



Recruiting 4.0: What challenges lay ahead?

#GTL2016: conference follow-ups

by Tommaso Grossi

Digital technologies have had a disruptive impact on modern society, particularly on social relations: social networks, online chats and web calls have revolutionized the way to create, manage and enhance our social relations. Moreover, the current worldwide connection creates enormous databases which are an incredibly powerful tool as “[t]oday power lies in networks. Networks are data. Data is power. And data is money.” (Matthew Jeffery Head of EMEA ([Recruiting 4.0](#))).

Applying these changes to the labor market enablers reality, it turns out that recruiting and matching are severely changing due to the new possibilities of virtual interactions. This evolution has been defined as recruiting 2.0, 3.0 and, today, 4.0.

The diversification of such recruiting categories is nevertheless almost fictional: surely there is an important difference between the “ancient regime” of recruiting, consisting in journal offers and physical interaction with the intermediaries, and the recruiting in the digital era. This, however, does not have a clear correlation in numbers: some claim it represents recruiting 2.0, others 3.0. It has been claimed that “[recruiting 4.0 sees recruiting move from being a cost center \(a loss-making division\) to being a profit center](#)”, taking advantage from databases, created as a consequence of social relation empowerment.

As far as the new recruiting era is concerned, **the relevant issue is actually not how to denominate it, but what it consists in and what challenges it entails.**

The spontaneous emergence of social platforms, such as LinkedIn, Facebook, and Twitter, has created new channels for labor supply and demand matching: the only intermediate of such channel is the platform itself, which is self-regulated by terms and conditions whose acceptance is the *condicio sine qua non* of the user’s registration. Therefore, the digital technology of today is not only a faster way to manage information, but it also provides the virtual platform to contact and choose the candidates. As the 2015 [Adecco survey on labor trends 2015](#) shows, 8,4% of the total amount of matching are today done on social media platforms; if the number is not surprising, the trend is constantly growing (it was 7% in 2014).

Because of the increasing importance of social networks, **a new concept has emerged: the digital reputation.** The digital reputation is now vital: people have to understand how important it is to build and maintain their reputation on social networks. Unfortunately, as the 2015 Adecco survey reveals, 35% of recruiters change their mind after seeing the social profile of the candidate, which means that much needs yet to be done.

Social networks are not the only phenomenon of the new recruiting era, as **crowdsourcing platforms represent an important innovation**, too. In a few words, enterprises externalize a project into the platform, usually splitting the project into multiples tasks, offering it to an undetermined crowd of workers/users, who can accept or refuse the “job offer”.

If crowdsourcing and social networks revolutionize the connections between labor supply and demand, **gamification and algorithms have completely changed the selection process.**

Gamification is the application of game-design elements and game principles in non-game contexts. For example, many startups are today using real games to test and verify the attitude and skills of candidates through an algorithm that interacts with the gamer's choices and makes associations.

Gamification and algorithms are not a separated phenomenon from the social network and crowdsourcing: indeed, all social networks use such algorithms to match profiles and crowdsourcing platforms assign tasks taking into consideration the education, training and the previous experiences of the crowd-user (sometimes even through various micro-tests divided into levels, which embodies gamification).

These innovations seem to perfectly work without any external contributions and consequently represent a big challenge for the labor market agencies, both private or public: **will the new recruiting era mark the end of labor market agencies?**

During the International Convention in Bergamo on “The future of Work”, we directly posed this question to Italy's four most important Labor Market agencies: Adecco, Gigroup, Infojobmetis, Randstad. (to look in depth: [D'Ascenzo, A., Cosa intendiamo quando parliamo di recruiting 4.0. Le agenzie per il lavoro a confronto, Bollettino ADAPT, 21 November 2016](#)). The answer was totally clear: certainly, such changes determine huge challenges, but they simply demand an evolution of labour market enablers.

First of all **crowdsourcing platforms and social networks are themselves labour market intermediaries.** Indeed, labour market agencies are diversifying their business as to include such new intermediation instruments: as an example, they are financing innovative start-ups on matching and recruiting.

Secondly, not all people are enthusiastic or comfortable in using the social network, which means that there are several potential good candidates, defined as “passive”, which should be reached by labor market enablers.

Last but not the least, **the “human touch” is irreplaceable:** even if it can be limited in the new recruiting era, it still maintains an important role, not only because algorithms can always have a margin of error but also because of the fundamental importance of understanding how the candidate relates to people.

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