

GFMD Business Mechanism

Business committee on RESPONSIBLE RECRUITMENT

Concept Note

International labour mobility is a way for workers to take advantage of employment opportunities they might not find at home, and for companies to attract skills and talent that might not be available in their local markets. Recruitment is often the first entry point in the labour migration process – and in the case of cross-border recruitment, special attention must be devoted to the most vulnerable people. Therefore, companies recruiting abroad, as well as recruitment agencies supporting their clients to find the right talent, should ensure transparency in their labour supply chain and ensure that all recruitment activities are performed in accordance with ethical recruitment principles and local legislation. In this way, recruitment agencies and companies should be better able to mitigate the potential risks of unforeseen links to forced labour, child labour or human trafficking.

Such risks could escalate to human and labour rights violations, which have implications for the protection and welfare of the recruited workers, as well as for the image and reputation of the companies and employment agencies involved. It is essential to differentiate the ethical and compliant players from rogue recruitment agencies and employers that make a profit at the expenses of workers' fundamental principles and rights at work.

There is a clear business case for responsible agencies and companies to uphold fair recruitment practices, where the safety and dignity of the workers are at the centre of the recruitment process. Simply put, recruitment agencies and their clients that anticipate and manage potential risks responsibly will enjoy more profitable and sustainable business operations in the longer run.

Firstly, compliance with the law is a primary duty of all enterprises. Non-compliance risks involve huge administrative and legal costs, as well as reputational damage that can result in business-destroying impacts. Avoiding such damage is essential in a world where news spread in seconds. It can take years to build a reputation and probably less than 5 minutes to destroy it. Ethical, fair and compliant recruitment also brings market incentives and advantages. Clients and business partners increasingly demand their supply chain to adhere to highest standards by making them commit to Supplier Code of Conducts as well as through sustainability assessments and audits by third parties. It can also ensure that vacancies are filled by candidates chosen through a competency-based or merit-based practice, rather than by selecting those who can afford to pay or who are most vulnerable. Competency based hiring contributes to investment in education by governments and companies as well as fosters global labour mobility and ensures that employers get the right person with the right skills for the job within the right time frame. This brings the added benefit of higher retention rates and can decrease the need

for ineffective recruitment. Workers recruited in an ethical and transparent way with fair wages and safe working conditions are clearly more engaged and therefore productive.

Embracing responsible recruitment practices can be done in many ways, looking at the principles of the [World Employment Confederation Code of Conduct](#), or joining one of the many voluntary initiatives that promote fair and ethical recruitment.

Nevertheless, although business has the responsibility and duty to respect workers' rights throughout the recruitment operations, companies alone cannot solve the problem of unscrupulous recruitment practices. They need governments to adopt and enforce the appropriate legal and regulatory frameworks. For example, too many countries lack effective regulatory frameworks to set the ground rules on who can operate as a recruitment agency and under which conditions.

This landscape becomes even more complex when the recruitment process involves multiple countries with various migrant workers protection standards, as well as varying standards for licensing agencies.

For this reason, action from governments is essential, in order to address legal gaps or practices that have become embedded in local culture. At the same time, local or national regulation and implementation is too often ineffective, counterproductive, or simply not well-enough enforced. This can result in increasingly burdensome requirements placed on responsible companies, while at the same time allowing for non-compliant actors to find loopholes.

Existing international standards, such as ILO Convention 181 for Private Employment Agencies should serve as an exemplary of instrument to create a level-playing field for the responsible players in the industry while eliminating rogue operators.

Robust multi-stakeholder action to devise and implement voluntary initiatives can also help fill this regulatory gap. For example, employers are working with IOM to develop IRIS - the International Recruitment Integrity System. IRIS is an international voluntary ethical recruitment framework that will benefit all stakeholders in the labour migration process. IRIS will provide a platform for addressing unfair recruitment and bridge international regulatory gaps governing labour recruitment in countries of origin and destination.

In sum, by committing to ethical recruitment principles, participating in multi-stakeholder initiatives, and advocating for appropriate national legislation and regulation, companies can demonstrate their commitment to adherence with legislation governing the recruitment and employment of foreign workers, as well as demonstrate how they prevent forced labour and labour trafficking in their supply chains. This mitigates reputational risks and is the right step to maintain or increase competitiveness and productivity in the long-term.