Annual Statistics 2019

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Jenny Reid

Jenny Reid, the driving force behind iFacts, is a woman who makes things happen. Where others see challenges, she envisions solutions.

She has become an outspoken advocate of change, integrity and innovation. Her solid experience gets her respect, while her fearless attitude is admired by her peers, the media - and her clients.

Jenny is a sought-after speaker and conference facilitator, both in South Africa and abroad, where her people risk experience, insights and sharp analysis of the background screening sector is valued by organisers and audiences alike. Her fearless attitude and tireless energy have made her stand out in the industry; and she has become an inspiration to other women in the industry.

Jenny started her career in the security industry in 1995 and her integrity and talent was recognised when she became the first woman president of the Security Association of South Africa (SASA) in 40 years.

She bought the iFacts brand in 2009 and saw an opportunity to help her clients remove risks and develop progressive solutions to employee screening. From this, Jenny took her idea a step further and developed a holistic enhancement programme, aimed at helping business owners create a loyal, productive and healthy workforce.

In 2018 Jenny became a partner in a business 50Plus-Skills which is a skills platform for the over 50's who have often retired too soon and either require paid work to live in the later segment of their life or who want to give back to society through work or play.

Jenny has since become a Master NLP Coach and created an online health and wellness platform to help people become the best me they can be. Her tag line is Dream It Do It Be It. She specializes in programmes for career development, personal development, health & wellness and retirement planning.

www.ifacts.co.za

www.theorangesa.co.za

www.50Plus-Skills.co.za

AUTHOR DETAILS

Sonya Skipp

As the General Manager at iFacts, Sonya's responsibility is to oversee the daily operations of the company at an executive level. From marketing and sales to finance and administration, Sonya helps ensure that the business is strengthened through new products, operational system skills, and consistent development.

Sonya and her team are always seeking effective corporate security strategies for iFacts clients that will help develop their businesses, while reducing risk and ensuring the introduction of proactive and innovative solutions for the future.

Sonya is a client-driven professional, putting the needs of clients first by ensuring that iFacts offers the exceptional service that the brand is renowned for in the industry.

Joining the company as a Client Liaison Manager in 2010, she showed an affinity for dealing with clients in a personal and positive manner, developing strong interpersonal skills. After stellar contributions to iFacts, she was promoted to the position of General Manager in early 2012.

Her strengths lie in ensuring clear communication, customer satisfaction, and efficiency for all iFacts' clients. Sonya's additional responsibilities include brand development, operational systems, and marketing strategies.

Sonya holds a diploma in Hotel Management. Her previous experience includes positions at well-known and prestigious hotel chains and exclusive boutique guest houses during her tenure in the hospitality industry.

Sonya's first-hand experience includes running her own bed and breakfast for five years, along with her husband, Craig, and their three sons.

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Introduction

“ ANYONE WHO WANTS TO TACKLE CORRUPTION MUST BE WILLING TO GO ALL THE WAY. THERE ARE NO SHORTCUTS

Oby Ezekwesili

As I review 2019, I cannot help but realise how much of our time and energy in South Africa has been focused on the subject of *state capture*. This is defined as a type of *systemic political corruption* in which private interests significantly influence the state's decision-making processes to their own advantage".

Sadly, this has influenced our lives in South Africa so badly, and the example set to the greater population is that it is acceptable to lie for one's own personal gain.

I do believe that the increasing exposure of false qualifications, procurement irregularities and corruption during the state capture commission of inquiry and other investigations re-emphasises the need for both pre-employment and in-service screening.

Standard background screening is necessary, but companies need to understand that risks have changed and that there is a lot more that can be done to protect them.

Screening policies need to be updated to include integrity and behavioural assessments that measure the possible intentions of the individuals, as opposed to measuring their honesty about what they have done in the past.

Integrity assessments identify individuals who possess high integrity and are less likely to engage in theft and other counterproductive or illegal work behaviours.

At iFacts we have introduced new services during 2019, and they include:

- Photo-enhanced ID verifications – this will provide verification of identity and provide the photograph stored in the South African National Population Register and Home Affairs National Identification System.

- Soft skills assessments – measuring entrepreneurial orientation and emotional intelligence through a self-control scale. This assesses the ability to reflect before action, the process of reasoning and judgement.

- Person contact trace service – this provides the contact and employment information of candidates to the employer. It includes data for up to five current and previous telephone numbers, addresses and employers. Previously this was obtained automatically from a credit or consumer check but that now requires consent from the candidate and is only applicable for certain job categories.

- A Financial Advisory and Intermediary Services (FAIS) search – this is designed for the insurance and financial industries. It provides candidate information on the date of first appointment into the industry, debarred status, qualifications, experience and regulatory exams completed.

- Online reference checks have become very trendy in the recruitment industry. This allows you to do away with the telephone process, save time and get honest feedback on a candidate. Fraud exists in our society and we have taken the steps to prevent fraudulent information being presented by a false referee. You have the option to have the referees verified by an iFacts operator.

South African Employee Screening Trends

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LEGISLATION

CRIMINAL RECORD CHECKS AND POLICE CLEARANCE CERTIFICATES

There still appears to be much confusion when individuals are asked about a criminal record check or a police clearance certificate.

CRIMINAL RECORD CHECKS

In South Africa potential employers will often do a criminal background check on a candidate for a permanent, contract or volunteer position. It is the most common background check done in South Africa, despite the South African Police Service (SAPS) records not always being up to date. These checks do not provide information unless the candidate has been convicted of a crime.

Criminal checks are often used by potential employers to understand the candidate's history, character and job-fit, or to manage risk in an organisation.

A criminal record check is not a police clearance certificate and is not accepted by embassies / consulates for visa applications or immigration purposes. The regulations around police clearance certificates have also recently changed.

POLICE CLEARANCE CERTIFICATE

A police clearance certificate is a document generally used for work permits, residency documents and is often requested by embassies or consulates. Allegedly to mitigate identity fraud, SAPS introduced a new process for obtaining a police clearance certificate.

Previously people could use a company to process the certificate or could deliver their documentation directly to the Criminal Record Centre in Pretoria. But the SAPS is now wanting the documentation to be processed at the local police stations or the embassies in various countries.

SOUTH AFRICAN NATIONAL CREDIT ACT

All employee-screening companies in South Africa need to register with the National Credit Regulator (NCR) and are required to comply with the regulations as set out in the National Credit Act Amendment 19 of 2014 (NCAA).

Bill passed by both Houses and sent to President for assent on 6 March 2019

In line with this, a consumer credit record, more commonly known as a credit check or civil check, may only be accessed by a recruitment company, staffing company or employer (potential or existing) when:

- They certify that the request for consumer credit information relates to a position requiring honesty in the handling of cash and finances
- There is a job description in place that outlines the requirement of trust and honesty in the handling of cash and finances; and
- Specific and informed consent/indemnity of the consumer is obtained prior to the request being made.

Sadly we continue to see employers requesting credit checks when they do not meet the requirements. The penalties for this can be severe.

Employee screening companies can be requested to produce their NCR accreditation.

Click here to view the iFacts NCR Certificate.

- Qualification Fraud
- Driver's Demerit System

QUALIFICATION VERIFICATION

The National Qualifications Framework Amendment Act 12 of 2019 - the bill regarding qualification fraud was passed on the 19th August 2019.

The National Qualifications Framework Amendment Bill prevents people from misrepresenting qualifications on their CVs and in job applications. It allows SAQA (South African Qualifications Authority) to establish and maintain registers of misrepresented and fraudulent qualifications. It will also allow a "name and shame" process and there could be harsh consequences for those who lie about their qualifications.

Currently SAQA do not have the facilities to record the fraudulent qualifications and have stated that the only way companies can take action when presented with a fraudulent qualification is to open a case of fraud at the local police station.

Bill passed by both Houses and sent to President for assent on 19 March 2019

DRIVERS' LICENSES

For many years South Africans have been threatened with a points system on their drivers' licenses. While this is very effective in other parts of the world the corruption levels in our traffic departments make this challenging.

The greatest issues drivers need to be aware of are:

- Failing to pay traffic fines can lead to a block on obtaining driving and vehicle licenses and an administrative fee – in addition to other penalties;
- Where documents previously had to be delivered by registered mail through the post office, in terms of the amendment, authorities will now also be able to serve documents electronically and can send reminders via WhatsApp and SMS;
- A new demerit system is proposed. Depending on the severity of the offence, 1-6 points will be allocated for offences. If an infringer has more than 12 points, it could result in the disqualification of the driving license and three suspensions will result in the cancellation of the license;
- For many years employers have been concerned about this and how it will affect drivers of company vehicles. Currently employers can verify the validity of a driver's license and public driving permit and this should be done to prevent loss to the company.

Bill passed by both Houses and sent to President for assent on 5 March 2019

South African Employment Market

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SOUTH AFRICAN EMPLOYMENT MARKET

The Manpower Group SA, which has surveyed business owners on their hiring and firing plans for 2020 indicates that in 2020 it is going to be harder than any time in the last five years to get a job in South Africa.

"As we move into the new year, the South African economy continues to be affected by subdued economic growth and a sluggish growth outlook. Policy uncertainty and a high unemployment rate remain a deep concern for local businesses who are looking to the new year with caution when it comes to their spending and hiring strategies," says Lyndy van den Barselaar, Managing Director of ManpowerGroup SA.

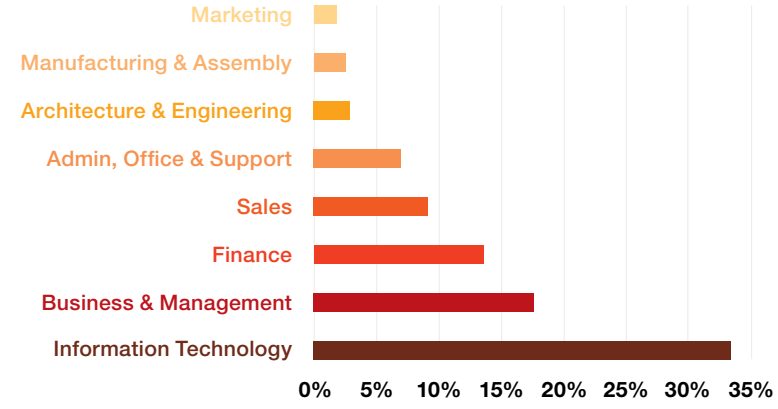
The area in which you are most likely to find a job is in the Western Cape while the sector looking to have the highest hiring pace is the finance, insurance, real estate and business services sector. Other areas that indicate smaller growth are the wholesale and retail trade sector and the agriculture, hunting, forestry & fishing sector and the restaurants and hotels sector.

Sadly the construction sector, transport, storage and communications sector look to trim jobs.

The CareerJunction Index (CJI) represents online labour dynamics in South Africa by providing a detailed analysis of the relative ratio of supply and demand in the online job market.

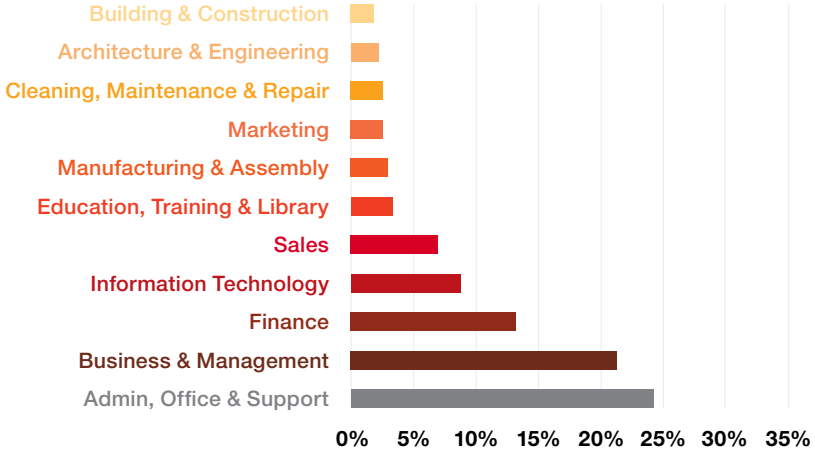
HIGH IN DEMAND

Sectors in terms of major demand.

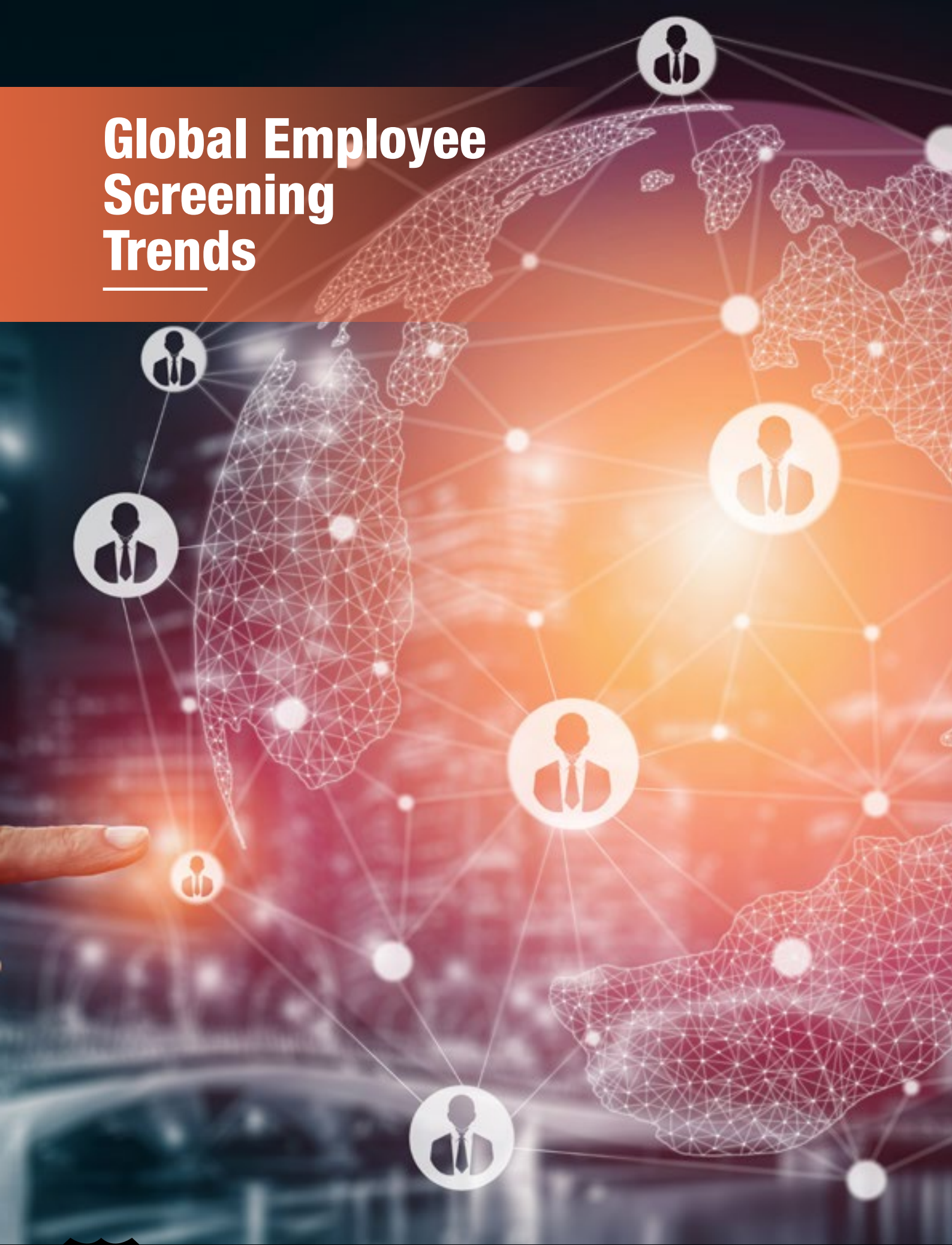


HIGH IN SUPPLY

Sectors in terms of major supply.



Global Employee Screening Trends



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GLOBAL EMPLOYEE SCREENING TRENDS

- 83% of companies have encountered a lie on a CV or job application.

  During a recent social media conversation regarding CV verifications I was shocked to see how many people could not understand why this was done as it was known and accepted that everyone lied on their CV.

- Increased screening on outsourced and contract staff.

  We are thrilled that this is becoming a trend because the risk presented by not screening third party staff is huge. This can easily be implemented in an organization by including it in any tender / procurement process in the company.

- Experience is becoming more important in the screening process and for this reason the use of reference checks is increasing.

  Screening of soft skills is a growing trend that follows on from many large corporates doing away with the need for a specific educational qualification. Soft skills are considered the currency of the future and it is believed that up to 70% of future jobs will be reliant on skills like communication and empathy.

  Flexibility is also becoming essential as up to 40% of current work activities could become automated and roles will no longer exist. Agile workers will be able to upskill and develop into new and emerging roles.

  65% of children entering primary school today will end up in jobs that don't yet exist, reveals the World Economic Forum.

- According to Executive Grapevine there are new employee trends that will take over business in 2020

  - **Employee monitoring**
    In 2020 it is believe 80% of companies will be using some technique to monitor employees. Privacy concerns are obviously the employers' issues but companies need to be transparent in this.
  - **Employee Activism**
    38% of employees report having spoken up or having criticised their employer's actions over a controversial issue affecting society.
  - **Voice Activation**
    Companies are testing voice to automate and simplify routine tasks such as arranging meetings, booking conference rooms and ordering from the cafeteria. Whilst this will affect employment in that area it will increase the need for good technology developers.

- **Re-hiring or contracting retirees**
  Almost 70% of global companies have hired a retiree because they have in-demand skills and experience. Sadly many employees have been "let go" early in their career to make way for younger employees but in many cases, companies have lost experience which comes at a great price and is now being sought again.
- **Mental Wellness**
  Up to 75% of the younger generation admit to having left a job due to mental health concerns. Some larger companies are introducing mental health first aiders to identify sufferers and help them.

  A recent PWC study indicated that 79% of leaders think that purpose is key to business success and PWC have recently hired a "Chief Purpose and Inclusion Officer" to support the company's corporate and social responsibility efforts

Toxic Workplace Culture

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Toxic Workplace Culture

Companies have to have a responsibility to consider workplace issues that have cost the economy $223 billion over the last 5 years and because of workplace toxicity:

- 20% of employees have left their jobs
- 87% of employees do not believe companies have the right leaders

> **“A CULTURE IS TYPICALLY CONSIDERED TOXIC WHEN TRUST, PSYCHOLOGICAL SAFETY, AND EMPLOYEE MORALE DEGRADE TO PSYCHOLOGICALLY UNHEALTHY LEVELS”**
>
> Greg Barnett, senior vice president of science at The Predictive Index

The toxic workplace is created more by managers than the employees, but the top executive ultimately have the responsibility of setting what behavior is acceptable from managers and staff.

Drivers of the toxic culture are:

- Insufficient or dishonest communication
- Failure of managers to listen
- Lack of recognition of subordinates’ and coworkers’ good work
- Extremely negative performance appraisals
- Office politics
- Bullying
- Discrimination, whether by age, race, gender or another dimension of identity
- Sexual harassment
- Disrespect for work/life balance

Whilst toxicity is costing businesses, what many do not realise is that 60% of employees who have been with their company for eight years or less say they'd change employers for a more positive culture. Unplanned absenteeism in the workplace is costing an estimated $86 billion and the impact is not only in the workplace. It flows over on to the greater community and families of the employees.

The most important issue to be found to curb organisational costs is VALUES. Organisations can establish core values that are rewarded, recognised, and enforced. But if policies, processes, and recognition aren't built around core values, then the values won't stick. Employee surveys are recommended to understand what drives employees and then the data received needs to be implemented.

The benefits of engaging in a programme to address this toxicity will:

- Improve engagement
- Increase employee retention
- Lead to the recruitment of better talent
- Create a more productive workforce
- Improve decision-making in the team
- Increase revenue

When it comes to workplace culture, the buck stops at the door of the C-suite - all remedies and measures are only going to work if the leaders themselves can handle the truth.

IFACTS SCREENING STATISTICS 2019

Most popular checks conducted in 2019

Statistics FOR THE YEAR 2019

15% of **Security Guards** were **not registered with the industry authority – PSIRA**

6% of people checked had **criminal records**

3% of **ID Numbers verified** were fraudulent

0% CHECKS

16% of people checked via the **Person Contact Trace** came back with **no information found**

18% of people checked had **negative credit information** listed against them

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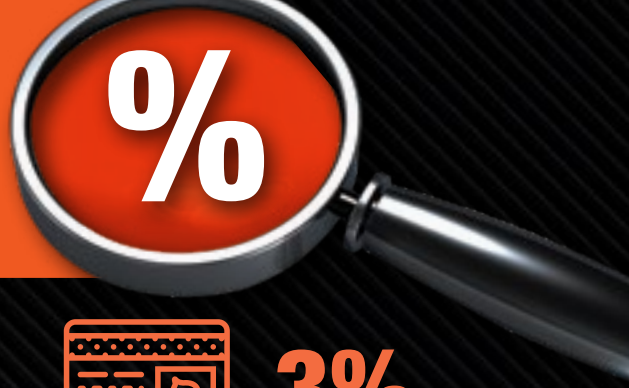
RESULTS

The results are based on the iFacts checks conducted during 2019



6% had criminal records

18% had bad credit records

3% of ID numbers were fraudulent

15% of security guards were not legally registered

28% of NQF qualifications were fraudulent

5% of matric certificates were fraudulent

21% of international drivers' licenses were invalid

77% of work permits were invalid or fraudulent

42% of bank account details were invalid

50% of FAIS and DOFA checks verified came back with no information found

31% of vehicles checked showed different details to those presented

42% of PDPs were invalid

16% of people checked via the Person Contact Trace came back with no information found

Many of the checks done were done only once or twice and were fraudulent. Why wait to be suspicious before checking?

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Reference Checks

According to the statistics there were 395 CV references conducted for the year 2019. Of these, 99% received positive results, meaning that we either got confirmation of employment or a full reference (confirmation and character reference), and 1% percent of these were attempted, but yielded no results.

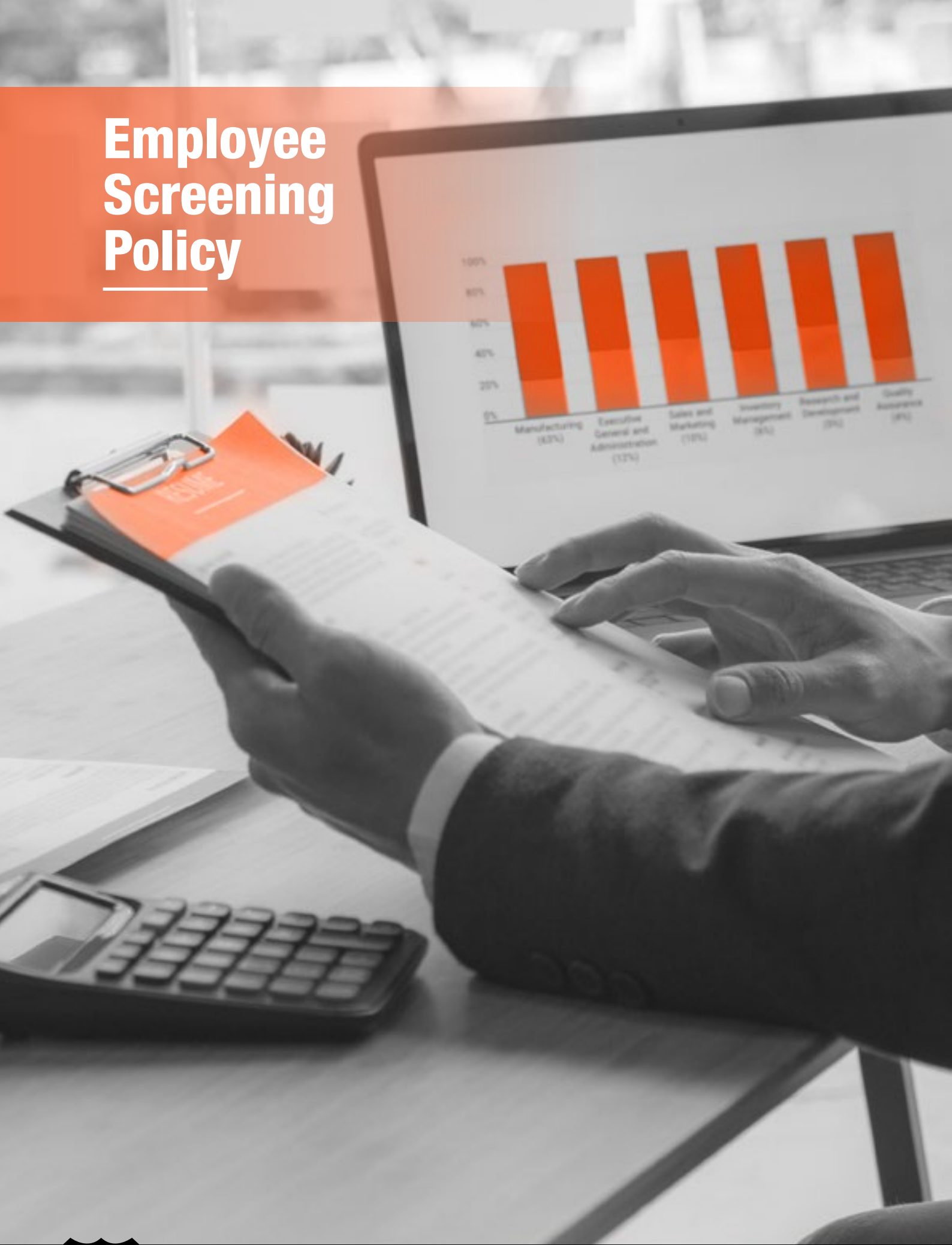
Advantages of conducting candidate references

1. Identify character traits.
2. Identify strengths and weaknesses.
3. Identify leadership potential.
4. Confirm levels of commitment and loyalty.

Disadvantages of conducting candidate references

1. Although it does not often happen, there are instances where referees become too personal with regards to the information provided. This is often based on poor relationships and needs to be put into perspective.
2. Verifying old information provided on outdated CVs

Employee Screening Policy



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Employee Screening Policy

At iFacts we believe that it is essential to provide a good service to our clients. We believe that a client's Employee Screening Policy should be reviewed on an annual basis to ensure that the risks of the client are addressed holistically. The days of a tick box process are gone and screening policies have to be designed to address the risk of individuals and of the company.

iFacts has released a new e-book on Employee Screening and anybody can request a copy at **info@ifacts.co.za**

OUR SERVICES:

Employee Screening & Vetting Services
Online Employee Engagement Tools | Integrity Assessments
Behavioural Assessments | Voice Stress Analysis
Social Media Risk Assessment | Career Coaching | Wellness

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