

Know Your Market

A look at the challenges of global recruitment—and how to ensure the effective management of worldwide workers

By Belinda Sharr

Global recruitment can be a challenge, with different regions requiring different strategies to find the best employees for the job. Add to that multiple laws and regulations and cultural and regional expectations, and HR leaders face a tough challenge—especially in today's tight labour market.

“Recruiting has become increasingly complex as the engagement model for both candidates and employers has evolved in recent years,” says Michael Drolet, executive vice president and global head of RPO at Pontoon Solutions. “With organisations like Uber growing rapidly and morphing into new on-demand employment services, it's becoming more and more difficult for employers to find and engage the right talent for open positions. This is especially true when considering the task of recruiting on a global scale. Talent pools, or concentrations of skills, backgrounds and interests, are becoming hyper-local in light of a more interconnected global economy.”

Organisations need to manage markets directly, Drolet says.

“[One way is to] maintain delivery centres in all regions and adopt a hub and spoke model combined with local delivery,” he says. “Additionally, we leverage technology platforms that can be used across the globe, yet can be configured for the local market. Data can reside in one place with proper controls, and candidate experience [can be tailored] for the market.”

According to Research and Markets' 2016 Recruitment Annual Report, the global recruitment marketplace has its challenges, but new, innovative approaches are helping. For example, new types of job sites and social media help the growing demand for niche specialists, better candidates, and faster placements.

Allie Ben-Shlomo, COO and EVP of client services of PRO Unlimited, is seeing an increase in recruitment technology and increased mobile usage, especially in Asia.

“One of the things we've seen is the launch of mobile apps. There's a high usage of mobile [interaction],” she says. “We're also seeing social media attraction. The vehicle in which candidates are using has exponentially increased.” She says that hiring managers on the go can use mobile to quickly and efficiently fill roles. “For them to see candidates side by side is crucial to be able to get these positions filled.”

However, the abundance of technology doesn't mean human interaction is any less important.

“Today's advances in technology means that there has been an overreliance on technology that has dehumanised the recruitment process,” says Randy Gulian, executive vice president and general manager of Allegis Global Solutions.

“The globalization and the ability to work remotely has changed the dynamic of attracting and managing personnel,” agrees Ashish Kausha, CEO at HireTalent. “Companies have to have systems in place to manage all types of workers – direct hire, temp, freelance and SOW and come up with a holistic strategy that values each type of labour category in a cohesive format. You can no longer manage each categories in silos.”

Ben-Shlomo says that taking a vendor-neutral approach can provide a competitive and level global playing field, which enables organisations to benefit from the best talent at the best price.

“Vendor neutrality encourages niche, high-end staffing agencies to readily join a managed programme, allowing the client managers to review talent from multiple providers. Especially in today’s ‘war for talent’ for mission critical roles, the mobility of talent to move across borders for the right opportunity means that recruitment professionals need to cast a broader net,” she says. “(The) model is transferrable around the world, however it has to be locally nuanced in line with country rules and regulations regarding the supply of staff and services, employment law, tax and finance regulations and many other areas for consideration. These cannot be underestimated as they may pose restrictions or challenges if managed incorrectly.”

Major area-specific challenges to recruitment include legislation and regulations, and culture.

“Compliance is a challenge,” finds Greg Barber, head of EMEA RPO at Allegis Global Solutions. “Recruiters need to ensure they are compliant to your industry’s business laws as it could lead to the following challenges: an increase in time to hire; the meaning of candidate experience is reduced; managing time more effectively; and managing operational risk.”

Ben-Shlomo says organisations need to consider other challenges that are introduced by working with a third-party vendor in order to maintain compliance. “Many laws that apply to contingent workers are governed at the country level, but in the EU, for example, the Agency Worker Directive dictates certain protective rights across all EU member states (e.g. equal pay),” she says. “The role of an intermediary has to be in accordance with local rules. For example, Germany governs many aspects of temporary engagements under a Collective Bargaining Agreement, whereas Ireland does not. In APAC, there is a vast difference between Japan that tends to be very conservative on employment rights, versus Australia, New Zealand, Singapore or Hong Kong. In many countries, notice periods are very restrictive, overtime regulations vary, work permits are complicated to obtain, and cross border VAT considerations add a level of complication to the invoicing.”

Benefits and even personal status can widely differ across nations.

“Expectations for candidates and employers can vary widely,” Drolet says. “Paid time off has a different expectation in Europe compared to the U.S. Family connections and status may have greater impact in some Asian cultures but not in Western nations. These differences are generally well known, but we have also found that, as a whole. Millennial candidates share many of the same traits. Reliance on social and digital media, commitment to social causes, a desire for feedback—these attributes are reflected among younger candidates in many global markets regardless of other cultural differences.”

Barber offers some recommendations on how to manage the workforce in geographically and culturally different areas around the globe:

- Stay abreast of the latest legal, regulatory and taxation issues affecting the industry using an experienced team of HR professionals, legal counsel and tax professionals, and participation in trade associations;
- Develop, communicate, and train on strategies to mitigate risk;
- Educate and share best practices with clients; and
- Use a standardised change management process.

Recruiting and managing the global workforce will always be a challenging task, but by ensuring all potential issues are looked at, and keeping the worldwide differences in mind, it can be effective and efficient.

“It is not a ‘one-size-fits-all’ around the world— each country has its own set of laws governing the non-employee workers, and each worker category comes with engagement rules that are important to incorporate into any programme,” Ben-Shlomo says. “Know your market, and understand as best you can the various models and associated cost benefits around this. And always ensure local advice is sought when expanding programmes or when changes to legislation come through—[always ensure] compliance.”