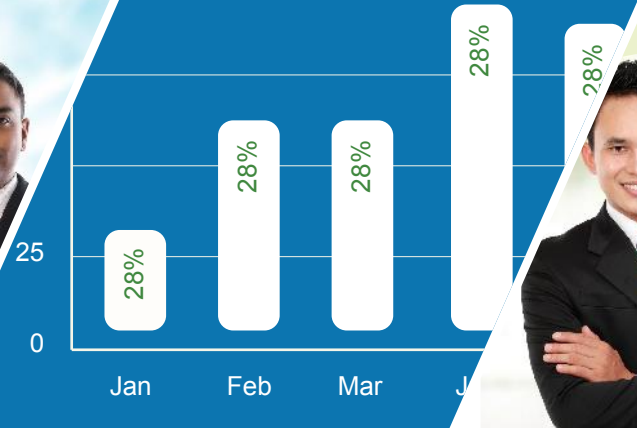


AuthBridge



# 2013 ANNUAL TREND REPORT

EMPLOYEE BACKGROUND SCREENING

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# FOREWORD



Eight years and more than 10 million checks into Employee Background Verification, I felt the moment was apt to share with the industry how we, at AuthBridge, perceive the effectiveness and impact of the screening process in general and of our findings in particular. I also felt the data was powerful and significant for those in the industry to make a conscious decision of how these screening results can be used to create policies, standards and controls to ensure the percentage of discrepancy is capped and the talent being hired and entrusted with responsibility is authentically qualified and suited for the position.

The data shared here is of course only from the volume of business which AuthBridge performs and hence is only a representative presentation. The data is for the Industries partnered with and checks performed by AuthBridge and are in no way a reflection of what the Industry maybe doing outside of AuthBridge purview.

The study throws up many interesting questions which can best be fathomed and addressed by those who are part of that industry sector. I am happy if our findings can help and assist your organisation to devise policies and controls basis our findings and analysis.

I will look forward to your opinions and feedback once you have had the opportunity of studying our data. We will be happy to share further insights for every industry segment in the coming months.

**Ajay Trehan**

Founder & CEO – AuthBridge



# ANNUAL DISCREPANCY TREND 2013

## About the Report

Overall Discrepancy across Industry sectors has shown a consistent trend of around 18-22%. Decline within an industry especially those which have stable and robust processes of verification has been neutralized by the entry of new industry sectors in the analysed data or an entry of an organisation with large number of hires within a stabilised sector.

Of the ten industry sectors analysed in this study, the 3 which form the lowest bracket of discrepancy over the three fiscals are Strategy / Management Consulting; BPO / ITES and Banking / Financial Services / Broking, where the organisations have had screening as a process the longest. These sectors display a discrepancy percentage at below 18% and have built stringent controls in their Hiring and Screening Processes.

Pharma / Biotech / Clinical Research; Hotels / Restaurants / Airline / Travel; Manufacturing are the 3 which form the top bracket with discrepancy percentages of higher than 34% over the three years. These are sectors where verification for new hires being outsourced is a process which is both new and yet to stabilise.

Telecom / ISP; Retail; Insurance; IT-Software / Software Services are sectors which even though have had screening as a process are yet to stabilise on the controls.

Discrepancy on account of employment check is the highest across all industries. The major reason for discrepancy in employment check is on account of incorrect information about tenure. Reference verification though analysed as a separate check from employment should be studied in conjugation for a clear understanding of the discrepancy trend. The only rationale for the separation is the difference in reasons for the discrepancy.

Discrepancy in Education is lowest among the four commonly selected checks and the most common reason for discrepancy is submission of fake documents.

The Industries' discrepancy percentage is also dependent on the selection of checks and the check combinations. Industries with higher number of employment checks typically clock higher discrepancy percentage and this is clearly evident with companies with higher employee turnover like Telecom and Insurance sectors.

Manufacturing and Retail are sectors where education is not verified for over 80% of their cases.

## About the Data

The data for this report has been collated from the cases and checks conducted by AuthBridge in the last three financial years i.e. FY 2010-11, FY 2011-12, and FY 2012-13.

From the gamut of industry sectors catered to, the top 10 industry sectors that find a place in this report are

- Pharma / Biotech / Clinical Research,
- Hotels / Restaurants / Airline / Travel,
- Manufacturing,
- Telecom / ISP,
- Retail
- Insurance,
- IT-Software / Software Services,
- Strategy / Management Consulting,
- BPO / ITES and
- Banking / Financial Services / Broking

Of all the checks conducted by AuthBridge, the most conducted four checks have been studied and include:

- Address
- Education
- Employment
- References

Other checks contributing to negligible discrepancy for the cases under study have been briefly referred to in Chapter 1.4.5.

With every organisation following their own definition of what comes under 'discrepancy', for the purpose of this study, all case and check conclusions have been mapped to the AuthBridge definition. AuthBridge defines all mismatches to stated antecedents as a discrepancy and for this study a 'minor' or a 'major' discrepancy has been considered as composite. The data that has been disregarded fall under the category of either 'Insufficiency' or 'UTV' [Unable to Verify]. To expand, Insufficiencies are those conclusions where the verification could not be concluded due to either a document or a data requirement which remained unfulfilled till the time the case was concluded. And UTV, are those instances where despite all efforts to close the verification, either due to the inability of the verification source [ the external party which responds to the request for verification] or due to socio-political situations, verification remained inconclusive.

# Reading the Report

The report has been segmented into Three Major categories.

**First** segment showcases Overall Discrepancy for the three fiscals on the basis of cases verified and the contribution of the top four checks to that discrepancy. The check contribution has been graphically depicted over the financial years.

**Second** segment depicts the discrepancy across the Top 10 Industry Sectors

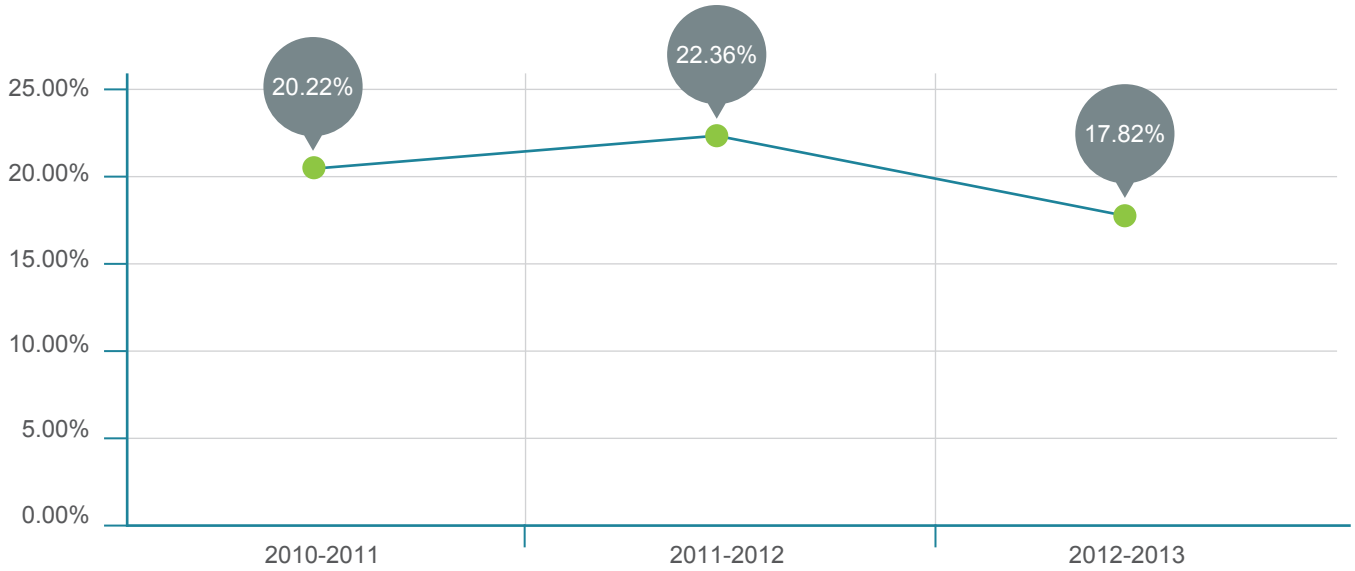
- Pharma / Biotech / Clinical Research,
- Hotels / Restaurants / Airline / Travel,
- Manufacturing,
- Telecom / ISP,
- Retail
- Insurance,
- IT-Software / Software Services,
- Strategy / Management Consulting,
- BPO / ITeS and
- Banking / Financial Services / Broking

The sectors have been studied first, for overall discrepancy in the number of cases verified and second, the age-wise and check-wise composition of the discrepancy and an analysis of the reasons for discrepancy for each check type.

**Third** Segment depicts the Check type-wise Analysis highlighting the age-wise contribution, the reason for discrepancy and zonal contribution where applicable.

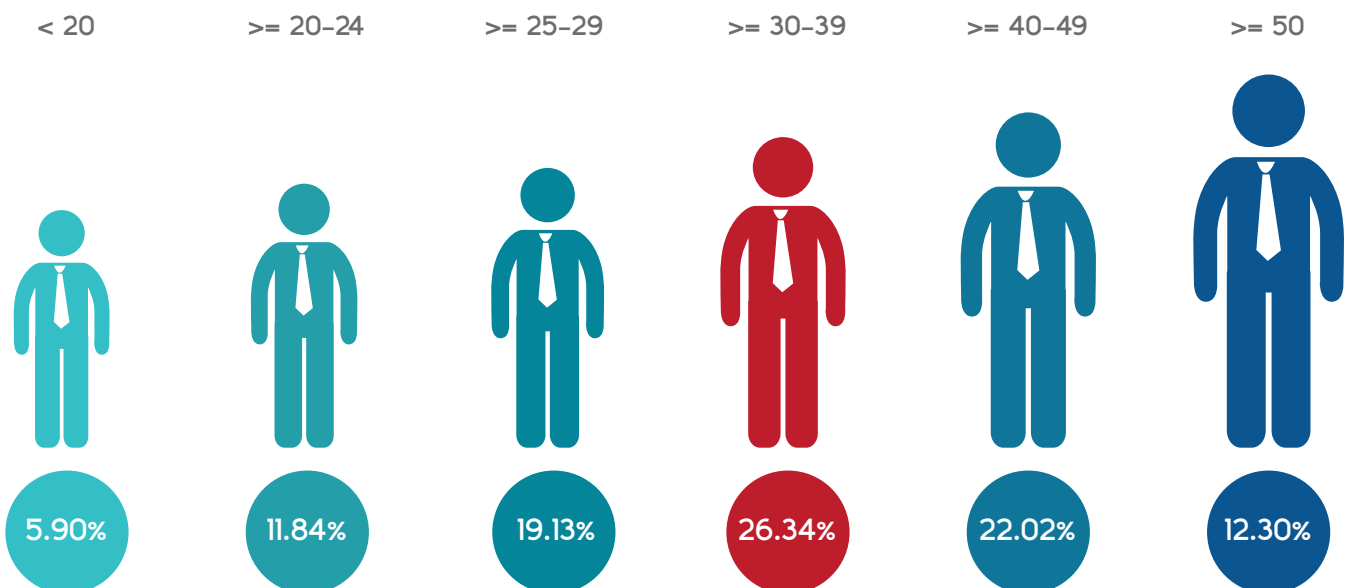
# 1. OVERALL DISCREPANCY

## 1.1 Overall Case-Wise Discrepancy Trend 2010-2013



Overall discrepancy trends for the last 3 years across industry sectors exhibits a dip in FY 2012-13 after a slight rise in FY 11-12. Overall discrepancy has been calculated on the basis of cases verified. Further it will be evident that industry sectors which stabilise their processes help control the discrepancy while the new entrants cause a surge.

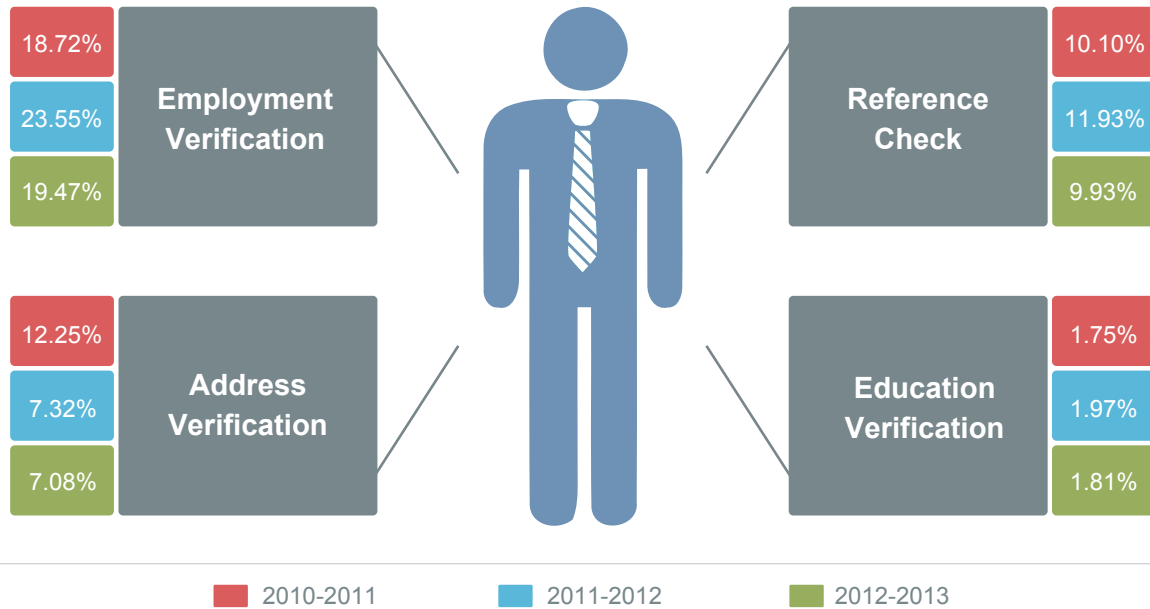
## 1.2 Age-Wise Discrepancy-FY 2012-13



In **FY2012-13**, the highest discrepancy is displayed in the 30-39 age bracket; followed by the 40-49 age bracket.

Note: Cases with no mention of Date of Birth have been excluded from the calculation. These cases have a 9.5% discrepancy.

### 1.3 Overall Check-Wise Discrepancy Trend 2010-2013



Analysing the discrepancy basis the contribution of checks, Employment is seen as the major contributor with Reference being next. Considering that both, Employment and Reference are verified to authenticate and validate employment related antecedents, both viewed in totality add up to nearly 30% of the discrepancy. Address, Education and other checks contribution sees a decline progressively.

### 1.4 Check-Wise Reason for Discrepancies – FY2012-13

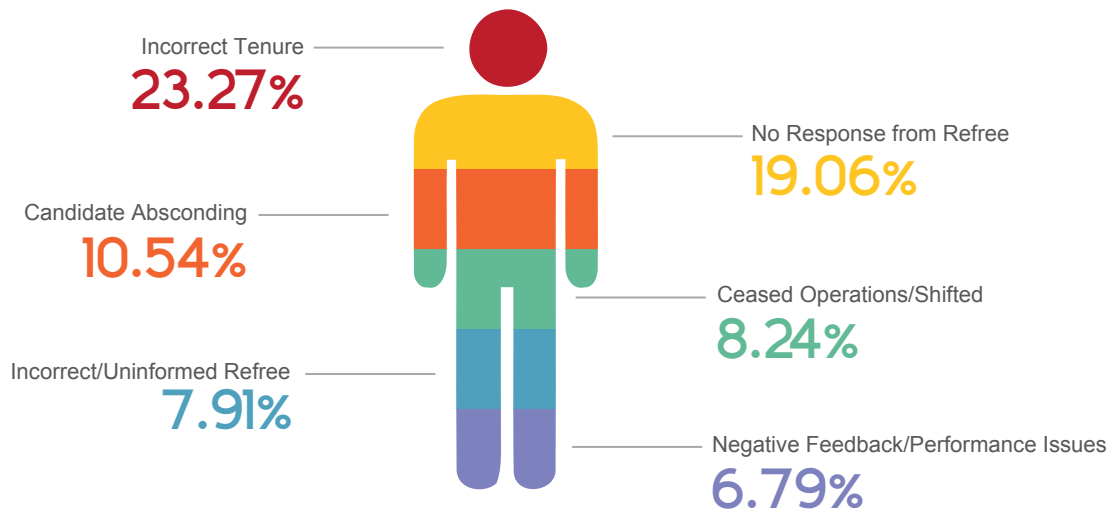
Of the top four checks conducted: Employment, Education, Address and Reference, the top reasons for discrepancy in each of them are discussed here:

#### 1.4.1 Employment

The major contributor to discrepancy in Employment has consistently been **Incorrect Tenure. Incorrect or Unconfirmed Referee** has considerably reduced from 21.89% in FY2010-11 to 7.91% in FY2012-13.

**No Response from Referee** is where the referee, typically the HR or the Reporting Manager refuses to share feedback or postpones the interaction and eventually refuses. This has increased to a 19.06% in FY2012-13 from 10.68 in the previous year.





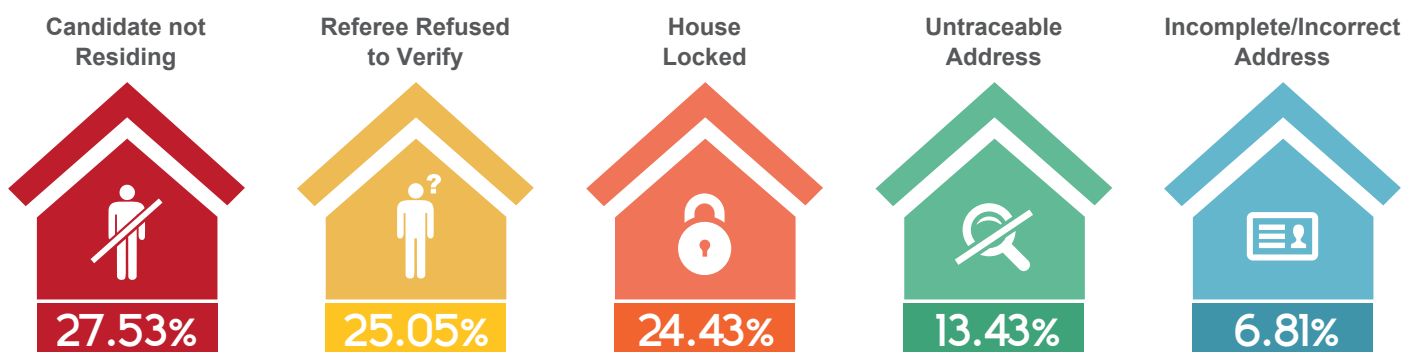
### 1.4.2 Education

Fake or Forged Documents have crossed the 50% mark in FY2012-13. Education from a fake or an unrecognised university is second at 40.80%. Diploma mills and the rampant issuance of fake certificates and degrees flourish despite media reports and regulatory controls.



### 1.4.3 Address

Three reasons figure at par: Address existing but the candidate not residing at the stated address; Referee or the person met at the address refusing to provide any details for the verification and House found locked despite two visits at preferred times.



## 1.4.4 Reference



Highest discrepancy is seen as 'contradictory information provided'; where the candidate has either given incorrect or irrelevant information clearly a question mark on integrity. 'Referee refused to verify' stands at 21.60% in FY 2012-13.

## 1.4.5 Other Checks

### 1.4.5.1 Discrepancy within other Checks

Check Name	Discrepancy Ratio per 1,00,000 Checks
Drug Test	946.00
Police Verification	18.00
Court Record Check	15.00

As the numbers conducted for these checks [other than the four commonly done] are considerably lower, the ratio here has been measured on a per lac basis.

Checks have also been mapped as to which Industries contribute the largest percentage to the verification. The following sectors BPO/ ITeS, Risk Management, IT- Software/ Software Services, Insurance and the Recruitment / Executive Search are the major users of these checks.

**Drug Test:** With 946 possible discrepant checks per 1, 00,000 checks conducted across panels and modes of drug testing is alarming despite the low numbers. BPO is the predominant sector which conducts regular drug check.

**Police Verification:** With 18 discrepant checks per 1, 00,000 checks conducted through different methodologies given the constraints of the Indian structure, lack of credible databases and bureaucratic procedures, police verification is still a check which demands monitoring. BPOs / ITeS due to Global Compliances conduct police verification more diligently than any other sector.

**Court Record Check:** With 15 discrepant checks per 1, 00,000 checks conducted despite the challenges of restricted databases, the check definitely demands attention. With the data presently being limited to judgements of the Supreme Court, most High Courts and few district Courts, further digitisation of all district courts and sessions courts and digitisation of cases in progress will make the check more robust.

# AuthLead™

## Authenticating Hires for High Impact Positions

AuthLead is not just a verification process. It is a detailed Due Diligence on the candidate & offers much more to an employer....

Exhaustive mapping  
of superiors,  
sub-ordinates, peers,  
vendors, clients &  
partners

Detailed cross  
verification to ensure  
information  
provided is  
complete

Court /criminal  
records are verified  
at all addresses to  
ensure maximum  
coverage

# 2. INDUSTRY-WISE ANALYSIS

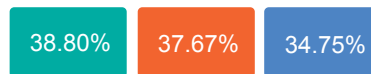
## 2.1 Industry-Wise Discrepancy Trend



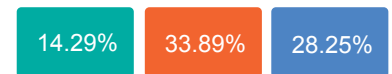
**Manufacturing**



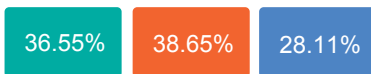
**Pharma / Biotech / Clinical Research**



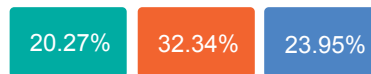
**Insurance**



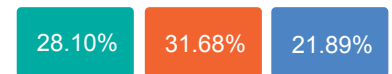
**Hotels / Restaurants / Airline / Travel**



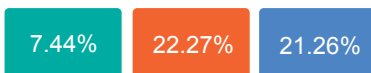
**Retail**



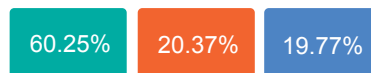
**Telecom / ISP**



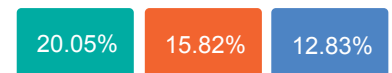
**Strategy / Management Consulting**



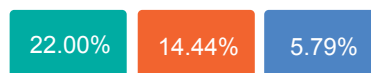
**IT Software / Software Services**



**BPO / ITES**



**Banking / Financial Service / Broking**

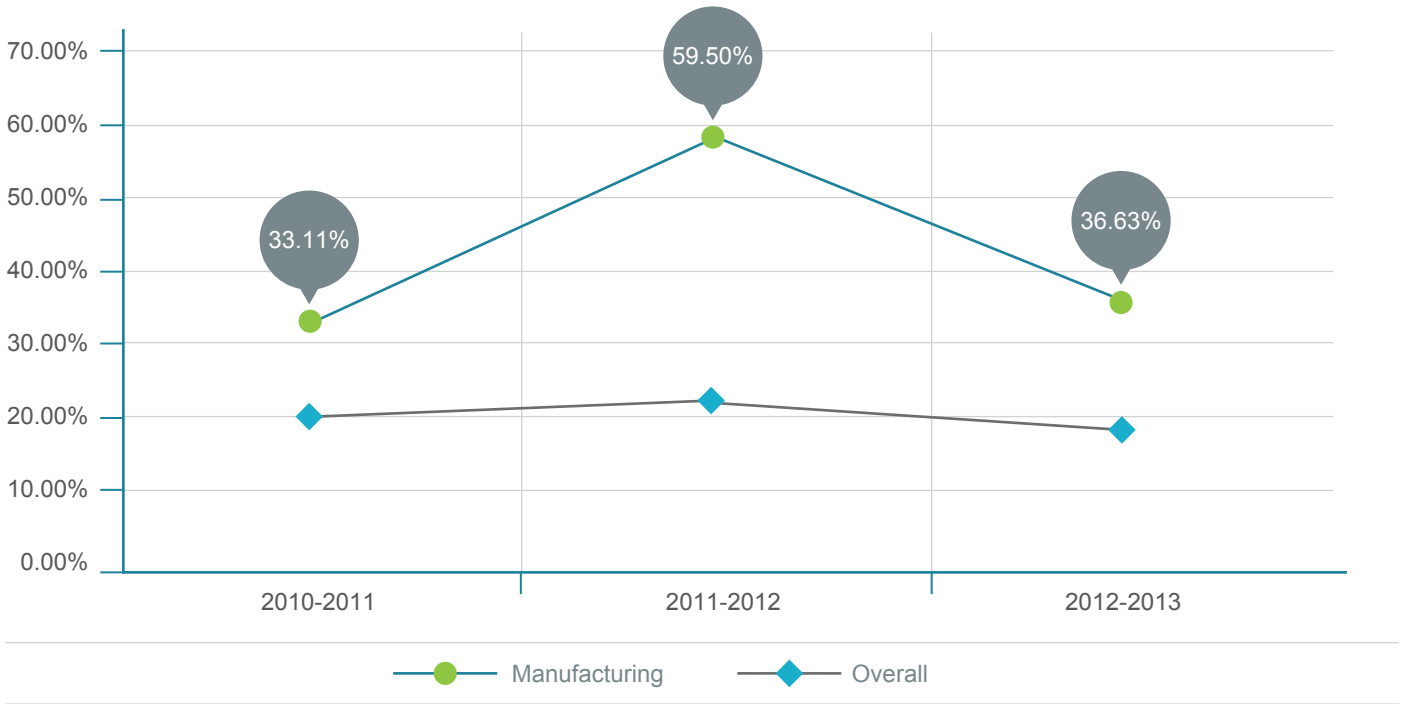


■ 2010-2011     
 ■ 2011-2012     
 ■ 2012-2013

Data across 3 years for the Top 10 Industry Sectors shows differing patterns. Some sectors show a consistency in decline of discrepancy while some show sudden hitherto unexplained spikes of either an incline or decline. Few also display instances of a sharp incline and then a dip.

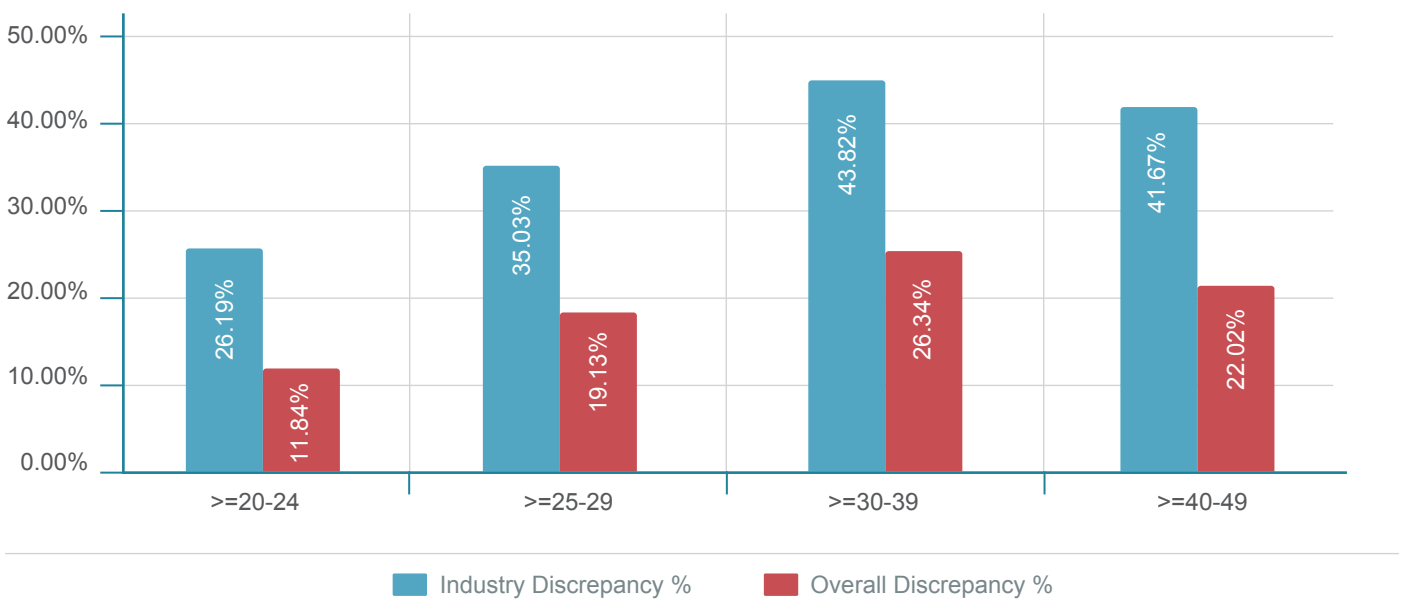
## 2.2 Manufacturing Industry

### 2.2.1 Overall Discrepancy Trend



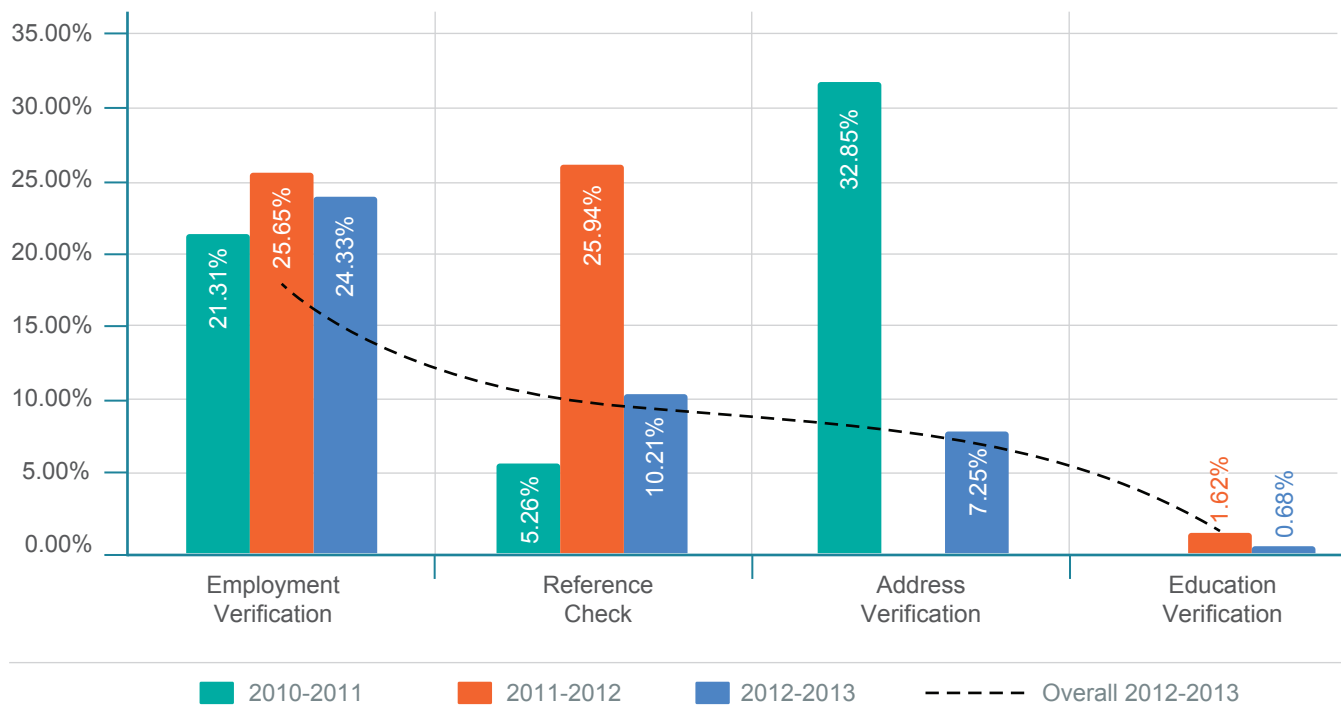
Data across 3 years for Manufacturing shows a pattern divergent from the overall trend. While overall discrepancy has remained consistent; Manufacturing is one of those industries which has displayed firstly a higher percentage of discrepancy and secondly has shown an inordinate spike in FY 2011-12.

### 2.2.2 Age-Wise Discrepancy



While discrepancy per age bracket is way higher than overall, Manufacturing follows the overall trend for age-wise discrepancy. The 30-39 bracket is highest followed by 40-49. Negligible discrepancy was found in the age brackets of less than 20 and 50+.

## 2.2.3 Check-Wise Discrepancy

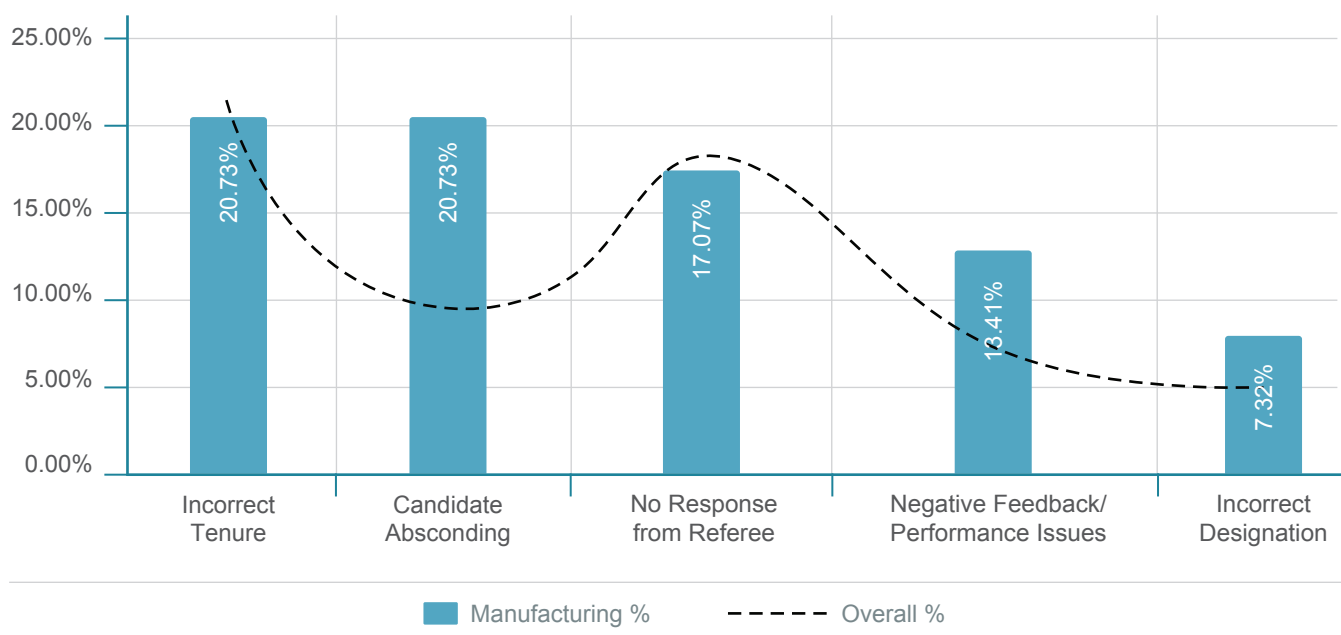


Check-wise analysis of discrepancy displays a consistency over the three fiscals in Employment; while displaying an erratic behaviour in both Reference and Address verifications. Reference shows a spike in FY 2011-12; while Address has dipped drastically from a 32.85% in FY 2010-11 to 7.25% in 2012-13. Education is negligible with very few educations being verified.

Manufacturing follows the overall trend in each check-wise discrepancy.

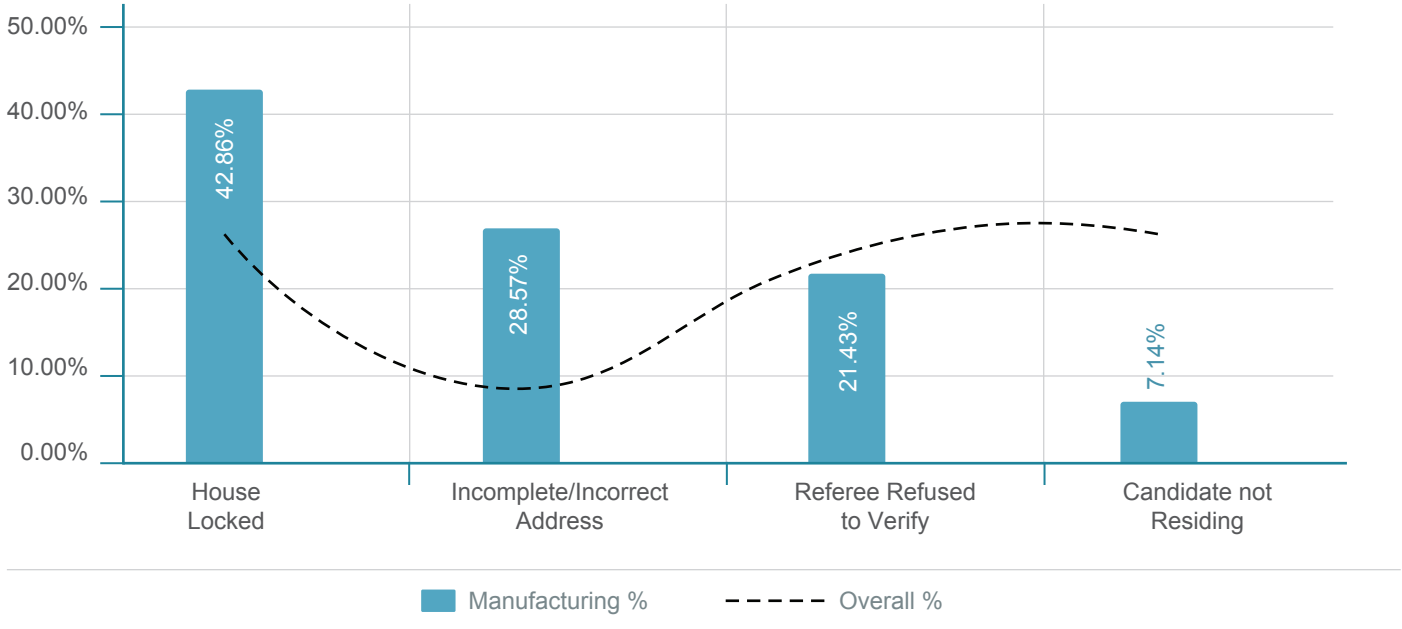
## 2.2.4 Reason for Discrepancy – Check-Wise

### 2.2.4.1 Employment



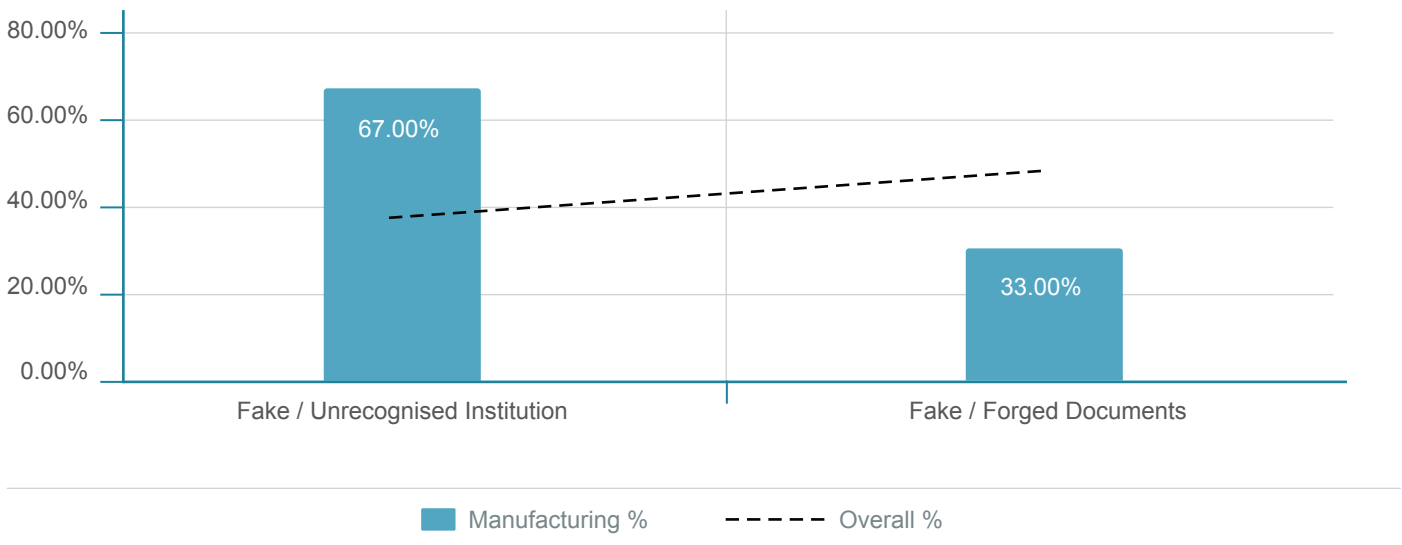
**Incorrect Tenure** has been the major contributor to discrepancy in Employment in the Manufacturing sector as also in the overall trend, followed by **Candidate Absconding** which is higher than the overall percentage of 10.54. **Referee Did Not Respond** is in the same range as the overall figures.

2.2.4.2 Address



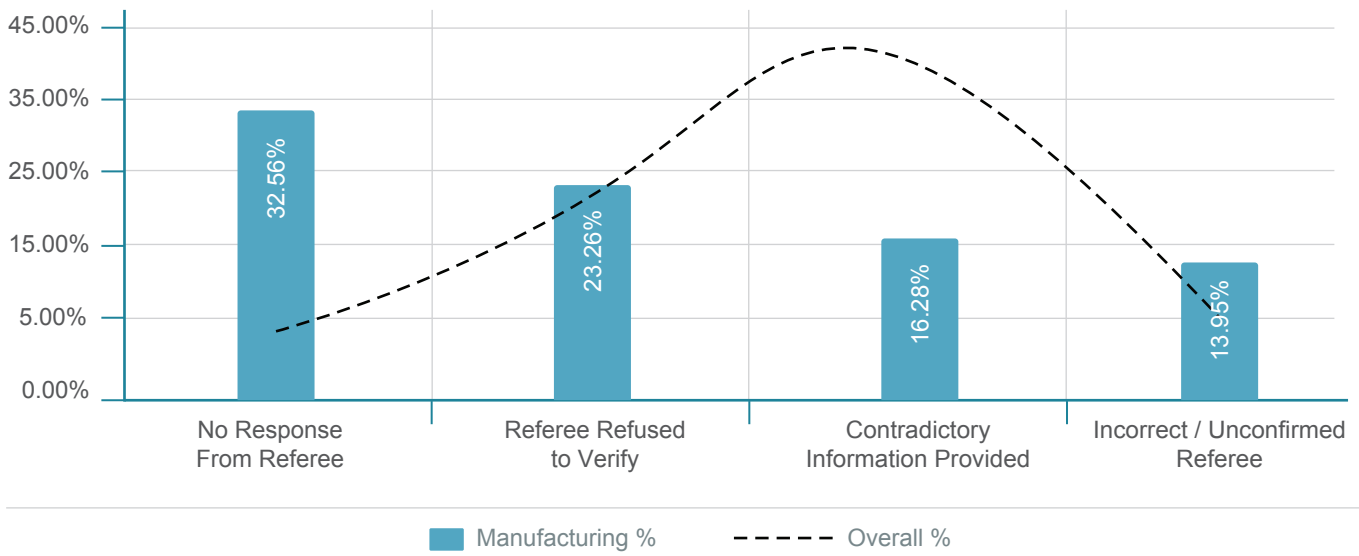
Reasons for discrepancy in Address for the Manufacturing industry are divergent from the overall analysis. Instances of House Locked form the highest reason and this despite verification being conducted at preferred time and two visits being conducted. While overall Candidate Not Residing and Referee Refused to Verify contribute higher to the discrepancy, in Manufacturing instances of incomplete or incorrect address are way above the overall trend.

2.2.4.3 Education



Reasons for discrepancy in Education for the Manufacturing industry are slightly divergent from the overall analysis with instances of Fake or Forged documents and Fake or Unrecognised Institutions being less than the overall.

#### 2.2.4.4 Reference

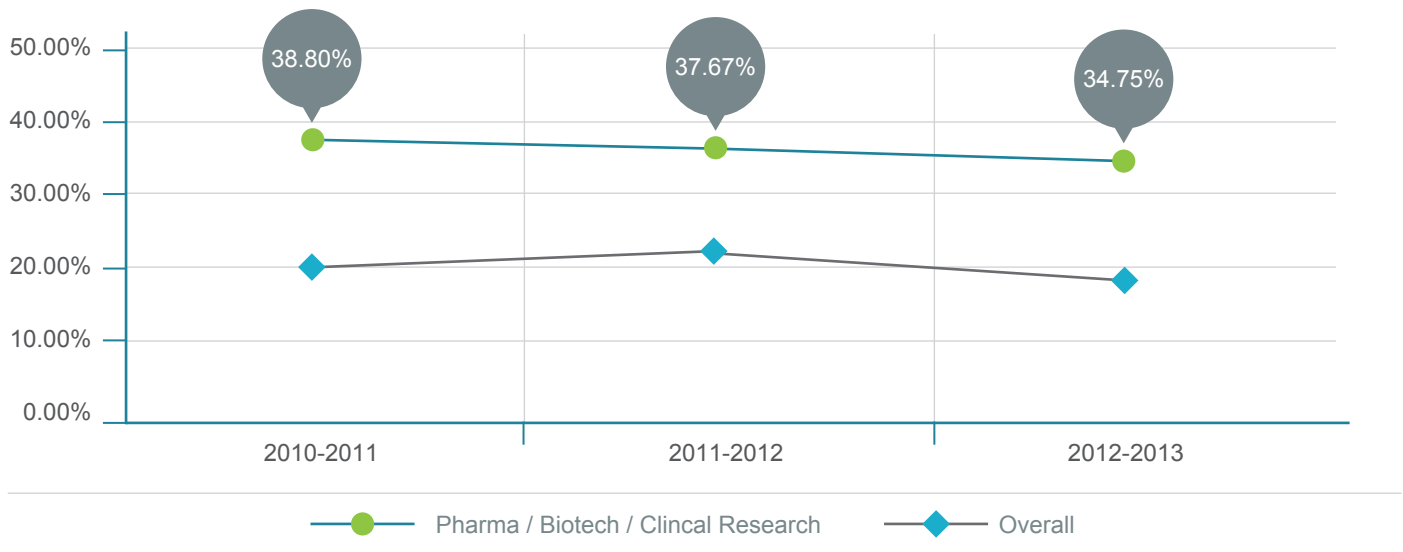


Reasons for discrepancy in Reference Verification for the Manufacturing industry are divergent from the overall analysis as Referee Did Not Respond does not feature in the top reasons while in manufacturing that is the highest contributor to the discrepancy. Similarly Incorrect or Unconfirmed Referee contributes nearly 14% to the discrepancy for the Manufacturing Industry; whereas at the overall level it does not feature as a significant contributor.



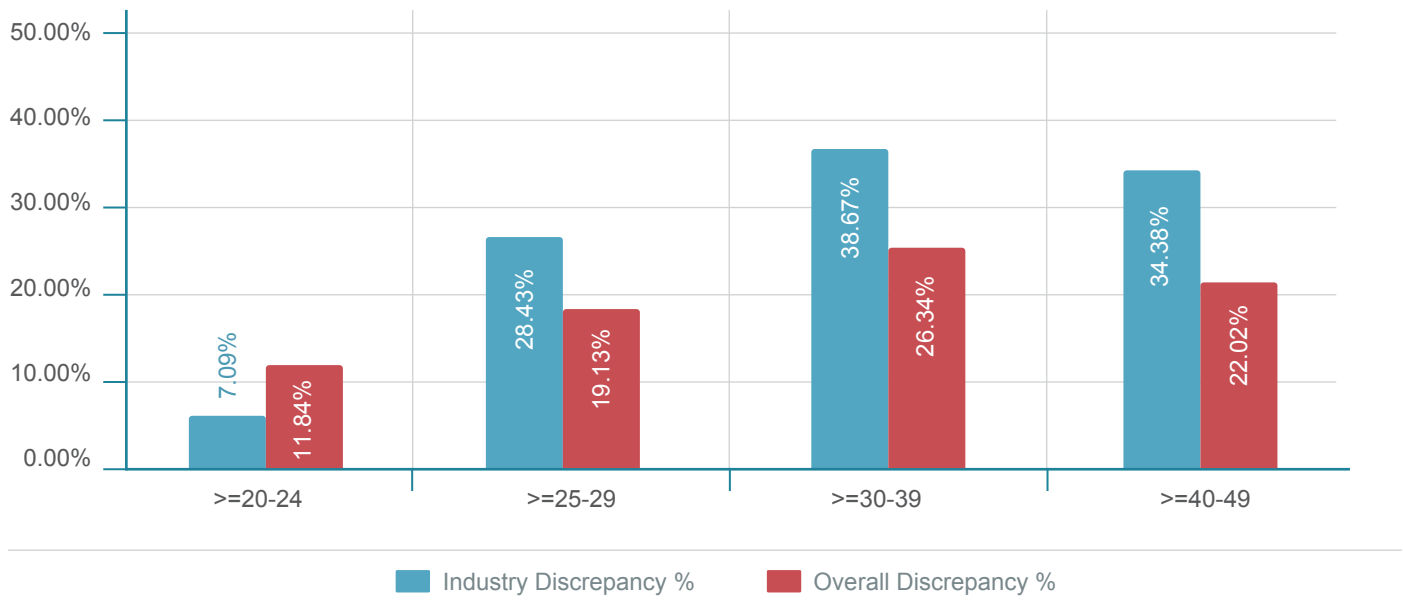
## 2.3 Pharma / Biotech / Clinical Research Industry

### 2.3.1 Overall Discrepancy Trend



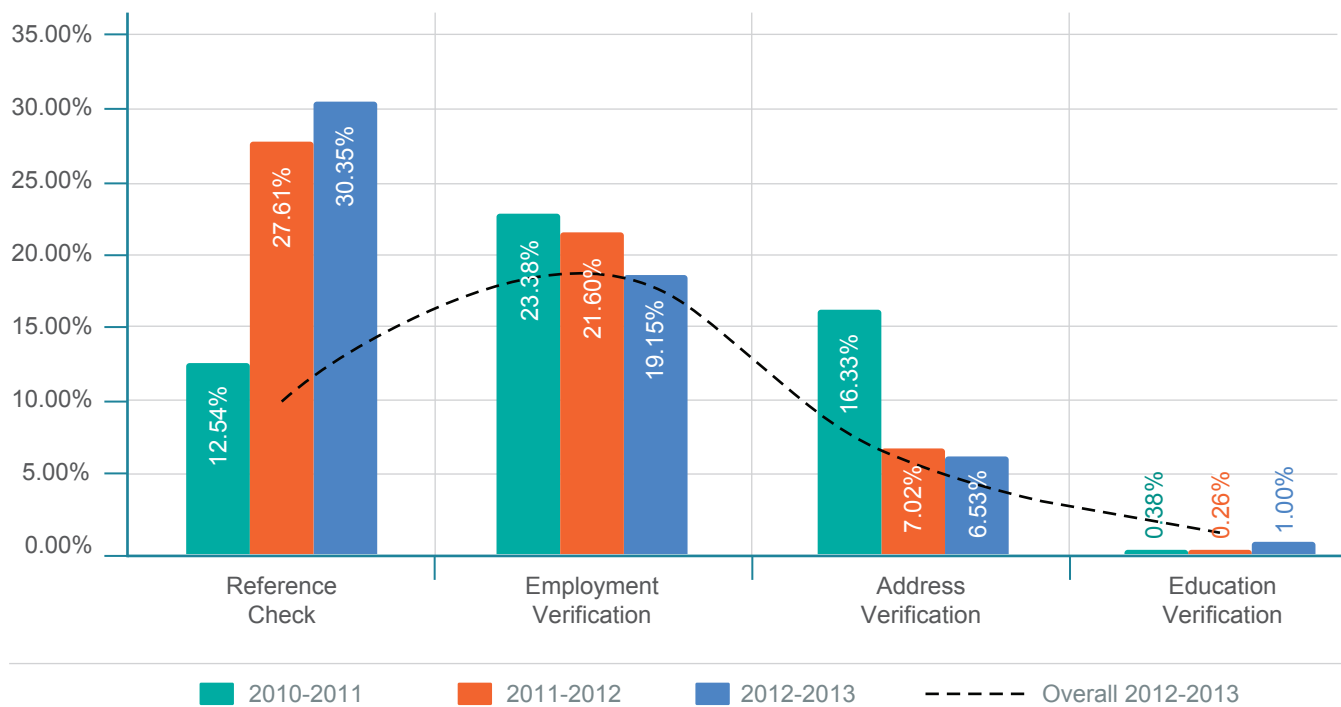
Data across 3 years for Pharma / Biotech / Clinical Research shows a trend at par with the overall albeit much higher in percentage of discrepancy than the overall. While overall discrepancy has remained consistent at around the 17 - 24% range; Pharma / Biotech / Clinical Research is sector which has stayed consistent at 34-39% range.

### 2.3.2 Age-Wise Discrepancy



Age-wise discrepancy shows a trend similar to the overall trend with the 30-39 age bracket contributing the highest percentage to the discrepancy, followed by 40-49 and then 25-29. Negligible discrepancy is seen in the less than 20 and greater than 50 ranges.

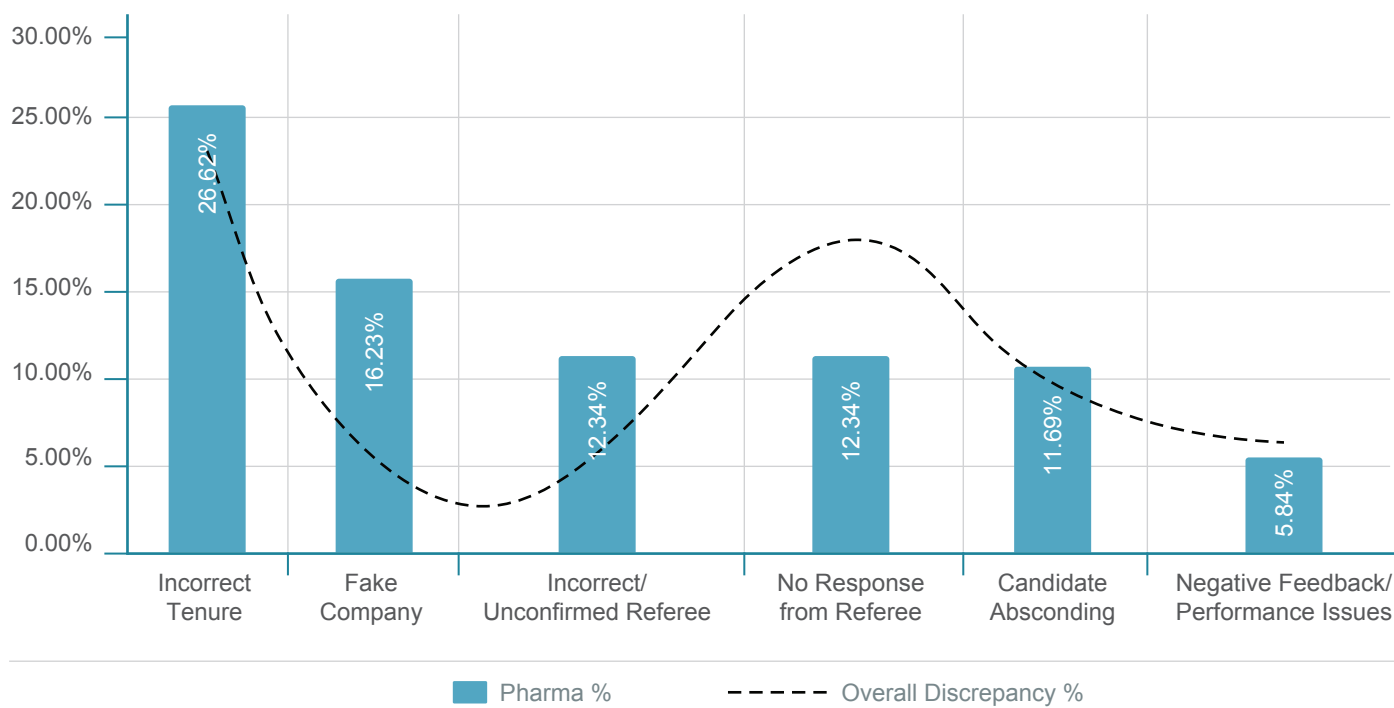
### 2.3.3 Check-Wise Discrepancy



Divergent from the overall trend, discrepancy in the Employment and Reference checks are swapped in percentage contribution. Address and Education show similarity to overall trends.

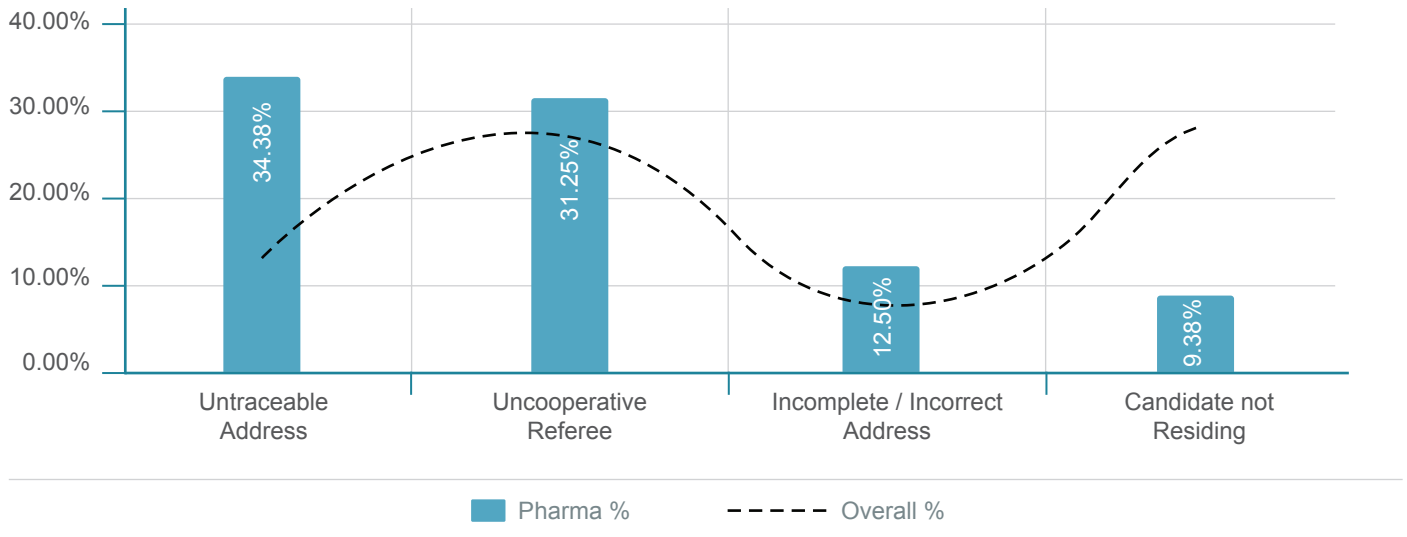
### 2.3.4 Reason for Discrepancy – Check-Wise

#### 2.3.4.1 Employment



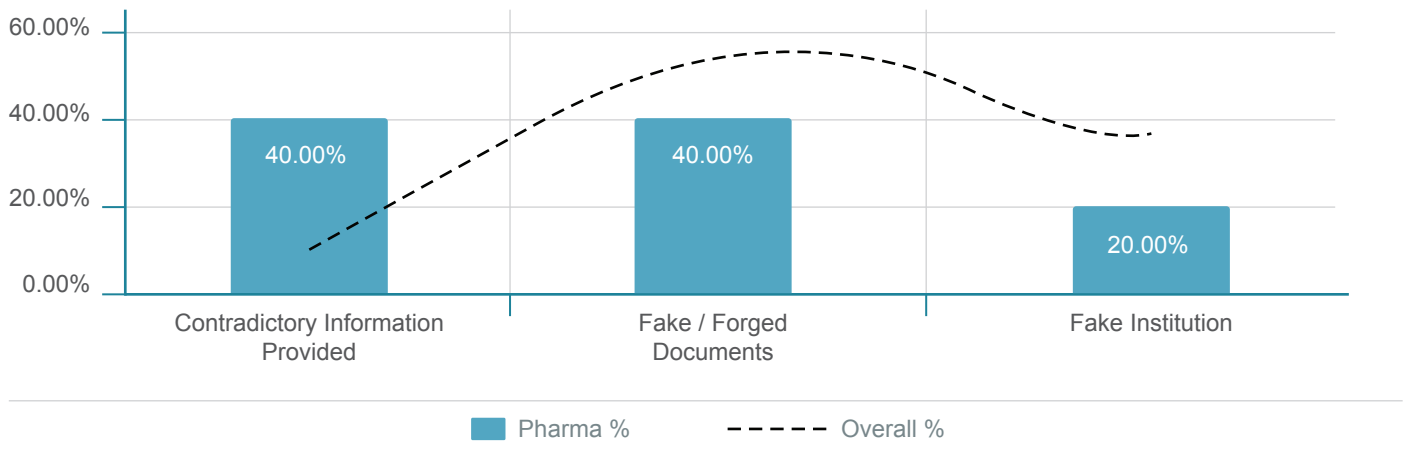
With most reasons aligning with the overall trend of discrepancy in Employment, instances of Fake Company stand out as a divergent reason for the Pharma Industry.

### 2.3.4.2 Address



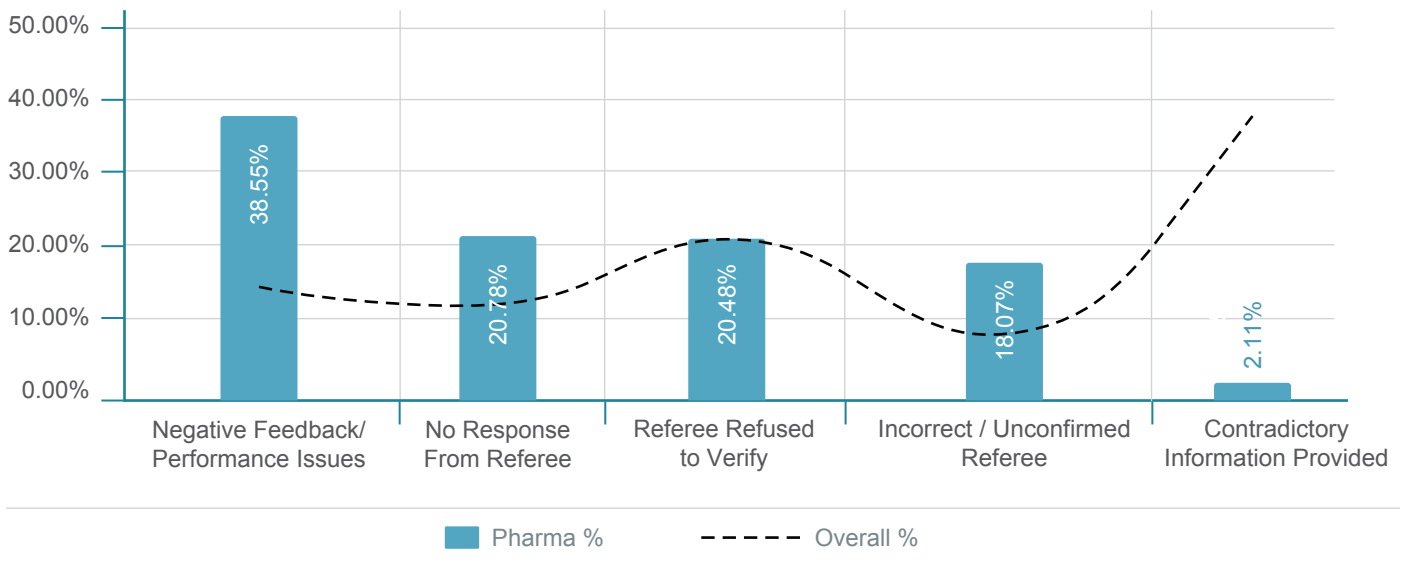
Untraceable Address contributes majorly to the discrepancy in Address for the Pharma Industry while at overall the contribution of this as a reason is less than 20%. Instances of Candidate not Residing at the given address are less than 10% within the Pharma Industry while overall it ranges between 25 – 30%.

### 2.3.4.3 Education



The contribution of Contradictory Information in Education is way higher than the overall trend.

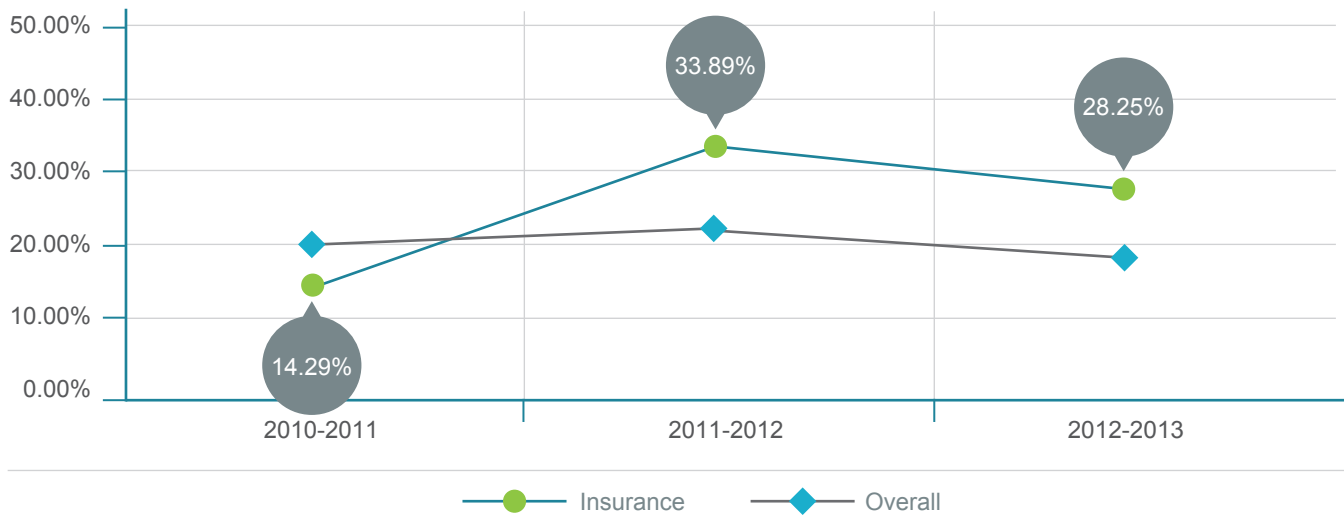
### 2.3.4.4 Reference



Reasons for discrepancy in Reference Checks in the Pharma / Biotech / Clinical Research Industry show a trend largely divergent from the overall pattern. Reasons like Negative Feedback, No Response from Referee and Incorrect or Unconfirmed Referee contribute lower percentages in the overall trend but have a marked contribution in this industry sector.

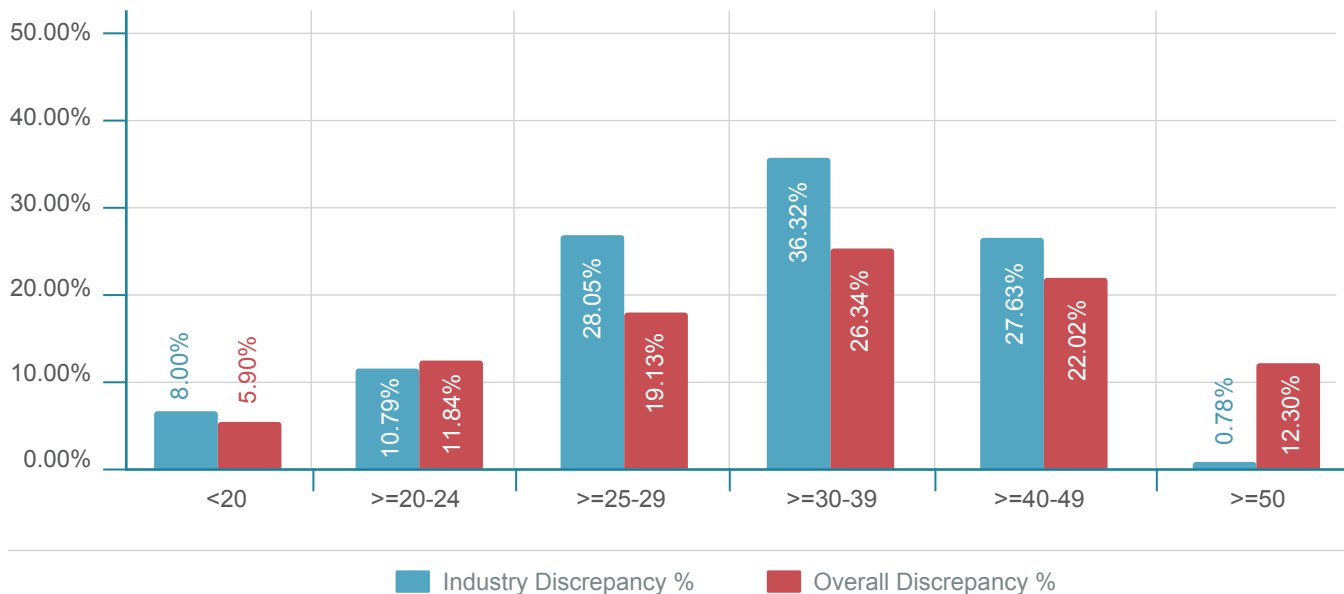
## 2.4 Insurance Industry

### 2.4.1 Overall Discrepancy Trend



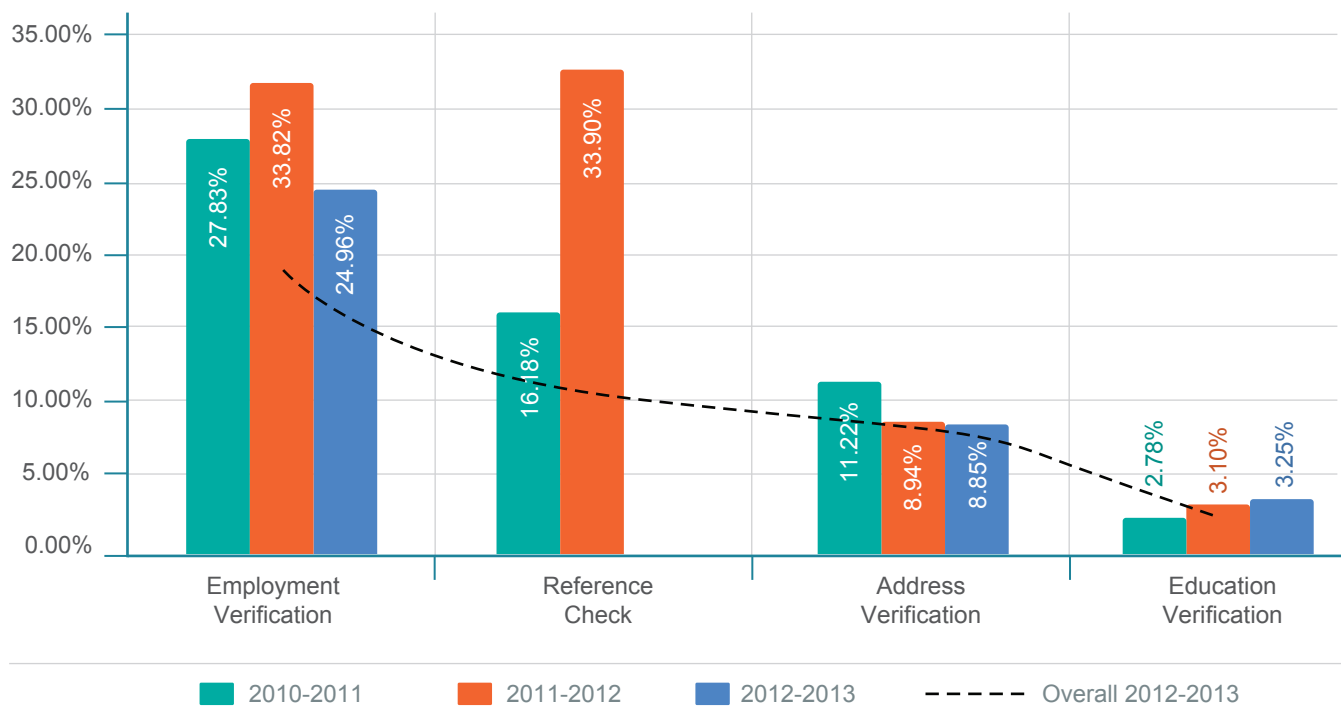
Discrepancy in the Insurance Sector is significantly higher than the overall discrepancy and displays a sudden spurt in FY 2011-12. Decline in FY 2012-13 is marginal and still higher than the overall trend.

### 2.4.2 Age-Wise Discrepancy



Age-wise trend for Insurance follows the overall pattern except for the 25–29 bracket which is the second highest contributor after the 30-39 age bracket. Insurance displays negligible discrepancy in the 50+ bracket. The less than 20 and 20-24 age brackets are also significant, contributing in the range of 8-10% discrepancy.

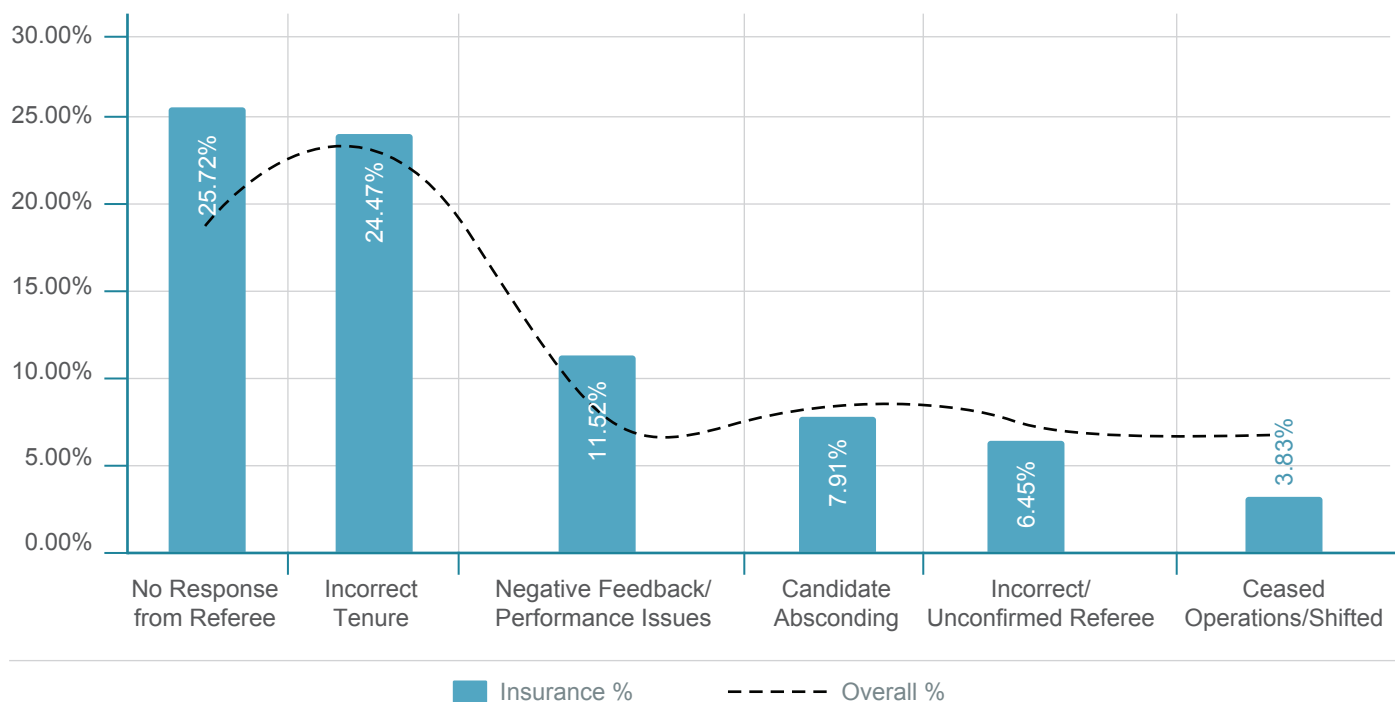
### 2.4.3 Check-Wise Discrepancy



Data across 3 years for Insurance shows a trend divergent from the overall trend. Discrepancy in Employment for this sector is higher than the overall trend. Contribution of Education to discrepancy at 3.25% is much higher in this sector than the overall trend. Reference checks were not conducted in Insurance sector in FY 2012-13 and hence cannot be evaluated. A spike in discrepancy in Reference check in FY 2011-12 does appear alarming but as a practice this industry does not conduct Reference Check and the number of checks conducted in FY 2010-11 & 2011-12 were a minuscule percentage.

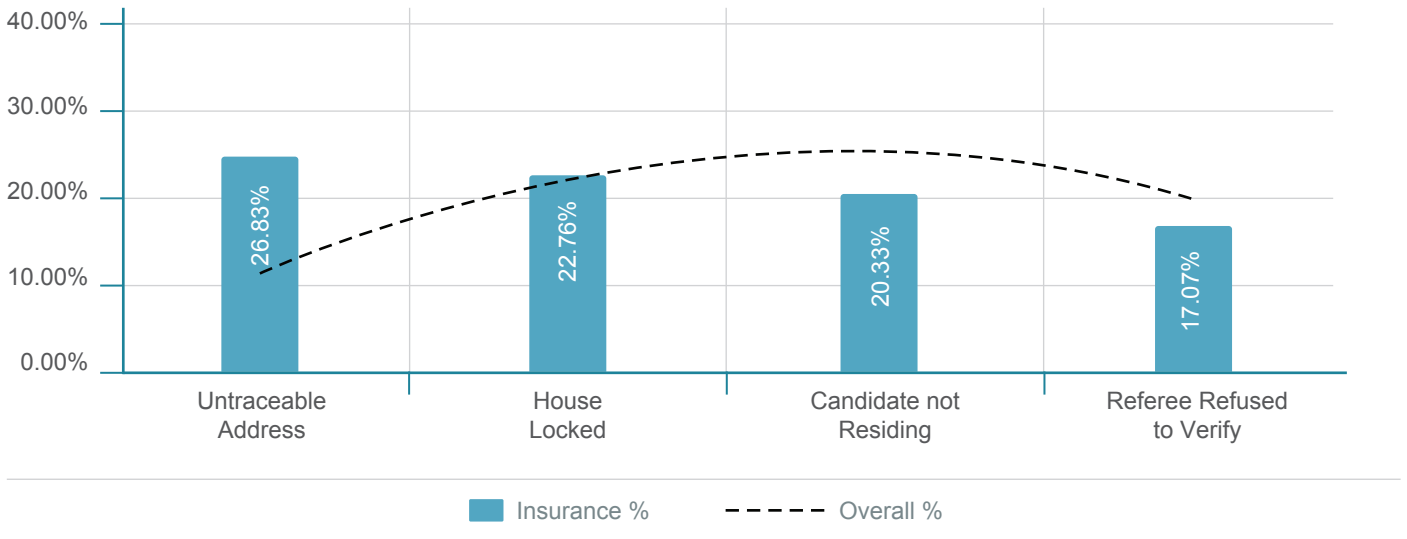
### 2.2.4 Reason for Discrepancy – Check-Wise

#### 2.2.4.1 Employment



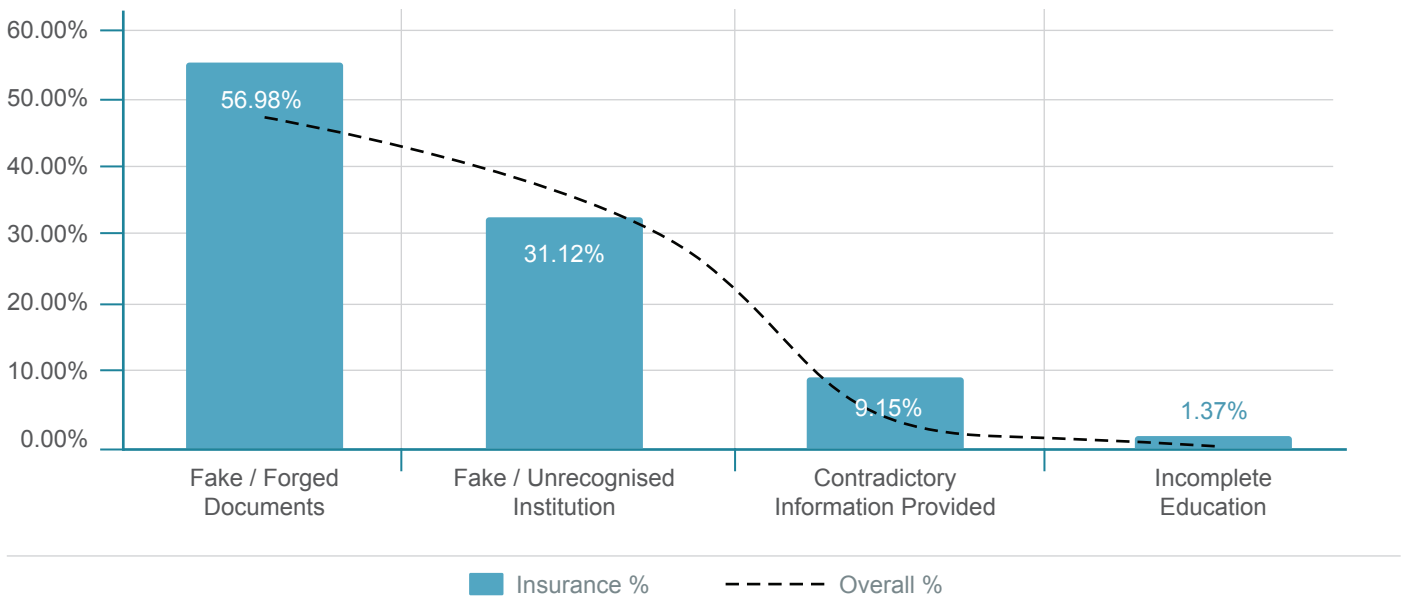
Trend in the reasons for discrepancy in Employment Checks for Insurance sector follows a trend divergent from the overall trend with No Response from Referee, Incorrect Tenure and Negative Feedback having a higher contribution and reasons like Candidate Absconding, Incorrect Referee and Ceased / Shifted Operations contributing lower than the overall percentages.

#### 2.4.4.2 Address



Untraceable Address as a reason for discrepancy in the Insurance sector is nearly double of the overall trend and reasons like Candidate not Residing and Referee Refused to Verify are lower contributors to the discrepancy.

#### 2.4.4.3 Education



Trend of the reasons for discrepancy in Education check is largely at par with the overall trend.

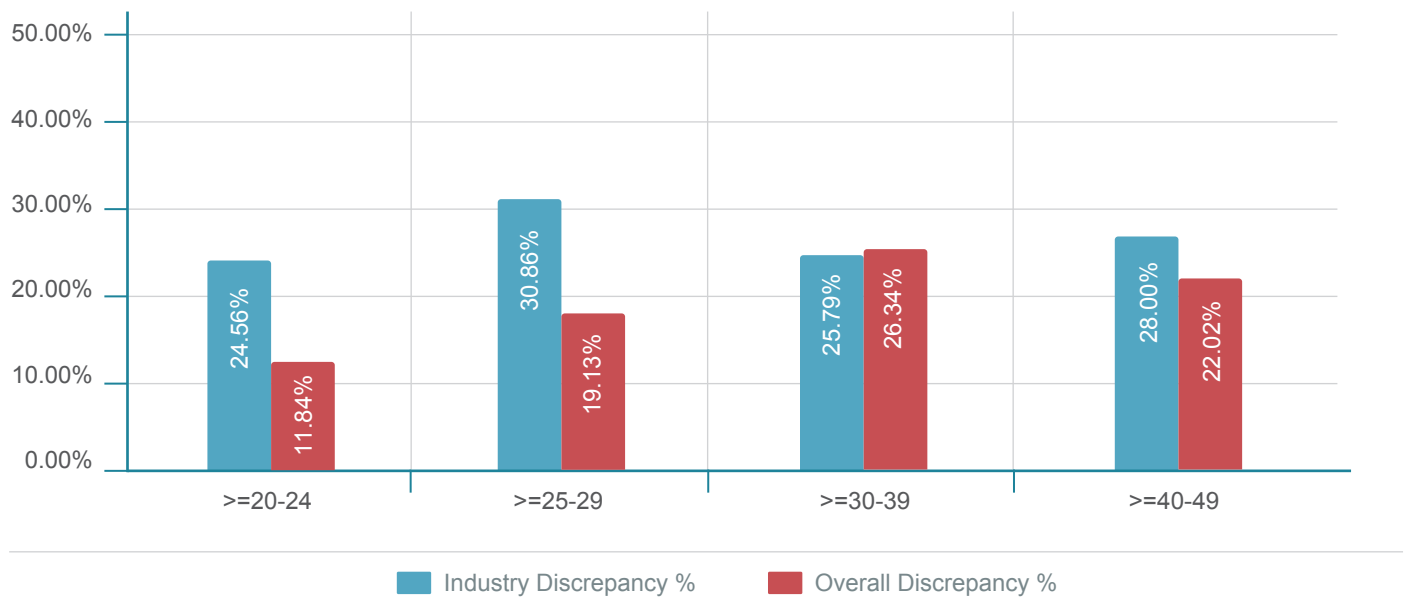
## 2.5 Hotels / Restaurants / Airline / Travel Industry

### 2.5.1 Overall Discrepancy Trend



General trend of Discrepancy in the Hotel / Restaurant / Airline / Travel Industry follows the overall pattern though the percentage of discrepancy is higher and averages around 30%.

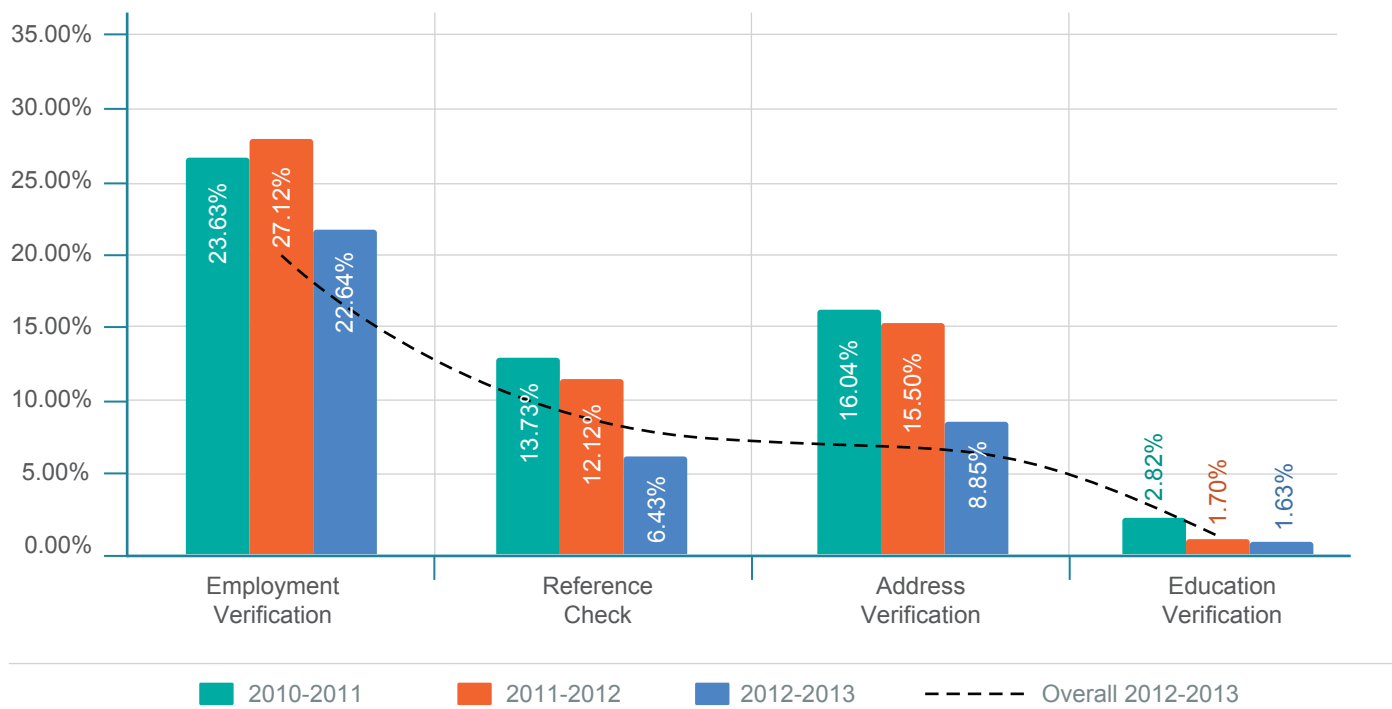
### 2.5.2 Age-Wise Discrepancy



Highest contributor in this sector is the 25-29 age bracket as compared to the 30-39 bracket in the overall analysis. The 20-24, 30-39 and 40-49 range between 25-28% contribution to the discrepancy.



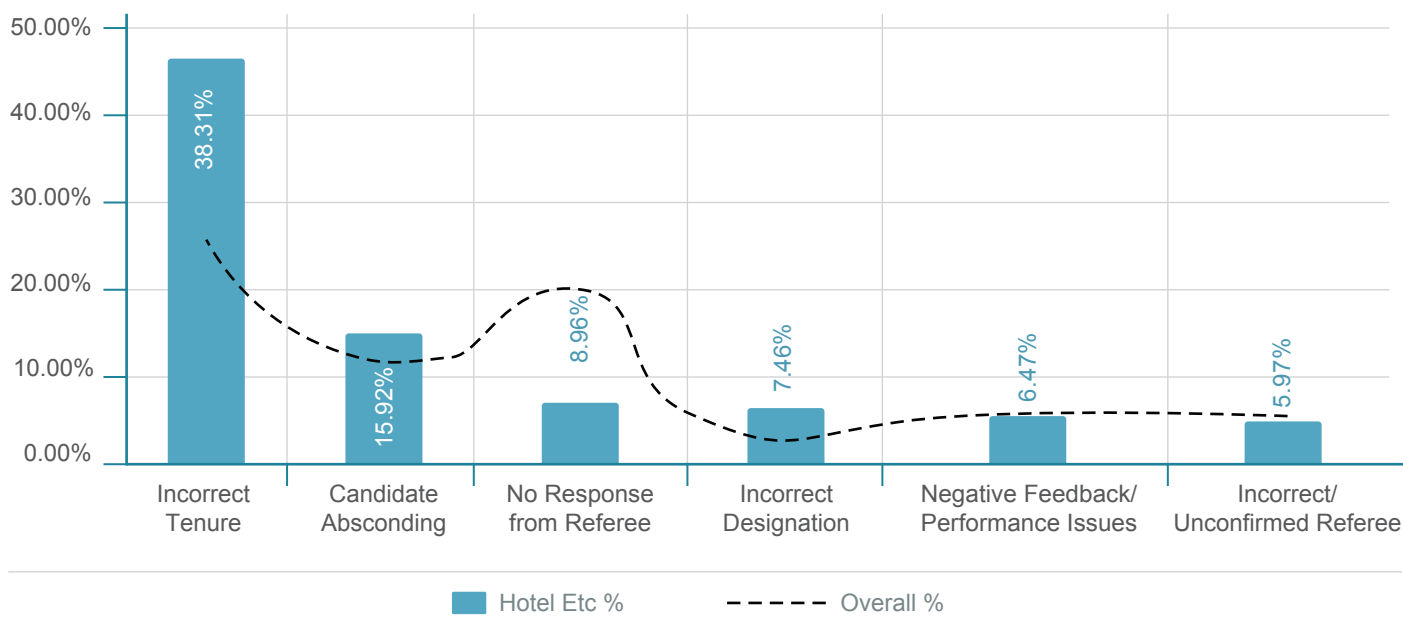
## 2.5.3 Check-Wise Discrepancy



A steady decrease in discrepancy can be seen in all the checks over the last 3 years following the overall trend pattern.

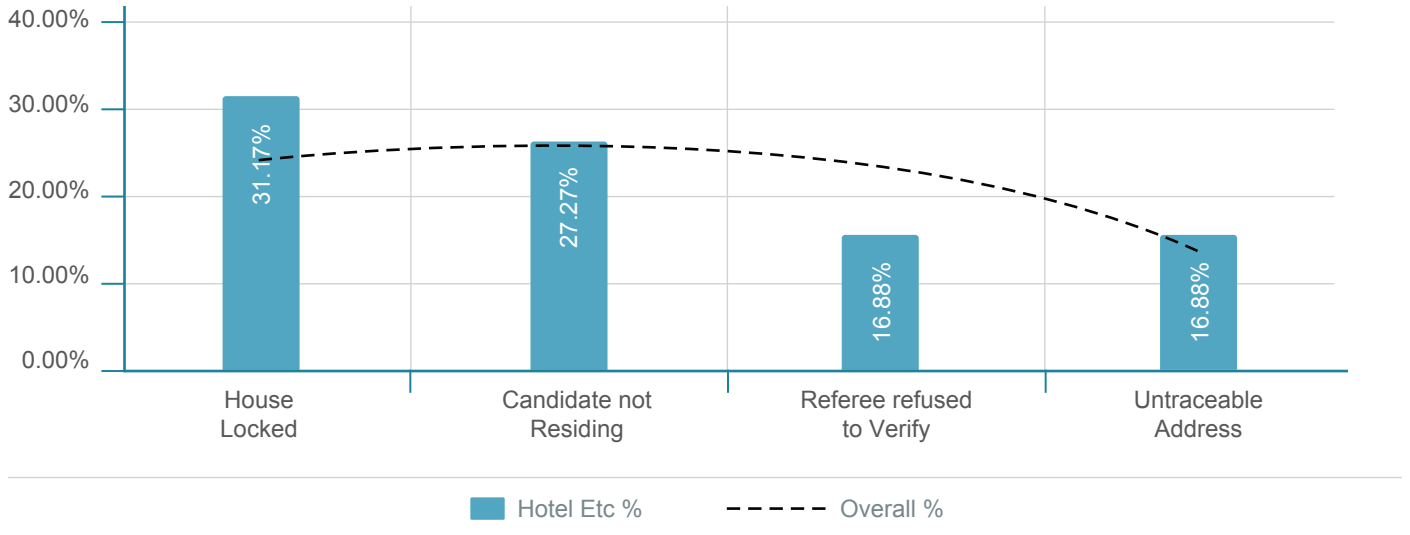
## 2.5.4 Reason for Discrepancy – Check-Wise

### 2.5.4.1 Employment



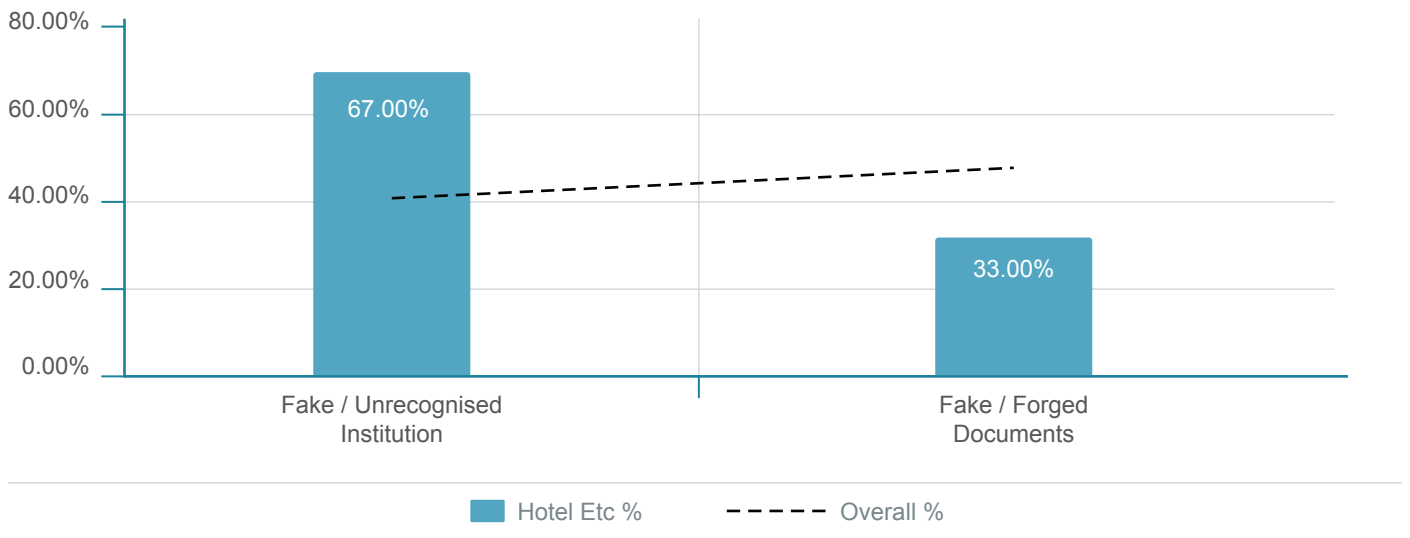
Contribution of reasons for discrepancy in employment has a distinctive pattern in the Hotel / Restaurant / Airline / Travel Industry. No Response from Referee which contributes nearly 20% to the overall discrepancy in employment check contributes less than 10% in this sector. Incorrect Designation, Negative Feedback and Incorrect or Unconfirmed Referee all range in discrepancy in the 5.9 – 7.5%.

### 2.5.4.2 Address



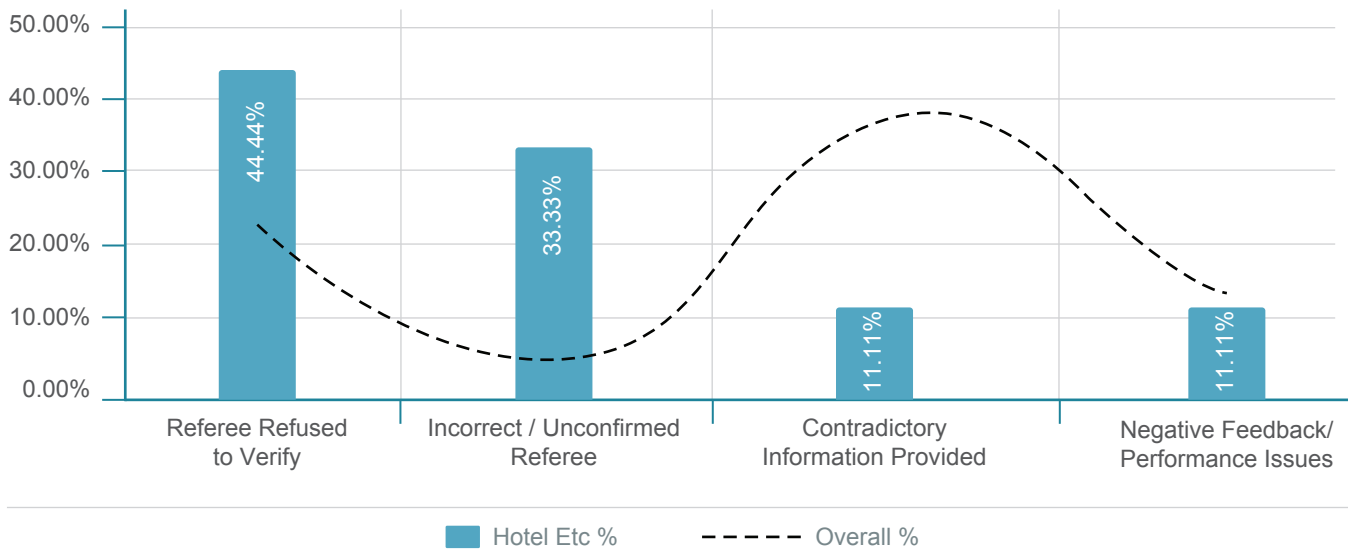
In Address, the contribution of reasons for discrepancy has a pattern similar to the overall trend with the exception of Referee Refused to Verify, which is lower and is at 17%.

### 2.5.4.3 Education



Discrepancy in Education is limited to two major reasons: Fake & Unrecognised Institution and Fake or Forged Documents. However the percentage of discrepancy in this sector is lower than the overall trend for the latter reason.

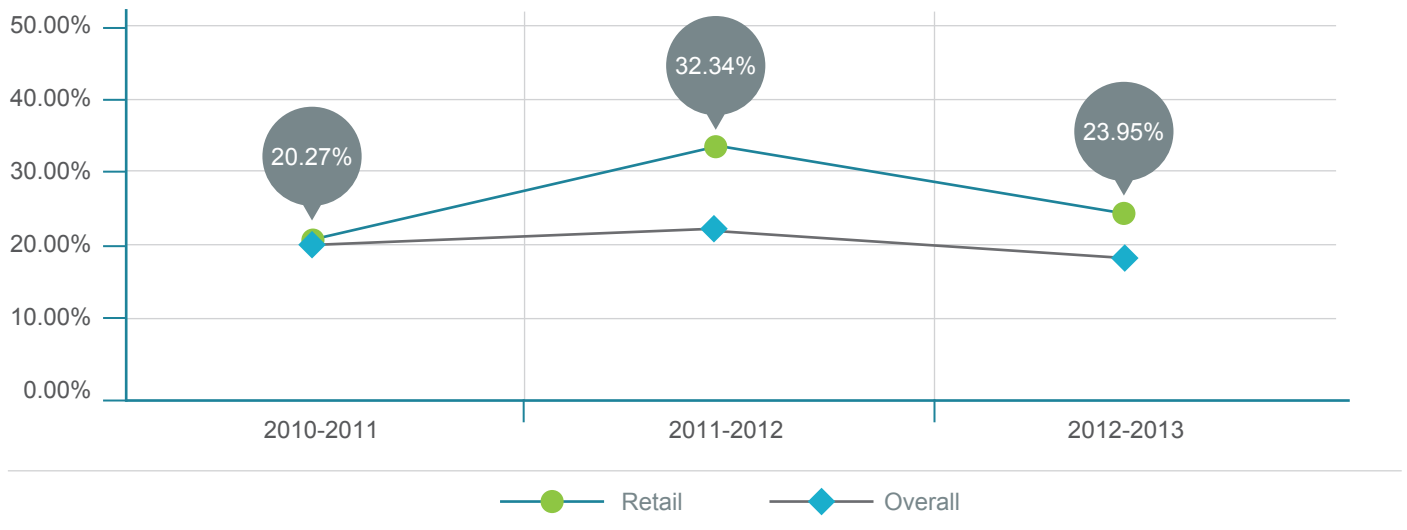
#### 2.5.4.4 Reference



Reasons for discrepancy in the Reference Check for the Hotels etc however are in great variance from the overall. Highest percentage for this sector is contributed by 'Referee Refused to Verify', whereas overall the highest contribution is by 'Contradictory Information Provided'. 'Incorrect or Unconfirmed Referee' contributes to 33.33% discrepancy in this sector, while overall this reason is negligible.

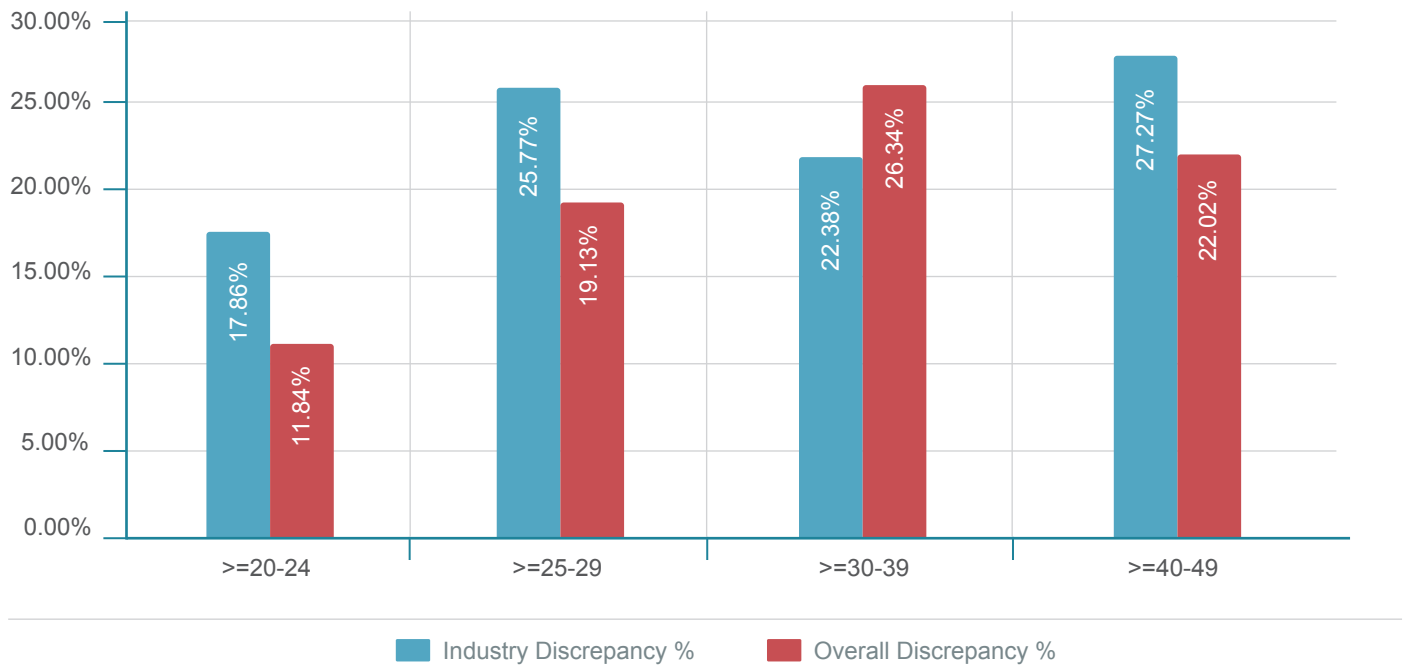
## 2.6 Retail Industry

### 2.6.1 Overall Discrepancy Trend



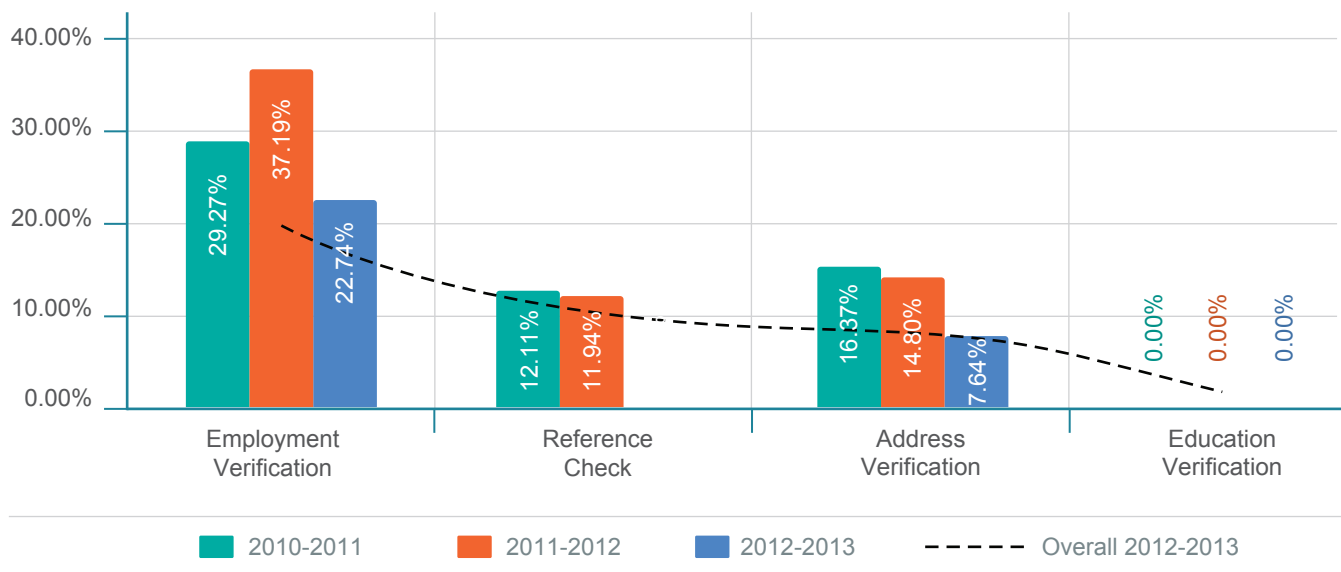
Retail Industry saw a surge in overall discrepancy percentage in FY 2011-12, while the percentage of discrepancy in FY 2010-11 and FY 2012-13 was at par with the overall trend.

### 2.6.2 Age-Wise Discrepancy



Trend in Retail is divergent from the overall trend of age-wise brackets. While overall 30-39 is the highest, Retail has the highest discrepancy in the 40-49 followed by 25-29 brackets. Less than 20 and 50+ have negligible discrepancy [less than 0%] and hence have been disregarded.

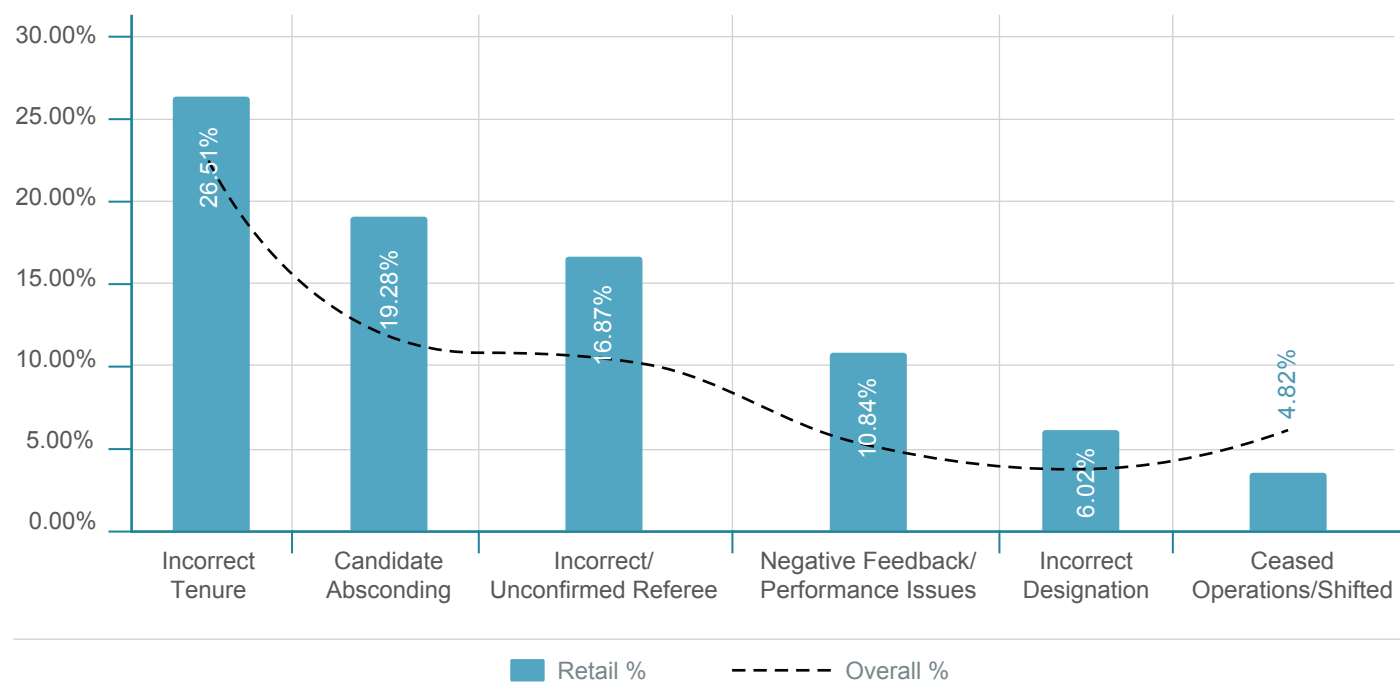
## 2.6.3 Check-Wise Discrepancy



Check-wise Discrepancy trend in Retail is higher than the overall figures. Employment and Address checks have dipped sharply in FY 2012-13 while Reference has stayed consistent. Education discrepancy is negligible as the sector conducts this check for a select few.

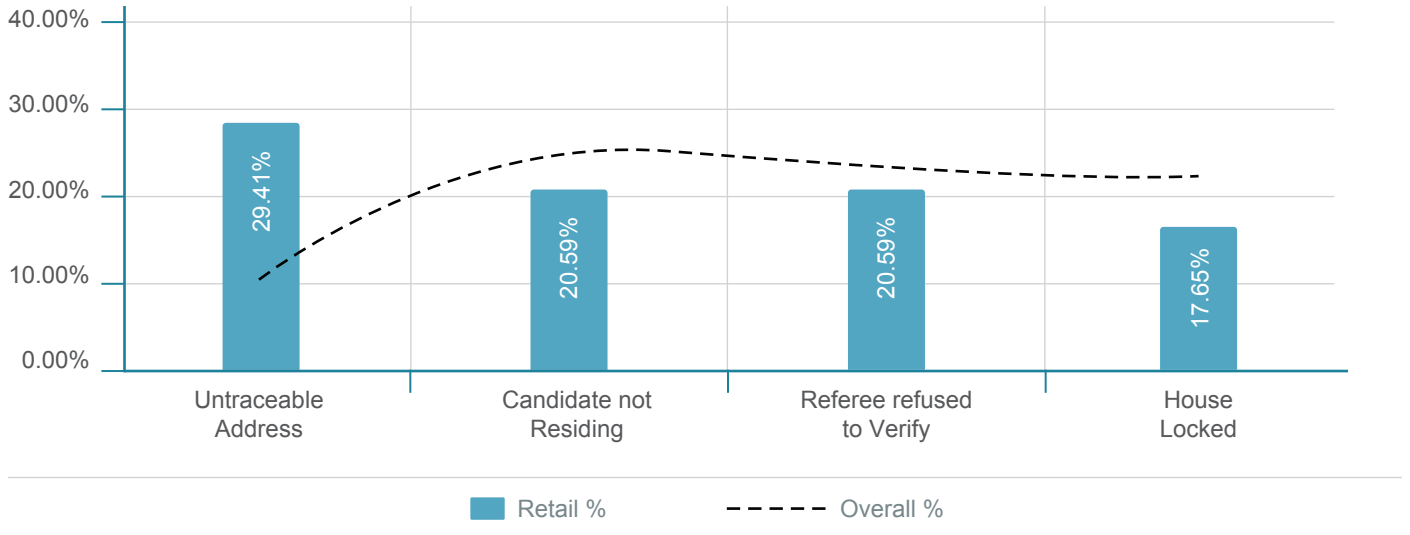
## 2.6.4 Reason for Discrepancy – Check-Wise

### 2.6.4.1 Employment



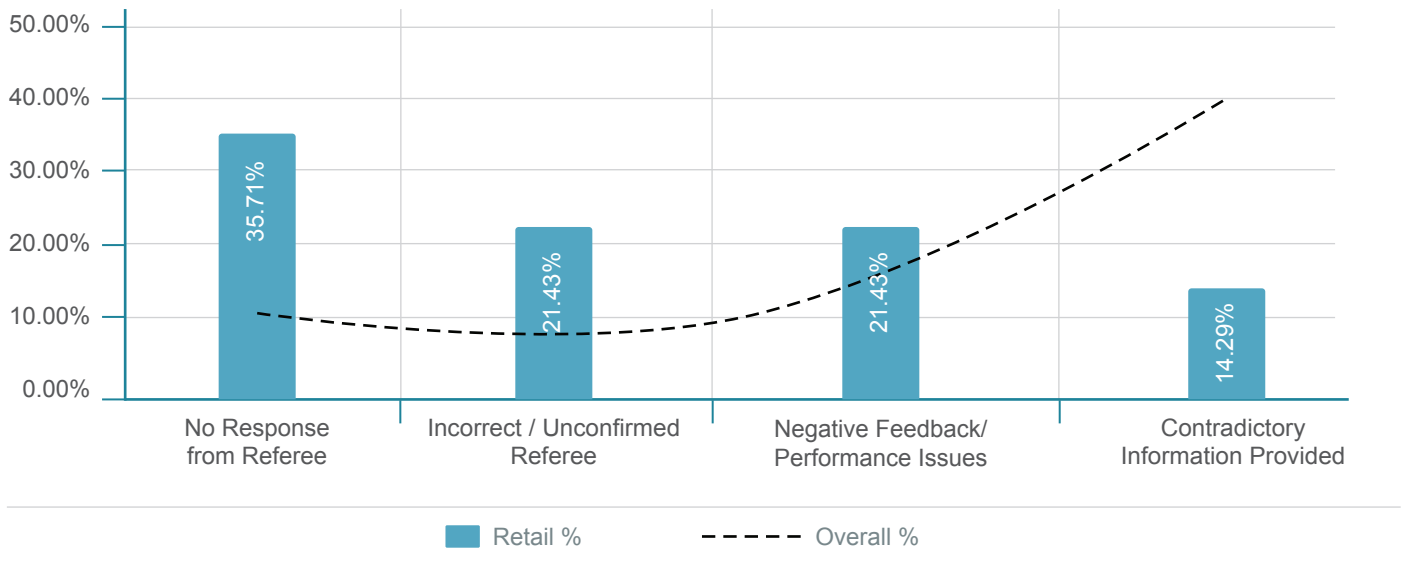
Reasons for discrepancy in Employment for the Retail sector follow the overall pattern though Candidate Absconding and Incorrect Referee contribute higher for Retail sector than for the overall. Incorrect Designation is a reason which contributes 6% while in the overall analysis it does not feature in the top six reasons .

### 2.6.4.2 Address



In Address check, Untraceable Address is the top contributor and all the other reasons are lesser than the overall trend.

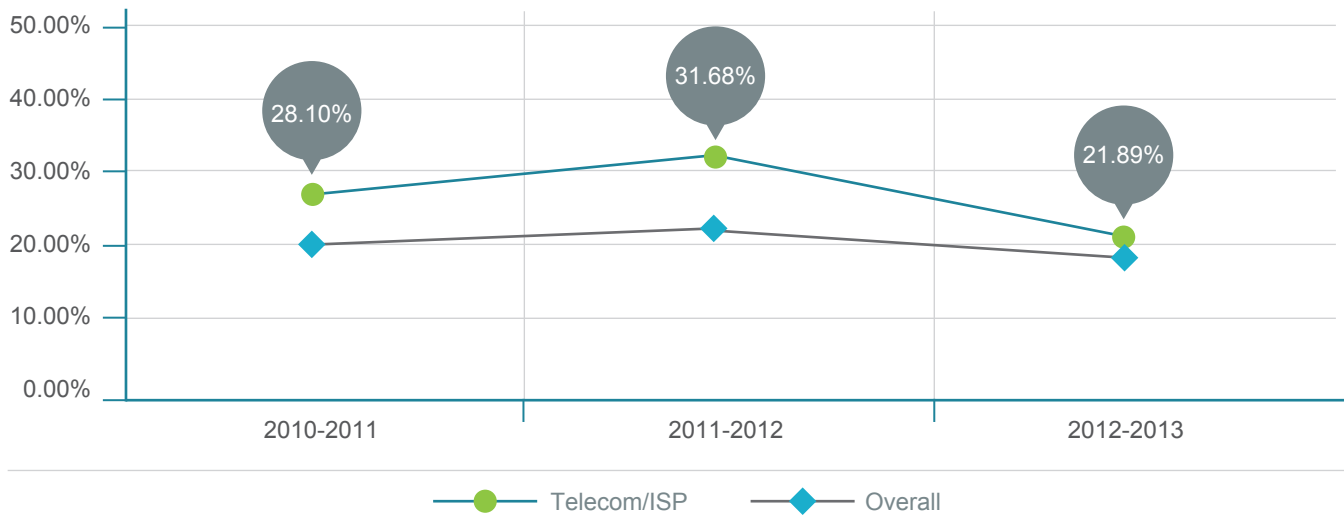
### 2.6.4.3 Reference



Reasons for discrepancy in Reference in the Retail Sector are highly divergent from the overall trend. Highest contributor for Retail is 'No Response from Referee' whereas 'Contradictory Information Provided' is the highest overall.

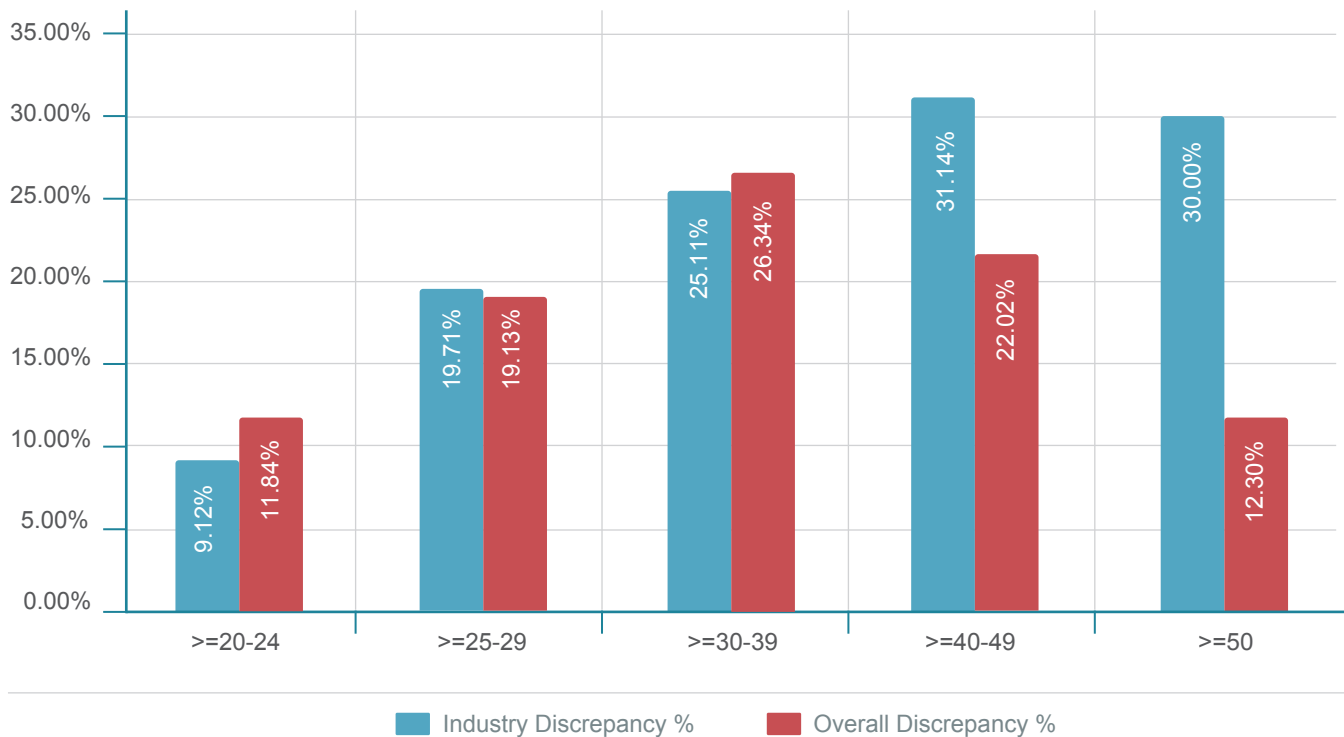
## 2.7 Telecom / ISP Industry

### 2.7.1 Overall Discrepancy Trend



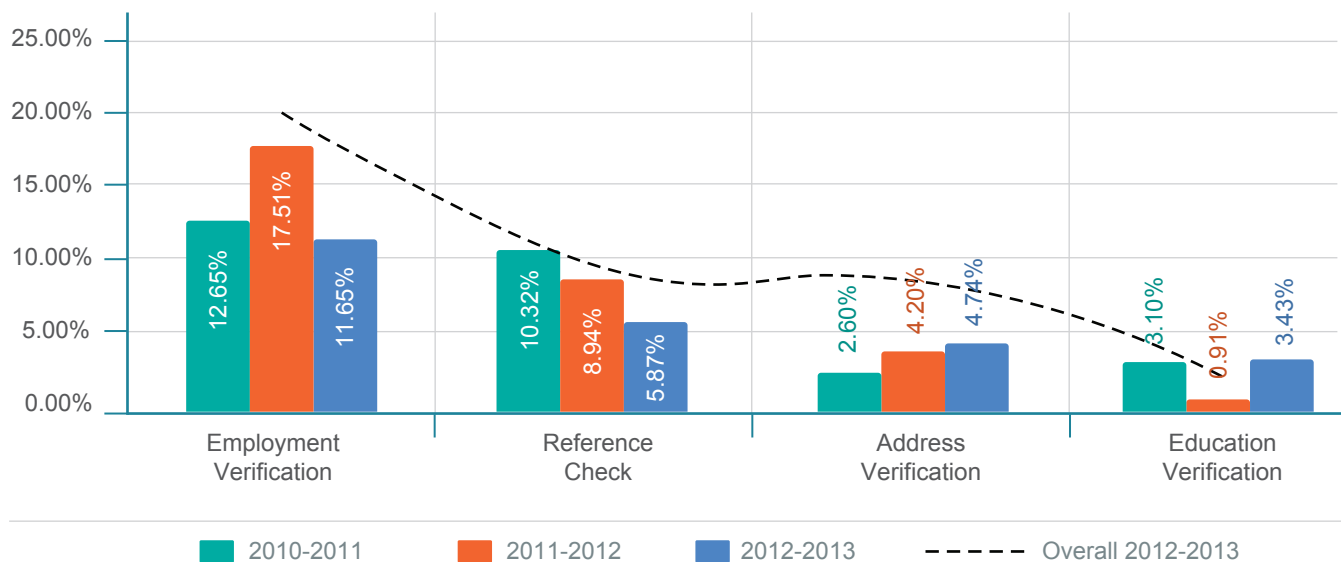
Telecom / ISP Industry follows the overall trend for discrepancy with a slight surge in FY 2011-12.

### 2.7.2 Age-Wise Discrepancy



The age bracket with the highest contribution in the Telecom / ISP sector is 40-49 followed by 50+; while overall the highest contributor is the 30-39 bracket. Percentage of discrepancy for 25-29 age group however is at par for the overall and the industry sector at 19-20%.

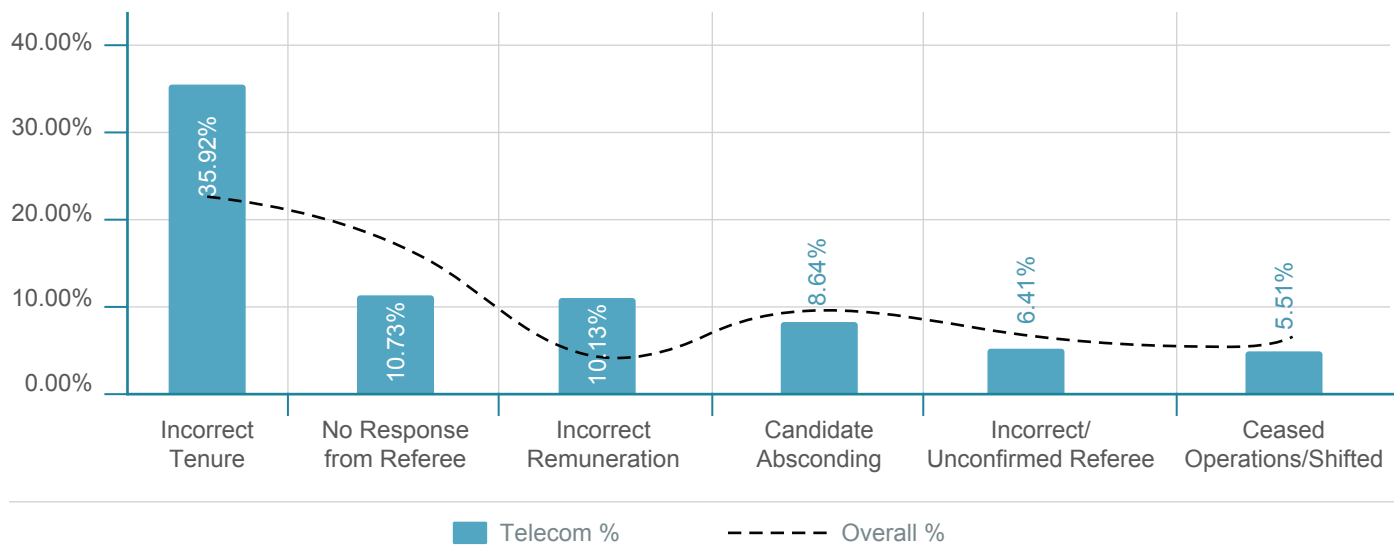
### 2.7.3 Check-Wise Discrepancy



All checks excluding Education have a discrepancy percentage lower than the overall discrepancy. Education is at a higher discrepancy at 3.4%. Discrepancy in Employment and Reference has shown a marked decline while Address shows an increase in FY2012-13.

### 2.7.4 Reason for Discrepancy – Check-Wise

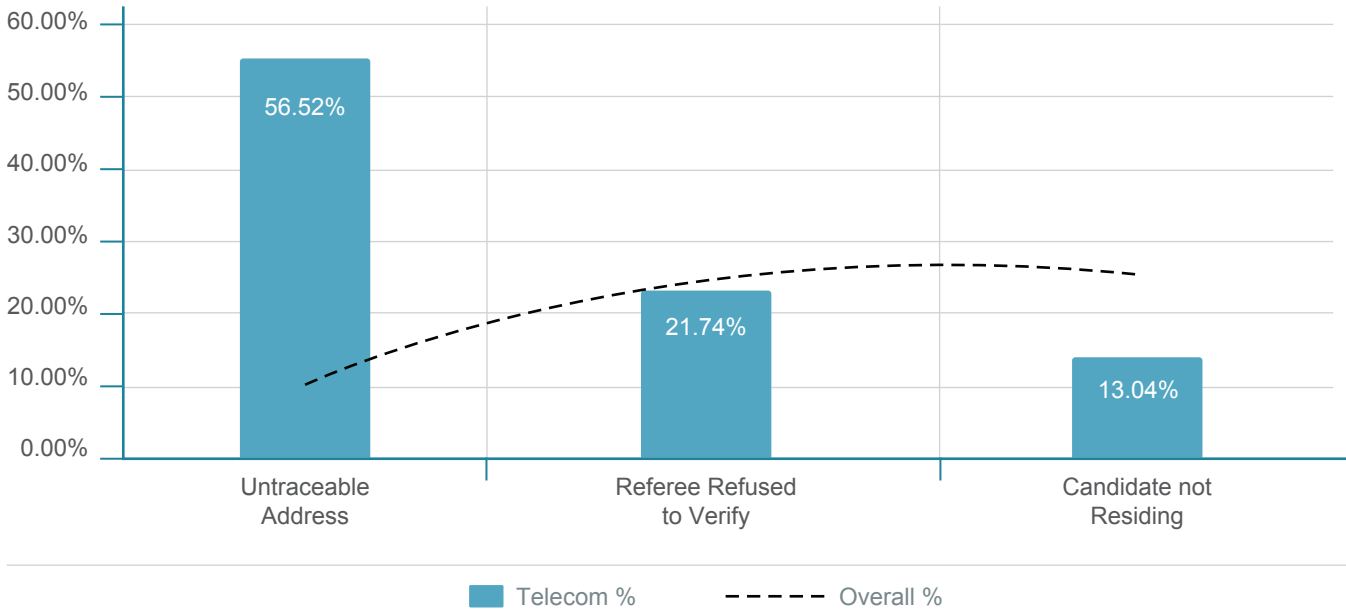
#### 2.7.4.1 Employment



The top reason for discrepancy in Employment in the Telecom/ISP sector is Incorrect Tenure and that is at par with the overall trend. Incorrect Remuneration as a reason is negligible at an overall level as not many sectors request salary verification and most verification sources refuse to verify; however is at a 10% for this sector. All other reasons are lower in percentage of contribution than the overall trend.

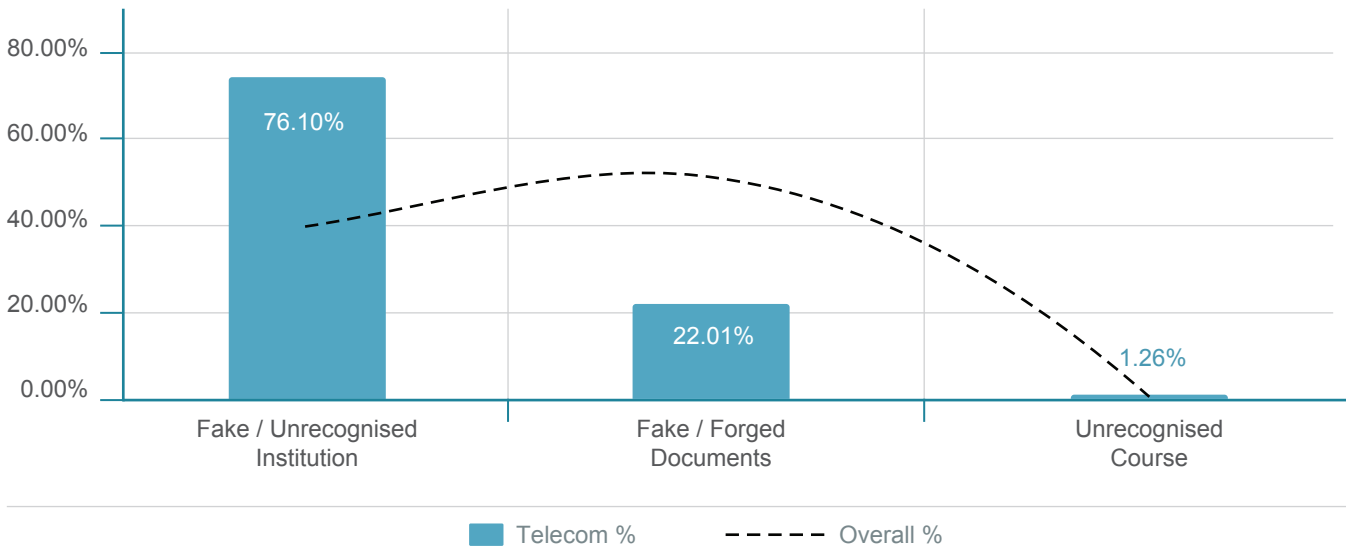


### 2.7.4.2 Address



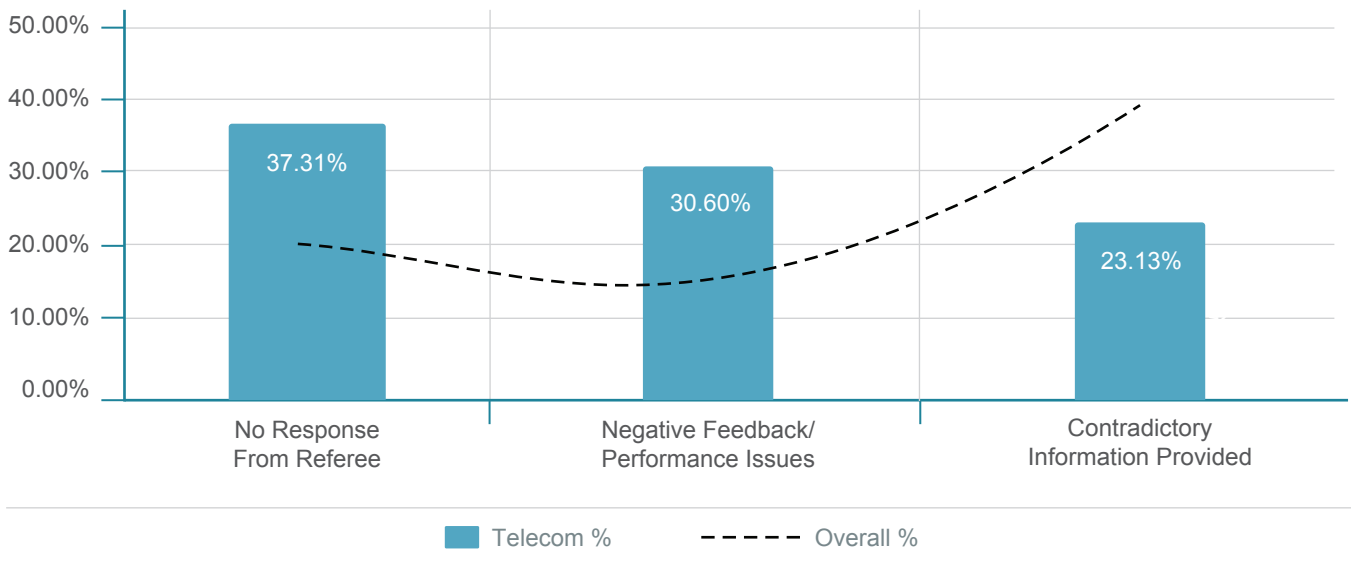
Reasons for discrepancy in Address for the Telecom Sector are divergent from the overall trend. Untraceable Address, the top reason for this sector is at 13.43% at the overall level. Other reasons contribute greater percentages in the range of 25% at the overall.

### 2.7.4.3 Education



Telecom Sector sees 76% discrepancy in Education from Fake or Unrecognised Institutions; while overall trend sees discrepancy in the range of 40% for the same reason. The other reason contributing around 50% to the discrepancy in Education is Fake or Forged Documents which contributes 22% for this sector.

#### 2.7.4.4 Reference



Reasons like No Response from Referee and Negative Feedback or Performance Issues contribute much higher percentages in the Telecom Sector than the overall trend.

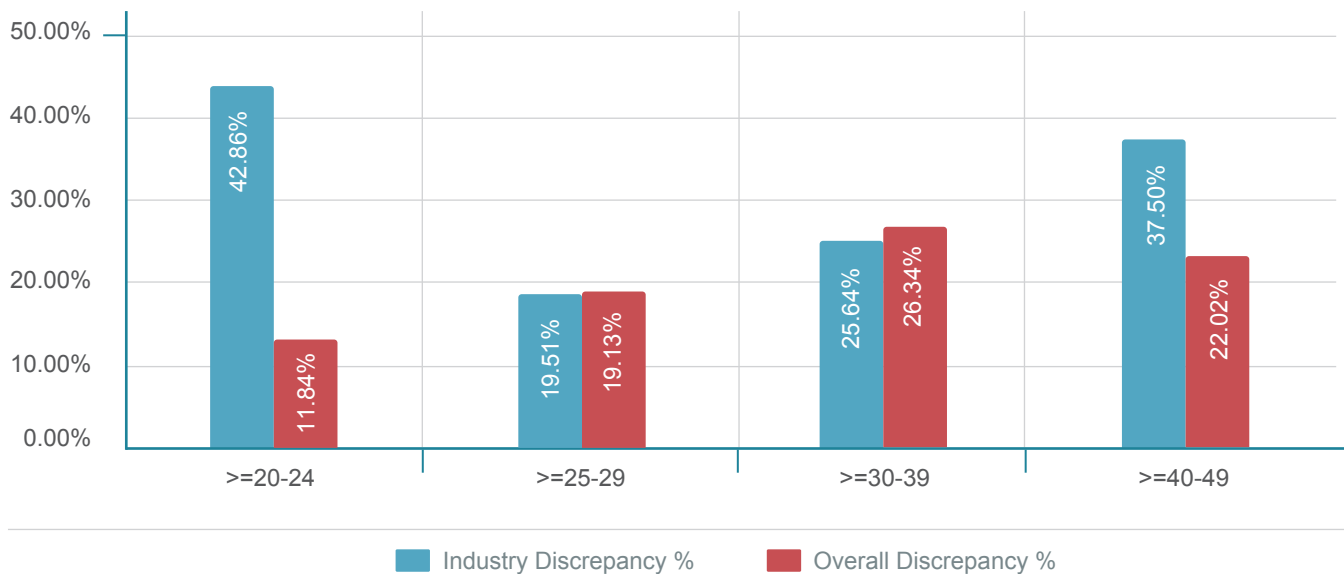
## 2.8 Strategy / Management Consulting Industry

### 2.8.1 Overall Discrepancy Trend



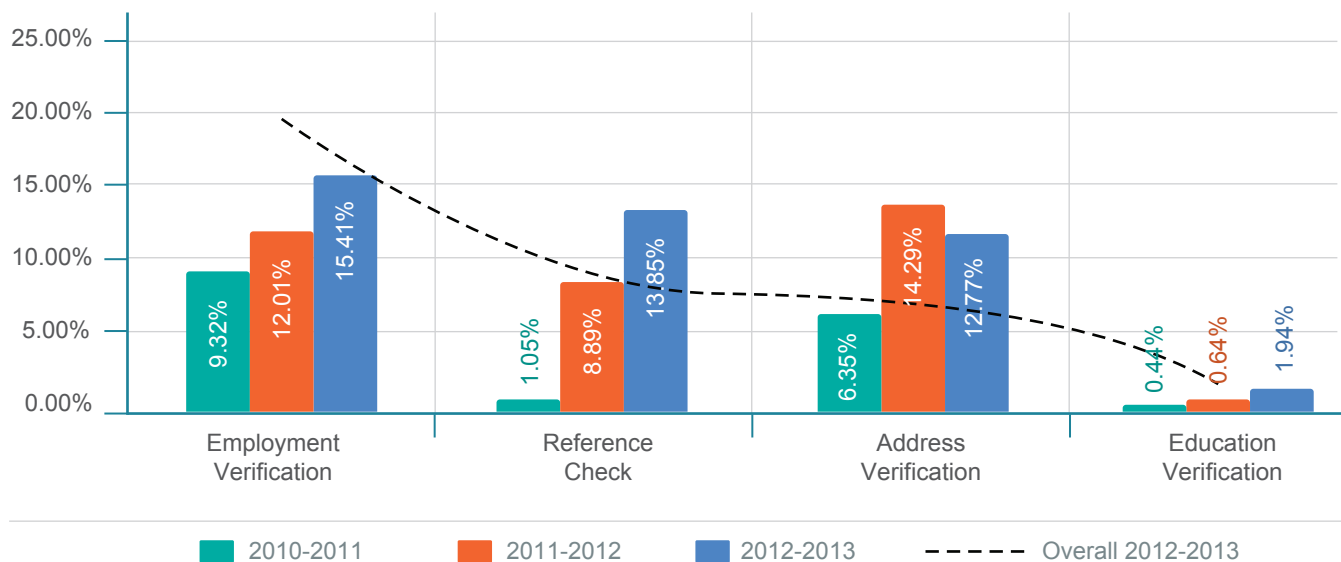
Strategy / Management Consulting sector saw a steep rise in overall discrepancy in FY 2011-12 from FY 2010-11 and remained in the same range in FY 2012-13.

### 2.8.2 Age-Wise Discrepancy



Contrary to overall trend, Strategy / Management Consulting sector has the highest discrepancy in the 20-24 age bracket followed by 40-49 bracket. The percentage of discrepancy in both these brackets is in the range of 37 – 43% which exceeds the overall percentages. Discrepancy in the 'less than 20' and '50+' brackets are negligible in this sector.

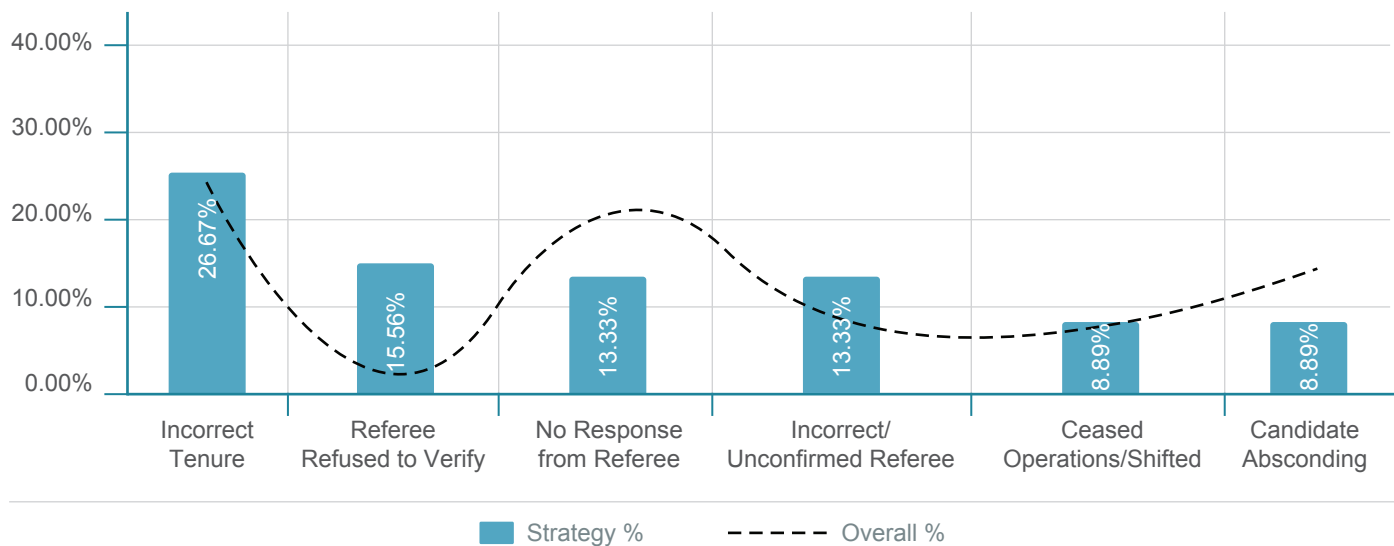
### 2.8.3 Check-Wise Discrepancy



All checks show an increase in discrepancy from FY2010-11 to FY2012-13 except Address where FY2012-13 shows a slight decrease from 14.29% in FY 2011-12 to 12.77% in FY2012-13. Discrepancy in Reference and Address in FY2012-13 exceeds the overall discrepancy trend by a huge margin.

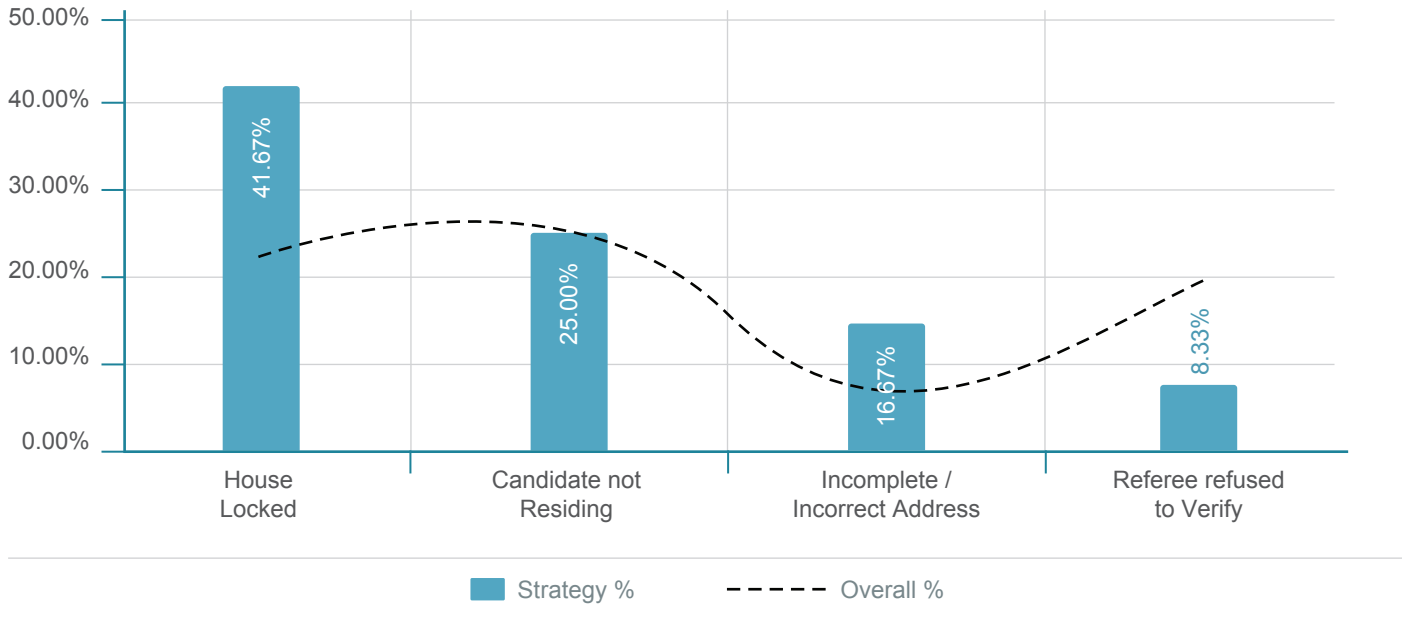
### 2.8.4 Reason for Discrepancy – Check-Wise

#### 2.8.4.1 Employment



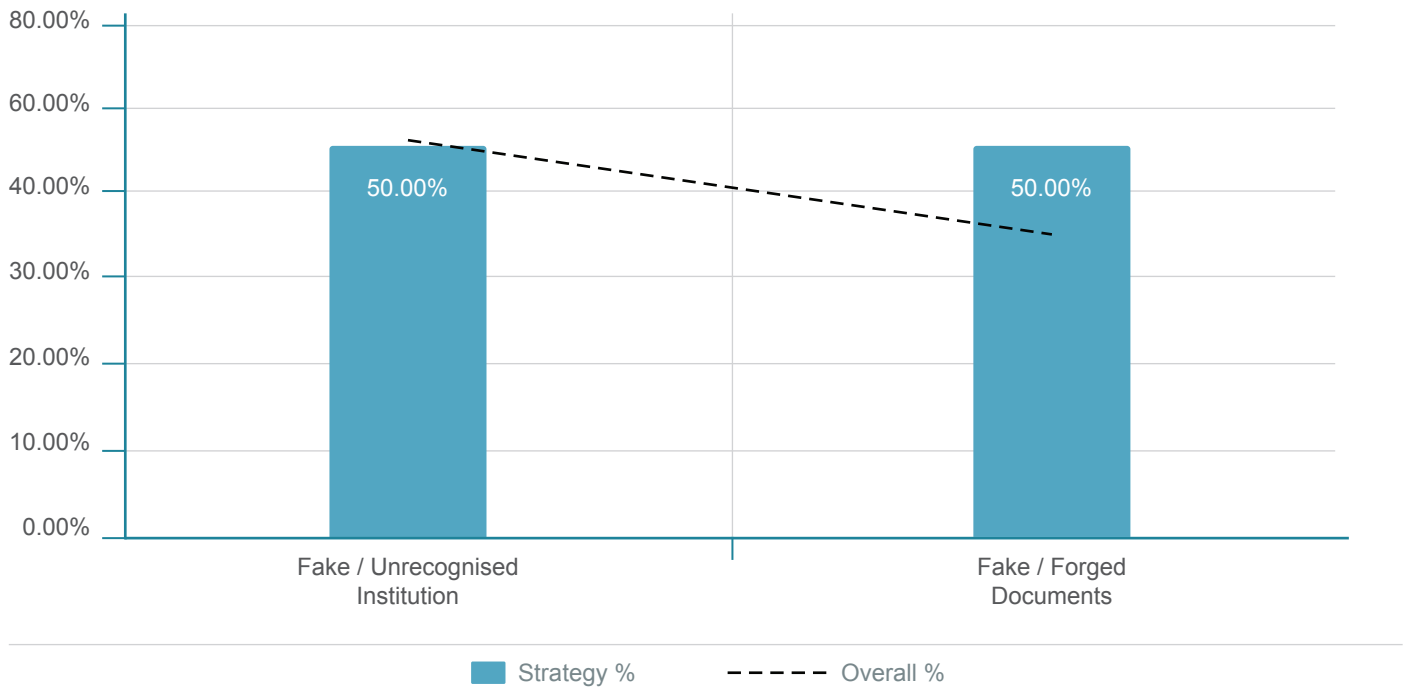
Reasons for discrepancy in Employment for the Strategy / Management Consulting sector follows the overall trend with Incorrect Tenure contributing the highest followed by 'Referee Refused to Verify' and 'No Response from Referee'. Marginal deviation [ +/- 5%] in percentage of discrepancy is evident across all reasons.

### 2.8.4.2 Address



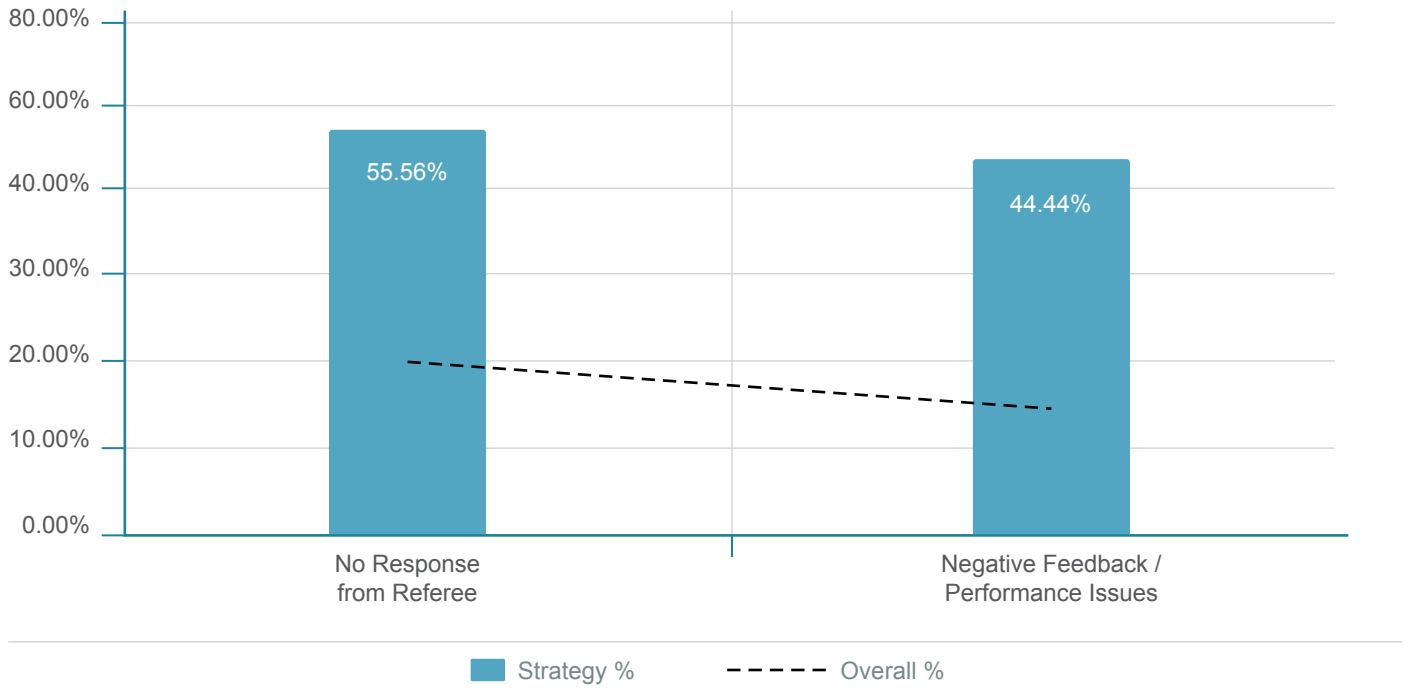
Reasons for discrepancy in Address for the Strategy / Management Consulting sector follows the overall trend with House Found Locked contributing the highest percentage; however the percentage is much higher for this sector.

### 2.8.4.3 Education



Two reasons contribute equally to the discrepancy in Education for this sector.

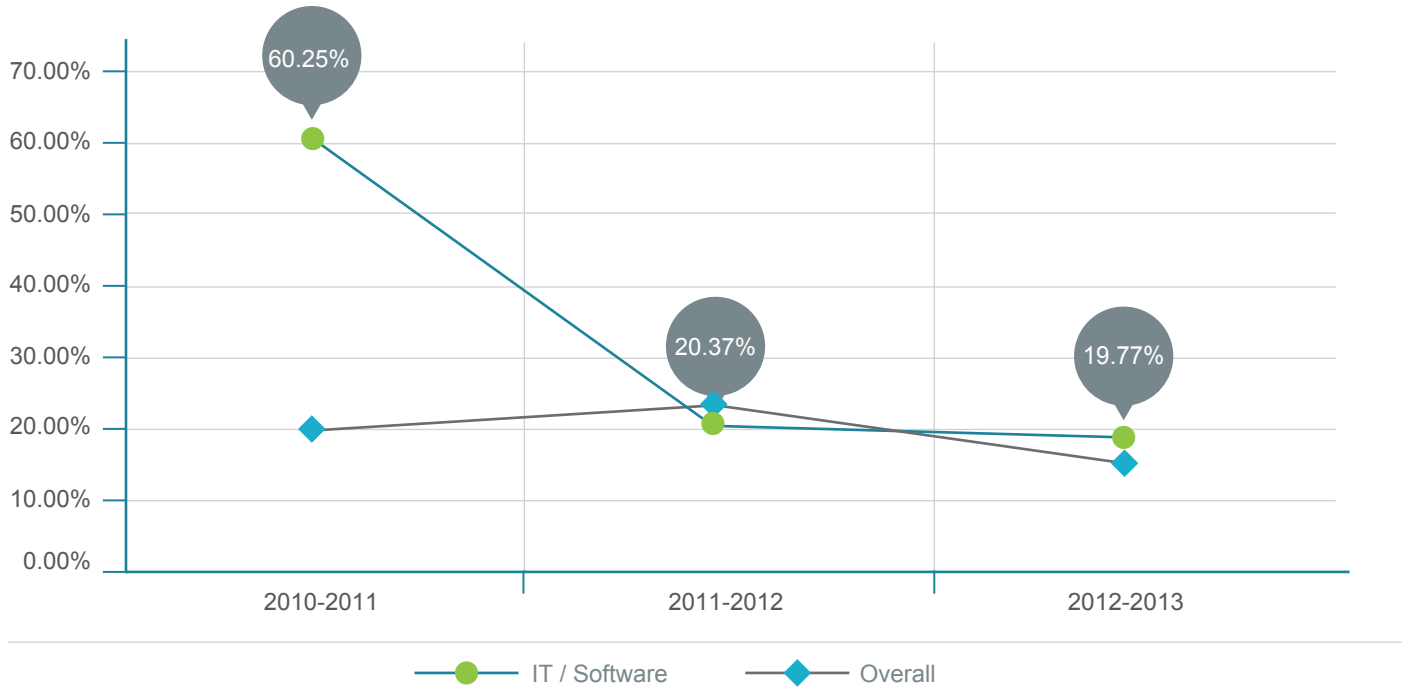
#### 2.8.4.4 Reference



Similarly two reasons contribute to the discrepancy in Reference checks for this sector.

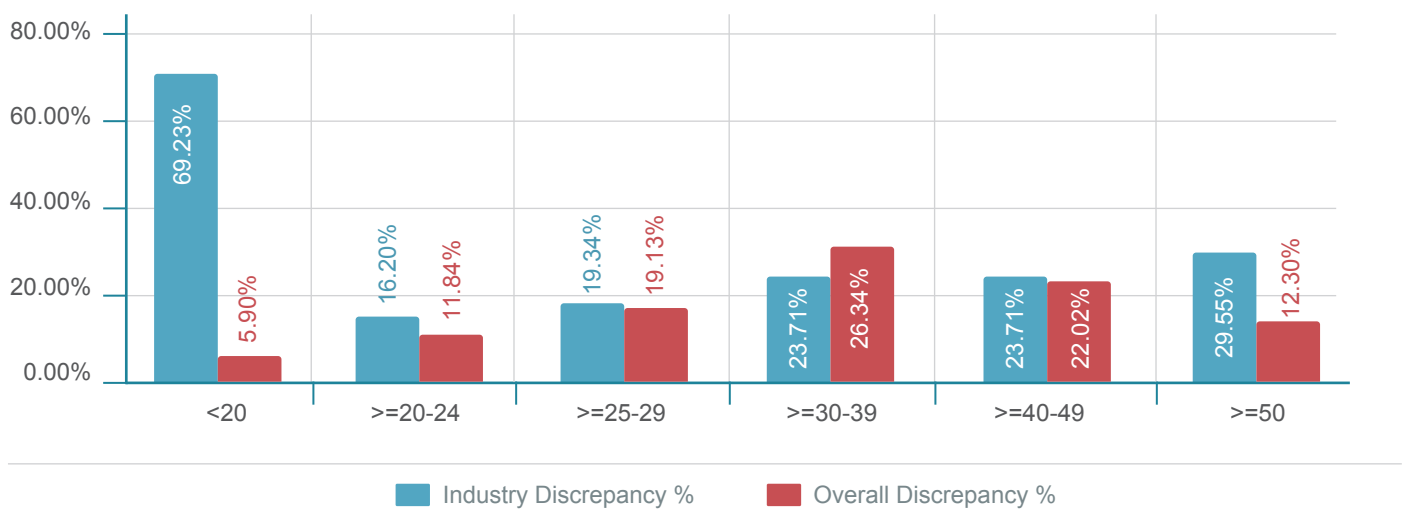
## 2.9 IT-Software / Software Services Industry

### 2.9.1 Overall Discrepancy Trend



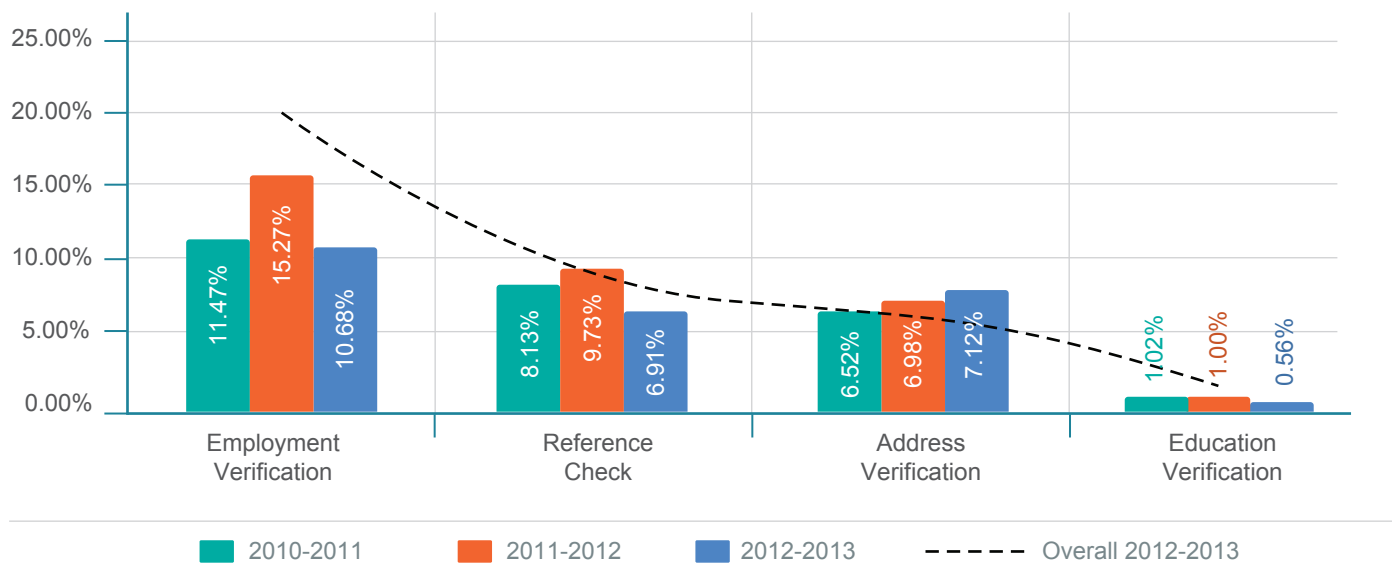
Overall discrepancy in the IT-Software / Software Services sector displays a sharp decline in discrepancy from 60.25% in FY2010-11 to 20.37% in FY 2011-12. Discrepancy trend in this sector follows the overall discrepancy trajectory for FY2011-12 and FY2012-13.

### 2.9.2 Age-Wise Discrepancy



Alarming trend is displayed by this sector in age-wise discrepancy with the less than 20 age bracket ranging at 69.23% and the 50+ category at 29.55%, both way higher than the overall trend. The 20-24 segment too displays discrepancy of 16.20% which is higher than the overall discrepancy for this bracket. Other age segments are at par with the overall trends.

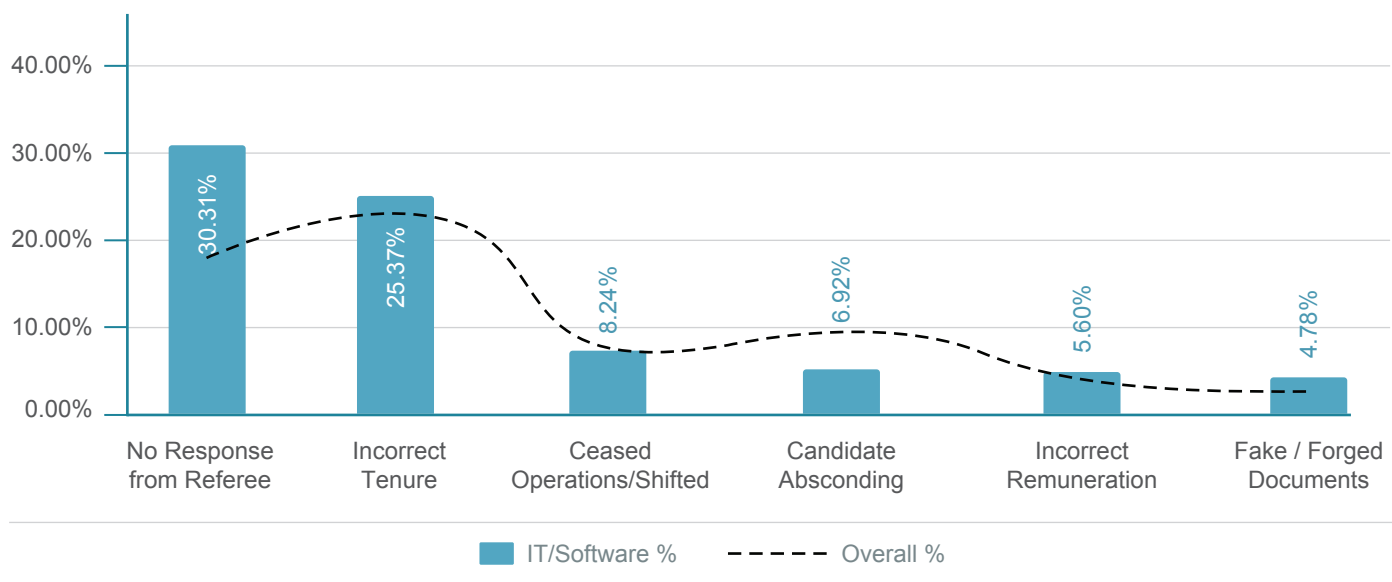
### 2.9.3 Check-Wise Discrepancy



IT-Software / Software Services sector displays an overall check-wise discrepancy trend lower than the overall trend especially in Employment, Reference checks and Education.

### 2.9.4 Reason for Discrepancy – Check-Wise

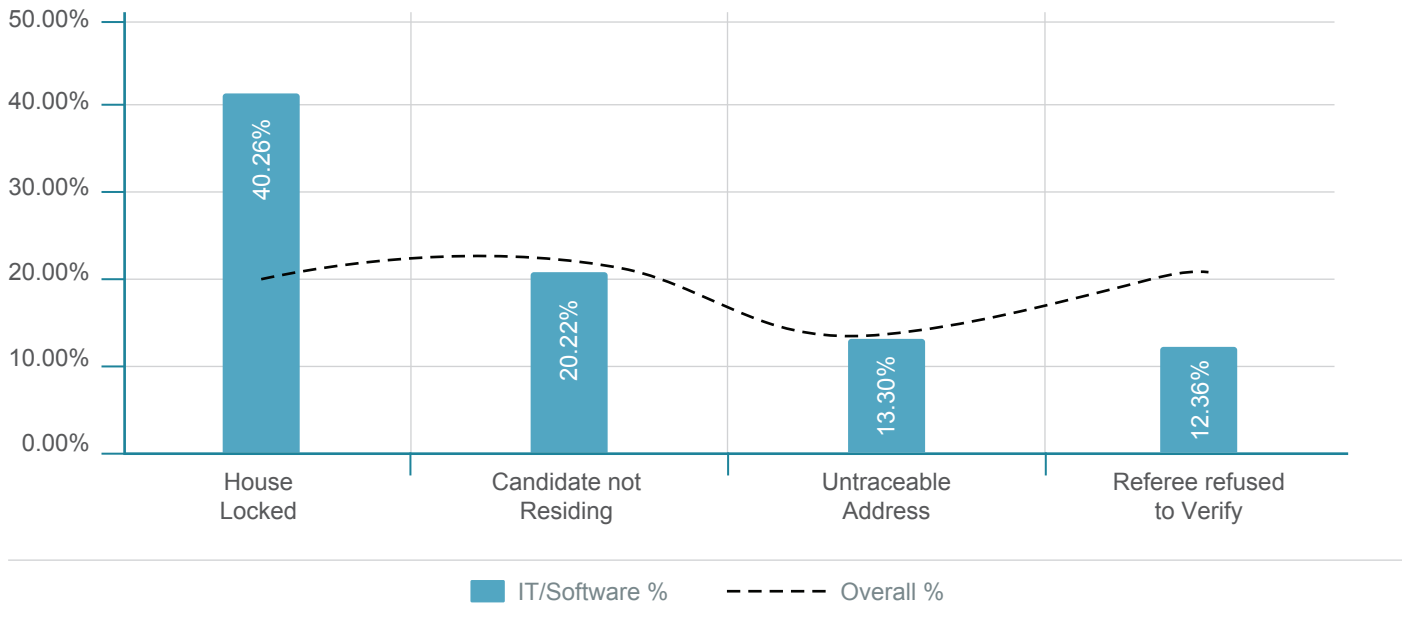
#### 2.9.4.1 Employment



Reasons for discrepancy in Employment for the IT-Software / Software Services sector displays a trend slightly divergent from the overall trend with the discrepancy percentage of the top reason at 30% and two reasons, Incorrect Remuneration and Fake or Forged Documents, which do not find mention in the overall pattern, displaying around 5% discrepancy.

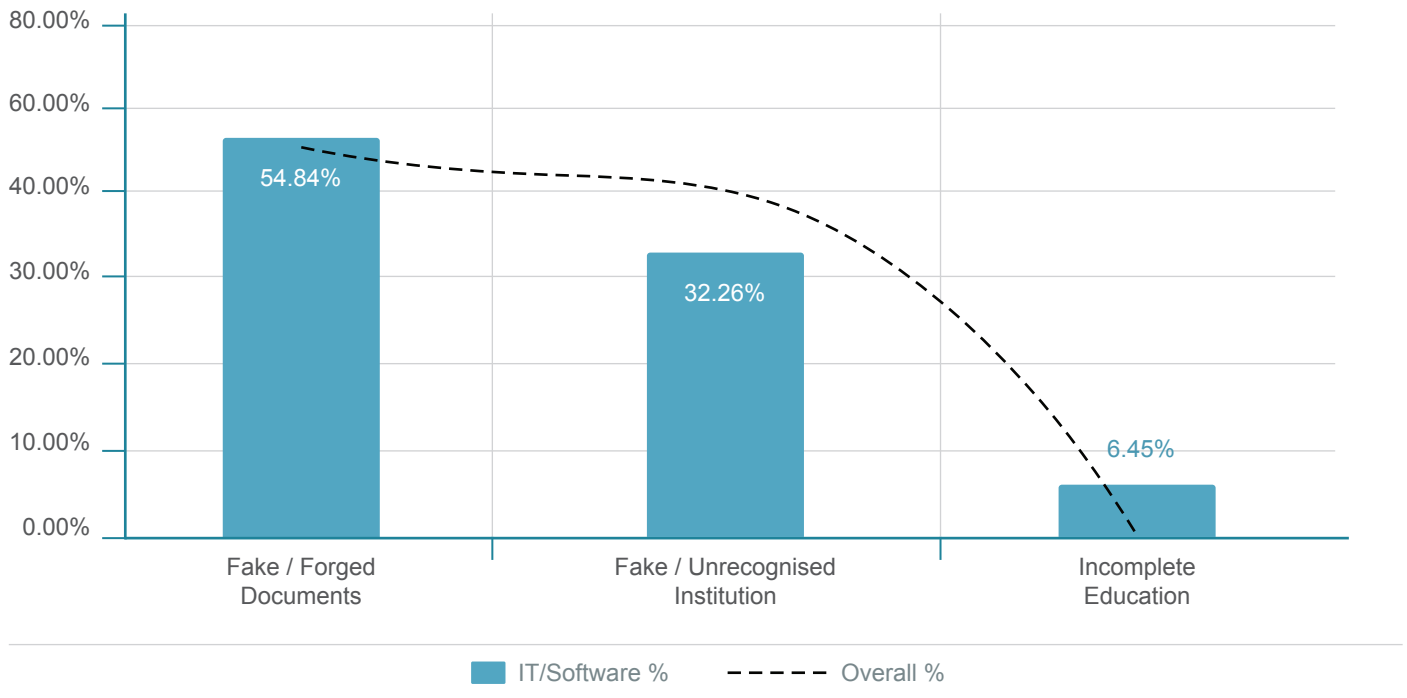


### 2.9.4.2 Address



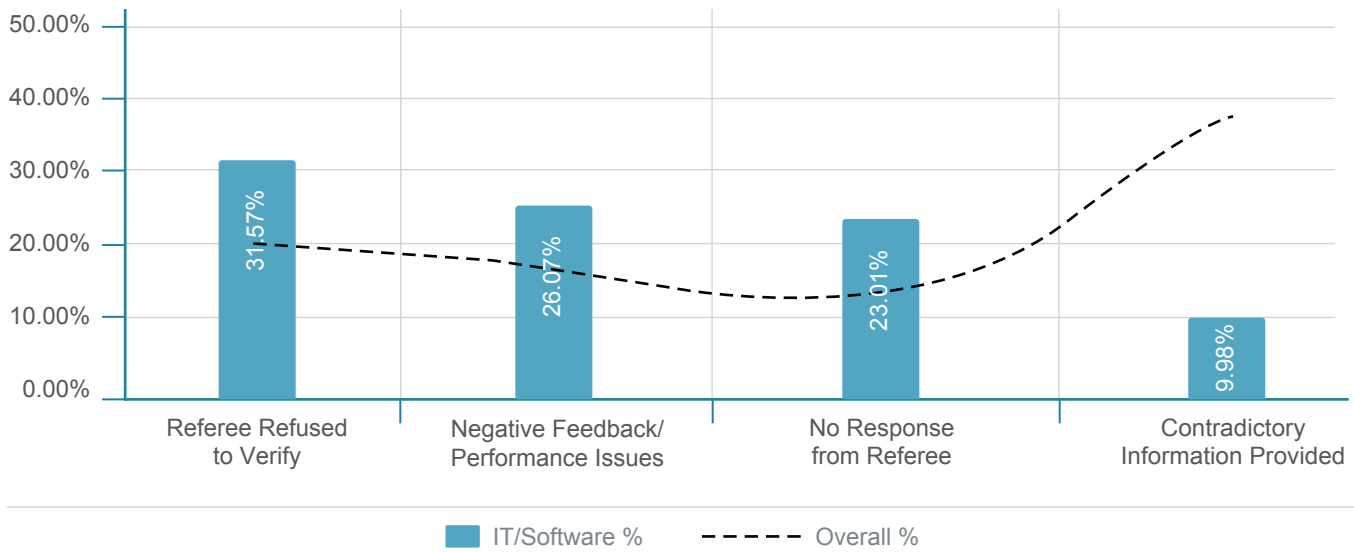
In Address too, the pattern of discrepancy is divergent from the overall pattern with the top reason, House Locked contributing to 40%. Instances of Referee Refused to Verify is 13%, lower than the overall trend.

### 2.9.4.3 Education



Reason for discrepancy in Education are largely two; submission of Fake or Forged Documents and Fake or Unrecognised Institutions. This sector has a contribution to the discrepancy by Incomplete Education. Trend for the two common reasons are largely similar with the overall trend.

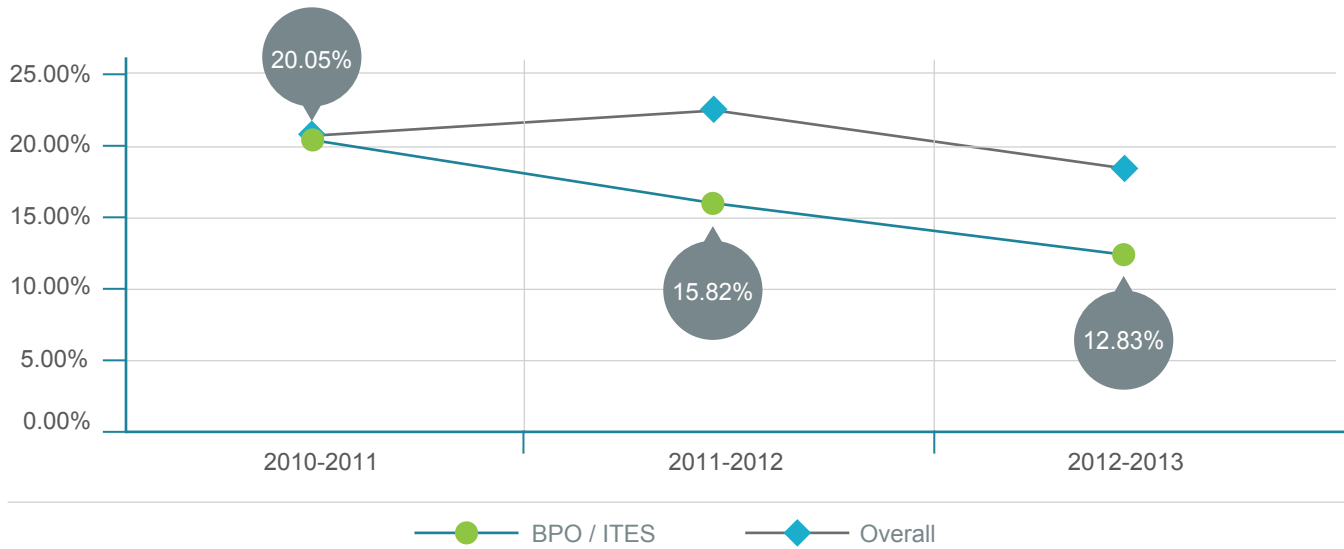
#### 2.9.4.4 Reference



Reason for discrepancy in Reference checks for IT-Software / Software Services sector shows a pattern highly divergent from the overall trend. Contradictory Information Provided, the top reason overall, is the reason with lowest discrepancy in this sector.

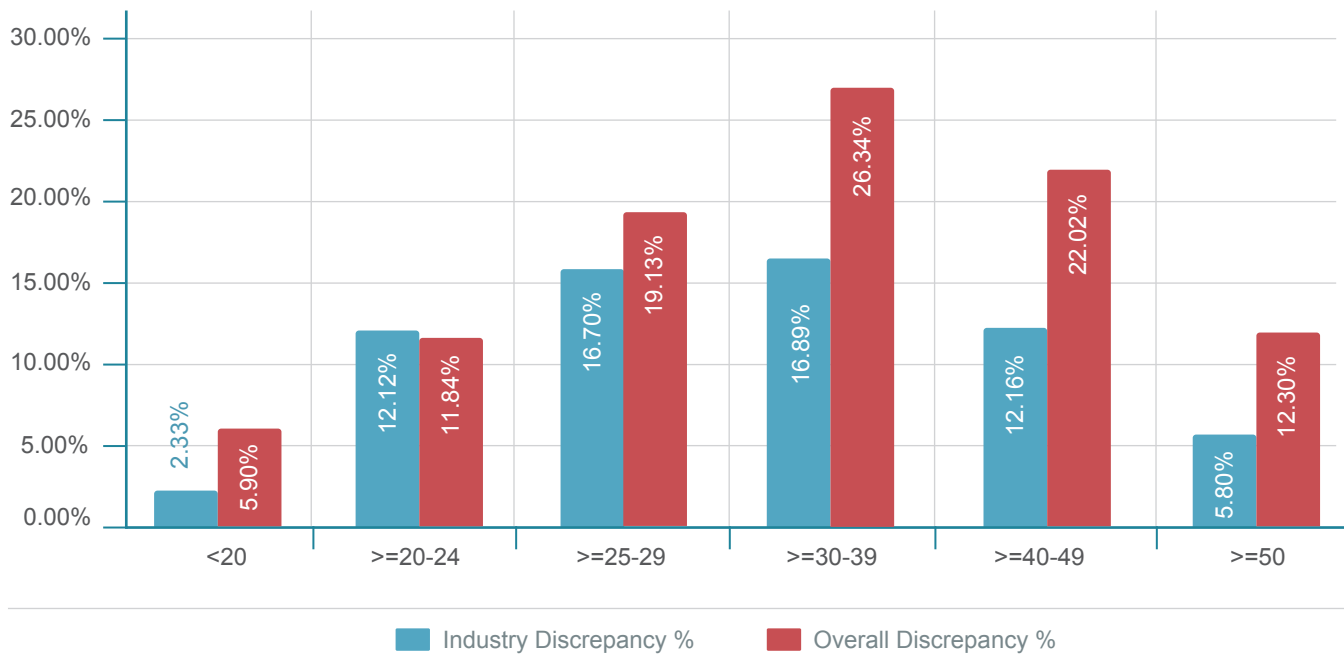
## 2.10 BPO / ITES Industry

### 2.10.1 Overall Discrepancy Trend



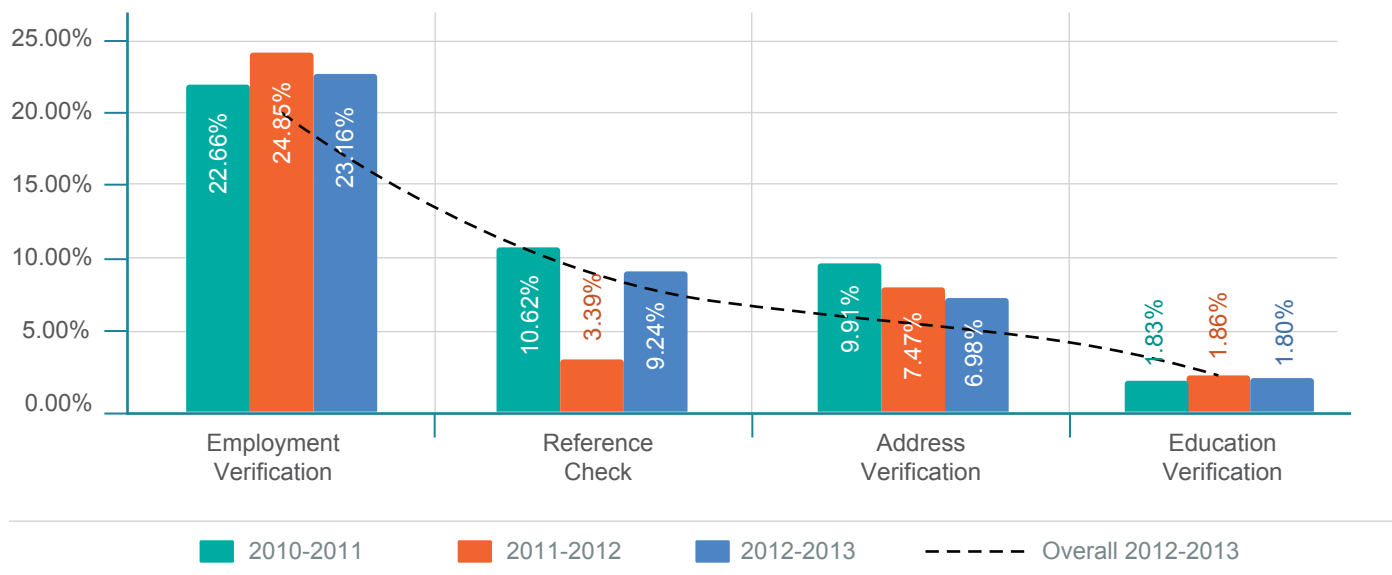
BPO / ITeS Industry has a lower range of discrepancy as compared to overall trend and is consistently on the decline.

### 2.10.2 Age-Wise Discrepancy



Age-wise trend for the BPO/ITeS Sector is largely following the overall trend albeit with lower percentages of discrepancy. Top bracket is 30-39 in both overall and the industry sector. The brackets at 2nd and 3rd places are swapped between 25-29 and 40-49.

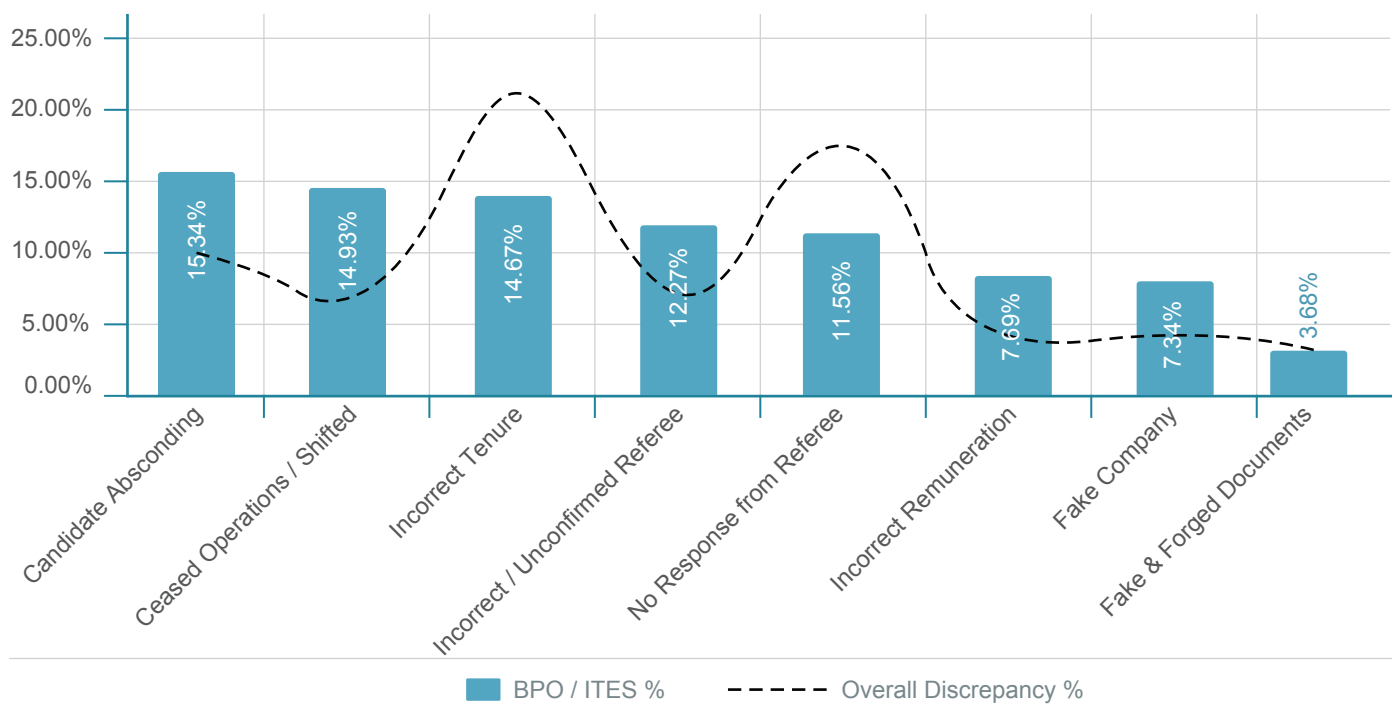
### 2.10.3 Check-Wise Discrepancy



Analysis of check-wise discrepancy trend depicts a consistency in all checks excluding Reference where there is a deep slump in FY 2011-12. Trend follows the overall pattern.

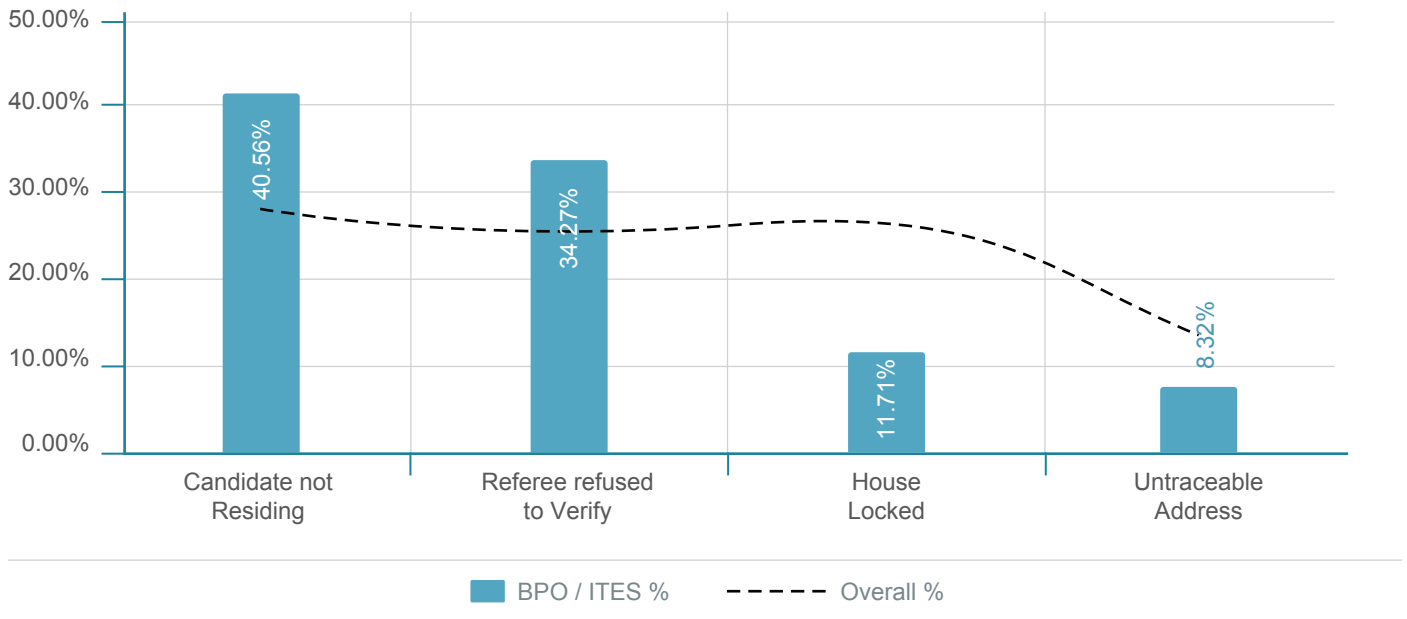
### 2.10.4 Reason for Discrepancy – Check-Wise

#### 2.10.4.1 Employment



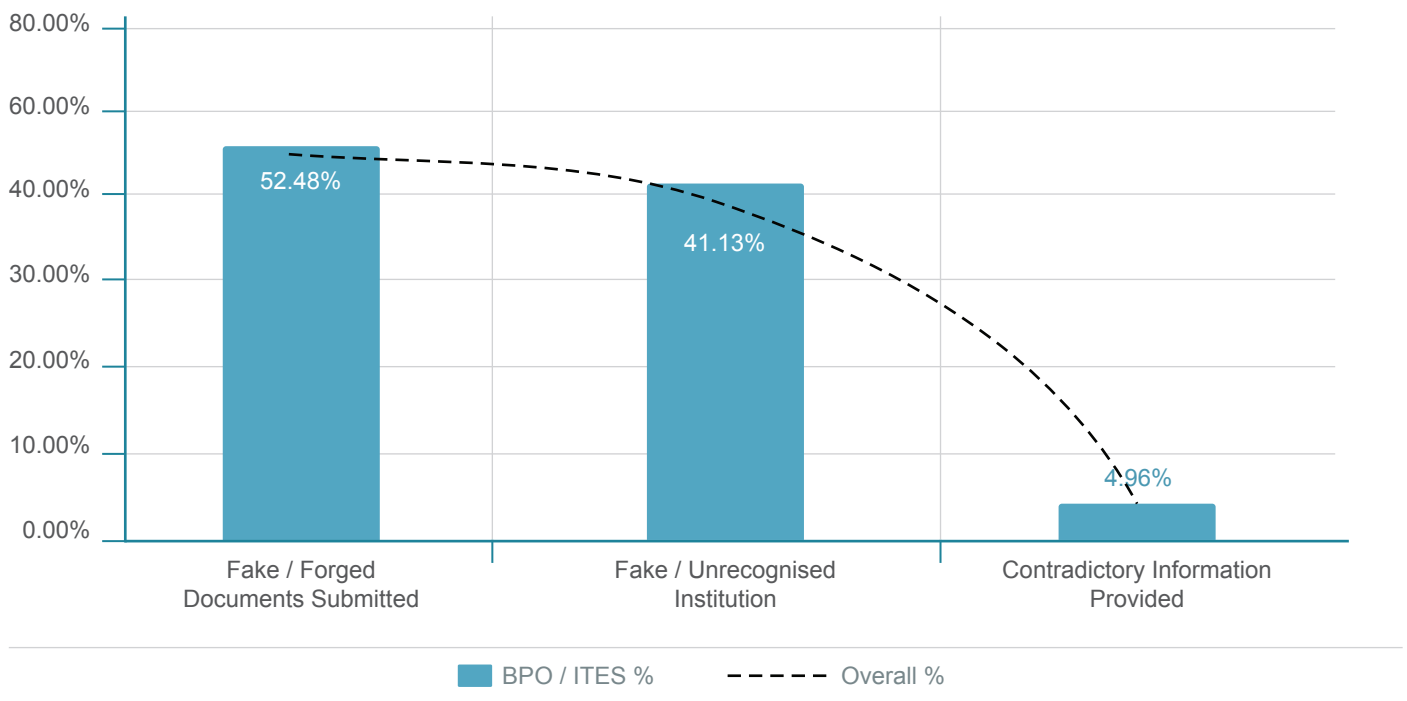
Trends for reason for discrepancy in Employment for the BPO / ITES Sector are completely divergent from the overall trend. While top reason overall is Incorrect Tenure, for this sector it is Candidate Absconding. While overall the second highest reason is No Response from Referee, for the BPO / ITES Sector it is Ceased Operation. Instances of Incorrect Remuneration, Fake Company and Fake Documents contribute to around 19% discrepancy whereas these reasons are negligible at the overall level.

### 2.10.4.2 Address



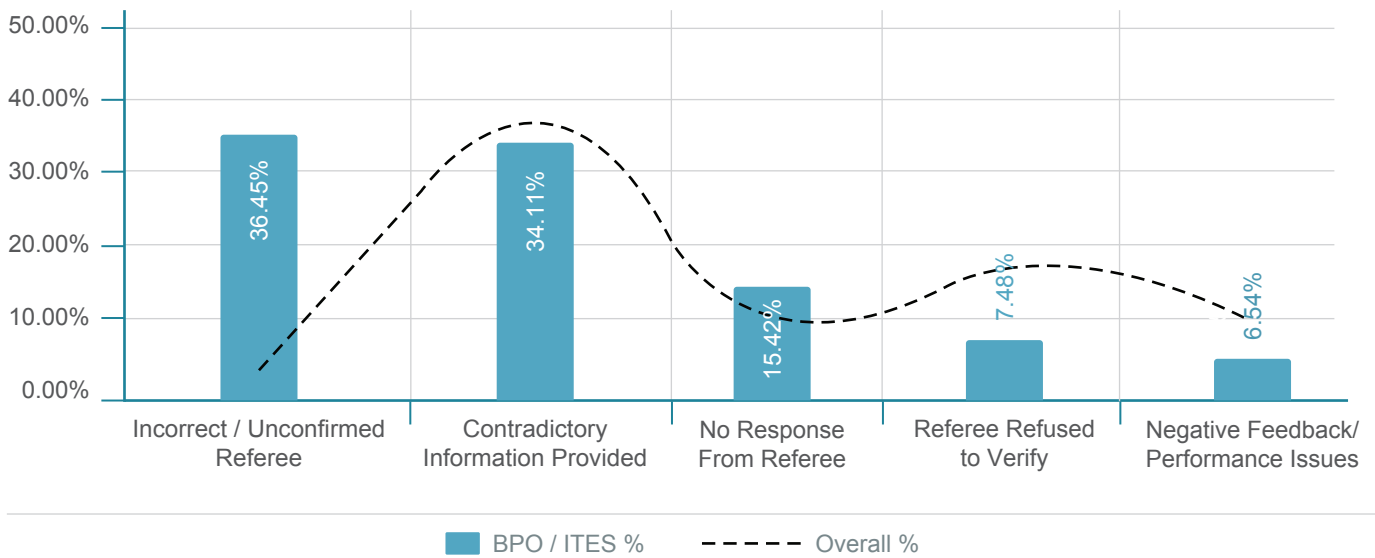
Top reasons for discrepancy in Address check remains same at overall and at sector levels, though the percentage of discrepancy is higher for Candidate not Residing and Referee refused to Verify and considerably lower for the other two reasons.

### 2.10.4.3 Education



Top reasons for discrepancy in Education check remain same at overall and at sector levels, and the percentage of discrepancy at par too.

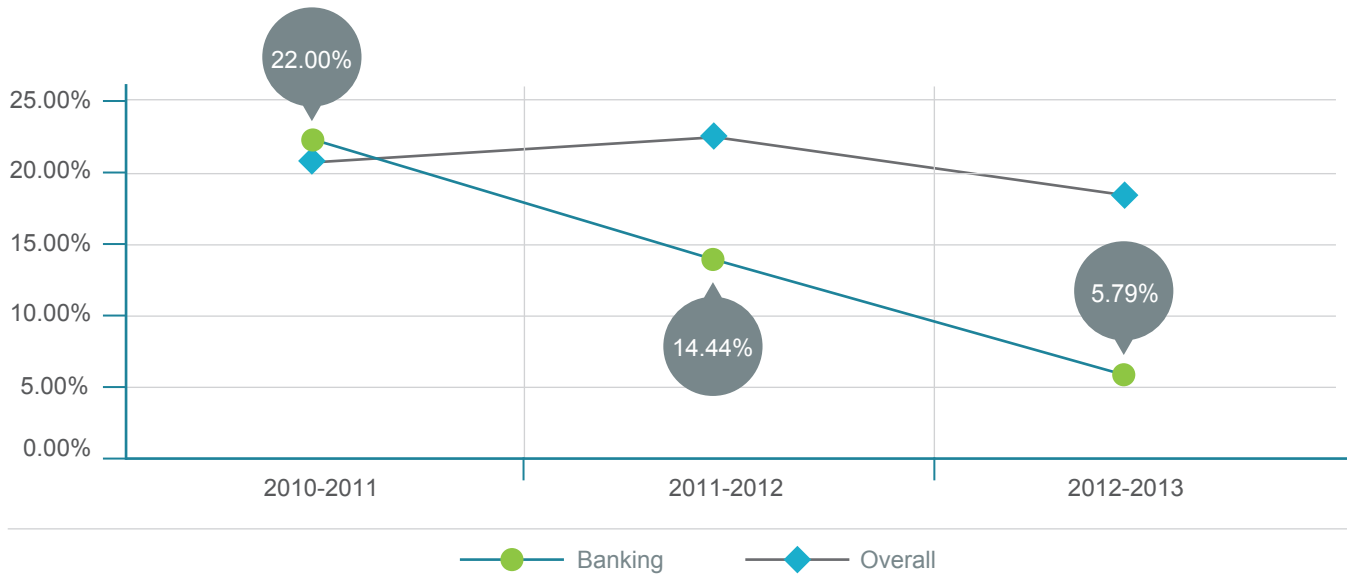
#### 2.10.4.4 Reference



Reasons for discrepancy in Reference check vary greatly for the BPO/ITeS Sector from the overall pattern. Reasons like Incorrect Referee and No Response from Referee contribute to nearly 50% discrepancy in this sector but do not figure in the top reasons overall.

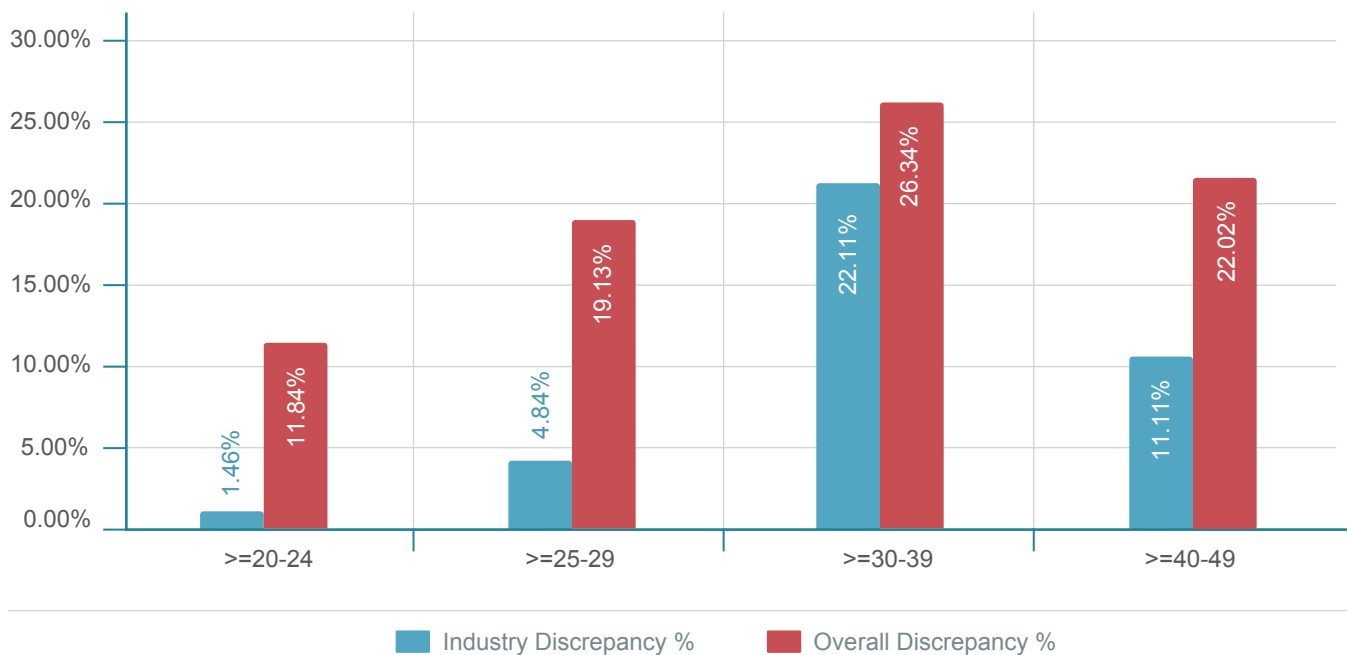
## 2.11 Banking / Financial Services / Broking Industry

### 2.11.1 Overall Discrepancy Trend



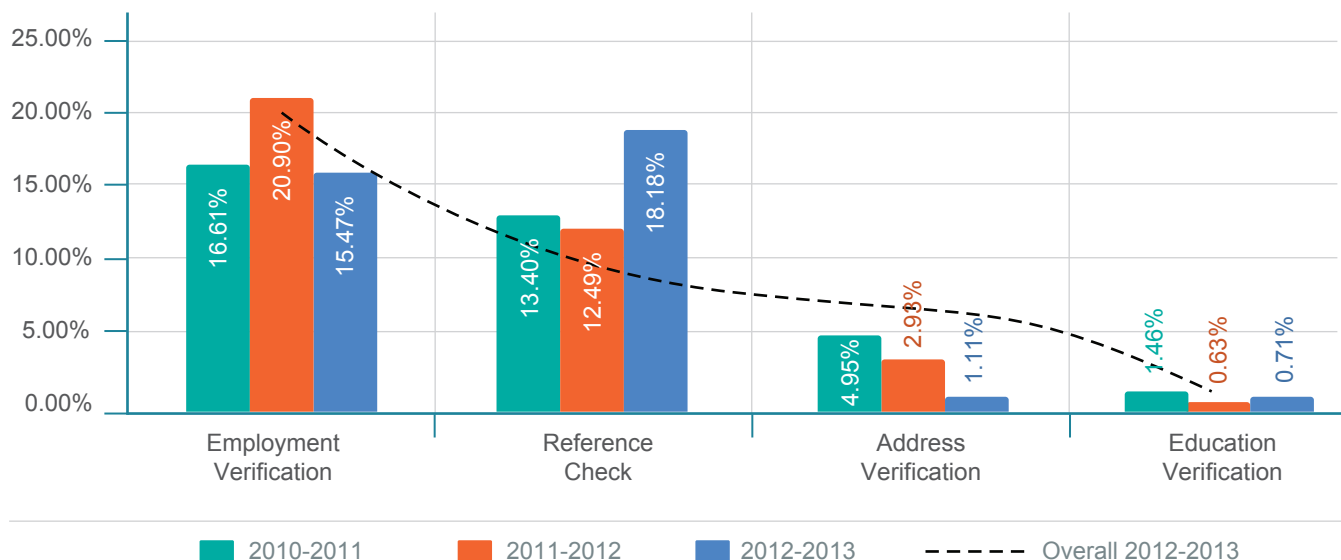
The Banking / Financial Services / Broking sector displays a trend which is completely divergent from the overall trend. Despite the numbers increasing, the discrepancy shows a marked decline and is the only sector with a discrepancy percentage of lower than 6%.

### 2.11.2 Age-Wise Discrepancy



As with overall discrepancy, age-wise discrepancy too displays a positive trend when compared with the overall trend. Top contributor is the 30-39 age bracket followed by 40-49. The less than 20 and 50+ age brackets have negligible discrepancy and hence are not considered.

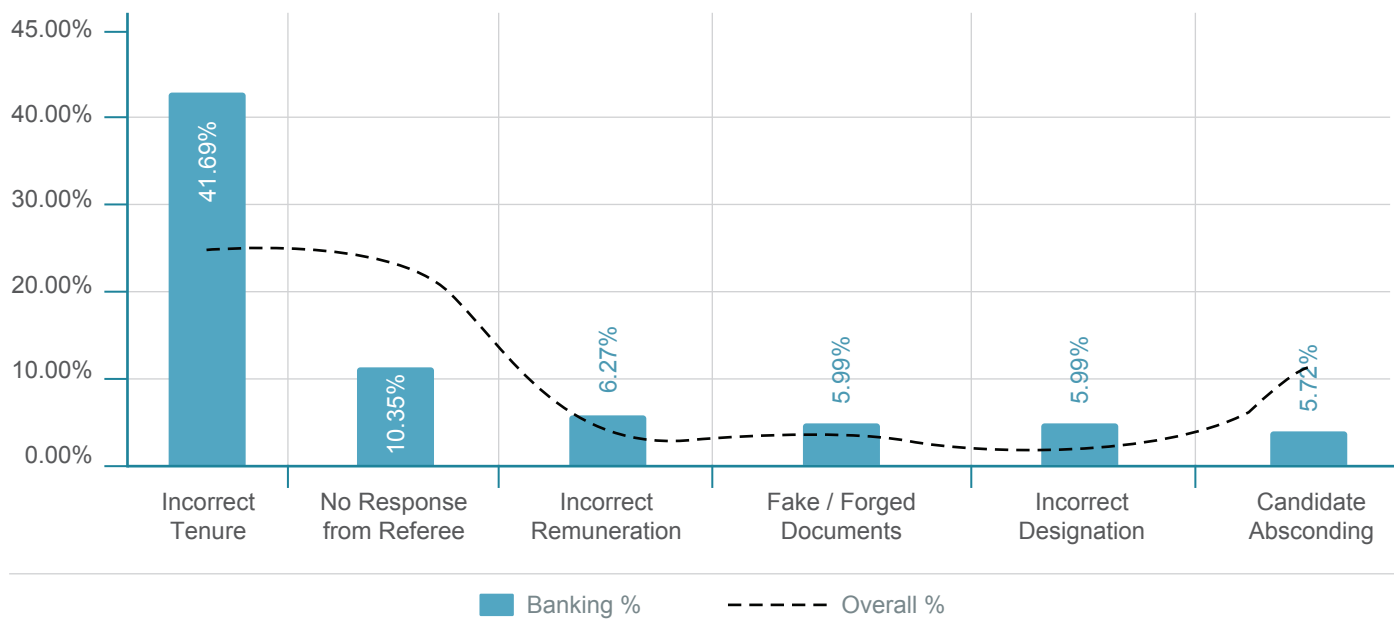
## 2.11.3 Check-Wise Discrepancy



Points to note in the check-wise discrepancy for the Banking / Financial Services / Broking sector are the negligible discrepancy in the Address and Education checks. Discrepancy in the Employment check is lower than the overall trend. Reference check is the only divergence and is considerably higher than the overall trend.

## 2.11.4 Reason for Discrepancy – Check-wise

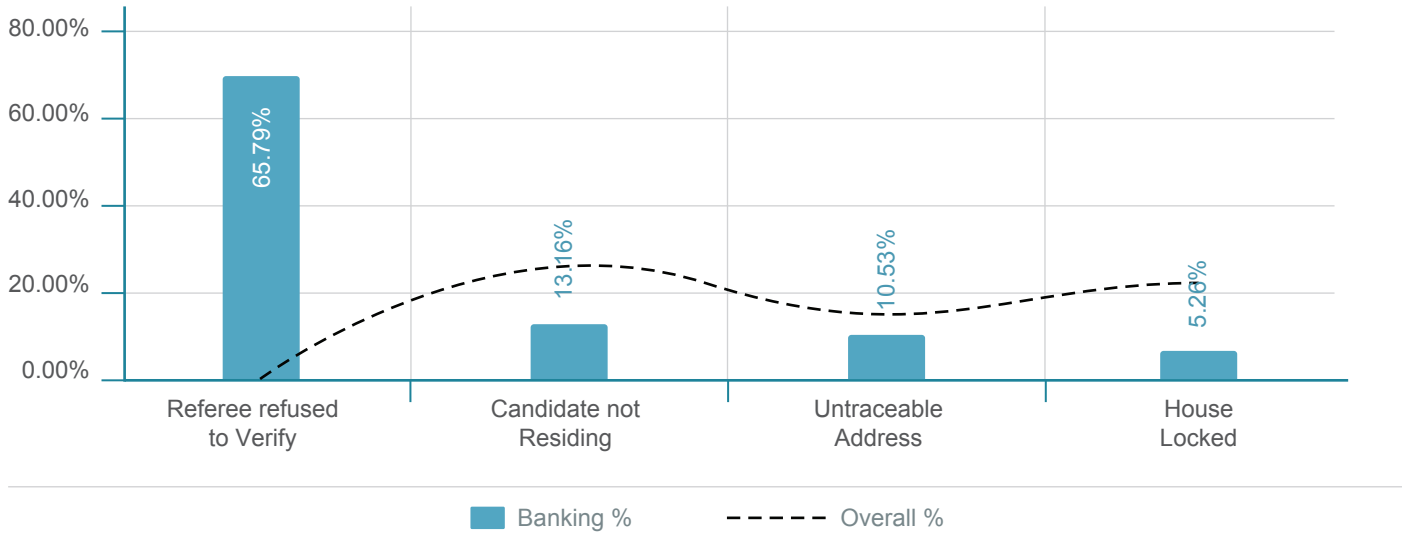
### 2.11.4.1 Employment



Top reason being Incorrect Tenure for the overall trend and for the sector, the percentage of contribution is in variance, a difference of 19%. Reasons like Incorrect Remuneration, Fake or Forged Documents and Incorrect Designation contribute nearly 18% to the discrepancy while these reasons are negligible at the overall trend.

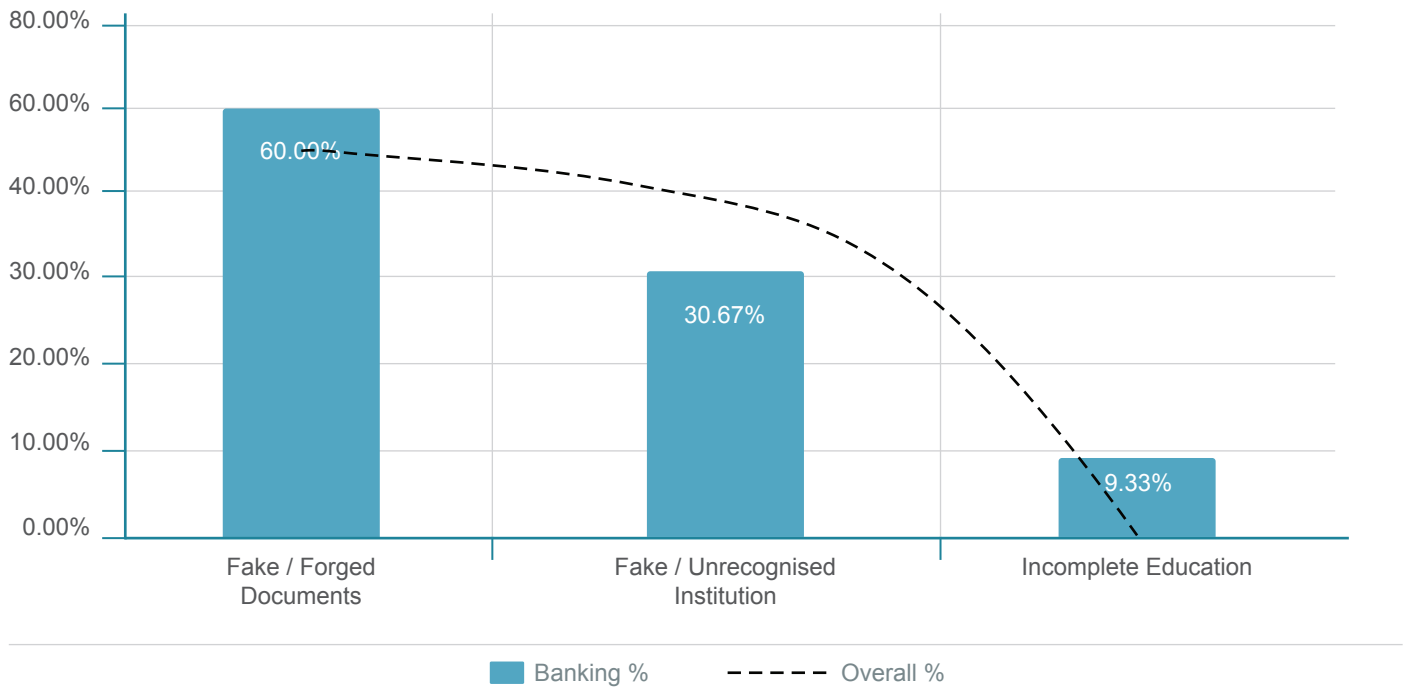


### 2.11.4.2 Address



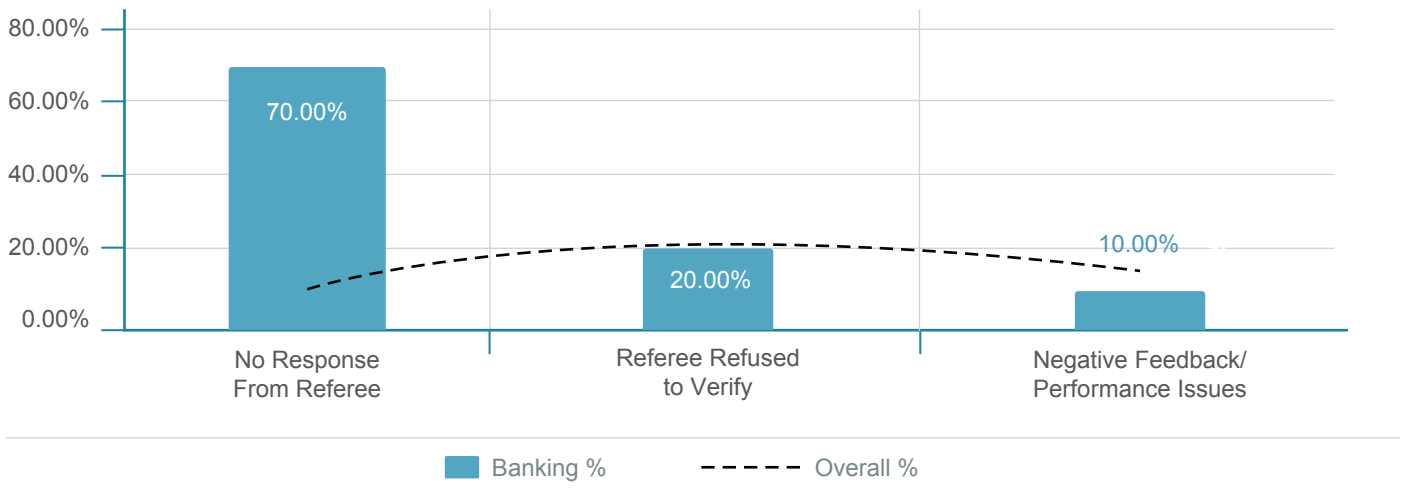
'Referee refused to verify' contributes 66% to the discrepancy in Address for the Banking sector which is negligible at the overall trend. All other reasons for discrepancy for this sector are lower than the overall trend.

### 2.11.4.3 Education



Reasons for discrepancy in Education follow the overall trend with the top 2 reasons being the same. 'Incomplete Education' contributes significantly in this sector with a discrepancy percentage of 9.33% .

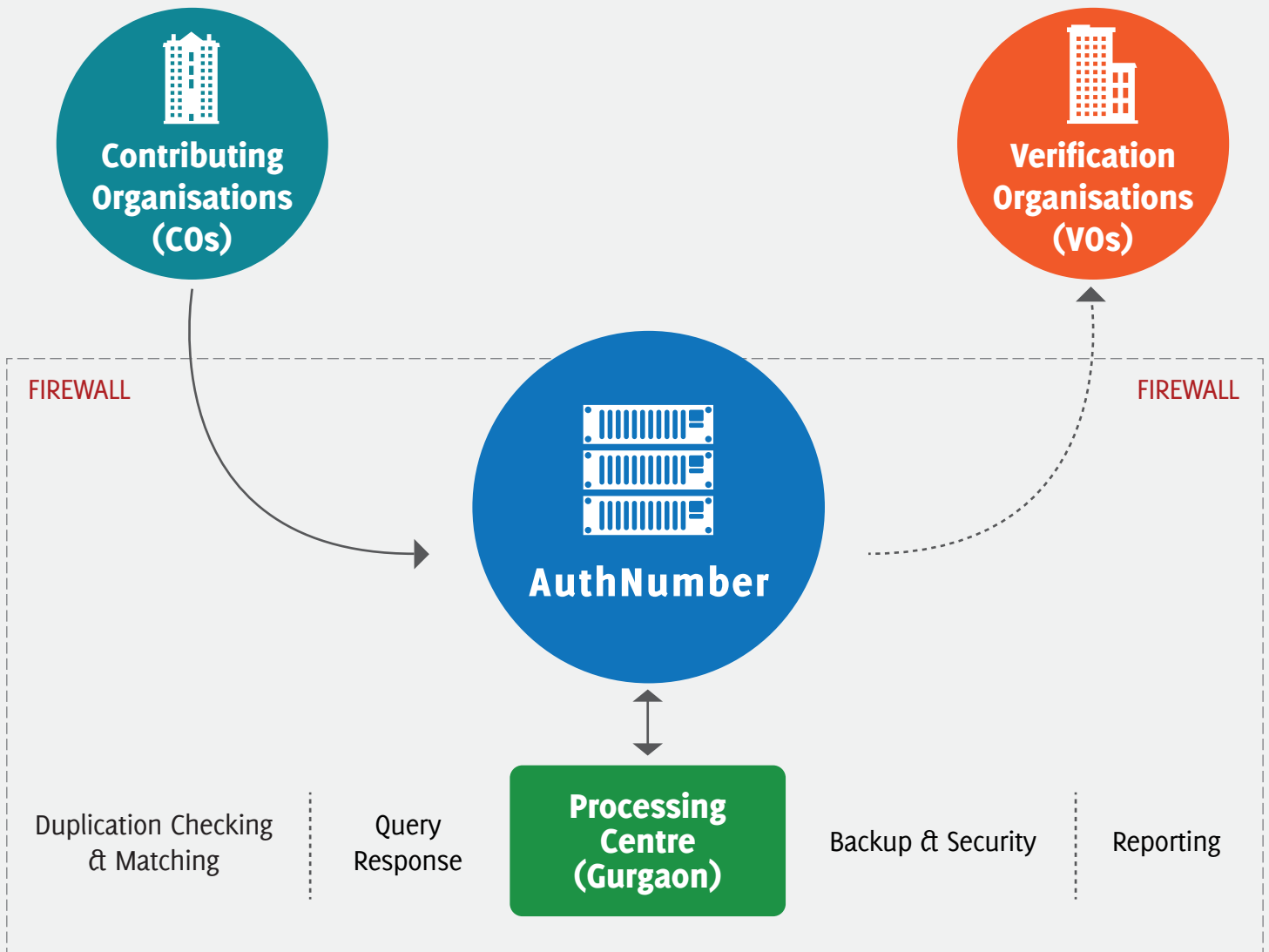
#### 2.11.4.4 Reference



'No Response from Referee' contributes 70% to the reason for discrepancy in Reference check, whereas this reason does not feature in the top reasons overall.

# AuthNumber<sup>®</sup>

## EXITING EMPLOYEES REPOSITORY



Reduces  
Cost

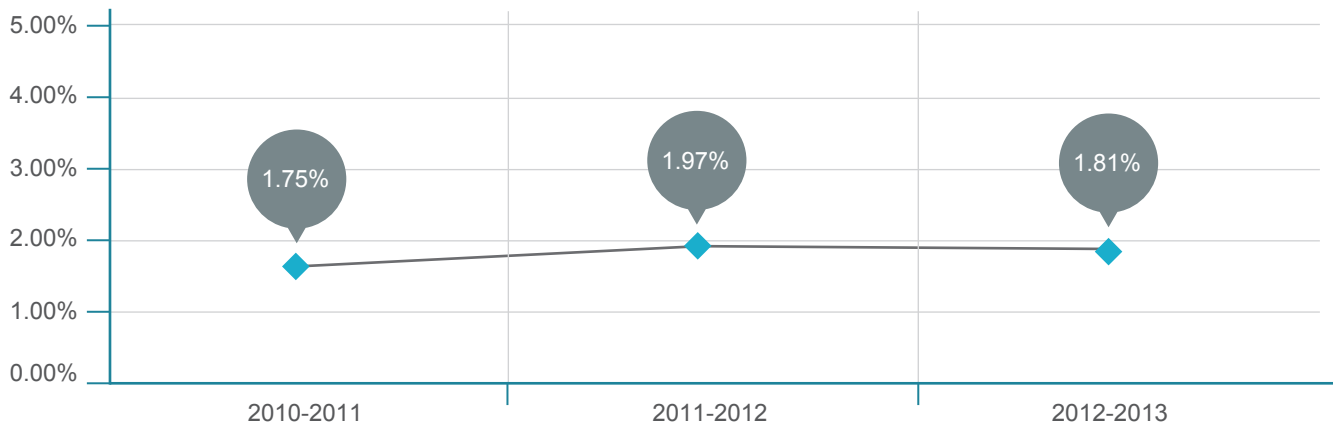
Ensures  
Integrity of  
Information  
being shared

Provides  
Better  
Control for  
Compliance

# 3. CHECK-WISE ANALYSIS

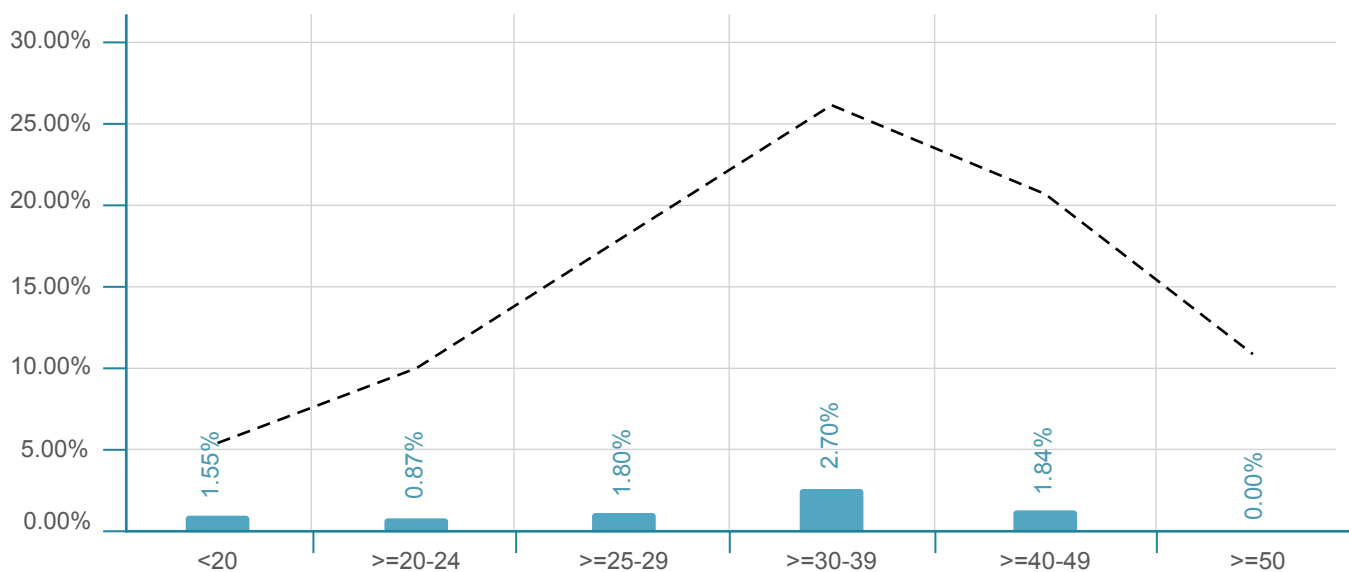
## 3.1 Education Verification

### 3.1.1 Check-Wise Discrepancy Trend



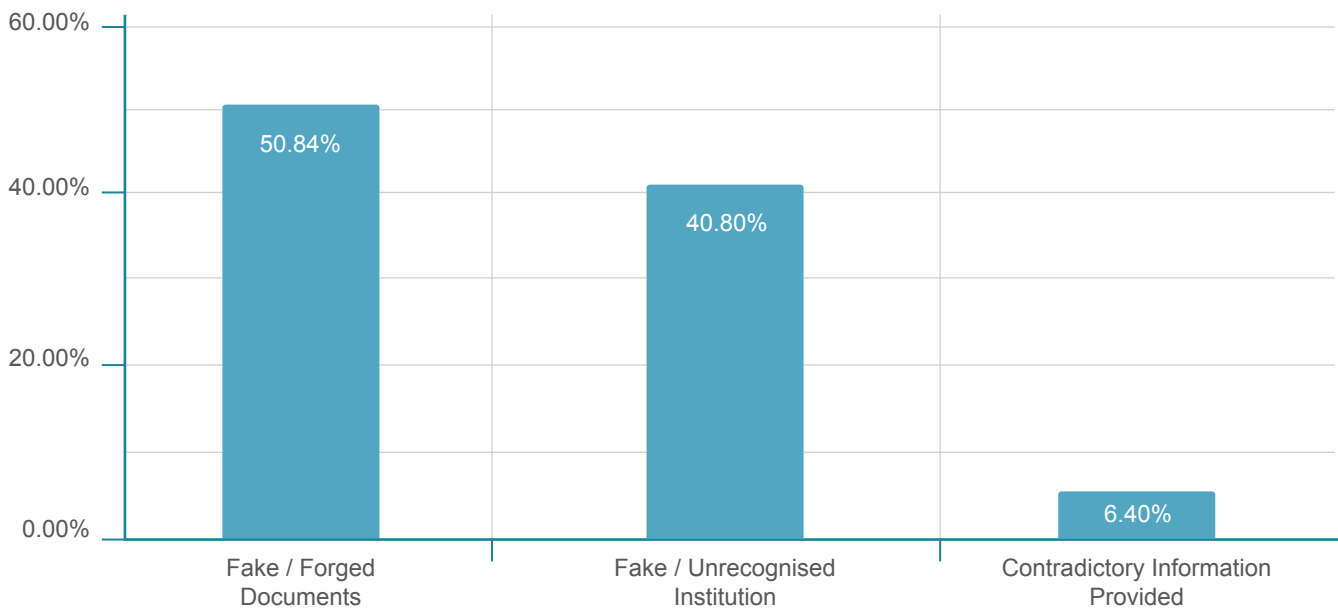
Check-wise discrepancy for Education at an overall level has consistently remained at less than 2% and this remains consistent across each of the top 10 industry sectors covered in this report.

### 3.1.2 Age-Wise Discrepancy



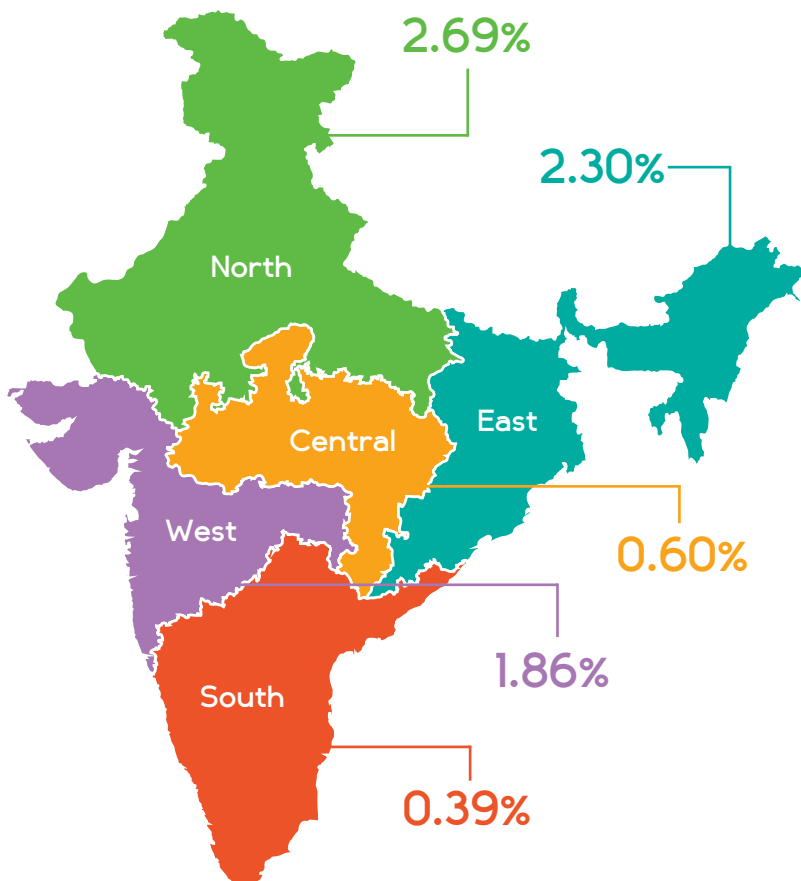
Highest contributor to the age-wise discrepancy for Education is the 30-39 bracket followed by 40-49 and then 25-29. The pattern is the same as the overall discrepancy pattern.

### 3.1.3 Reason for Discrepancy – Education FY 2012-13



The two top reasons for discrepancy in education overall remain Fake or Forged Documents and Fake or Unrecognised Institution.

### 3.1.4 Location-Wise Analysis



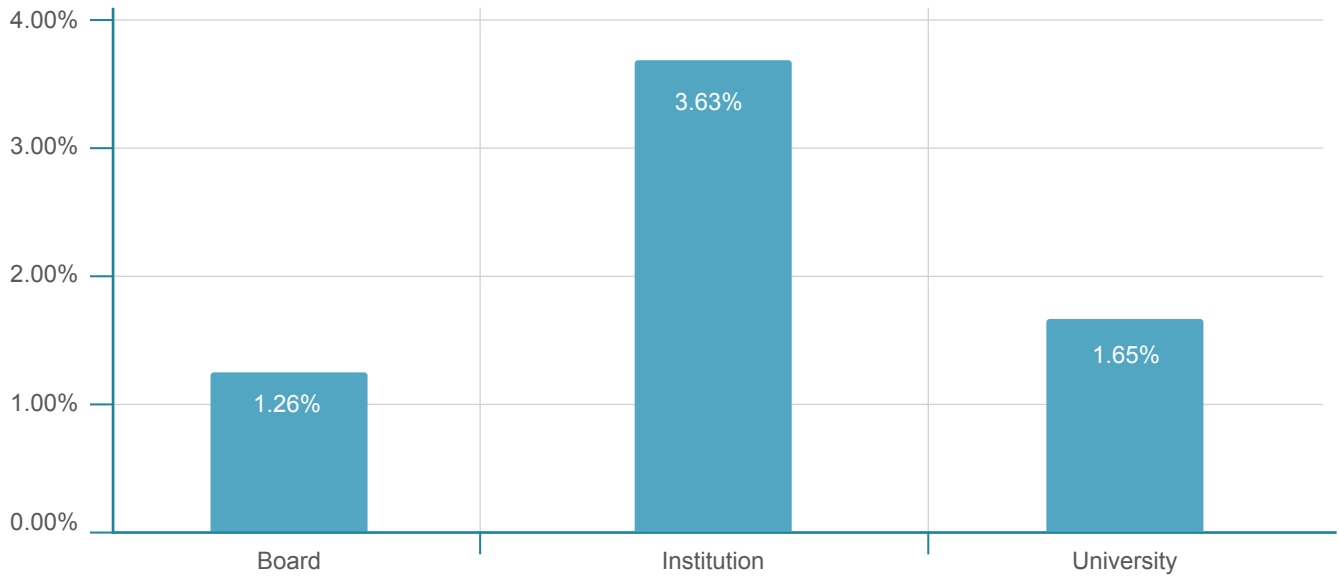
North zone was highest in the discrepancy in education, followed by East and West. Contribution of states within the zones is as follows:

North (2012-2013)	Discrepant %
Uttar Pradesh	4.93%
Delhi	2.80%
Jammu and Kashmir	2.44%
Rajasthan	1.34%
Haryana	1.16%

East (2012-2013)	Discrepant %
Bihar	5.19%
Jharkhand	5.06%
Chhattisgarh	4.49%
Manipur	4.30%
Meghalaya	3.94%

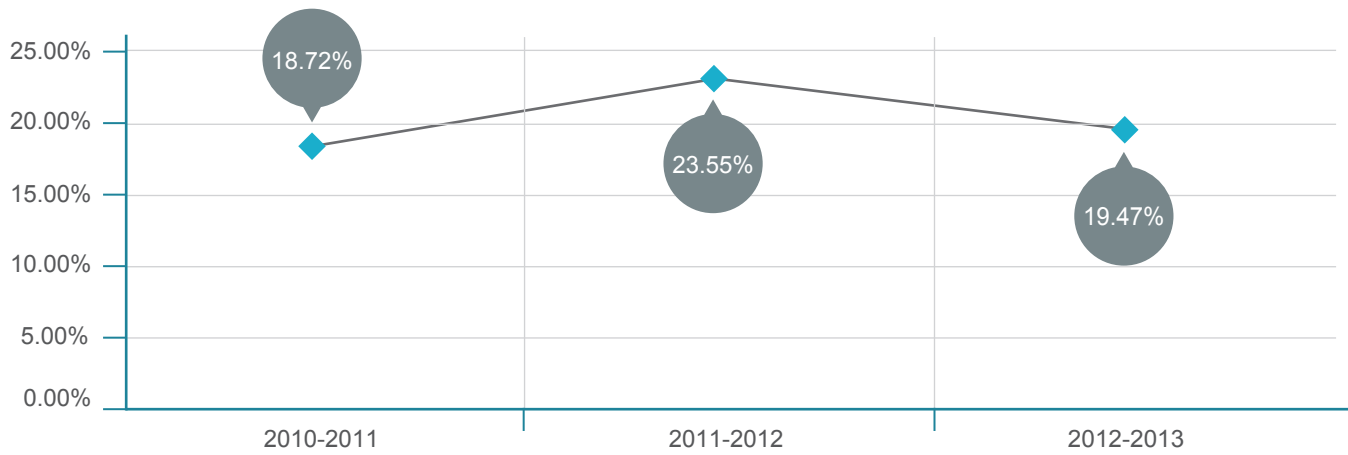
### 3.1.5 Education Body-Wise Analysis



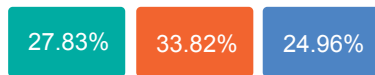
Technical and Management Institutes and Institutes with foreign affiliation contribute highest to discrepancy.

## 3.2 Employment Verification

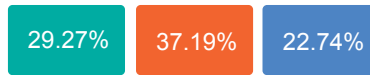
### 3.2.1 Check-Wise Discrepancy



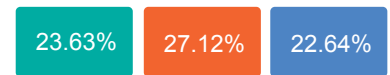
#### Insurance



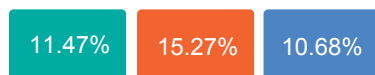
#### Retail



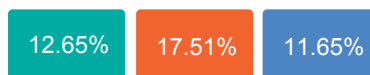
#### Hotels / Restaurants / Airline / Travel



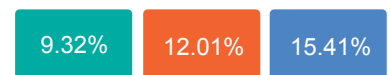
#### IT Software / Software Services



#### Telecom / ISP



#### Strategy / Management Consulting



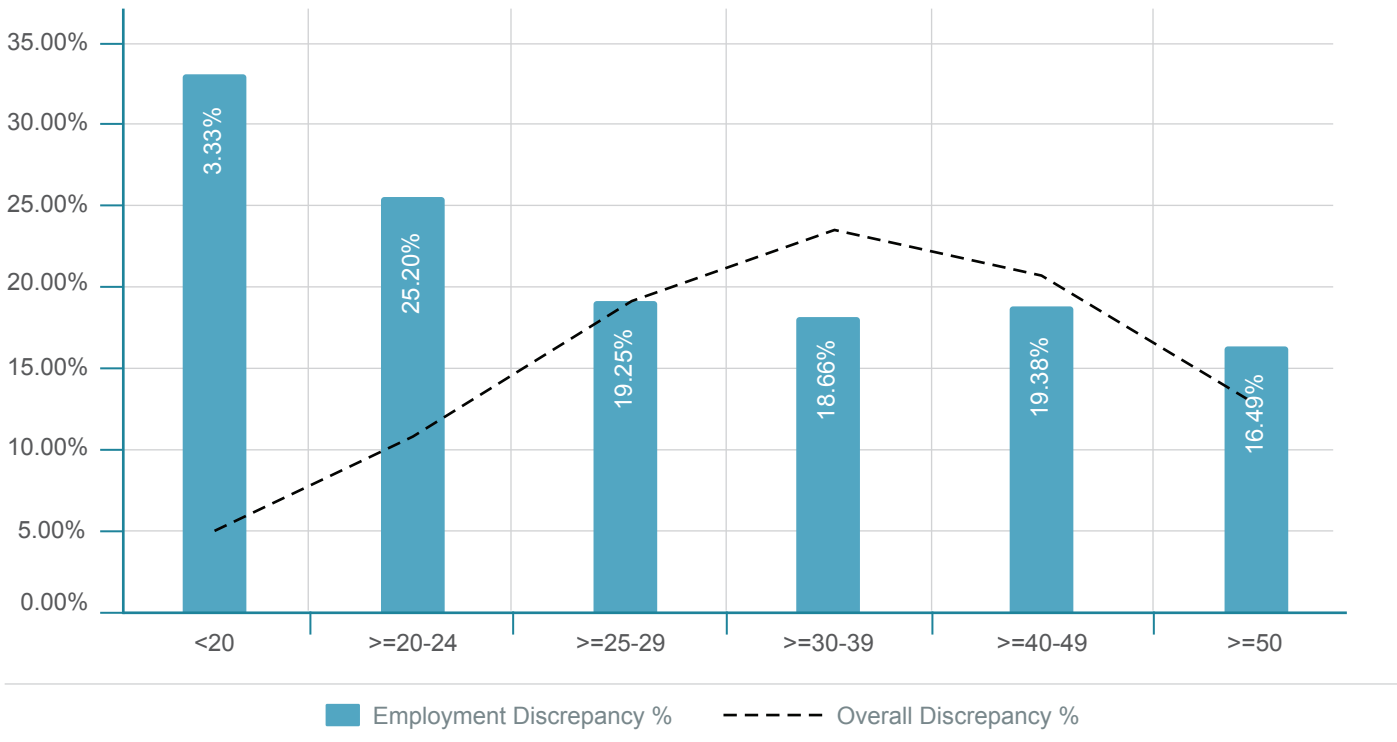
■ 2010-2011

■ 2011-2012

■ 2012-2013

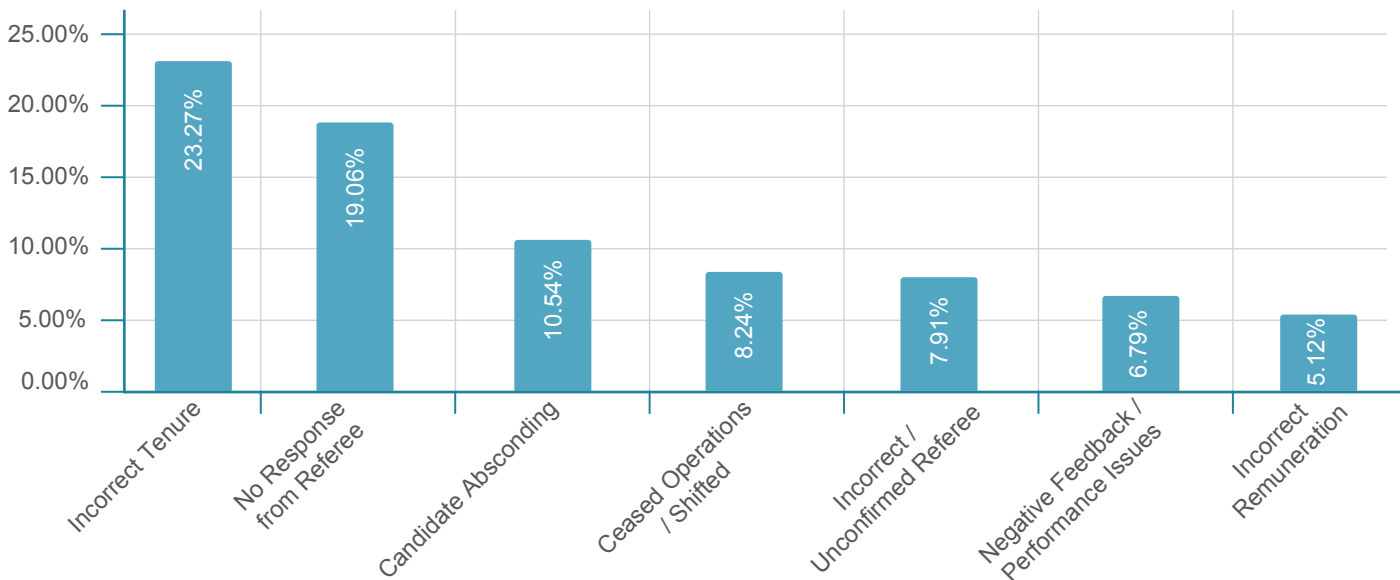
Discrepancy in Employment Checks has remained consistent in the range of 18 – 24%. The top 3 sectors which consistently are higher than the overall discrepancy are Insurance, Retail and the Hotels / Restaurants / Airlines / Travel sector. The 3 sectors which have consistently remained at percentages lower than the overall discrepancy are IT, Telecom and Strategy/Management Consulting.

### 3.2.2 Age-Wise Discrepancy



Contrary to overall age-wise discrepancy pattern Employment has the highest discrepancy in the less than 20 age bracket followed by 20-24 age-group.

### 3.2.3 Reason for Discrepancy – Employment FY 2012–2013



Of the ten industries analysed for this report, 6 industry sectors have Incorrect Tenure as their highest contributor to employment discrepancy and exceeds the overall trend by over 3%. Banking / Financial Services / Broking has the highest percentage of contribution at 41.69%.

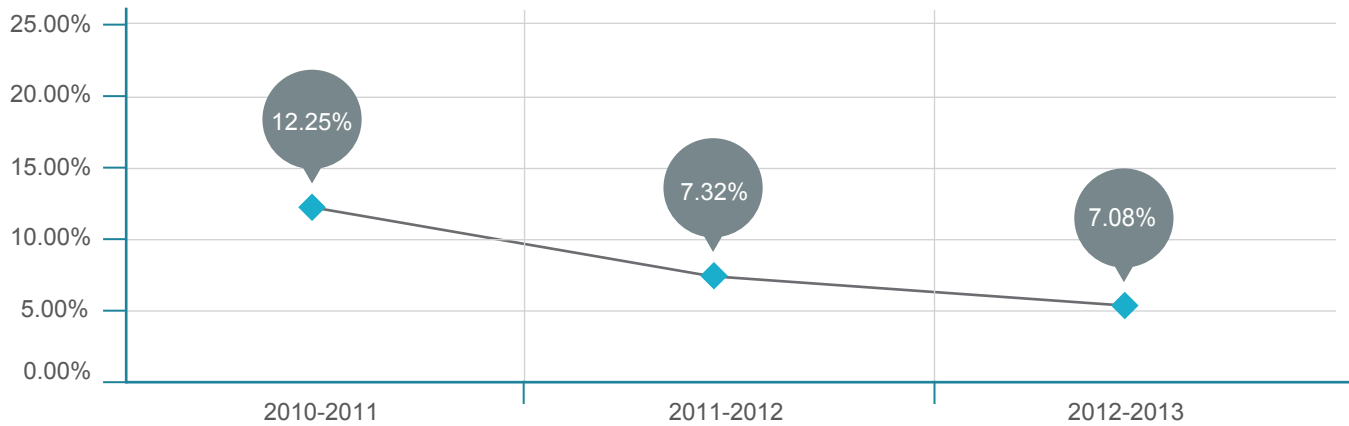
Insurance sector and the IT-Software / Software Services sector have 'No Response from Referee' as the highest contributor to the discrepancy.

'Candidate Absconding' is the third reason which plagues all the ten industries



## 3.3 Address Verification

### 3.3.1 Check-Wise Discrepancy



#### Hotels / Restaurants / Airline / Travel

16.04%

15.50%

8.85%



#### Retail

16.37%

14.80%

7.64%



#### Telecom / ISP

2.60%

4.20%

4.74%



#### Banking / Financial Service / Broking

4.95%

2.93%

1.11%

■ 2010-2011

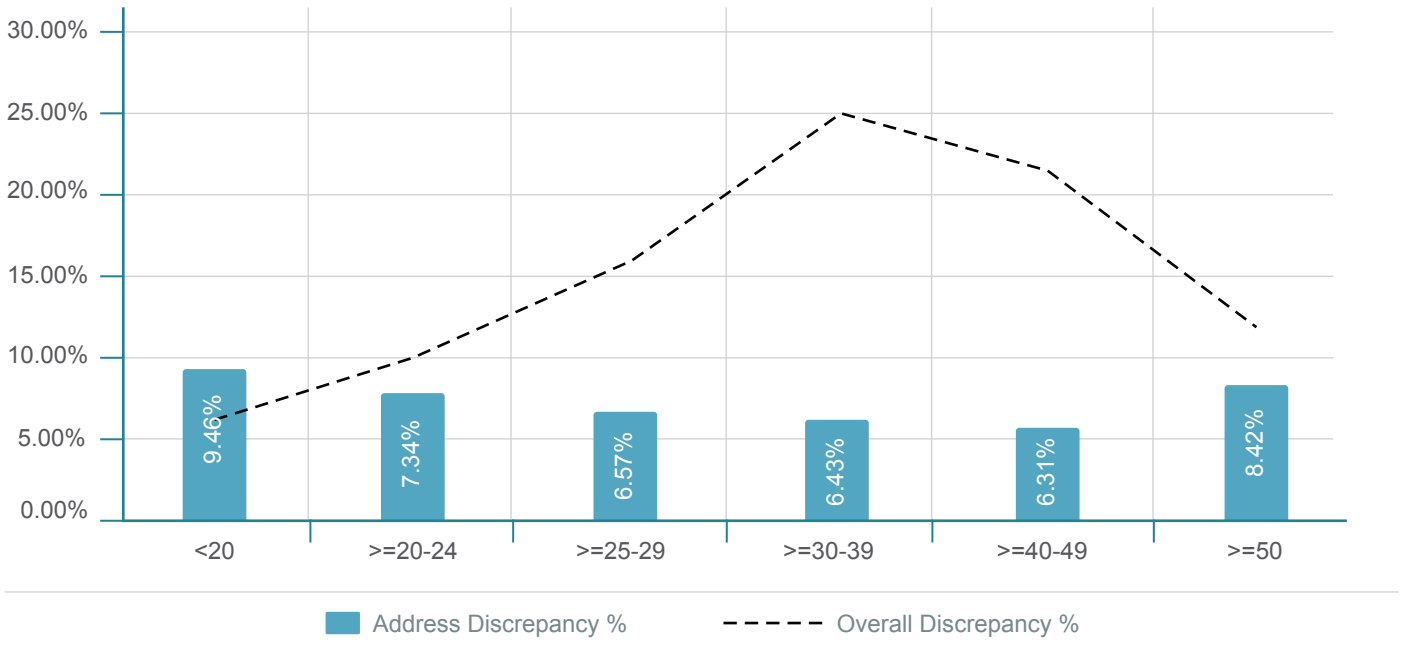
■ 2011-2012

■ 2012-2013

Discrepancy in Address Checks has remained consistent in the range of 7-12%. The top 2 sectors which consistently are higher than the overall discrepancy are Retail and the Hotels / Restaurants / Airlines / Travel sector. The 2 sectors which have consistently remained at percentages lower than the overall discrepancy are Telecom and Banking / Financial Services / Broking.

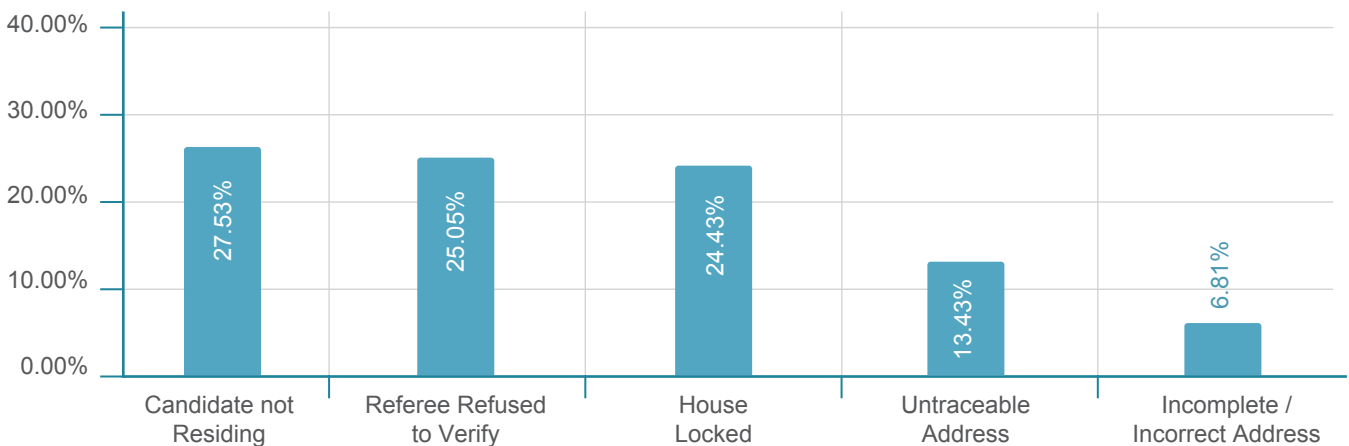
Manufacturing had an inordinately high percentage of discrepancy at 32.85% in FY2010-11 after which the industry refrained from conducting this verification in FY2011-12. In FY2012-13, the discrepancy is at par with the overall discrepancy.

### 3.3.2 Age-Wise Discrepancy



Contrary to overall age-wise discrepancy pattern Address has the highest discrepancy in the less than 20 bracket followed by the 50+ age group and the 20-24 age-group. The age-groups of 25-29, 30-39 and 40-49 are at par ranging at 6.5% discrepancy.

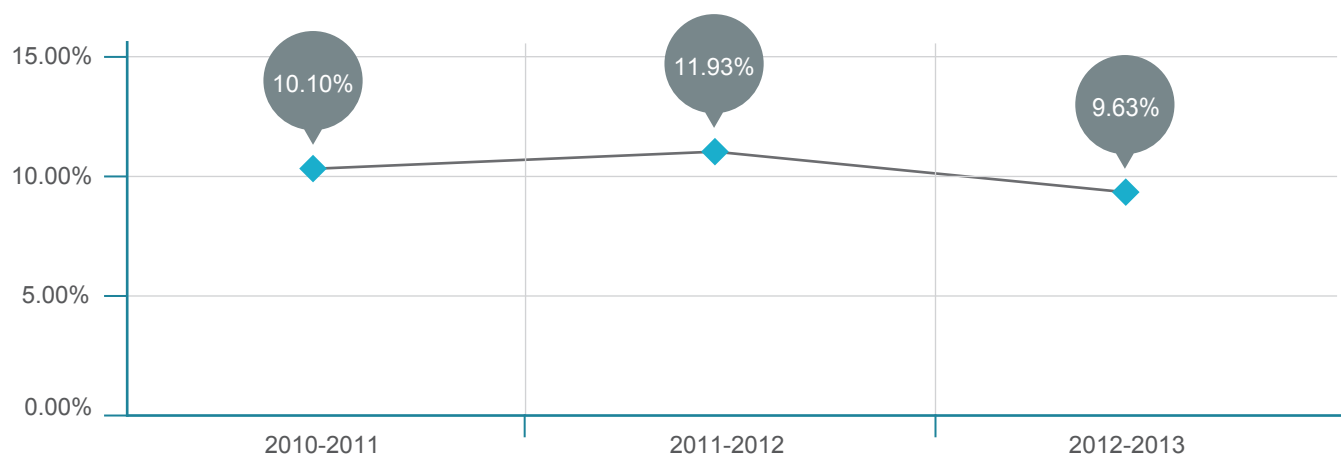
### 3.3.3 Reason for Discrepancy – Address FY 2012-13



Three reasons figure at par: Address existing but the candidate not residing at the stated address; Referee or the person met at the address refusing to provide any details for the verification and House found locked despite two visits at preferred times.

## 3.4 Reference Check

### 3.4.1 Check-Wise Discrepancy



#### Pharma / Biotech / Clinical Research

12.79%

27.61%

30.35%



#### IT Software / Software Services

8.13%

9.73%

6.91%

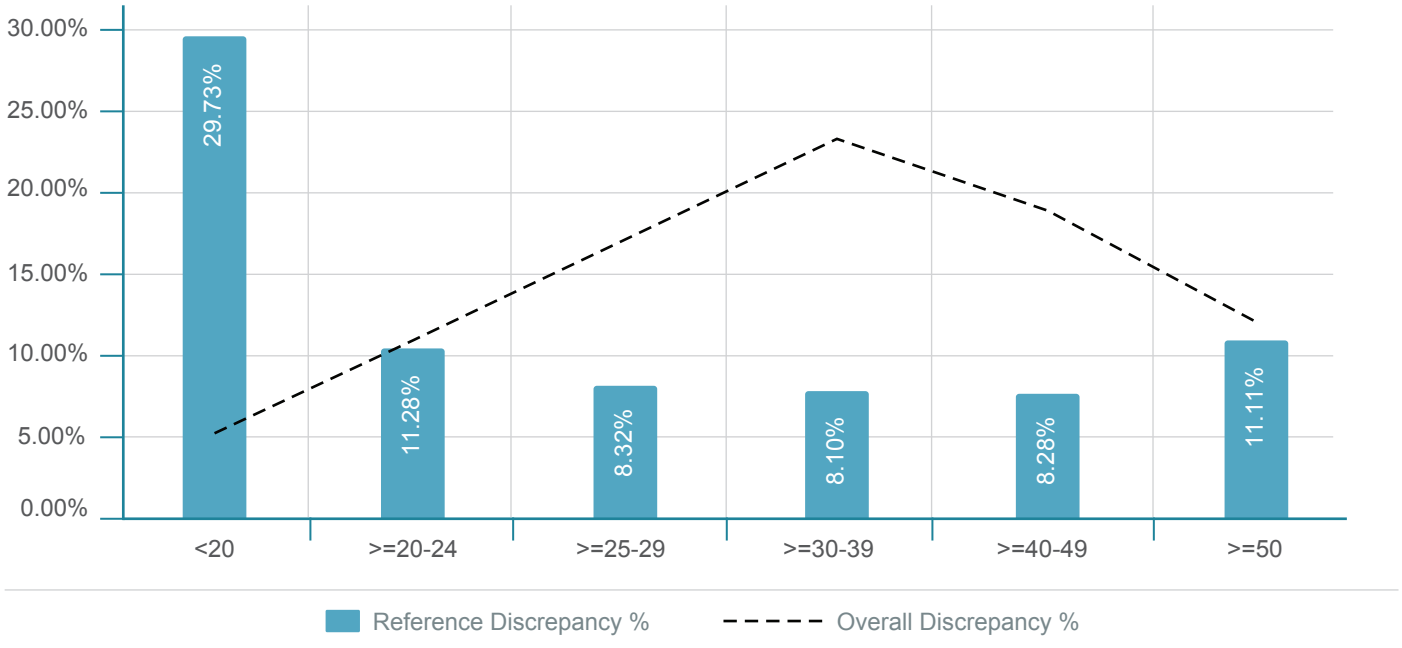
■ 2010-2011

■ 2011-2012

■ 2012-2013

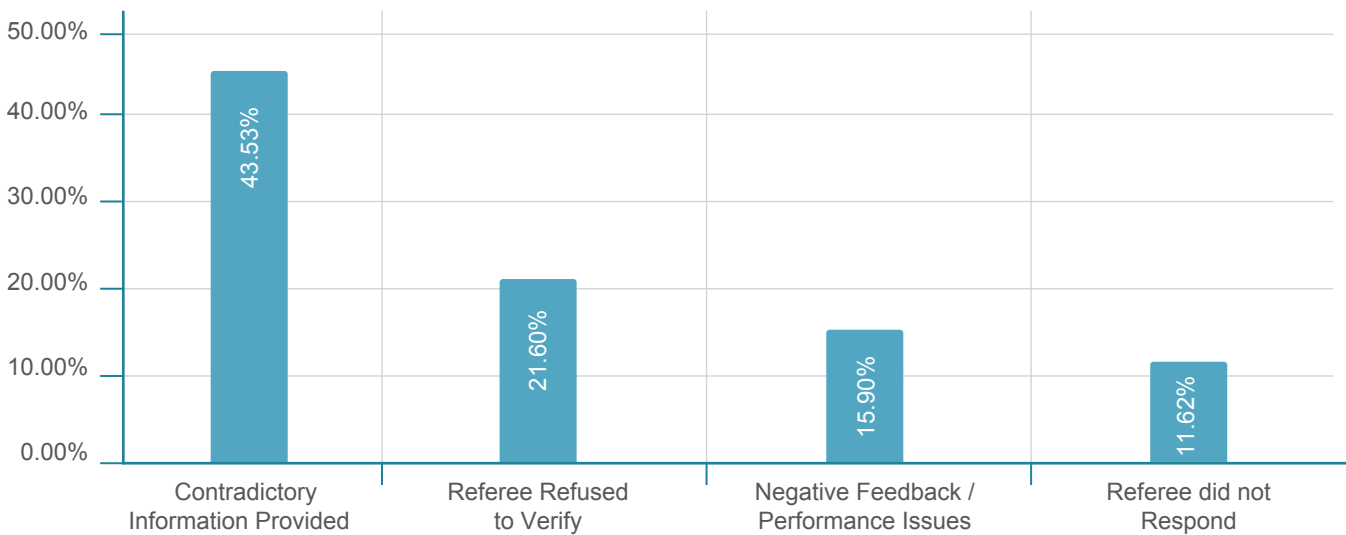
Discrepancy in Reference Checks has remained consistent in the range of 9.5-12%. The top sector consistently higher than the overall discrepancy is Pharma/ Biotech / Clinical Research. The sector consistently at percentages lower than the overall discrepancy is IT-Software / Software Services.

### 3.4.2 Age-Wise Discrepancy



Contrary to overall age-wise discrepancy pattern Reference has the highest discrepancy in the less than 20 bracket followed by the 20-24 age-group and the 50+ age group. The age-groups of 25-29, 30-39 and 40-49 are at par ranging at 8% discrepancy

### 3.4.3 Reason for Discrepancy – Reference FY 2012-13



Highest discrepancy is seen as ‘contradictory information provided’; where the candidate has either given incorrect or irrelevant information, clearly a question mark on integrity. ‘Referee refused to verify’ stands at 21.60% in FY 2012-13.

# CONCLUSION

Discrepancy in the submitted credentials of the employee workforce is indeed a red flag and organisations need to be wary of permitting instances of suspect integrity without a proper alert. Analysis of overall patterns, of patterns within an industry sector, of patterns in age brackets, zones and reasons for discrepancy give insight and should be treated as alert signals.

Patterns divergent from the overall pattern highlight that organisations within that industry should review their own employee behaviour with reference to discrepancies and initiate checks and balances to control and re-align to industry and overall patterns.

The major takeaways from the annual report can be summarized in points mentioned below.

- The overall discrepancy rate in last 3 financial years is 20.11%, i.e. around 1 in 5 job applicant has given certain wrong information in his resume or job application.
- Discrepancy in Employment contributes the highest to the overall trend.
- Incorrect Tenure is the major contributor to the reason for discrepancy in Employment.
- Submission of Fake or Forged Documents is the top contributor in Education checks.
- North Zone has the highest discrepancy in Education; followed by East and West.
- Highest Overall Discrepancy is in the 30-39 age bracket.\*
- IT/ Software Services has the highest discrepancy in one age group – 69.23% at the less than 20 age group.
- The less than 20 age group has the highest discrepancy in Employment, Address and Reference.\*
- The 30-39 age group with 2.7% discrepancy is the highest for Education.

## GLOSSARY

- 1) Case(s) - A single case refers to an individual employee application that AuthBridge verifies. A case may comprise of a single or multiple checks.
- 2) Check(s) –Verification of credential of a candidate is known as a Check. Check may be of many types such as Employment, Education, and Address etc.
- 3) Discrepancy: A discrepancy is a mismatch between information stated by a job applicant in the resume/job application and the actual information.
- 4) Antecedent: Data points mentioned either as input or output for verifications

# ABOUT AUTHBRIDGE

AuthBridge, one of India's Leading Background Verification and Risk Mitigation Company has been in the business since year 2005. Over these 8 years, AuthBridge has been at the forefront of Employee Background Verification and has set the industry benchmark with technological expertise, deep process knowledge and innovation.

With more than 400 clients across a broad spectrum of businesses, AuthBridge has emerged as one of the pioneers in the industry and is recognized as the preferred choice for clients for background verification across industries and levels.

Recently, Cornell University published a document titled **AuthBridge Research Services: Innovating HR Operations** in India after studying the automated background verification processes at AuthBridge. An empanelled background check company with National Skill Registry, an initiative of NASSCOM, AuthBridge, is also one of the few organisations to have ISO and ISO-ISMS certifications in the industry.

To state some quick facts, AuthBridge has conducted more than 10 million checks and published more than 2 million reports in its 8 years of its existence.

AuthBridge is pleased to present to you the first comprehensive Annual Trend Report 2013 on the Indian Recruitment industry.

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