

Blackbirding :- The People Trade.

There has been a huge growth in the recruitment industry in New Zealand over the last 8 years with new people “cold calling” at least once a week. They are plausible, offer great service, money back guarantees, partnerships, etc, but what is the business really about and who are they really representing?

The business is about selling people. The recruitment company in the end is just another retail outlet, it is just that they sell real live people to you. Not hugely unlike the “Blackbirders” of yesteryear who went out and obtained people to sell to other people. Hark, what is that I hear, the cries of the recruitment agencies saying this is a lie, we are different, we treat people with integrity, etc etc. and possibly some do.

Lets look at why people would use an agency. One reason is, and this is from recruiting managers, that they can “blind advertise” the jobs so that any negative perception people in the job market may have about the organisation is sanitised. The “Agency” can lead the individual down the slope of commitment to move, before they are aware of where they will be moving to. This is based on the assumption that once people are committed to move from a job it is much easier to get them to consider a wider range of options. Here the agency takes on an advocacy role for the employing agency. Not a bad thing in itself. My issue is a little more subtle however. I believe that in “dressing the job up” as is done by most agency people I have talked to, the agency puts the organisation at risk of prosecution under the Fair Trading Act if the “dressing up” is a misrepresentation, but also sets up a relationship between the employer and the employee which is based on a lie. Go back to the Blackbird analogy, or indentured labour. “This is a great country to go to, sun, sea, sand, the land of opportunity, freedom etc etc.” However later you find that actually this applies to everyone else but you. Any relationship founded on a lie is not going to last, but maybe as an employee who expects a large turnover rate, this does not matter.

What about the “L.V. Martin” approach. The agency tells you that if the appliance, sorry person, they sell you, does not work they will get you another one. (And don't make the mistake, they are selling you a person, you are going to get a bill at the end of the process that has nothing to do with the cost of their process, it is simply a body cost.) “It's the putting it right that counts”. Sorry people if you buy that one call me I

have a great timeshare opportunity as well. New Zealand employment law will prevent you from managing out a non-performing employee well after the three months “replacement guarantee” runs out. “Oh but we will honour that well past the three months” they will say. If that is the case why do they not put the actual time down in the agreement they will inevitably get you to sign “just so we are clear about what we will each expect of each other in this relationship”. Why say three months when you actually mean six?

And this brings us neatly to the “relationship” they want with you. They do not want a friendship, acquaintance, or a one night stand, they want marriage. They want to be the only person that you will take to the movies ever! They want you exclusively! The problem for me is that a relationship suggests sharing. Sharing both the good and the bad. The opportunities and the risks, and there lies the rub. How can someone outside of your organisation possibly share any risk with you of recruiting the wrong person. Money, I don’t think so, they probably sent you a bill for their services (discounted to a mere 15% of total remuneration package because of your relationship) a couple of days after the individual commenced work. The possibility of visiting Judge Goddard and his worthy colleagues because you got the process of getting rid of the incompetent individual they sold you together? Again I don’t think so, you are the employer and so you will have the pleasure of this experience all to yourself. So ask yourself why would you bother with marriage to one partner when there are heaps of other willing partners out there waiting for the opportunity to court you?

They will give you a robust and reliable assessment of candidates and therefore limit the possibility of you hiring the wrong one. Pause for a moment and think about this. They know your jobs well enough to know about all of the subtle nuances that exist outside of the four or five competencies they are measuring, I don’t think so. They know all of the cultural variables of your organisation and the values which drive them, I don’t think so. Maybe they have a load of great assessment tools which can be used to at least give some sense of reliability to the process. Maybe, but my experience is that if you do not ask for them they will not offer to use them. Pause for a moment and think about this as well. They will get paid the 15 to 17.5% of the salary offer no matter what they do. The less they have to do for you the greater the profit margin for them. Further to this, I have never been tested in any way other than

an interview, (arguably the least reliable predictor of on the job performance) by any agency I have applied for a job through, and there have been a number now. Worse there are agencies out there who will try to blind you with sales talk dressed up as pseudo-psychology. They will tell you that the Watson-Glasser, or Myers-Briggs etc. tests are just the ones for you. Give you lots of psycho-babble to support this but the truth is that they are lying! These tests are not for you for a whole lot of reasons, which any reputable industrial psychologist will be much more able to elucidate for you than I can. These “Blackbirders” want to make their process sound expensive to justify their fee structure, and will use the cheapest product to support this nonsense. One of the “sales lines” I get is that “we have 123,000 people on our database”. Big deal. One of them is me for a start. 122,995 are probably totally unsuited to the job your are looking to fill for a whole bunch of reasons from background, and educational qualifications, through to the fact that they would never want to work in your town or for your organisation. It is like quantity counts in recruitment. Not for me, it is quality every time. I would be more interested in talking to an agency (if I really had to) that told me that they had some form of valid pre-selection process that screened people before they went onto their database and that the screening tools screened for things I needed to see because they were critical to the success of my organisation.

Quality, not from my experience. Remember John Davis? Well he is not the only one that recruitment people have failed to do simple reference checks on. One agency went down because of this only because of the high political profile of the job. At least one other major player is still around that did exactly the same thing to me. No reference check and a major performance problem. We make one phone call and know why we have the problem we should never have had from the start. Testing, another regular player in the market did some aptitude tests for us. I checked the scoring of the tests as I felt that they did not seem right. I was right, 5 out of the 10 scored had the adding up of the scores wrong which meant that they were given a higher percentile rating than the raw score indicated. In another instance we had a report on an individual which half way through the written narrative changed from having the name Joe Bloggs, to Mary Smith! Sorry quality as a reason to use agencies does not wash for me either.

What is left then? Well probably just that managers or employers do not have the resources to do this themselves. This I can buy from the 80% of small businesses that employ 10 or less people but not the major players and Government Departments. They have the resources, often the trained people, and the time to get it right. Why do they not do it? Probably because they either just cannot be bothered with all of the hassle recruiting brings with it, or they are getting an excellent number done on them by great sales people. Hopefully this will change as I see selling people to others somehow morally repugnant, let the people sell themselves directly and get rid of the “middle person”, the likelihood of a positive ongoing relationship between employer and employee is much higher that way.

If bottom line is the issue, take the fee structure alone. If you are a big organisation such as a Government Department and you recruit 20 people a year with an average salary of \$40,000. You are going to pay these “Blackbirders” around \$120,000 in fees alone (they are sure to charge you for disbursements as well). You could have a staff member doing a better job of your recruitment for less than half the price, and still have time to do other HR work as well!