

December 23, 2020



Building the future of work together

How blockchain technology will support the private employment services sector in connecting people with work

By John W Healy

Tag: #blockchain #technology #futureofwork

Workforce solutions companies are increasingly realising the potential of blockchain technology to enhance the way in which they provide services and reduce friction in the processes of connecting people with work.

Each year, some 58 million people around the world successfully enter and re-enter the workforce through private employment services. Our industry has an obligation to ensure that the experience is both a positive and trusted one for all parties involved – candidates, workers and employers. The secure, private, decentralised nature of blockchain solutions makes them well positioned to potentially mitigate both inefficiency and fraud within the process.

The traditional way of verifying a jobseeker's credentials can be time-consuming for everyone - as well as costly to employers and intermediaries such as staffing firms. Each time they apply for a job, candidates must go to the trouble of providing credentials and documents. In our experience, it is not uncommon for people to enrol with multiple companies when they are looking for a job, which only serves to exacerbate the problem. The whole process takes time and is often prolonged by the need for third-party verification – such as in the case of checking credit status or verifying professional licences. Doing this multiple times also raises the risk of inconsistency and even fraud.

Blockchain technology can ensure that the entire recruitment process runs more smoothly - from managing the initial application - through to validating candidate credentials related to education and work experience - and eventually to the final drawing-up of contracts. It delivers speed and efficiency for everyone involved and, at a foundational level, it offers the opportunity to redesign a process that is based on outdated approaches and communication protocols, leading to significant improvements in time to productivity for employers, and in the time from application to pay check for workers.

Blockchain also offers unique capabilities to enhance data privacy and data sharing across the ecosystem of solution providers involved in connecting people with work. Verifying jobseeker credentials is a perfect example of a process that is vulnerable to both.

Data protection laws have strengthened across different regions and jurisdictions in recent years, and our industry has had to acknowledge this fundamental shift and move with the times. While collecting personal data on individual candidates and workers is an unavoidable element of the business in which we operate, we fully recognise that this information always remains the property of those individuals.

An absence of standards in the way in which data is collected is consistently identified as contributing to inefficiency in the whole hiring process. This can result in a bad experience not just for candidates and potential employers/clients, but also for the staffing and recruitment agencies themselves.

With the advent of blockchain, there is now a technology mechanism that affords us the opportunity to streamline many elements of our business – from data privacy through to the worker and customer experience. Our industry is responding by working together to define standards for how the technology can be leveraged in the best interests of all stakeholders.

The World Employment Confederation Blockchain taskforce, established last autumn, gathers players from across our member companies to work together and recommend a common set of worker data that can reside on a block. Representatives from members including The Adecco Group, GiGroup, Kelly, ManpowerGroup, Randstad, and RGF Staffing are developing guidelines, best practice examples and use cases for a data block that can eventually be used by agencies, candidates, workers and others across the industry, and will ultimately make it easier for people to enter and re-enter the workforce.

In our industry, the use of blockchain technology is still relatively new, and we are interested to see the direction in which it will develop in the coming years. While it may not be adopted widely in the short term, it is nevertheless important that we take collective action as a sector now and produce a standard that provides guidance to all users as the technology grows and becomes implemented more widely.

With the sourcing of talent becoming increasingly challenging in many territories and skills areas, those organisations who take the plunge in developing blockchain-based credentialing technology could reap the benefits and gain competitive advantage. By ensuring that these processes are governed by a common set of standards that are in the best interest of all stakeholders, we can deliver a positive impact for our sector, our individual businesses and for society as a whole.

If you are interested in learning more, or in participating in the WEC Blockchain Taskforce, we will be meeting virtually in May, and welcome your participation.

John W Healy
Vice President & Managing Director, Office of the Future of Work,
Kelly and chair of the World Employment Confederation Blockchain taskforce
 @unclejunkmuses