

SA must rethink hiring models as overseas recruiters hunt local talent

As South African recruiters battle against a stagnant economy and ever tightening client budgets, there are interesting opportunities being created by global demand for SA talent. According to Derrick Carolin, founder and Chief Crayon at online talent platform Crayon, there is huge interest in recruiting South African professionals to work for companies on the African continent, as well as in the US, UK, UAE and Europe.



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"For local recruitment agencies, this demand creates an opportunity to dollarise income for both themselves and their candidates by servicing these jurisdictions using a South African talent pool," says Carolin. "There are always hurdles to overcome in terms of work permits, visas, etc., but the world does appreciate South African talent – both because it is highly skilled and South Africans are generally known as very hard workers."

Within the hospitality sector in particular, Carolin notes that South Africans are known to be very service-oriented and are often head-hunted for client-facing roles. He points to certain jurisdictions, such as the Cayman Islands, that would prefer to deal only with South Africans for key roles.

"There is undoubtedly an opportunity here for the recruitment industry to leverage the positive sentiment and establish a model that could service these jurisdictions," he adds.

With local job prospects looking limited, there is also a strong push factor driving local professionals to search for work abroad; a good opportunity to gain international experience and convert their earnings to hard currency.

Reimagining the recruitment model

For local recruitment agencies to create new models that leverage and capitalise on trends such as the global demand for South African talent, they arguably have to relook their traditional structures and approaches.

According to Crayon's Carolin, the local recruitment industry is facing a multitude of headwinds – and is still using a <u>model</u> that is highly inefficient, leading to exorbitant placement fees.

"Today, one successful hire sometimes comes at the expense of 10 unsuccessful ones," he explains. "This in turn becomes a self-fulfilling prophecy for the justification of placement fees north of 15%."
In addition, South Africa's rigorous labour laws have made it extremely difficult to hire and fire employees – unlike in countries such as the US, where companies are more free to make decisions around hiring and firing and are therefore able to move quickly in the best interests of the business.
"South African employers are quite skittish with regards to pulling the trigger on a hire, as they are aware of the fact that beyond the probation period [of three months], getting someone to leave the company can be very, very difficult," says Carolin.
This results in SA employers looking for what Carolin terms 'unicorns': rare individuals who can essentially fulfil two to three roles at once, and who are 'jack of all trades' as well as 'master of all trades'.
"The search for unicorns can really delay the hiring process, as employers overlook individuals who perhaps tick nine out of 10 of the requirements and could grow into the role over time," adds Carolin.
With 84% of companies claiming to make use of social media for their hiring needs, the industry faces a further threat as tech offerings and a trend towards internal recruiting gains momentum. Rather than buck the trend, Carolin suggests adapting your offering to rather complement it, as evidenced by Crayon's Social option; a means to incentivise your team to source candidates with referrals tracked along the way, thereby leveraging the power of social networks.
Looking ahead, it is clear that the SA recruitment model needs a rethink – and recruitment agencies that fail to evolve will almost certainly miss out on fast-emerging global opportunities.
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