

2022 background screening index

EXECUTIVE SUMMARY —



During 2022, MIE completed a total of 2,874,440 background screening transactions for companies across Southern Africa. This is an increase of 26% year on year compared to 2021, which can be attributed to various social and economic factors. A major factor is the increased importance for businesses to hire the right talent first time. This follows the

2,874,440 **HIGHLIGHTS**

'Great Resignation' after COVID, the constantly changing economy and the impact loadshedding has had on businesses and the changing workforce. The fact that there are still many employees working from home means that there is less opportunity to manage and monitor employees in person, which makes initial screening to find the

right candidate for the job more important than ever. Companies are making use of comprehensive background screening services and solutions to assist with their recruitment processes.

High unemployment in South Africa remains a major concern. As a result, candidates might become desperate to find employment and embellish or lie about their qualifications and experience, which makes it even more important for companies to do proper screening before employing an individual.

Integrity Assessments

remained the most

widely requested

single assessment

during 2022.

INDUSTRY TRENDS -

More employers used comprehensive integrated competency assessments to support their talent decision making processes in 2022, demonstrating a need to thoroughly understand an employee's potential before making hiring decisions.

We've seen an uptake in the vetting of work permits and visas from organisations to ensure that the individuals they are hiring have a legal right to work in the country.

combating the financing of terrorist-related activities. Following the amendment, South Africa was greylisted in February 2023, so the country will have to work closely with the **Financial Action Task Force (FATF) to address** deficiencies in its legal systems. South Africa will be subject to increased monitoring in order to resolve the deficiencies. There has been an increased demand for world checks and 'Know Your Customer' verifications within MIE. This ensures KYC compliance and can be done on a company or individual level.

The Financial Intelligence Centre Act

amendment came into effect on 19

December 2022, and its purpose is to assist

in identifying the proceeds of unlawful

activities such as money laundering and

position has a criminal record. Many companies are not conducting background screening for entry level positions - however this poses a massive risk to other employees as well as the organisation in general.

More companies are opting

for regular screening of their

employees, not only in

management positions, but

company-wide. This comes after

the Reserve Bank Directive stating

that proper assessment and due

diligence should be conducted to

ensure no person in a management

Within the MINING INDUSTRY there has been an uptake of criminal and qualification verifications where this was not done in the past, even though hiring unqualified individuals poses a risk to the mine. In the **RETAIL INDUSTRY**, there has been an uptake in adverse financial history verification and psychometric verifications, especially for people dealing with high valued items.

THE MEDICAL INDUSTRY has started to make use of the sexual offender's database checks to ensure the people they hire to work with children, the elderly and vulnerable are safe and their caretakers do not have a criminal record.

Within the booming **E-HAILING INDUSTRY**, companies are opting for a more comprehensive screening process to ensure they know more about their driver. As a result, social media screening for the e-hailing industry has grown substantially.

MITIGATES

EMPLOYMENT RISK:

If a company has a

screening policy in place, they know with each

new hire that the correct

procedures are followed,

the correct screening is

done, and that this applies to everyone being hired.

IMPROVES STAFF

RETENTION:

Thorough background

screening can assist with

employee retention by

ensuring that the right

person is hired for the

role the first time.

703,857

ELIMINATES THE

RECEIPT OF FALSIFIED

INFORMATION:

If candidates are made

aware that they will

undergo background

screening, this deters

them from lying on their job application and CV.

902,773

In the **EDUCATION INDUSTRY**, there is a growing demand for newly registered students' IDs to be vetted. **BENEFITS**

IMPROVES REGULATORY

COMPLIANCE: Companies must

adopt the data privacy regulations

specifically relating to the Protection

of Personal Information (POPI) Act in

South Africa, but they also need to

be compliant when screening outside

South Africa's borders. Note that

screening can only be done on an

individual if consent has been given.

CRIMINAL VERIFICATIONS -**VOLUME** 2021 **RISK** 6.86% **VOLUME** 2022 **RISK** 6.86% CRIMINAL VERIFICATIONS: INSIGHTS

Criminal verification

requested check within

remains the most

IMPROVES THE

QUALITY OF HIRES:

The cost of bad hires

for employers can be

significant when taking

into consideration the

cost of recruitment,

training and salaries.

MIE, increasing by from 2021 to 2022. CRIMINAL VERIFICATIONS: INDUSTRY INSIGHTS **PROFESSIONAL BUSINESS & ADVISORY SERVICES**

company or staff compliment. Criminal verifications offer several benefits to companies, including helping to avoid theft,

HR &

RECRUITMENT

RETAIL

MANUFACTURING

CRIMINAL RECORD BY CATEGORY (ACTUAL VS. PENDING)

NARCOTICS

(DRUGS/LIQUOR)

MIE's Fingerprint Zone

locations nationwide:

130 active

increasing 20%

The volume of requests

This shows the increased

of doing qualification

verification as part of

the recruitment process.

awareness and importance

increased by

year on year. We are expecting

this growth to continue in 2023.

15.03%

Pending Criminal Record %

CRIMINAL VERIFICATIONS: MIE'S FINGERPRINT ZONE

21.47%

QUALIFICATION VERIFICATIONS: INSIGHTS

THEFT OFFENCES

abuse and violence among employees. 13.51%

12.38%

CRIMES AGAINST

THE STATE

464,847

There has been an

number of requests

various government

increase in the

for qualification

verification from

departments

as well as the

SECURITY

FMCG

& DEFENCE

AGRICULTURE

11.24%

education sector.

12.57% CONSTRUCTION

34.30%

25.80%

The significant increase highlights the

verifications no matter the size of your

importance of conducting criminal record

13.79% **ENERGY MINING** 12.93% CONSTRUCTION

AGRICULTURE

9.14%

AUTOMOTIVE

WHITE COLLAR CRIMES

11.14%

OTHER CRIMES

1.70%

Top performing regions

Western Cape - Cape Town & Stellenbosch

The risk associated

with verifications

conducted via

MIE's National

Qualifications

Register (NQR®)

remains minimal.

across the country:

Kwa Zulu Natal - Durban

Eastern Cape - East London

Gauteng - Johannesburg/Pretoria

0.76%

Over 42 000 out of 902,773 individuals

who had their criminal record verified

record or lied about having one.

either did not know they had a criminal

BANKING & INSURANCE

CRIMINAL VERIFICATIONS:

Criminal record statistic:

Criminal Record %

25.81%

151,125

fingerprints

zone locations across

South Africa during 2022.

were captured at fingerprint

VIOLENT CRIMES

QUALIFICATION VERIFICATIONS **VOLUME** 2021 RISK **VOLUME** 2022 **RISK**

QUALIFICATION VERIFICATIONS: INDUSTRY INSIGHTS PROFESSIONAL BUSINESS &

EDUCATION

QUALIFICATION VERIFICATIONS:

QUALIFICATION RISK PER TYPE 2022

MATRIC/NATIONAL SECONDARY DEPARTMENT

FSCA APPROVED QUALIFICATION - SOUTH AFRICA

POSITIVE

TERTIARY COURSE - SOUTH AFRICA

MEMBERSHIP - SOUTH AFRICA

INSTITUTION ACCREDITATION

INTERNATIONAL

AFRICA

MISREPRESENTED

QUALIFICATION VERIFICATIONS: MIE RESULT BREAKDOWN

FRAUDULENT

SKILLS PROGRAMME

NATIONAL TERTIARY - SOUTH AFRICA

NATIONAL QUALIFICATIONS REGISTER - SOUTH AFRICA

TOP INDUSTRIES
BY VOLUME:

We continue to see a

decrease in the risk

qualification fraud.

This highlights the

increased awareness

producing a falsified

qualification.

of the consequences of

associated with

ADVISORY SERVICES FINANCE BANKING & INSURANCE HR &

10.02% **RECRUITMENT** GOVERNMENT 8.86%

8.23% **RISK%** 6.83 3.68 9.45

2.24

6.00

11.32

16.11

39.68

3.16 4.07

CANCEL

The risk associated

with bad credit

in the industry

remains high,

most likely as a

result of the tough

economic climate.

24.49%

SECURITY

& DEFENCE

PROFESSIONAL

BUSINESS &

ADVISORY SERVICES

HOSPITALITY

AUTOMOTIVE

MANUFACTURING

& LOGISTICS

313 624

ID verification should

screening process.

It's crucial to ensure

that the person being

screened is who they

doing a criminal record

check will not provide

EMPLOYMENT

HISTORY

Identity and

employment

has increased

steadily since

across the globe.

EMPLOYMENT

QUALIFICATIONS

HISTORY

LEGAL SERVICES

Particularly within the

e-hailing industry, the

screening increased

dramatically in 2022.

demand for social media

NIL RESULT

(INSUFFICIENT

INFORMATION)

2.38%

2.36%

4.43%

2.65%

ONLYFANS

ACCOUNTS

(sexual content)

2021

0%

2022

4.88%

ONLY FANS

4.88%

10% - Talent Management and Development Assess-

90% - Talent Acquisition

HR &

RECRUITMENT

verification

this information.

say they are: simply

be part of a company's

Industries with the

highest risk associated

with adverse financial

history checks remain

constant compared to

2021 RISK **VOLUME** 2022

Adverse Financial

in volume for the

2018

They certify that the request for consumer credit information relates to a position requiring honesty in the handling of cash or finances;

20.11%

18.10%

17.65%

101 789

Identity theft within South

increase. Making use of the

identity verification product

falling victim to such crimes

and can highlight whether

an individual has been a

identity impersonation.

victim of identity theft or

or fraudulent activities.

There was a 50% increase

in fraud listing verifications in 2022, which highlights the fact

that more companies are doing their part to combat fraud

ADVERSE

HISTORY

Zimbabwe

Nigeria

Kenya

Internationally, the risk associated with qualification

verification remains high. This can be attributed to

cannot be verified outside of their country of

purchase a falsified qualification online from

residence, as well as how easy it has become to

the fact that many people believe their qualification

The most requests within

degree mills.

DRIVER'S

SOCIAL MEDIA

LICENSE

Africa were initiated by:

FINANCIAL

Africa is rife and on the

can minimise the risk of

There is a job description in place that stipulates the requirement of trust and honesty in the handling of cash or finances; and

first time since

In line with the National Credit Act amendment, a consumer's credit record may only be accessed

Specific and informed consent of the consumer is obtained prior to the request being made.

ADVERSE FINANCIAL HISTORY VERIFICATIONS: INDUSTRY INSIGHTS

by an employment agency, recruitment consultant, staffing company or employer when:

History checks show

a significant increase

ADVERSE FINANCIAL HISTORY VERIFICATIONS

ADVERSE FINANCIAL HISTORY VERIFICATIONS: INSIGHTS **Adverse Financial History provides insights** into how an individual manages their cash or finances. Results include details of defaults, judgements, notices, disputes and previous enquiries from all South African credit bureaus.

VOLUME

PROFESSIONAL BUSINESS & ADVISORY SERVICES HR& **RECRUITMENT MINING RETAIL**

IDENTITY & FRAUD CHECKS

2021

2022

2021

2022

While there was a

increase in the

demand for identity

verification in 2022,

risk has remained

relatively constant.

QUALIFICATION

Globally, qualification

verifications remain

the most requested

the importance of

obtained outside

the borders of

South Africa.

There has been a significant

adverse financial verifications

in Africa - increasing yearly by

ADVERSE

HISTORY

IDENTITY

SANCTIONS

QUALIFICATION

IDENTITY

CRIMINAL

COMPANY

CANDIDATE SCREENING

SOCIAL MEDIA SCREENING

GOVERNMENT

PROFESSIONAL

ADVISORY SERVICES

With over 4.2 billion

social media users globally, more and more companies

It is important for organisations to have a clear social media policy in place and to

VERY LOW RISK

(UNDER 20%)

24.57%

25.66%

27.61%

59.99%

DRUG USE/

DISTRIBUTION

2021

20.91%

2022

21.65%

TIKTOK

14.61%

offer training to employees to mitigate risk and help prevent reputational harm.

are seeing the benefits of thoroughly screening

an individual's online presence.

HIGH RISK

(ABOVE 40%)

28.97%

29.82%

30.51%

15.11%

SOCIAL MEDIA: NEGATIVE CONTENT

UNPROFESSIONAL

CONTENT

(sexual images, high profanity,

potential defamation.

aggressive content/behaviour)

2021

34.89%

2022

WHERE IS NEGATIVE CONTENT FOUND?

2022, companies still used talent assessments mostly as a talent acquisition tool.

LEVEL OF ASSESSMENTS

Employers are placing an equal focus on assessments for

managerial and non-managerial roles.

Assessments for non-managerial roles seem to be less comprehensive, but are still a crucial part of the talent

management and selection process.

CAPABILITY OF INTERNAL TALENT

INSTAGRAM

19.13%

CANDIDATE SCREENING: PSYCHOMETRIC ASSESSMENTS

Despite organisations reporting the intention to focus more on talent management and development in

NON-MANAGERIAL

ASSESSMENTS

TWITTER

33.93%

FULL REPORTS -

STANDARD -

DISCRIMINATION

(racism, sexism, homophobia,

religious discrimination or

potential hate speech)

2021

48.01%

2022

51.34%

FACEBOOK

35.87%

BUSINESS &

DRIVER'S LICENSE

INSURANCE REGULATION

EMPLOYMENT HISTORY

ADVERSE FINANCIAL HISTORY

DIRECTORSHIP INFO

Volume

FINANCIAL

uptick in the demand for

check. This highlights

vetting qualifications

AFRICA & BEYOND: INSIGHTS

VERIFICATION

VOLUME

VOLUME

VOLUME

VOLUME

IDENTITY & FRAUD CHECKS: INSIGHTS

MOST REQUESTED CHECKS IN AFRICA:

RISK

RISK

RISK

RISK

0%

4.37%

66 411

TOP INDUSTRIES
BY VOLUME:

IDENTITY:

FRAUD:

FINANCE

BANKING &

INSURANCE

Identity verification confirms the authenticity of both the ID number and the individual to whom it belongs. Offering the service ID verification with a photo bridges the gap that often surfaces in terms of identity theft. MIE is committed to combating fraud within South Africa. Because fraud is extremely difficult to prove and prevent - especially if companies are unfamiliar with relevant legislation processes and procedures - fraud listing verifications prior to appointment is a critical step in the hiring process. AFRICA AND BEYOND

IDENTITY

We have also seen a decrease

in the risk associated with

qualification fraud, which

is a positive outcome, as

RECORD

INSURANCE

REGULATION

PSYCHOMETRIC

ASSESSMENTS

GLOBAL VERIFICATION TYPE - VOLUME VS. RISK

Risk Percentage %

individuals are aware that no matter where the qualification was obtained and in which country it is screened, organisations will conduct thorough background screenings. **Employment history carries a** high risk both within Africa and internationally – meaning that people are misrepresenting themselves on their CVs. This can be related to work experience, who they reported into or what qualifications they hold. **BACKGROUND SCREENING VERIFICATION AVAILABLE IN AFRICA: CRIMINAL DIRECTORSHIP INFORMATION**

昌三

TOP INDUSTRIES BY VOLUME:

> **FINANCE BANKING & INSURANCE**

CRIMINAL

VERIFICATION

positive or negative. Social media screening is only performed upon receiving consent from the individual being screened. NIL **RESULT** 4.33% 4.02% 5.61% 1.23% **ILLEGAL IN NATURE FAKE NEWS** (drinking and driving, prostitution, sex work, potential fraud, assault)

2021

15.99%

2022

18.62%

BLOGS

SUITABILITY OF POSITIONS

There has been an increase in the number of candidates

being identified as suitable for the positions for which they are

being considered. This implies that companies are increasing the efficiency of their screening processes.

However, with 15% of people not being suitable at all and

29% meeting only some of the role requirements, clients are encouraged to keep doing proper talent assessments in

order to avoid the risk of employing or promoting employees

who are not a good fit to the role or organisation.

RISK

9.32%

Social media screening can

provide a company with

additional information on

a candidate which can be

AVERAGE

RISK

29.69%

30.81%

33.41%

18.01%

2021

10.11%

2022

10.59%

GOOGLE LINKEDIN

HIGHLY

SUITABLE

HIGH **RISK**

G

MODERATELY NOT **SUITABLE SUITABLE INTEGRITY RISK** Only 59% of all people assessed demonstrated high integrity levels, with the rest posing risk to display unwanted behaviour. Integrity levels of active job seekers in South Africa is on the increase, and unwanted behaviour within organisations remains a concern. **SOME LOW**

RISK

MODERATE HIGH **POTENTIAL POTENTIAL**

MANAGERIAL

ASSESSMENTS

BEYOND THE CHANGE IN DEMOGRAPHICS, OTHER CHANGES WE FORESEE ARE: More companies will adopt a re-screening policy to ensure compliance within relevant regulations set out by various industries. The recruitment industry is recovering after the post-Covid recruitment freezes and will continue doing so during 2023.

LOOKING AHEAD: 2023 The workplace demographic has changed drastically over the years and will continue changing as Generation Z start entering the workforce. 'Gen-Z' are people born between 1996 and 2012 and will make up a large part of the workforce in the coming years. Consequently, companies will have to adapt their screening processes to adapt to this very diverse group – keeping in mind their values and priorities.

BELOW

25% of internal employees identified as talent did not show sufficient potential to take on more responsibility, while 34% presented with fair potential. Only 41% of internal employees identified as talent demonstrated sufficient potential to be considered for more senior roles within the organisation. **LIMITED POTENTIAL** STRATEGIC CAPABILITY AMONG **MANAGERS AND EXECUTIVES** 40% of people who applied for managerial and executive roles were not able to function within the complexity level required by the position. This was either because they were not able to apply solid judgement, or they weren't able to display the required strategic capabilities.

MATCH

EXCEED

which restricts access to an individual's personal information.

higher given the phenomenon of increasing integrity levels.

MOST POPULAR ASSESSMENT TYPES Integrity Assessments remained the most widely requested single assessment. More employers used comprehensive integrated competency assessments to support their talent decision making processes in 2022, demonstrating a need to thoroughly understand the potential of employees before making decisions. **COMPREHENSIVE INTEGRATED INTEGRITY COMPETENCY ASSESSMENTS ASSESSMENTS**

Background screening may become more difficult for employers as they adapt and adopt to comply with regulations behaviour and eliminate integrity risk. However, employers will have to set the bar on integrity assessments results even

Organisations will continue the hunt for great talent internally and externally as the 'Great Resignation' continues. With only 45% of candidates being a good fit and only 41% of identified high potential employees showing potential for more senior roles, employers will need to relook at their strategies for identifying and finding top talent.

Companies will opt for comprehensive background screening solutions to get a better understanding of an individual as well as to streamline their recruitment process. Integrity will once again remain a focus, as employers attempt to avoid unwanted