MIE

2023 FINDINGS

BACKGROUND SCREENING INDEX

FOREWORD

The Annual Background Screening index reflects South Africa's evolving employment landscape, where organisations are responding to increased challenges by prioritising thorough vetting services. In the face of the country's many economic challenges, this report highlights how MIE has assisted organisations with background screening solutions aimed at identifying top talent and managing their risk. Looking ahead, MIE is committed to excellence by supporting companies in their pursuit of industry-leading hiring practices.

3,210,763

Background Screening transactions were completed by MIE for companies throughout Southern Africa in 2023.

This is a significant increase from 2022, emphasising the greater demand and need for background screening services and talent management solutions to assist organisations in find the best talent with the right skills for the job. This increase in volume is reassuring, especially given the spate of high-profile cases of misrepresentation that have made media headlines in recent months.

EXECUTIVE SUMMARY

This report identifies various background screening trends that are currently shaping the industry and highlights regulatory changes that are compelling players in various industries to be more meticulous about their screening processes. In addition, it shines a spotlight on the prevalence of social media screening and how more companies are looking to vet potential new hires on the various platforms, as well as the challenges relating to this.

HIGHLIGHTS

01 During a difficult 2023, most companies continued to make regular use of comprehensive background screening solutions, highlighting the importance of ensuring accurate hires are made up-front.

02 The most requested checks submitted to MIE for 2023 were criminal record checks, followed by qualifications checks, identity checks, adverse financial history checks, fraud listing and employment history checks.

03 MIE recorded a 13% increase in risk associated with background screening year on year (YoY). This means various discrepancies were uncovered when verifying credentials or the credentials could not be verified.

04 In 2023, remote and hybrid work remained in place for many organisations. It's a trend that is expected to continue into 2024, making thorough background screening essential, especially to establish if potential employees have the ability and desire to work remotely or not.

05 MIE recorded a 23% increase in requests submitted for employment history checks in 2023. Discrepancies found when conducting employment history checks remain high, at more than 30%.

06 In March 2023, the Financial Intelligence Centre (FIC) issued a directive on the compulsory screening of employees. In terms of this, accountable institutions (lawyers, estate agents, financial services providers and other forms of companies listed in Schedule 1 of FICA) must periodically screen prospective and current employees for competence and integrity.

2023

INDUSTRY TRENDS

SEXUAL OFFENDERS (NRSO) CHECKS

In response to the 2022 amendment to the Criminal Law (Sexual Offenders and Related Matters) Amendment Act, No 32 of 2007, various industries, including education and healthcare, are expected to conduct checks against the National Register for Sexual Offenders (NRSO). This is to ensure that individuals hired to work with children, vulnerable persons or people living with disabilities are not registered sex offenders, enhancing the protection of these groups.

SOCIAL MEDIA CHECKS

Government has moved to the top position for conducting the highest number of social media checks.

ADVERSE FINANCIAL HISTORY (CREDIT CHECK)

The automotive industry continues to carry the highest risk for adverse financial history (credit check) verifications, reflecting South Africa's depressed economy and its citizens' challenges in meeting their financial commitments.

BACKGROUND SCREENING SOLUTIONS

There has been an increase in demand for MIE's services from the Telecommunications and Fast-moving Consumer Goods sectors, emphasising the growing need for our Background Screening Solutions across various industries.

BENEFITS

The benefit of screening varies across companies and industries. Verifications may be a legal requirement for specific industries, or form part of a company's recruitment policies. Some companies also choose to conduct diligent background screening to protect their brands and reputations, which may be tainted due to bad hires. Alternatively, they may simply want to avoid appointing under-qualified individuals as this will reduce the risk of each new hire in the organisation.

01

BETTER QUALITY HIRES

Implementing rigorous recruitment processes helps companies to identify and attract top-tier talent. This is done by using background screening solutions and talent management assessment tools to evaluate a candidate's skills, experience and fit.

02

PROTECT COMPANY REPUTATION

Bad hires can potentially harm a company's reputation and background screening can help to offset this risk.

03

SAFETY AND SECURITY FOR THE BUSINESS & WORKFORCE

The verification of individuals' credentials contributes to creating a safe and secure workplace environment, which is essential for the wellbeing of all employees. Background screening can be used to assess potential security risks associated with individuals, especially in sensitive or high-security positions, and may assist in identifying any potential threats or concerns relating to workplace safety.

04

IMPROVED REGULATORY COMPLIANCE

Background screening serves as a proactive measure for organisations to meet regulatory compliance requirements, mitigate risks and make informed hiring decisions that align with industry-specific regulations.

01 CRIMINAL VERIFICATIONS

	2022	2023
VOLUME	902,773	990,601
RISK	6,68%	7,41%

INSIGHTS

- As in previous years, criminal verification is the most requested check within MIE, increasing by 8.87% YoY.
- Criminal verifications offer companies the peace of mind that they are reducing the chance of theft, abuse and violence amongst their employees.
- In 2023, more than 47,228 (4.77%) out of 990,601 individuals, who had their criminal records verified, either did not know they had a criminal record or were deliberately untruthful about it.
- MIE statistics show a YoY increase in violent crimes and crimes against the state amongst the individuals screened.

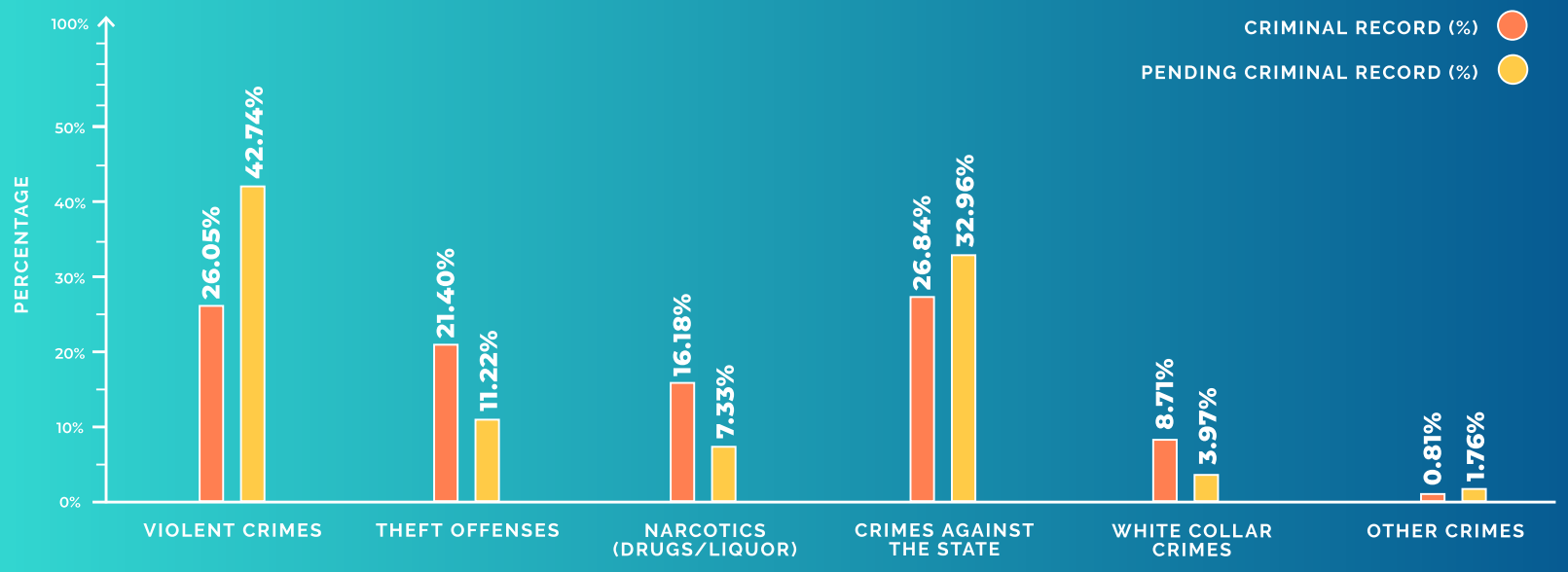
TOP INDUSTRIES BY VOLUME

- PROFESSIONAL BUSINESS & ADVISORY SERVICES
- FINANCE, BANKING & INSURANCE
- HR & RECRUITMENT
- RETAIL
- MINING

INDUSTRIES WITH HIGHEST RISK

CONSTRUCTION	15.14%
ENERGY	14.49%
MINING	13.46%
LEGAL SERVICES	11.35%
AGRICULTURE	10.88%

CRIMINAL RECORD STATISTICS 2023



MIE'S FINGERPRINT ZONE

156,000+

Sets of fingerprints were captured at fingerprint zone locations throughout South Africa in 2023.

160+ active

Fingerprint Zone locations nationwide where individuals can have their fingerprints captured for criminal record verification purposes.

walk-in

Fingerprint Zone locations will be available in 2024 through our partnership with 3@1 stores.

booking system

The Fingerprint Zone's booking system is technologically advanced and user friendly. Individuals choose a location, date and time that is convenient for them to have their fingerprints captured and make a booking online. All details required to complete the process are sent directly to them.

02 QUALIFICATION VERIFICATION

2022	2023
VOLUME	
577,171	641,137
RISK	
5.99%	6.86%

INSIGHTS

In 2023, MIE recorded an increase in the risk associated with qualification verification. This is in a year where qualification fraud made news headlines, highlighting the consequences of producing falsified qualifications.

The volume of requests increased by 9.98% YoY, indicating increased awareness around the importance of conducting qualification verification as part of the screening process.

For the first time since 2012, MIE witnessed an annual increase in the risk associated with qualification verification. This can be due to people acting out of desperation due to high unemployment or it can be a symptom of how easy it is to obtain fake certificates online.

MIE successfully verified 25% of the total verifications through its National Qualifications Register (NQR®). It is important to note that the risk associated with these qualifications has increased YoY from 3.68 % to 4.43%.

National secondary and matric qualifications risk remain high, along with tertiary courses, skills programmes and international qualifications. MIE statistics indicate that symbol match checks carry the highest risk in respect of matric qualifications. This shows that individuals are changing their symbols on their certificates, an action that amounts to fraud.

TOP INDUSTRIES BY VOLUME

- PROFESSIONAL BUSINESS & ADVISORY SERVICES
- FINANCE, BANKING & INSURANCE
- HR & RECRUITMENT
- GOVERNMENT
- MINING

INDUSTRIES WITH HIGHEST RISK

14.69%	CONSTRUCTION
10.07%	INFORMATION TECHNOLOGY
9.66%	HOSPITALITY
8.73%	FMCG
8.47%	SECURITY & DEFENCE

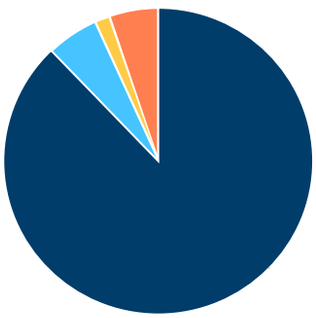
QUALIFICATION RISK PER TYPE 2023

**Figures are reported on the risk percentage, not volume*

NATIONAL SECONDARY DEPARTMENT/MATRIC 8.05%	NATIONAL QUALIFICATIONS REGISTER SOUTH AFRICA 4.34%	TERTIARY COURSE SOUTH AFRICA 10.03%	NATIONAL TERTIARY SOUTH AFRICA 2.87%	MEMBERSHIP SOUTH AFRICA 7.96%
INTERNATIONAL 10.15%	FSCA APPROVED QUALIFICATION SOUTH AFRICA 12.14%	SKILLS PROGRAMME 25.29%	INSTITUTION ACCREDITATION 2.71%	AFRICA 4.66%

MIE RESULT BREAKDOWN 2023

POSITIVE · MISREPRESENTED · FRAUDULENT · CANCEL



03 ADVERSE FINANCIAL HISTORY VERIFICATION

	2022	2023
VOLUME	384,176	399,070
RISK	15.02%	16.44%

INSIGHTS

Adverse Financial History provides insights into how individuals manage their cash or finances. The results include details of defaults, judgements, notices, disputes and previous enquiries from all South African credit bureaus.

The risk associated with bad credit remains high. This can most likely be attributed to the country's subdued economy and South Africans' struggles to make ends meet.

For the first time since 2014, MIE witnessed a YoY increase in requests for Adverse Financial History checks.

Notably, in accordance with the Protection of Personal Information Act (POPIA) and the National Credit Act (NCA), a consumer's credit history may only be assessed by an employer or employment agency when:

- Hiring a person in a position requiring honesty in the handling of cash or finances.
- There is a job description in place stipulating the requirement of honesty and trust in the handling of cash or finances.
- Specific and informed consent of the candidate is obtained prior to the request being made.

TOP INDUSTRIES BY VOLUME

- PROFESSIONAL BUSINESS & ADVISORY SERVICES
- FINANCE, BANKING & INSURANCE
- MINING
- RETAIL
- HR & RECRUITMENT

INDUSTRIES WITH HIGHEST RISK

30.17%	TRAVEL, ENTERTAINMENT & LEISURE
25.74%	AUTOMOTIVE
20.49%	HEALTHCARE, MEDICAL & PHARMACEUTICAL
20.03%	SECURITY & DEFENCE
17.91%	MARKETING, ADVERTISING & MEDIA

04 IDENTITY & FRAUD CHECKS

IDENTITY

	2022	2023
VOLUME	379,589	400,831
RISK	4.37%	4.21%

FRAUD LISTING

	2022	2023
VOLUME	101,789	107,238
RISK	0%	0%

INSIGHTS

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

Identity theft is one of the fastest growing crimes in the world and South Africa is no exception. This so-called 'silent crime' can go undetected for months or years while victims have massive debts accumulated in their names.

ID verification should be part of a company's screening process. It is crucial to ensure that the person being screened is who they say they are: simply doing a criminal record check will not provide this information.

To provide clients with appropriate and adequate support, MIE is a member of the South African Fraud Prevention Services. Through this service, the company can assist clients by undertaking a Fraud Listing to check a potential candidate prior to appointment.

There are various fraud solutions available to empower organisations in the relentless battle against fraudulent activities.

05 AFRICA AND BEYOND

MOST REQUESTED CHECKS IN AFRICA

01 QUALIFICATION VERIFICATION

02 IDENTITY VERIFICATION

03 EMPLOYMENT HISTORY

04 CRIMINAL CHECKS

05 ADVERSE FINANCIAL HISTORY (CREDIT CHECKS)

INSIGHTS

Qualification verification remains the most requested check on the continent, followed by identity verification, employment history, criminal checks, and adverse financial history (credit checks).

Checks that carry the highest risk are drivers licenses at 15.12%, employment history 14.31%, and adverse financial history at 10.11%.

MIE has found that international qualification verification carries a high risk of being misrepresented. This can either be that individuals think their international qualification cannot be verified from South Africa and they submit falsified documents or the qualification cannot be verified without a copy of the certificate which is not always supplied by the candidate.

In the rest of the world, the most requested checks are qualification verification, employment history verification and criminal checks.

In addition, MIE has found that globally, employment reference carries a high risk at 10.34%.

BACKGROUND SCREENING VERIFICATION AVAILABLE IN AFRICA

- ADVERSE FINANCIAL HISTORY
- CRIMINAL RECORD
- DIRECTORSHIP INFORMATION
- EMPLOYMENT HISTORY
- IDENTITY
- INSURANCE REGULATION
- DRIVER'S LICENSE
- QUALIFICATIONS
- SANCTIONS
- PSYCHOMETRIC ASSESSMENTS
- SOCIAL MEDIA

MOST REQUESTED CHECKS INTERNATIONALLY

- QUALIFICATION VERIFICATION
- INTERNATIONAL CRIMINAL CHECK
- EMPLOYMENT CONFIRMATION / EMPLOYMENT REFERENCE
- INTERNATIONAL CREDIT CHECK

06 SOCIAL MEDIA SCREENING

Social media is here to stay and it has changed the way people interact, consume news, shop and recruit.

While companies look to employ the best talent, meeting the needs of this talent could be a challenge. Social media screening could provide additional information over and above just verifying an individuals' credentials by helping to identify their likes and hobbies.

On the flip side, it can also highlight unprofessional or inappropriate behaviour that companies may not want to be associated with.

TOP INDUSTRIES BY VOLUME

- GOVERNMENT
- FINANCE, BANKING & INSURANCE
- PROFESSIONAL BUSINESS & ADVISORY SERVICES
- HR & RECRUITMENT
- AUTOMOTIVE

INSIGHTS

Social Media screening continues to grow in popularity, with MIE recording steady growth YoY.

With the number of social media users growing from about 4.7 billion in January 2023 to 5 billion in January 2024 worldwide, more companies are seeing the benefits of thoroughly screening an individual's online presence.

Screening an individual's social media profiles can provide a company with additional information on a candidate, which can be positive or negative.

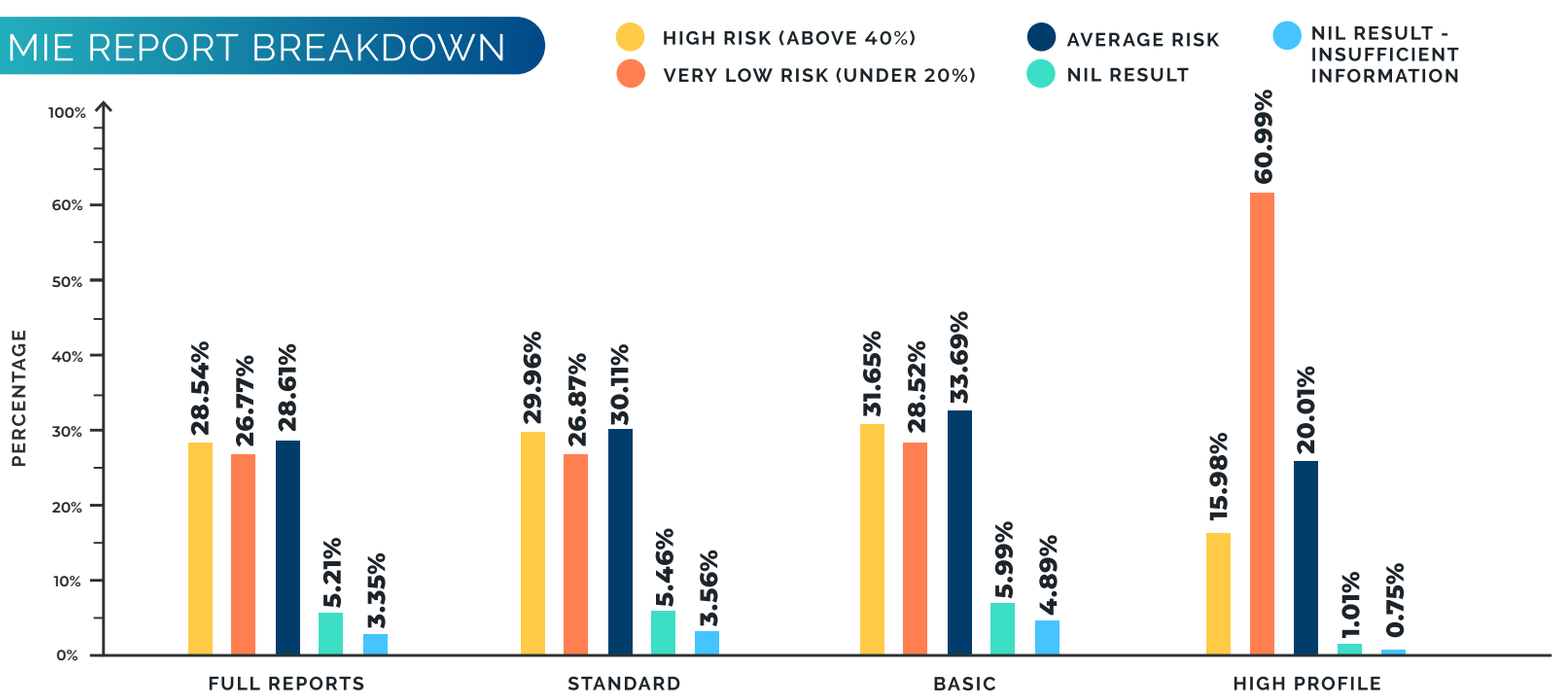
This check can only be performed with consent from the individual being screened.

It can be challenging to know what to look for on social media, and harder still to ensure that the person reviewing the social media profiles is not being influenced and biased by the candidate's protected characteristics, such as their age, race, sexual orientation, or political beliefs. To avoid bias, it makes sense for this type of screening to be conducted by a third-party provider.

It is important for organisations to have clear social media policies in place and to offer training to employees to mitigate risk and prevent reputational harm.

More than ever, people need to think before they post, especially in light of South Africa's Hate Crimes Bill, which notes that people who intentionally publish discriminatory content with the intention of inciting harm or promoting hatred are guilty of hate speech.

MIE REPORT BREAKDOWN



NEGATIVE CONTENT

DISCRIMINATION (racism, sexism, homophobia, religious discrimination or potential hate speech)	UNPROFESSIONAL CONTENT (unprofessional content /sexual images, high profanity, potential defamation, aggressive content/behaviour)	DRUG USE/ DISTRIBUTION	ILLEGAL IN NATURE (drinking and driving, prostitution, sex work, potential fraud, assault)	"FAKE NEWS"	ONLYFANS ACCOUNTS (SEXUAL CONTENT)
2022 51.34%	2022 34.71%	2022 21.65%	2022 10.59%	2022 18.62%	2022 4.88%
2023 67.44%	2023 39.67%	2023 21.21%	2023 10.42%	2023 25.98%	2023 5.89%

WHERE IS NEGATIVE CONTENT FOUND?

FACEBOOK	TWITTER	INSTAGRAM	TIKTOK	GOOGLE/LINKEDIN/BLOGS/PINTEREST	ONLYFANS
38.65%	35.76%	19.01%	24.54%	10.43%	5.89%

07 ASSESSMENTS & TALENT MANAGEMENT SOLUTIONS

MIE is committed to ensuring organisations are able to adopt efficient and effective assessment processes, underscored by assessment methodology that meets all legislative and regulatory requirements.

In this way, MIE's psychometric and talent management solutions support businesses in making judicious hiring decisions that reinforce integrity and excellence as fundamental pillars of their operations.

TOP INDUSTRIES BY VOLUME

- PARASTATAL
- FINANCE, BANKING & INSURANCE
- PROFESSIONAL BUSINESS & ADVISORY SERVICES
- TELECOMMUNICATIONS
- GOVERNMENT

INTEGRITY

01 While integrated competency assessments remain the most requested, integrity assessments stand out as the most requested individual evaluation in our portfolio, a trend that has persisted over several years.

02 This underlines the continued emphasis placed by organisations on ensuring ethical standards and trustworthiness within their workforces.

03 As integrity remains a cornerstone of effective leadership and organisational culture, our commitment to providing comprehensive assessment solutions aligns with the evolving needs of our clients in maintaining integrity and ethical excellence across all levels of their operations.

INSIGHTS

At MIE, the Parastatal and Finance, Banking and Insurance sectors maintain their positions as the top two industries in terms of client base. There has been an increase in demand for MIE's services from the Telecommunications and Fast-moving Consumer Goods sectors, and the Professional Business and Advisory Services sector also demonstrated consistent growth.

According to the 2023 Talent Trends Sector Report, in the banking and financial services sector per se, employers are navigating a "challenging hiring paradox". While they implement workforce reductions, they are concurrently endeavouring to attract top talent for high-demand positions.

The report further underscores the significance of workforce agility, resilience and contingency planning in response to evolving market dynamics. These insights emphasise the necessity for organisations to proactively address the evolving skills landscape and talent demands.

Through investments in ongoing learning, talent development and strategic workforce planning, businesses can align themselves for consistent growth and competitiveness in the ever-changing South African market landscape.

HUMAN CAPITAL MANAGEMENT (HCM) TRENDS

01 COACHING

02 TEAM EFFECTIVENESS

INSIGHTS

Coaching dynamically nurtures personal and professional advancement, emphasising skills development and goal attainment through structured sessions and constructive feedback for improved performance. Remarkably, there has been a discernible surge in client requests for coaching in the recent year, highlighting the increasing acknowledgment of its advantages in bolstering individual and organisational efficacy.

Team effectiveness is paramount for successful collaboration, where shared vision, open communication, and mutual respect propel the team towards collective goals. There has been a notable rise in offering this human capital solution to clients, driven by the growing recognition of teamwork's pivotal role in organisational success.

MOST POPULAR ASSESSMENT TYPES

- COMPETENCY ASSESSMENTS – MOST REQUESTED SOLUTION
- INTEGRITY - MOST REQUESTED STAND-ALONE ASSESSMENT

STAND-ALONE VERSUS COMPETENCY ASSESSMENTS

Competency assessments are a battery of assessments that evaluate candidates based on their demonstrated skills, behaviours and knowledge relevant to the position they are applying for. The solutions are offered at various levels:

01 EXECUTIVE LEVEL

02 MANAGERIAL LEVEL

03 SUPERVISORY LEVEL

04 PROFESSIONAL / SPECIALIST LEVEL

05 PROFESSIONAL / SPECIALIST LEVEL

06 MANAGERIAL LEVEL

07 GRADUATE LEVEL

08 ENTRY LEVEL

An individual psychometric assessment measures only one skill set: preference profile or cognitive potential. These assessments include, but are not limited to, personality, emotional intelligence, integrity, various skills, literacy, numeracy, cognitive capability and potential.

INSIGHTS

Our most popular assessment type is the competency-based assessment. These solutions are customised to the clients' needs and measure competencies relevant to a job profile to determine the best fit for the role.

Integrity assessments remain the most requested stand-alone evaluation in the MIE portfolio.

As integrity remains a cornerstone of effective leadership and organisational culture, MIE's commitment to providing comprehensive assessment solutions aligns with the evolving needs of its clients in maintaining integrity and ethical excellence across all levels of their operations.

LEVEL OF ASSESSMENTS

LOOKING AHEAD TO 2024

Prioritising workforce agility is essential for every organisation's capacity to prosper and excel. To foster agility, talent leaders are embracing coaching, upskilling and internal mobility to address evolving demands. To ensure they are making informed decisions in this dynamic space, companies are expected to opt for comprehensive background screening and talent management solutions to get a better understanding of an individual, as well as to streamline the recruitment process.

With MIE's commitment to innovation and offering the latest in background screening trends, the business will develop Human Capital Management solutions beyond the established offerings of psychometric assessments and talent management services in the near future.

ADDITIONAL CHANGES WE CAN EXPECT TO SEE IN 2024 AND BEYOND:

With regulatory changes such as Know Your Customer (KYC), Know Your Employee (KYE) and Directive 8 issued by the Financial Intelligence Centre shifting the goalposts, more companies will have to adopt and /or ensure they have updated screening policies in place.

More industries are recognising the importance of checking an individual's status on the National Register for Sexual Offenders (NRSO), reflecting their commitment to fostering a safe and secure environment, something that was almost exclusively done by the education industry.

More companies are also expected to make screening and vetting part of their policies when employing temporary staff, interns and contractors.

Integrity will once again remain a focus for companies, with continued emphasis placed on ensuring ethical standards and trustworthiness within their workforces.

Having the right talent, skills and people in place remains essential for businesses, which is why companies are expected to increasingly seek out talent assessment solutions rather than settling for standalone checks.