AnyGood?

Trust in Recruitment

The Debate

2018

Introduction

As we revealed in our recent independent research, the recruitment industry is suffering from an image of a profession rife with dishonesty, distrust and unfairness. In fact, we found that half of the people that have used agencies in the last year did not feel they had been dealt with honestly, with a staggering 90% stating that they don't trust recruiters to do a good job. And the outlook for the future looks pretty bleak too, with 80% of job hunters very concerned about where the sector is heading.

In our view, this reputation cannot remain. Just as people have driven the disruption of other industries that suffered with negative perceptions (think Purplebricks and estate agents), we believe there's a need to 'break the mould' of recruitment. But how?

On 9th October, we brought recruitment agency leaders together with in-house hiring experts, industry thought leaders, diversity drivers and blockchain disrupters, to shine a light on the challenges in recruitment. Here we share what we found.

The Panellists

The big questions

While there was no denying that there's a lack of trust in recruitment and that change needs to happen, a number of crucial questions were raised by panellists and audience members alike:

- What is the *real* reason for the low trust?
- Who "owns" the problem?
- Can you regulate the industry?
- Is it all down to the client to drive quality, or the candidate? Or is it a mix of both?
- Will blockchain help by bringing about meritocracy?
- What responsibility does the candidate have to make themselves aware of the integrity of who they're dealing with?
- Where is the bad practice? Is it really just the new recruiters starting with a laptop and phone or is it a systemic, culturally embedded issue within many of the big companies?
- Does the recruiter have any responsibility to seek candidates from underrepresented groups?

The answers

Before we delve into the critical discussions that took place, it's important to highlight that every member of the panel, no matter which side of the argument they represent, agreed that the industry "needs a kicking" as Bhumi, Zhaveri, Founder & CEO of InteriMarket, put it. However, considering the mix of backgrounds on the panel, it's perhaps no surprise that there was a real variety of arguments put forward to the above questions – each with their own validity.

Crucially, the question as to whether or not trust has already been lost completely was put to the panel by an audience member who pointed out that the statistics from our research suggest that we've already reached a tipping point. While some of us still hold a level of hope that disruption can help the future of the industry, Bhumi reinforced the severity of the issue, adding that in her opinion, "potentially the trust is lost and the smaller, niche agencies are suffering as a consequence."

"*…trust is lost and the smaller, niche agencies are suffering as a consequence.*"

Of course, when it comes to driving change, there needs to be someone owning the problem, but as the panellists clearly demonstrated, there's a real disconnect across the

board as to who has accountability and where the real problems lie. Panellist Mitch Sullivan, Recruiter, Blogger & Author, for example, called out agency clients as the drivers as they ultimately hold the purse strings and set the boundaries. The multi-agency model was also addressed as a barrier to change as it encourages a 'half-hearted' job. As Mitch put it, this structure simply doesn't work in the modern world: "Everyone in the industry is working under the same model as before the internet came along and the internet has democratised the availability of information – it's totally turned the landscape on its head, yet everyone is working on the same model that worked prior to 2001."

Fellow panellist Jessica Hayes, Head of Talent at McCann Worldgroup, was quick to add that applicants themselves also have a level of responsibility. At the moment, there are too many individuals who are involved in the hiring process as candidates with little understanding of how the process works – and driving disruption without this knowledge, will be increasingly difficult. In fact, a member of the audience alluded to this issue in his comments around what the industry is known for. According to the recruiter, people think the industry is about getting someone a job, but it's actually more about telling them they *haven't* got the role. In his view, recruitment is about handling people's rejection well. However, because clients don't respect recruiters in many cases, they don't give them the feedback they need to give the individuals the answers they want, exacerbating the problems surrounding the poor candidate experience.

Nick Barton, Founder & CEO of The Barton Partnership and another expert involved in the debate, agreed that there's a level of education needed in the talent pools themselves as to what is and isn't good practice. As he pointed out, if a candidate received a poor service, they wouldn't necessarily know where to go to make a complaint. While trade bodies such as APSCo and the REC are well known in the recruitment industry, they're not necessarily common knowledge across the general public. And, crucially, while both of these groups operate a code of conduct to encourage best practice, it's not enforced. Yes, they have strict rule and criteria to become a member, but how is this conduct measured and reviewed going forward given that candidates themselves don't necessarily know about the ethics these trade bodies expect agencies to abide by? And have we perhaps reached a stage where the general public's perception of the industry is such that

they deem making a complaint a waste of time? If so, what does that mean for employers using agencies in the long-term?

Nick was keen throughout the debate to stress the need for greater regulation – a point that many in the room were certainly against. However, as he highlighted, there is no barrier to entry for an agency: anyone with a laptop and a phone can register a recruitment business. While Mitch's point that rather than focusing on regulation, hiring companies should simply stop working with 'cowboy recruiters' certainly rang true for some, it can't be overlooked that this won't change the lack of trust in the industry – and we certainly don't want to still be talking about this issue in ten years' time! This idea of managing bad recruiters out of the industry suggests that it is only those new, small agencies that are creating a problem, when in fact many recruiters in the room were quick to point out that much of the poor behaviour they've witnessed in their career came from larger companies.

One concern that can't be ignored is the personal impact a poor recruitment experience has on an individual. At the end of the day, recruiters have a direct impact on people's lives and, as one audience member mentioned, their ability to sensitively handle bad news is crucial to the sector's image. It's a very emotive but also sensitive job when you consider that recruiters are managing someone's livelihood, career and personal data. And when you add further issues around recruiters poaching from other agencies or other companies in to the mix, you create a highly-charged environment. As Jessica put it, "there's lots of sensitive things that allow some parts of recruitment to operate in the shadows" and it's this back-handed activity that is often difficult to avoid, making the debate more tumultuous.

> "
>
> *"there's lots of sensitive things that allow some parts of recruitment to operate in the shadows"*

There were also calls during the event for recruiters themselves to take ownership and make a stand against bad practice behaviours. As Mitch pointed out, it should be the recruiter's responsibility to ask tough questions of clients, for example, why should someone in the same role elsewhere leave and join you? However, often these aren't being asked because recruiters just want the commission and don't want to upset the client, so they simply take the brief and roll with it. While we can all agree that this is being slightly offset by the growth of niche recruiters, members of the audience were keen to stress that recruitment itself isn't as easy as many think and that much of these questions aren't being asked because there simply isn't the capacity to argue. In fact, there were many references made to the fact that most recruiters have an average to low income that simply doesn't reflect the work that they put in– so it would appear that the industry doesn't even work for those employed within it!

We also covered the subject of diversity in recruitment which, despite some disagreement, most felt does play a key role in building trust across the sector. There were some recruiters at the event who felt that diversity wasn't an issue that they should take on – suggesting that the onus is, instead, on internal hiring managers and if this group doesn't ask, then agencies aren't required to put the effort in. However, as many in the room were quick to add, this is an issue that we *all* need to take on together.

"

"There were some recruiters at the event who felt that diversity wasn't an issue that they should take on."

And, of course, there's also the issue of diversity in the recruitment arena itself. Ultimately, we can't ignore the fact that without an industry that truly reflects the audience it services (which, let's face it, is everyone) how can we trust it is fair and honest? Of course, the diversity issue is one that is multifaceted, but much of the discussions on the night centred around meritocracy versus diversity – two concepts that we certainly can't use against each other when we take an honest look at our available talent pools. As Nick pointed out, suggesting targets isn't the way forward because in some instances, the talent simply isn't there. In fact, one member of the audience did say that most recruiters don't have enough people in their talent pools to be able to discriminate. Perhaps, then, there's more to the diversity issue than we have all previously thought.

Clearly there's a staggering number of challenges facing the industry at the moment and each of these concerns need to be addressed soon. Do we need a whole new approach? Perhaps… But before we scrap recruitment as we know it, let's consider what can be changed.

Driving disruption: the ideas

As already mentioned, there were an array of recommendations put forward on the night and there wasn't a concrete agreement amongst the group as to how to move this issue forward. However, as this was arguably the first honest debate of its kind, the likelihood of an all-encompassing solution being agreed by everyone was going to be a challenge to say the least. For example, while there were some calls for regulation, the arguments against this were certainly sound, there was a general consensus that this isn't necessarily a feasible option for the industry. What everyone could all agree on, though, was the need to create a more modern best practice operating model for recruitment – one that empowers clients and candidates and equips them with the tools to be able to confidently call-out dodgy hiring practices.

This model should include a number of elements such as:

- o What clients should expect from a recruitment solution (transparency of fees/diverse talent pools etc) - further than current codes currently dictate
- o Recruitment solutions operating as an ecosystem of partners rather than in competition
- o Greater awareness of solution options for clients
- o A way for candidates to understand the quality of recruiters and hiring teams - like an NPS score – and how to call out bad practice behaviour.

How we enforce and control such a model will, of course, be the next challenge, but we will be working with groups of industry representatives and seeking to engage with trade bodies to drive this change before it's too late. The fact that there were such heated discussions around the issue shows that there's clearly a lot wrong with the industry at the moment and no-one – not even recruiters themselves – think exciting practices are relevant. But going forward, we all need to drive the evolution for the benefit of each group involved in hiring. As Laura Degiovanni, Founder & CEO of TiiQu, put it on the night, we all need to sit down together round the table and agree the best steps.

And yes, this change will see some dodgy firms eradicated, but as Jessica so eloquently said, "there will also be some phoenix's that rise from the ashes".

Panel: Top line solutions

Bhumi
What we need to see is accountability and transparency from recruiters and hiring teams because the candidate really doesn't have a lot to say in this process until the hiring stage

Laura
There needs to be greater collaboration with HR, people and organisations in order to drive change, not just make things slightly different

Jessica
It's the candidate's responsibility to be as educated as possible. As a candidate – be an informed consumer. Nothing is stopping you asking for credentials – it's your job as the consumer to ensure the information you are getting is right. Recruiters also have a responsibility to ensure they're not matching diversity and meritocracy against each other, but using them together.

Juliet
In my opinion, it's down to all three groups to agree how change can happen. We can't leave it on the doorstep of the people paying or those directly impacted. We need to make things more transparent to make everyone aware of what is and isn't acceptable, what bad practice is and the fact that poor service simply isn't acceptable.

Nick
Regulation is the way to manage the issue – there needs to be one governing body taking responsibility.

Mitch
We need to give recruiters a hill to climb or die on – they need to prove themselves and have benchmarks to set themselves against.

More Information

If you would like more information or would like to be kept informed of news, events and outputs from Trust In Recruitment, please subscribe at www.trustinrecruitment.com.

You can also follow us @TrustInRec.

Contact

For any further information, please feel free to contact the AnyGood? team.

AnyGood?

3 Waterhouse Square
138 Holborn
London
EC1N 2SW

info@anygood.com

www.anygood.com