How technology is changing the recruitment landscape

Technology has a way of creeping up on us and imbedding itself in our personal lives. Think of our modern cell phones with email, internet browsing and GPS. How many people tell you that they can't live without their Smartphone?

If there's a downside to all this great technology, it's that it can impact in ways we didn't expect. The most dramatic examples are when new technologies change the way a whole sector does business. Depending on how you're positioned at the time, you can benefit from these changes or if you happen to be unlucky, it might work against you. Think about DVD rental shops (bricks and mortar). It's a segment that's being killed off by downloadable movies from the Internet.

So, let's consider a sector that's all about humans and their interactions with others?

What about the hiring of staff? What have recent technology advances done for the hiring of staff? Is there (like so many other examples) both winners and losers within this sector?

Well, the answer probably depends on where you're placed in the recruitment sphere. This will decide whether you're able to take advantage of these changes, or whether it threatens the very way you do business.

Let's take a closer look at the winners and losers...

The winners

1. Smaller recruitment agencies. Smaller agencies can better compete with the larger players for candidate sourcing - via social media and Internet job portals. There's virtually no significant candidate sourcing avenue available to the larger recruitment agencies that can't be accessed equally by the smaller agencies. A nice balancer!

2. **Employers.** Recent technology advances (think psychometric testing, reference checking guides etc), are now within the grasp of every employer.

3. **Hip pockets.** Fierce competition between recruitment agencies is driving agency fees downwards. Employers who use agencies are enjoying the benefits. **Note that** this trend always accelerates in times of economic recession (as we're experiencing now), because in simple terms, there's less work out there for agencies to bid for, so there is a greater willingness to discount fees.

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4. Productivity. Access to open technology tools for hiring, and increased recruitment agency competition, has the effect of speeding up the hiring cycle. It allows employers to identify and evaluate candidates faster than ever before. The bottom line is that employers fill their vacancies sooner (and this directly translates to improved productivity).

Possible losers

1. Some Recruitment agencies. Some agencies are finding that smaller and more dynamic employers are accessing these open source recruitment tools and embarking confidently on the D.I.Y recruitment path.

The "playground" for recruitment agencies is increasingly larger employers who find that for reasons of time or priorities, can't or don't want to get involved directly in hiring. They're happy to outsource the function. Overall, it has the effect of slowly eroding the market for recruitment agencies.

2. Employers. Hold on! How do employers end up here on the losers list, when they're already in the winners list?

Unfortunately, the increased competition among some recruitment agencies is driving a reduction in the quality of service. To be fair, this is more the case for agencies operating at the mid tier range and below, and is less of a factor for those recruiting high-end positions.

Many employers have changed the terms of engagement for recruitment agencies. These employers are now reluctant to retain agencies on an exclusive basis and are moving to what's known as contingent fees (where it's a case of the first agency in with the best candidate gets paid the fee). In other words, the agency getting paid anything at all is contingent upon delivering the right candidate.

While this may sound reasonable, the fact is that no employer would accept terms like that from their own clients. The result is that the quality of the service offering is reducing with less time and effort able to be placed into candidate evaluation. This ultimately hurts employers.

3. Average work performers. The natural impact of more advanced recruitment tools (whether we like it or not) is that a higher degree of scrutiny is being placed on candidates during the evaluation phase of the hiring exercise.

This means that employers and agencies alike can better distinguish between high, average and below average performers.

4. Slow technology adopters. Often overlooked, this relates to both candidates and employers. Candidates that don't make the most of networking sites such as Linkedin, can place themselves at a disadvantage because they're simply not as "visible" as their contemporaries.

And employer's who aren't accessing these networking sites or the variety of recruitment tools available to them, might find themselves at a disadvantage in the perennial "war for talent". Quite often it's the employer that moves the fastest and employs the best technology who lands the fish.

Summary

If you're a technology savvy employer willing to jump in and access a raft of affordable and highly reliable recruitment tools, you stand to win big-time from the advances of the last four years.

If you're a smaller recruitment agency that's fast on your feet, today's candidate sourcing portals broaden your ability to connect with relevant candidates. This should help you compete with the larger agencies.

And finally, if you're an employer or candidate that's been slow to adopt technology in the past, the good news is that it's never too late to start.

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