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Asia Pacific Employment Screening Trends

Q1 2014



First Advantage

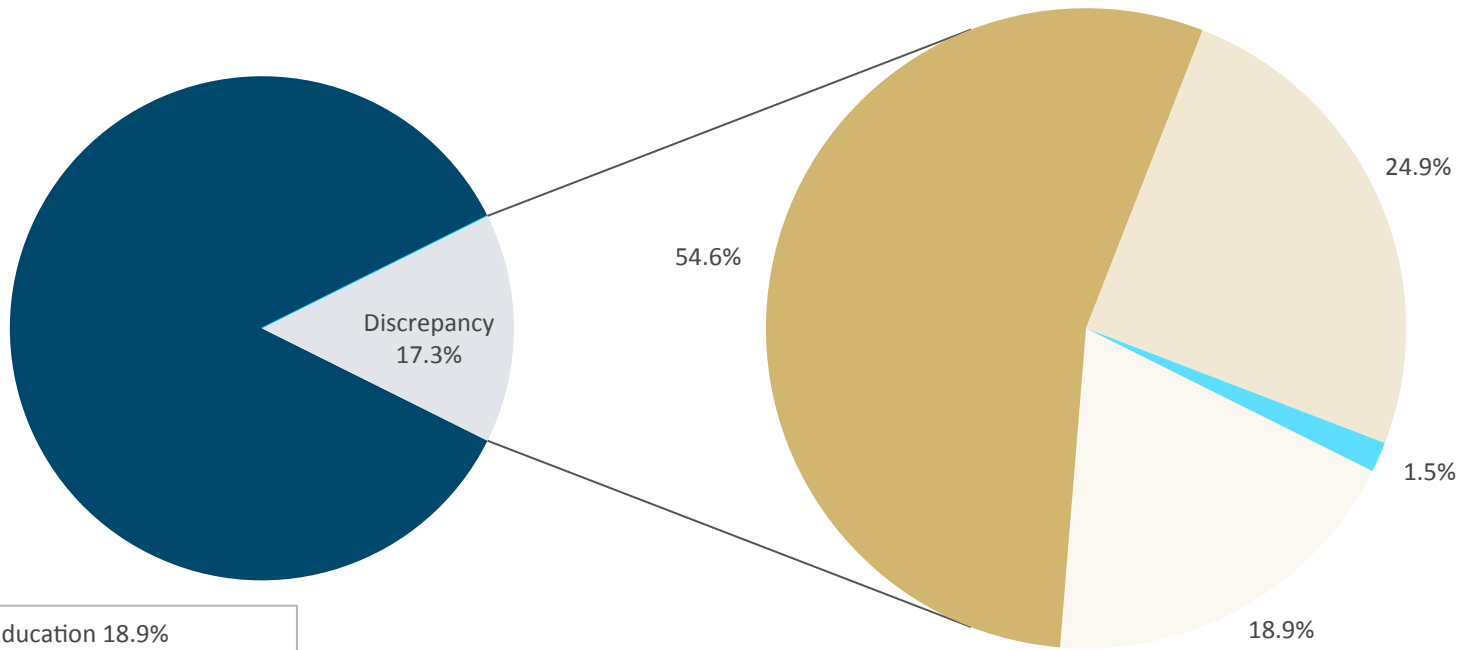
A Symphony Technology Group Company

August 14, 2014

Key Findings

17.3% of Asia Pacific candidates found to have **major** discrepancies in their backgrounds

Candidate Screening Discrepancy in Asia Pacific








- Education 18.9%
- Employment 54.6%
- Database 24.9%
- Financial Related 1.5%

Employment Discrepancy Breakdown

54.6% of all discrepancies in Q1 2014 are employment related, a **5.6% increase** from Q1 2013






Employment Details with Highest Discrepancy Rates

Employment Variance	Discrepancy	Per Total Applicants	Compared to Q1 2013
Position Held (job title / designation)	10.81%	One in every 9	 1.81%
Date of employment < 6 months	8.46%	One in every 12	 6.46%
Date of employment > 6 months	7.90%	One in every 13	 4.9%
Discrepancy in reasons for leaving	7.17%	One in every 14	 0.17%
Discrepancy in last salary	7.06%	One in every 14	 3.06%
Discrepancy in eligibility for rehire	5.14%	One in every 19	N.A
Discrepancy in resignation date	1.52%	One in every 66	N.A

Education Discrepancy Breakdown

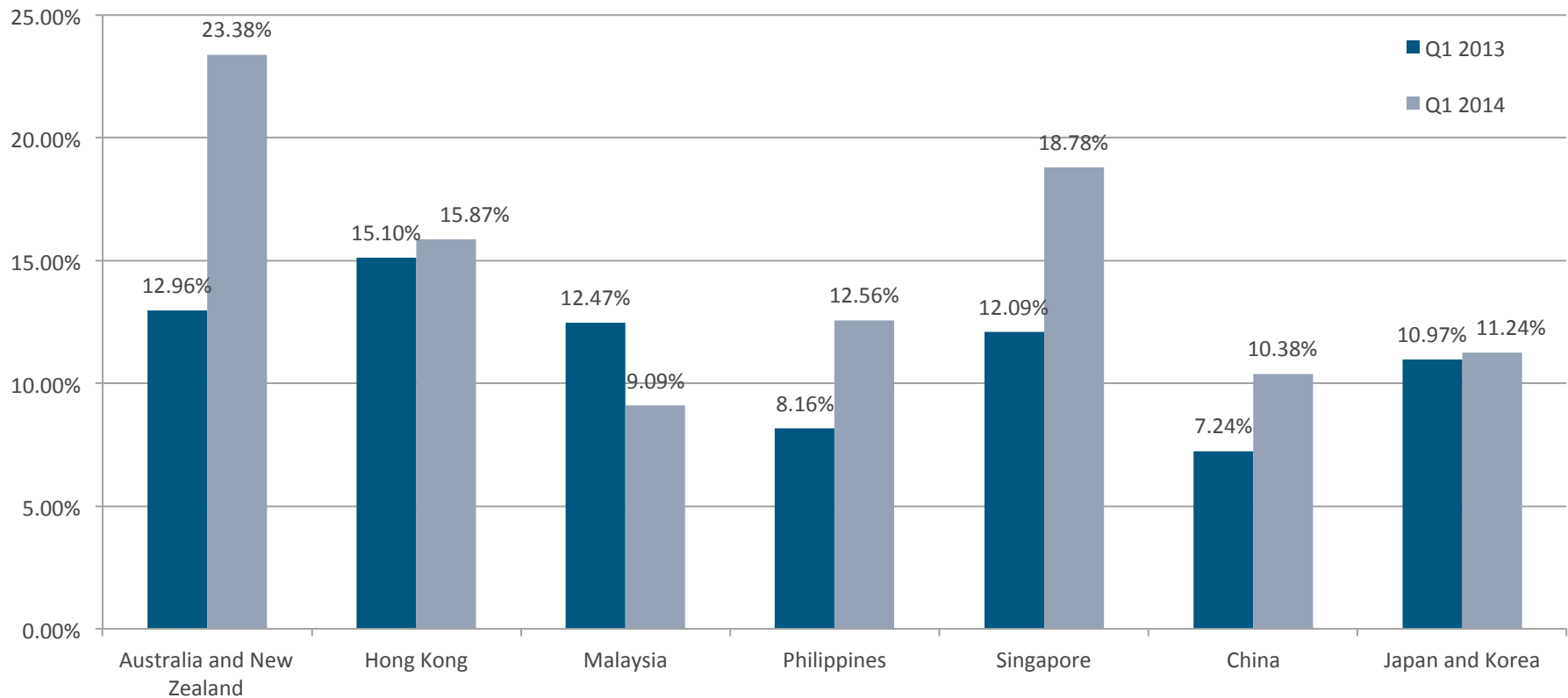
18.9% of all major discrepancies in Q1 2014 are educational related, a **2.1% drop** from 21% in Q1 2013

Educational Details with Highest Discrepancy Rates

Education Variance	Discrepancy	Per Total Applicants	Compared to Q1 2013
Graduation Date > six months	6.79%	One in every 15	 0.21%
Graduation Date < six months	6.09%	One in every 16	 0.09%
Type of Qualification	4.59%	One in every 22	 0.59%
Unconfirmed Degrees	1.83%	One in every 55	 1.17%
No record found	1.52%	One in every 66	 0.52%









Discrepancy by Country

ANZ, Singapore, Philippines and China saw spikes in candidate discrepancy percentages



Most Common Discrepancy by Country

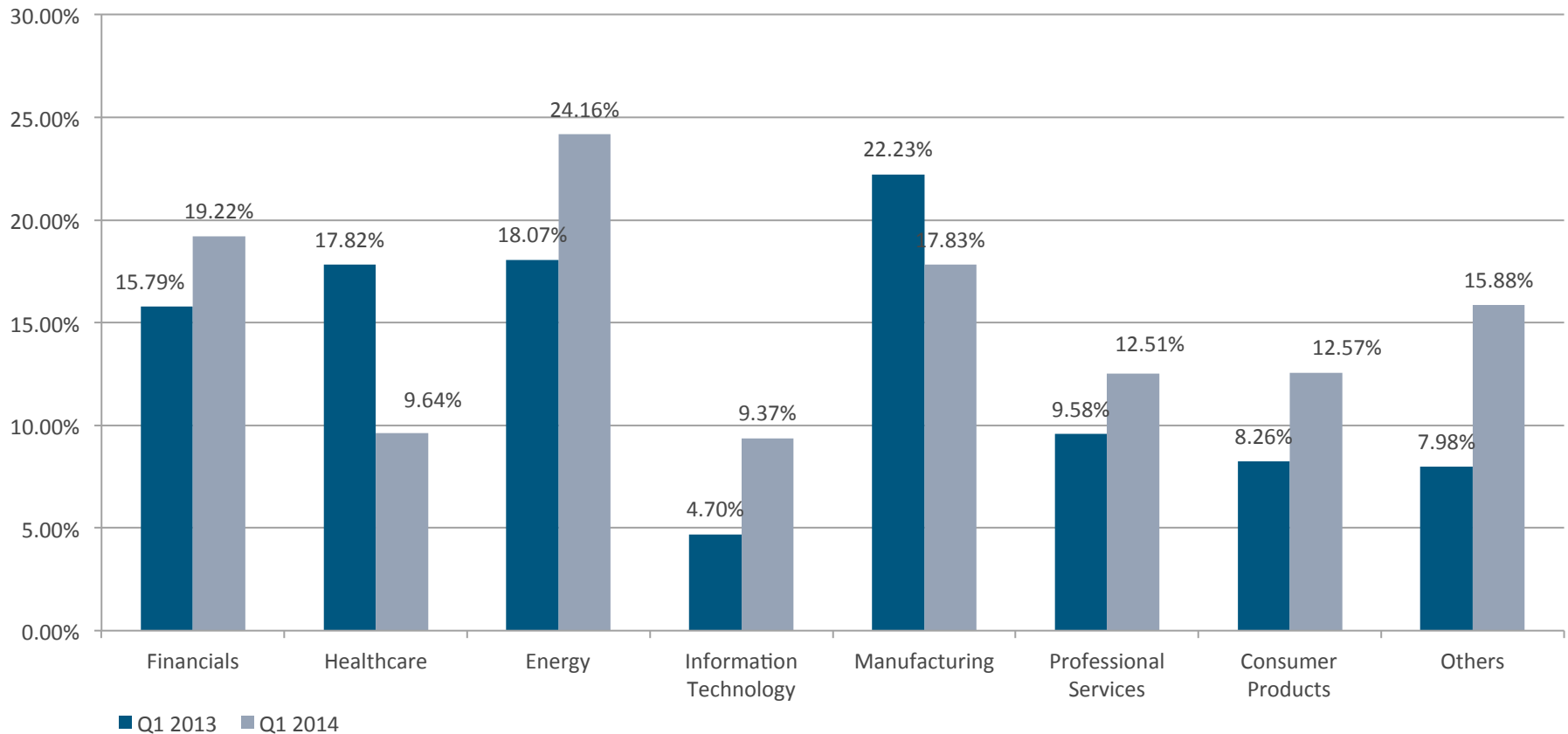
Most Common Discrepancy by Region in Q1 2014

	Overall	Compared to Q1 2013	Education	Employment	Database	Financial Related
ASIA PACIFIC	17.3%	 5.8%	18.9%	54.6%	24.9%	1.5%
Australia and New Zealand	23.4%	 6.1%	14.8%	66.1%	17.7%	1.4%
Hong Kong	15.9%	 3.4%	32.2%	34.7%	30.2%	2.9%
Malaysia	9.1%	 3.3%	27.7%	48.2%	22.9%	1.2%
Philippines	12.6%	 4.4%	21.0%	66.8%	12.0%	0.3%
Singapore	18.8%	 6.7%	14.6%	25.5%	58.6%	1.3%
China	10.4%	 3.2%	22.6%	64.2%	12.2%	1.0%
Japan and Korea	11.24%	 0.27%	18.6%	35.0%	42.1%	4.3%

Discrepancy Breakdown by Segments

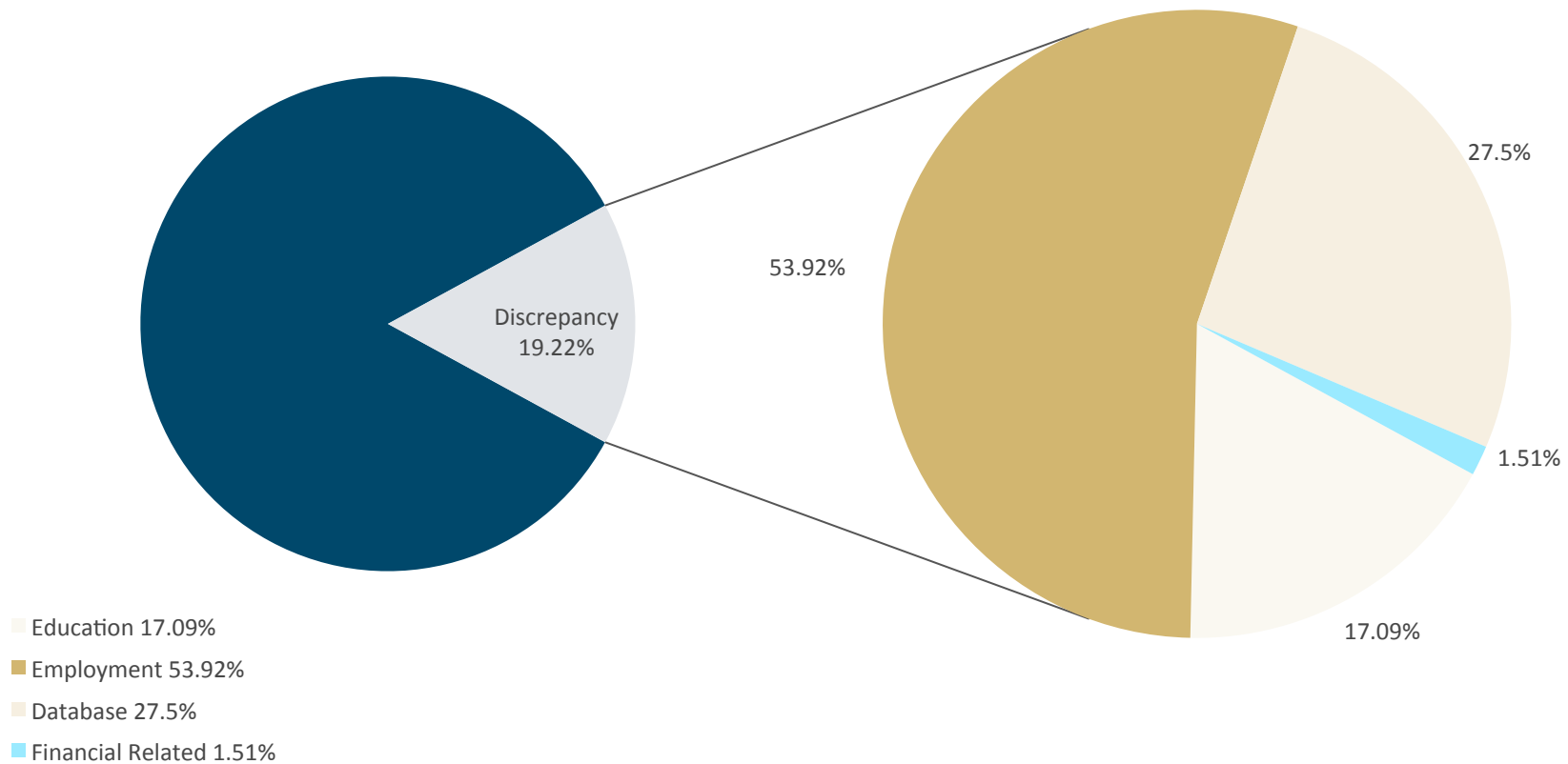
Financial institution, energy and manufacturing applicants are the most likely to have discrepancies in their background check results, with 15 percent to 22 percent of screening reports recording an alert. This can possibly be attributed to the higher level of comprehensive screening conducted by employers in these industries.

Discrepancy Breakdown by Segments



Discrepancy Breakdown for Financial Institutions

- **3.43% increase in overall discrepancies as compared to Q1 2013.**
- Based on all segments, FSIs have the second highest discrepancy rates.
- Attributed to the higher level of comprehensive screening conducted by employers in this segment



The Evolving Asia Pacific Approach to Background Screening

Most Requested Background Checks by Asia Pacific Employers

- 81% Employment verification
- 81% Education verification
- 51% Criminal
- 41% Financial-related

More is better

Key regions in the Asia Pacific are including more checks within each screening request, as many as six or more checks per report.

Screening outside the box

More companies are moving toward “infinity screening” which involves expanding programmes to include contractor screening and annual rescreening of existing employees.

Higher quality candidates

As more Asia Pacific employers adopt background screening, higher-risk candidates could potentially avoid employers that performing screening, resulting in fewer screening discrepancies and better talent pools.

Conclusions

- Employers must acquire comprehensive candidate insights to help ensure they hire the right people with the right expertise, skills and training to support their success.
- More employers in the Asia Pacific region are increasing the number of checks they request within each screening report to get a better understanding of a candidate's background. The average number of checks per candidate increased from 4 (Q1 2013) to 5 (Q1 2014).
- Others are expanding the scope of their programme to include infinity screening, which helps protect their brand by screening anyone associated with their company such as contractors, as well as rescreening existing employees who may have committed a new offense or violation since their initial background check.
- Some Asia Pacific employers are still limiting their screening process to calling references provided by the candidate. In these circumstances, employers must take care to implement controls that help ensure the references provided by the candidate are qualified to comment on the candidate's performance, abilities and attitude, in order to facilitate reliable, better informed hiring decisions.

Conclusions

- The report also points to the importance of conducting employment and education verifications in regions and industries where a high percentage of discrepancies originate.
- For example, when experience and qualifications are inherent requirements of a role, such as certain professional and financial-related positions, verification of a candidate's employment and education background is critical to minimizing employee-related risk and reducing turnover rates associated with a lack of skills, training or qualifications.
- Checks with a relatively low alert rate such as criminal, credit, bankruptcy, anti-money laundering, can nonetheless uncover huge risks for employers. These checks may also be a regulatory requirement for certain positions.
- As more Asia Pacific businesses adopt the practice of performing comprehensive employment screening, applicants will come to expect background checks, and as a result, we expect to see a reduction in discrepancy rates.



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