listing

Background screening ensures an honest, appropriately qualified, skilled and experienced workforce

Background screening mitigates risk and reputational harm by identifying details of an individual that might make them unsuitable for your workplace

EXECUTIVE SUMMARY

The Protection of Personal Information Act (POPIA) was implemented on 1 July 2021 to ensure safeguarding of personal data. Organisations need to ensure ongoing compliance to avoid hefty fines and penalties

Criminal checks remain the most requested check within MIE

Due to companies putting positions on hold or implemented recruitment freezes, the demand for employment reference verification declined in 2021

While the use of a single stand-alone assessment for recruitment is on the decline, comprehensive integrated competency assessments increased by 48%, demonstrating that more organisations are recognising the value of comprehensive assessments

MIE completed 2 265 972 requests in 2021

Unemployment in South Africa alarmingly high with 35% reported for Q3 2021

Qualification verifications remain most likely aspect of an individual's CV to be misrepresented

CRIMINAL VERIFICATION

2020
Volume:
552 365
Risk:
8.19%

2021
Volume:
703 857
Risk:
6.86%

INSIGHTS:

Remains the most requested check within MIE, with risk percentage decreasing by 1,33%.

MIE's continuously growing Fingerprint Zone locations make access to getting fingerprints captured easier.

5,04% of individuals who had their criminal record verified either did not know they have a criminal record or lied about having one.

INDUSTRY INSIGHTS:

TOP INDUSTRIES BY VOLUME:
- HR & Recruitment
- Retail
- Professional Business & Advisory Services
- Mining
- Finance, Banking & Insurance

INDUSTRIES WITH HIGHEST RISK:

19.30%	Construction
10.50%	Energy
10.96%	Security & Defence
13.80%	Mining
10.50%	Agriculture

CRIMINAL RECORD BY CATEGORY

CRIMINAL RECORD STATISTICS	CRIMINAL RECORD	PENDING CRIMINAL RECORD
Violent Crimes	26.33%	38.89%
Theft Offences	22.15%	12.23%
Narcotics (Drugs/Liquor)	15.41%	7.48%
Crimes against the State	26.07%	35.59%
White Collar Crimes	9.04%	4.57%
Other Crimes	0.99%	1.23%

MIE'S FINGERPRINT ZONE

Fingerprints captured via fingerprint zone locations across South Africa in 2021 = 107 938

MIE has over 90 active locations, growing rapidly nationally

Top performing regions across the country:
Johannesburg – Gauteng
Kwa Zulu Natal – Durban
Western Cape – Cape Town & Stellenbosch
Eastern Cape – East London

QUALIFICATION VERIFICATION

2020
Volume:
367 136
Risk:
10.2%

2021
Volume:
464 847
Risk:
6.9%

INSIGHTS:

Qualification risk decreased year on year by 3,3% from 2020, for the second year running.

The volume of requests increased by an impressive 26,6%, showing an increase in awareness of requiring qualification verification as part of the recruitment process, and a positive move towards economic recovery.

Risk associated with verifications conducted via MIE's National Qualifications Register (NQR®) remains minimal.

Fraudulent qualifications have declined, highlighting individuals' awareness in the job market around background screening. Individuals are learning that the charges for providing a fraudulent qualification can have dire consequences such as a hefty fine, being listed with the South African Fraud Prevention Services (SAFPS), or even face jail time.

INDUSTRY INSIGHTS:

TOP INDUSTRIES BY VOLUME:
- HR & Recruitment
- Education
- Professional Business & Advisory Services
- Mining
- Finance, Banking & Insurance

INDUSTRIES WITH HIGHEST RISK:

11.81%	Construction
11.98%	Training
10.38%	Property & Facilities Management
10.67%	Reseller
14.01%	Security & Defence

QUALIFICATION RISK BY TYPE - 2021

Matic/ National Secondary South Africa	8.02%
National Qualifications Register - South Africa	3.06%
Tertiary Course - South Africa	10.34%
National Tertiary - South Africa	2.45%
Membership - South Africa	9.8%
International	12.38%
FSCA Approved Qualification - South Africa	14.9%
Institution Accreditation	11.29%
Africa	13.47%

ADVERSE FINANCIAL HISTORY

2020
Volume:
239 001
Risk:
18.33%

2021
Volume:
288 000
Risk:
16.33%

INSIGHTS:

Adverse Financial History provide insights into how an individual manages their cash or finances.

Results include details of default, judgements, notices, disputes and previous enquires from other credit Bureaus in South Africa.

In line with the latest Amendment received from the NCR, a consumer credit record may only be accessed by an employment agency, recruitment consultant, staffing company or employer when:
- They certify that the request for consumer credit information relates to a position requiring honesty in the handling of cash or finances;
- There is a job description in place that stipulates the requirement of trust and honesty in the handling of cash or finances; and
- Specific and informed consent of the consumer is obtained prior to the request being made.
- Fraud detection and prevention

INDUSTRY INSIGHTS:

TOP INDUSTRIES BY VOLUME:
- HR & Recruitment
- Retail
- Professional Business & Advisory Services
- Mining
- Finance, Banking & Insurance

INDUSTRIES WITH HIGHEST RISK:

20.87%	Manufacturing & Logistics
21.92%	Hospitality
20.47%	Professional Business & Advisory Services
26.99%	Automotive
22.41%	Security & Defence

IDENTITY & FRAUD VERIFICATIONS

IDENTITY

2020
Volume:
263 247
Risk:
4.83%

2021
Volume:
313 624
Risk:
4.56%

INSIGHTS:

Identity verification confirms the authenticity of both the ID number and the individual to whom it belongs. Offering the service ID verification with photo, bridges the gap that often surfaces in terms of identity theft.

Identity theft within South Africa is rife and whilst on the increase, making use of the identity verification product can minimize the risk of falling victim to such crimes and highlight whether an individual is a victim of identity theft or identity impersonation.

As a registered member of the Southern Africa Fraud Prevention Service, MIE is committed to combating fraud within South Africa. As fraud is extremely difficult to prove and prevent, especially if you are unfamiliar with relevant legislation, processes and procedures makes fraud listing verifications prior to appointment a critical step in the hiring process.

FRAUD LISTING

2020
Volume:
66 010
Risk:
1.08%

2021
Volume:
66 411
Risk:
0.95%

CANDIDATE SCREENING

PSYCHOMETRIC ASSESSMENTS:
OVERALL ASSESSMENT INSIGHTS

Single stand-alone assessments during the recruitment process are on the decline, while comprehensive integrated competency assessments increased by 48% in 2021. This demonstrating that more organisations are recognising the value of comprehensive assessments

The desire to understand the technical capabilities of potential employees is on the rise, with the usage of skills tests increasing by a massive 152% from the previous year

Assessments are still primarily used for recruitment purposes; however, a greater focus was placed on talent management and succession planning assessments in 2021, especially at senior levels.

Integrity assessments remained the most requested stand-alone assessment for 2021

49% of candidates showed high levels of integrity, which was a slight increase from 2020, but the 44% who demonstrated some risk, and 7% who pose a great risk, remain concerning for employers.

19% of candidates exhibited inadequate potential, despite being screened by the recruitment teams.

42% of candidates assessed were found to be suitable for the roles they have applied for, suggesting that the screening processes were somewhat more effective.

INTEGRITY RISK
Low Risk: 49%
Some Risk: 44%
High Risk: 7%

ASSESSMENT REQUESTS
83% for recruitment purposes
17% for talent development purposes

YoY VOLUMES
Competency Assessments: Increase of 48%
Integrity Assessments: Increase of 16%
Skills Tests: Increase of 152%

LEVELS OF ASSESSMENTS
43% managerial assessments
57% non-managerial assessments

SUITABILITY TO ROLES
Well suited to role assessed for: 42%
Somewhat suited to role assessed for: 39%
Not suited to role assessed for: 19%

STATISTICS

SOCIAL MEDIA:

Social media screening continues to show growth as more organisations realise the benefit of adding this screening tool to their recruitment process.

Over 200% increase in social media screening requests.

Social media screening is only conducted with the permission of the individual being screened.

Companies regularly screening individuals should ensure they have a Social Media Policy in place.

With well over 30 million social media users in South Africa, growing daily, social media screening is becoming more of a business imperative than ever before taking into consideration the possible reputational damage to an organisation.

	HIGH RISK ABOVE 40%	VERY LOW RISK UNDER 20%	AVERAGE RISK	NIL RESULT	NIL RESULT INSUFFICIENT INFORMATION
Full report	31.98%	25.71%	31.05%	4.51%	2.52%
Standard	25.91%	24.42%	32.67%	4.21%	2.35%
Basic	31.66%	26.28%	35.22%	5.82%	3.22%
High profile	18.53%	59.21%	19.22%	1.21%	0.85%

NEGATIVE CONTENT:

31% of negative content is found on Facebook

30% of negative content is found on Twitter

9% of negative content is found through a web search/ google

Percentages for negative content remained relatively stable year-on-year:
- 48% of all negative content was found to be of a discriminatory nature (racism; sexism, homophobia, religious discrimination; potential hate speech)
- 35% of all negative content was found to contain unprofessional content/sexual images (high amounts of profanity, potential defamation, aggressive content)
- 21% of all negative content was found to demonstrate drug use and/or distribution (this takes into account the decriminalisation of marijuana)
- 10% of all negative content is found to be a potentially illegal nature (drinking and driving, prostitution, potential fraud, assault)
- 16% of all negative content found related to misinformation or "fake news"

AFRICA AND BEYOND

MIE offers background screening services across the African continent and has developed in-depth knowledge of background screening practices globally. Through direct contact with data sources and in country partnerships we provide focused and specialised screening solutions to our clients.

We have noted that Africa's continuous growth and economic expansion has led to a greater culture of compliance, transparency, and fraud prevention mechanisms in both the public and private sectors.

Over the last 5 years, we have seen a decrease in the risk associated with qualification fraud, which was rife in Africa, due to more companies making screening part of compliance. Candidates are also now increasingly aware that qualifications can now be checked outside of South Africa.

BACKGROUND SCREENING AVAILABLE IN AFRICA

- Adverse Financial History
- Criminal Record
- Directorship Information
- Employment History
- Sanctions
- Identity
- Insurance Regulation
- Driver's Licence
- Qualifications
- Social Media
- Psychometric assessments

INSIGHTS:

Globally, qualification verifications remain the most requested check.

In previous years, the risk associated with qualification fraud, especially in Africa was extremely high, but over the last couple of years, we have seen a decrease in the risk associated with qualification fraud.

We are also seeing an increase in the number of identity and criminal verifications on the continent.

Top requested types:
- Qualification verification
- Identity verification
- Criminal checks
- Employment history verification

Top 5 African countries requesting checks:
- Zimbabwe
- Mozambique
- Nigeria
- Kenya
- Namibia

Highest risk associated with these countries across all checks:
- Nigeria
- Zimbabwe
- Zambia
- Malawi

Highest risk categories:
- Qualification
- Insurance Regulation
- Adverse Financial History
- License
- Employment History

LOOKING AHEAD: 2022

MIE continues to focus on growing our footprint in Africa and is looking forward to increasing both our service offering and coverage on the continent in 2022

MIE is bringing background screening to individuals through its iKNOWyou service. iKNOWyou allows for broader access to background screening services, which was previously mostly limited to corporates.

With unemployment at a record high of 35% reported in Q3 2021, screening is likely to increase even further, as candidates desperate for work might be tempted to misrepresent themselves to potential employers.

Assessments will remain high in demand to predict the suitability of candidates for recruitment purposes and help to identify future leaders and top potential.

Integrity testing will remain a top priority, as organisations attempt to avoid unwanted behaviour and protect their reputations.

With most industries starting to recover from the impact of the COVID-19 pandemic, many organisations are returning to "normal" in terms of working from the office, which should also positively impact recruitment going forward.

With public and private entities showing an increasing demand for company and supplier vetting, MIE continues to improve and expand on our commercial screening solutions.

The POPI Act aims to protect South Africans' right to privacy by regulating how personal information is processed by organisations, and failure to comply can result in stiff fines or even jail time.

Companies are placing greater emphasis on comprehensive solutions and innovative technology to streamline the recruitment process

In the coming years, the implementation of the POPI Act will change the personal information landscape, and businesses will have to adjust if they want to remain relevant and compliant.

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