

Powerchex Announces Further Improvements in Recruitment Activity in the Financial Services Sector

Amongst claims of falling unemployment, Alexandra Kelly warns jobseekers of the consequences of CV embellishment

London, 23rd March 2010. A new survey released this week by Powerchex has given weight to recent Government figures that show that the number of people claiming benefits has declined by the sharpest rate since 1997.

With Labour critics arguing that the number of people in employment actually fell, London pre-employment screening firm Powerchex has agreed to share the results of its research into recruitment activity and CV embellishment in the financial services sector to help shed some new light on proceedings.

Given the turbulent beginning to the year, it is perhaps not surprising that Powerchex found total job offers made in 2009 were down 38% on 2008 levels. While the first 6 months of 2009 were extremely difficult for individuals and companies alike, there has been a slow but steady improvement in recruitment activity since the first half of last year; the number of job offers made in the last 3 months of 2009 was 7% higher than from July to September, and this has continued into 2010 with an impressive 11% total improvement in January, and a further 6% rise in February (see figures 1-4). Overall, the figures tell us that recruitment activity has increased by an overall average of 6% over the last 5 months.

Alexandra Kelly is a director at Powerchex, the pre-employment screening firm that commissioned the study. With her extensive experience of employment trends and the UK labour market, Alexandra believes that any improvement in recruitment activity combined with a large pool of potential labour, generates a potentially risky scenario as jobseekers rush to fill the newly available jobs.

“A feature of any slack job market is a significant number of people anxious to get back into work and this often leads to an increase in the number of jobseekers willing to embellish their CV out of desperation to land a new job.”

“It is completely understandable,” Kelly continues, “for many people to feel frustrated with the lack of job opportunities over the past 12 months or so, especially those who have been out of work for a while. However, there is no excuse for turning to lying on a job application, or at interview. Companies are extremely aware of the potential for fiscal and reputational damage that comes with hiring an unsuitable or dishonest candidate. Many firms use specialist third

party providers to check their prospective employees before they enter a new job, and this includes obtaining employment references as well as credit and criminal record checks. Those individuals who embellish their application to land a job usually have their offer revoked as details of their deception come to light.”

Indeed, there has been a marked increase in the proportion of people found to have embellished their application. In May of last year, Powerchex reported that 19% of all job applicants to the financial services sector were found to have lied on their CV, the highest rate for 3 years. However, for the 5 months from October 2009 to February 2010, Powerchex found that 21% of applicants had lied on their CV. The most popular type of embellishment was found to be dates of employment, up 5% to make 52% of all discrepancies found; likely to include a large number of job applicants attempting to reduce or hide periods of unemployment. The number of undeclared CCJs/bankruptcies showed a fairly notable increase also, amounting to 7% of all discrepancies found (see table A).

It would seem that there is some good news and some bad news for jobseekers. The good news is that there has been a slow but steady increase in recruitment activity and this lends weight to the government’s claim of a falling dole queue. However, it seems reasonable to presume that the increasing proportion of jobseekers willing to embellish their CV is indicative of a certain amount of desperation among the unemployed; bad news for companies and jobseekers alike.

Table A.	% of all discrepancies in 2009	% of all discrepancies in the last 5 months to February 2010
Employment dates	47%	52%
Employment Title or Duties	3%	3%
Reason for Leaving	1%	1%
Academic Record or qualifications	26%	21%
Undeclared CCJs or Bankruptcy	4%	7%
Undeclared Criminal Record	2%	2%
Undeclared Directorship	17%	14%

Figure 1. % Change in Employment offers in the Financial Services Sector from 2008 to 2009

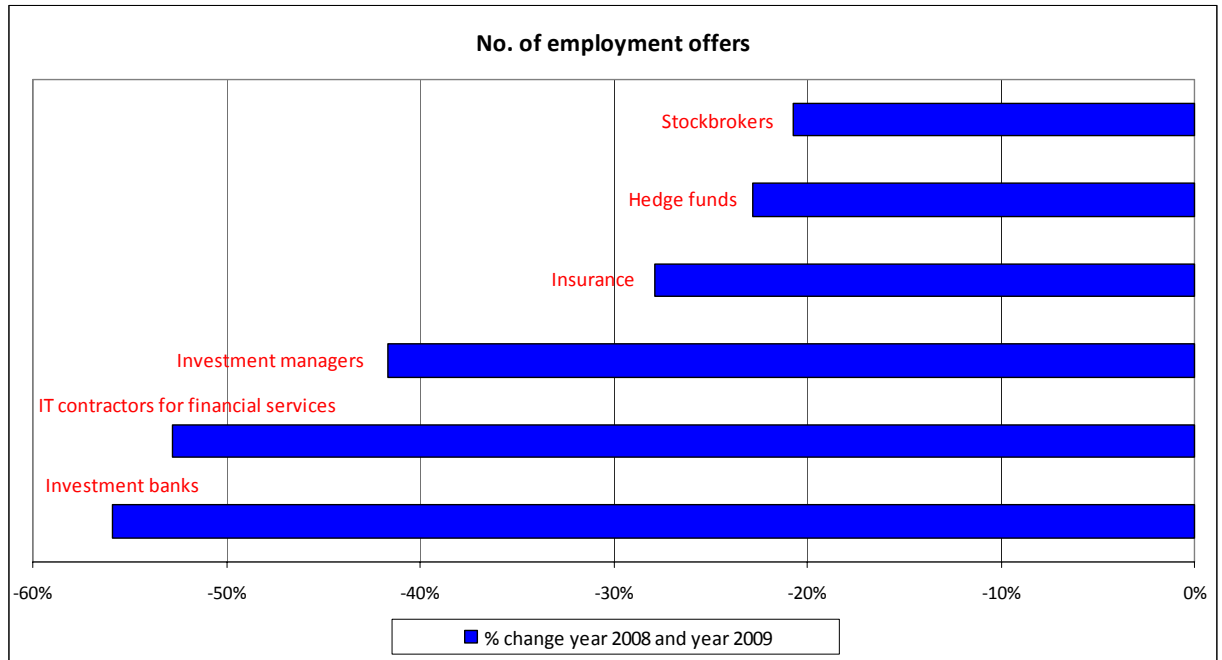


Figure 2. % Change in Employment offers in the Financial Services Sector from Q3 2009 to Q4 2009

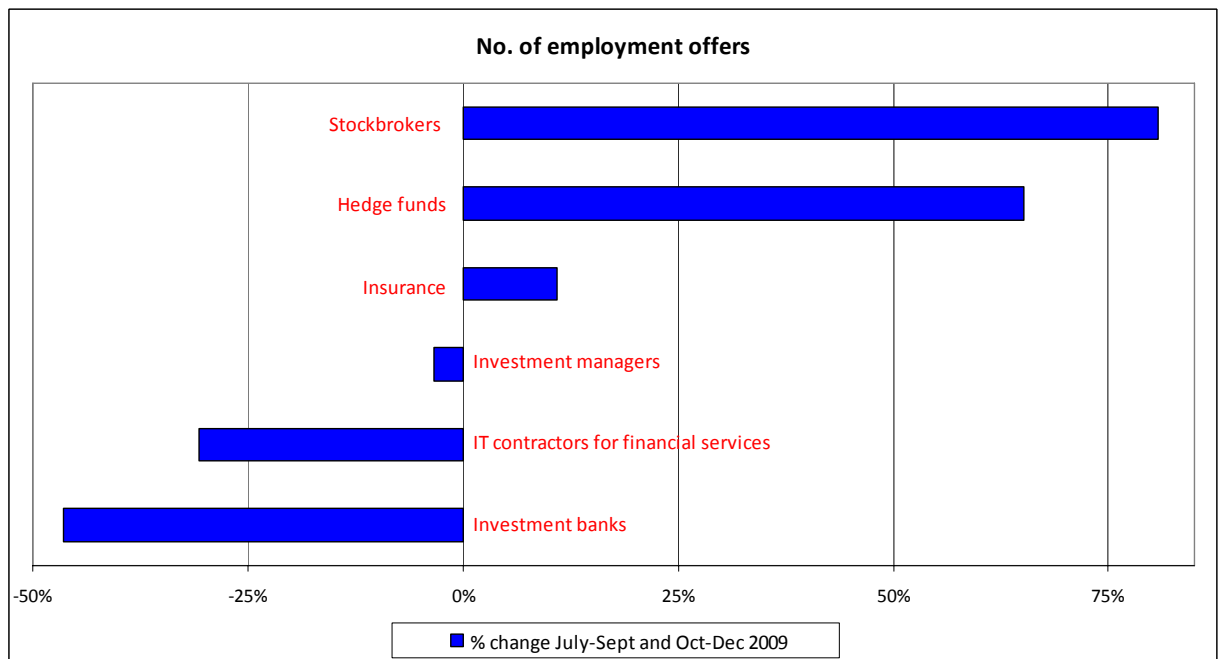


Figure 3. % Change in Employment offers in the Financial Services Sector from December 2009 to January 2010

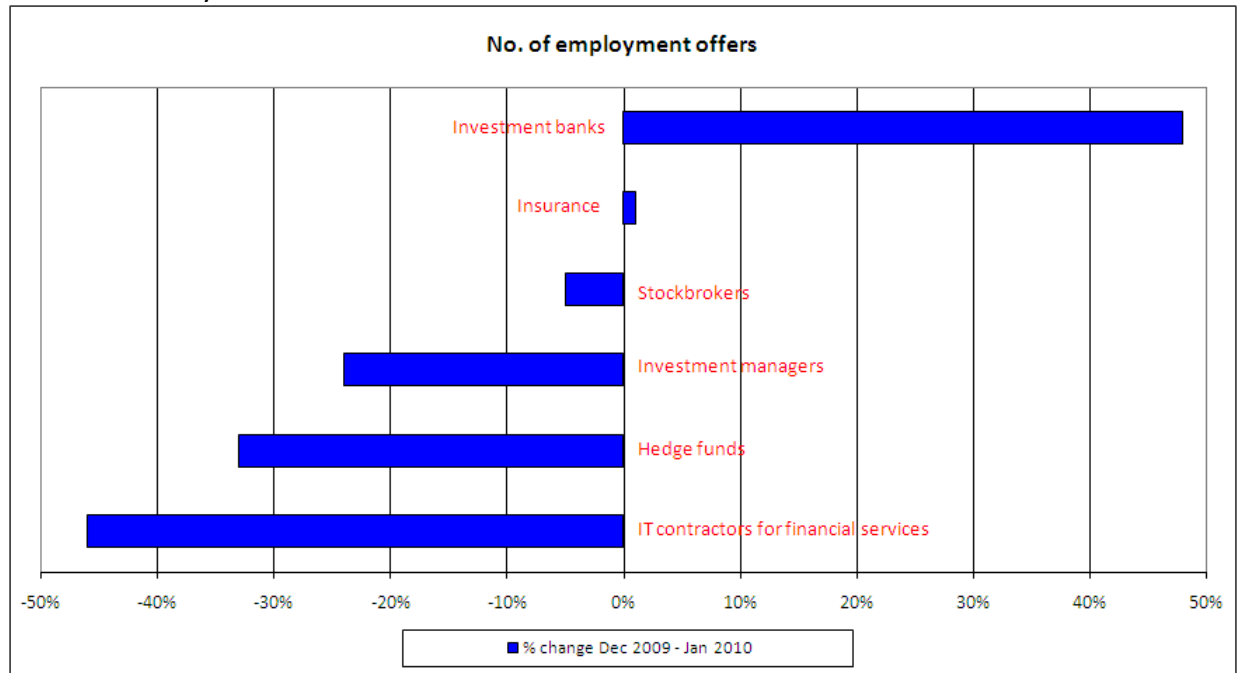
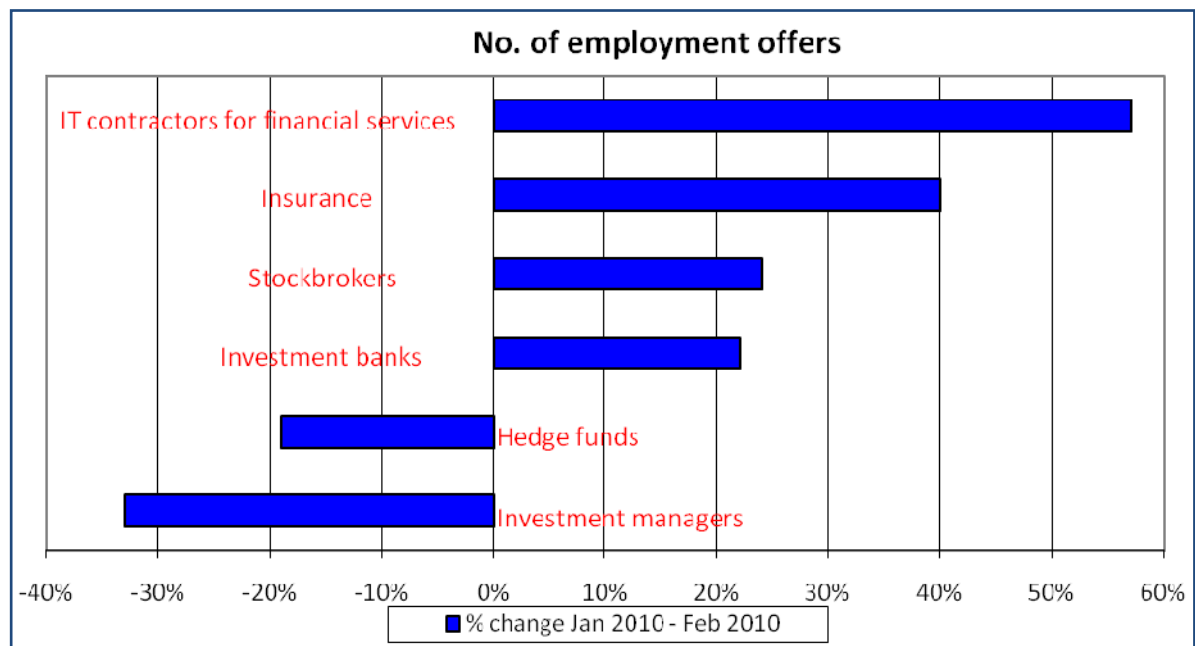


Figure 4. % change employment offers in the Financial Services Sector from Jan 2010 to Feb 2010.



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NOTES TO EDITORS:

About Powerchex

Powerchex is the UK's premier pre-employment screening firm for financial institutions. Based in the City of London, Powerchex checks the background, employment history, criminal records and professional qualifications of applicants on behalf of financial institutions. It sets the industry benchmark of 5 days for a background check.

www.powerchex.co.uk