

When in Rome, Recruit Like the Romans Do: An Environmental Scan of the European Recruiting Landscape

A comprehensive review of the cultural and philosophical differences of leading corporate recruiting functions in Europe.

By Jeremy Eskenazi, Managing Principal, Riviera Advisors

One of the hardest flights I ever took was from Los Angeles to London Heathrow 15+ years ago. It was one of those quick turnaround trips where I flew 9-10 hours for a morning meeting and then turned around and came right back. I'm not a fan of those trips, but that's not what made it hard. What made it hard was I was traveling with my "tail between my legs." I was going to admit failure, and all I kept asking myself was, "How did I let things get this far?"

At the time I was the U.S.-based head of global talent acquisition for a global media company, and I was meeting with the general manager of our UK-based European music division. The division had a need for a new head of human resources. For several months prior to the trip, despite the UK division's pleas to follow some of the local recruiting protocol, I, as head of talent acquisition sitting in Los Angeles, insisted they do things our way. I thought I knew better. Since they didn't have a recruiting department, they insisted we rely on an outside, third party agency. Nonsense, I responded. We have more than capable recruiters in the U.S.; let's handle it for you our way.

"Let's at least pay an outside agency to place an ad to generate CVs," they suggested.

"Why would I do that," I replied, when we can identify potential candidates and just call them directly ourselves? They were appalled. "You can't do that," they explained. "We don't call people and directly recruit/source from other companies."

Back and forth it went. What's worse, even though there was an eight-hour time difference between us, I did not have the courtesy to set up conference calls on their time. Since I was sitting in the U.S.-based headquarters, I eventually got my way and threw up many hoops for them to jump through. Thus, when we landed at Heathrow after several

months of failure doing it my way, operating from the common American perspective that the world revolves around us, I wished the drop in my stomach was as soft as the thump of our wheels touching the ground. It wasn't.

In my experiences as a global corporate recruiting leader, and now as the head of a management consulting firm that works with organizations all over the world, I've had a lot more experience with the many countries in Europe and throughout the world, since that experience more than 15+ years ago, and it has reinforced what I learned during that experience many years ago: In Europe, there are significant cultural, legal, and regulatory differences from how recruiting is

done in the rest of the world. The only way to be effective is to be sensitive to them on a country-by-country basis.

To be sure, there are values, philosophies, and some processes that can be shared across an organization, globally. But to be an effective head of talent acquisition for an international entity, and to service internal clients in various, diverse regions around the world, you have to be sensitive to the differences and similarities in different regions and countries. *You can think globally but you must recruit locally*, and that has never been more true than in Europe.

The biggest mistake anyone can make when it comes to considering recruiting throughout Europe is to consider Europe as one place and not a collection of independent, individual countries.

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Thus if I'm a head of talent acquisition and I have significant operations in Europe, what do I need to know to be effective in today's fast-changing, European recruiting climate?

To begin, the most fundamental mistake that many make is assuming that all countries in Europe are similar or the same. But thinking that Italy is similar to France simply because it's close by and they're both in "Europe" is like thinking the United States of America is similar to Mexico because they're both part of the "Americas." In fact, it's probably best not to think of it as "Europe" but rather as whatever country you're thinking of it as. Second, the good news is there's a lot of change happening right now in Europe that is mirroring some of the changes that occurred in talent acquisition in some of the recent adopters of the most sophisticated corporate recruiting environments several years ago. But to understand that, we need some historical context for how recruiting has evolved in Europe.

European Corporate Recruiting History

Though as I said before, any generalization I make about all of Europe is bound to be wrong (and disrespectful), there were in the past some customs and approaches that seemed to be shared by many countries in Western Europe and the European Union. For starters, the idea of a recruitment function as part of human resources is still, to this day, relatively new to many companies. Because the HR generalist was placed in charge of all things HR, and they didn't always have specific recruiting expertise, hiring managers would often look to outside, third-party agencies for their needs. In addition, before the spread of technology, many companies and job seekers alike had developed established patterns of connections.

According to Roel Lambrichts, head of talent acquisition, Europe, Coca-Cola Enterprises, "Lots of recruitment used to be done through networking and referrals. And the referrals were really limited to the contacts of people at the company, and tended to be limited to the 'old boys network.' In addition, you had to write a handwritten motivation letter (that it was handwritten was important!) and send it, together with your CV, to the personnel manager."

Lambrichts continued: "Lastly, most companies had HR managers who were responsible for all HR for the compa-

ny, including recruiting, and would only start to look for candidates when there was a 'burning platform.' Thus there was very limited proactive recruiting or candidate generation for the talent pipeline. In addition, due to time pressures, outside agencies were often asked to perform recruiting, which is a costly model."

In addition, a cultural "holdover" that dates back to the 1960s is the use of storefront or "High Street" employment agencies, especially for lower middle-to-entry level roles. These are employment offices that display job openings in their window. These agencies originated back when the employment rate was so high, companies had to physically go to the street to grab walk-in traffic. With respect to lower, entry-level, and technical roles, these agencies are still in use today.

Moreover, throughout many parts of Europe, candidates were generated primarily through placing advertisements in newspapers, a process called Advertised Selection. According to Martin Percival, currently Group HR Director, StepStone (a premier HR technology services company providing products and services to manage organization's talent), "Back in the 1990s, companies used a large number of 'selection agencies.' These companies required clients to pay for large employment advertisements in major print publications in Europe, and they would then screen all of the CVs that were received. You paid a high fee for this service (often 25%—not far off what a regular retained search would cost). The reason that companies used these services was primarily cultural—it was still rare for organizations to actually have dedicated internal recruiters. In addition, they did not have the tools and resources to read and screen all of those CVs."

"Thus recruiters were highly dependent on certain key print media titles, such as the *Sunday Times* and *Financial Times* in the UK and *Suddeutsche Zeitung* and *Frankfurter Allgemeine Zeitung* in Germany. Unfortunately, this approach was generally not considered to be good value for the money, given the high advertising rates and few discounts these publications would afford."

Percival reaffirmed that a large part of the job-transition process in the past was controlled by third party agencies, which were "relied upon to varying degrees across a highly diverse European recruiting space."

Many candidates now skip job boards initially.

Technological and Cultural Change Shifts Recruiting Philosophies

So what has happened since then? Many things, but in a word: technology. The technological breakthroughs and developments we've seen around the world have had the greatest impact on how recruiting has evolved throughout the countries in Europe. To be sure, that's not to say that it's the only change that has occurred. Two others—the increase in globalized, multinational companies (and their need to be competitive) and the political changes that led to the political formation to the current European Union—have had an affect. But none has been as dramatic as the developments of technology and the ubiquitous nature of our access to information through the click of a mouse. Again, to appreciate this, see how things have evolved over time.

“Post Y2K an incredible amount has changed in the recruiting world,” notes Martin Percival. “I suspect as much has changed in the past 10 years as in the overall 20 years prior to that. In the mid- to late-90s, the first recruiting human resource information systems came into play, with the advent of Resumix and Restrac in the U.S. and Bond Adapt, Mr. Ted, and iGrasp in Europe. As a result, automated candidate and talent pools really started to emerge, which meant that recruiters didn't have to start virtually from scratch with every new recruitment campaign. In addition, they could see what was available to them in the database in terms of suitable candidates and profiles.” “The rise of Internet job boards, like Monster and StepStone, also had a big impact. Over the past 10 years we've seen the majority of people now willing to apply for even relatively senior roles through the web—via corporate career sites, as well as job boards.”

Coca Cola's Roel Lambrichts added, “Since the arrival of the Internet, it has become much easier for corporations to source candidates themselves instead of turning to agencies. In turn it has created a paradox: on the one hand, with the variety of options available (job boards, social networking sites, trade publications, etc.), you can source in a much more targeted way; however, this array of options also requires you to think through the sourcing plan to make sure it's the most appropriate and efficient one for each specific vacancy.”

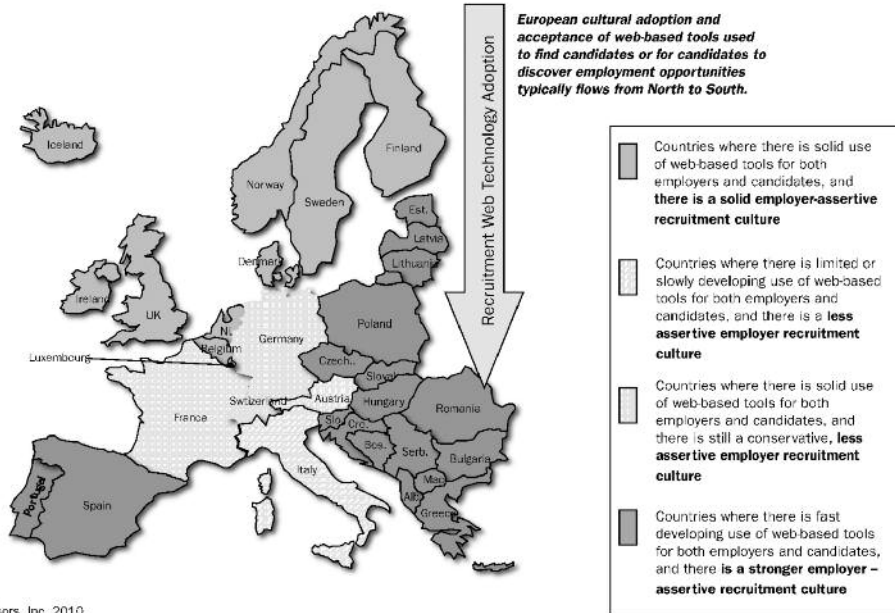
The idea and practical realities of pan-European recruiting, and a pan-European recruiting function, are at best conflicted and complex.

Thus as Lambrichts points out, the development of technology (as well as the desire to lower costs) has empowered companies to develop internal recruiting mechanisms and expertise in-house. Indeed, a large part of the job transition process is still controlled by third party agencies, such as search firms, employment agencies, etc. But the increase in the use and adoption of technological tools by both candidates and companies has increased the variety of recruiting options available to everyone involved. In effect, this has been a boon to both client and vendor. As Percival points out, “While the world has changed enormously for agency recruiters because search is used far more widely than ever before, many more companies have built up increasingly sophisticated recruiting teams and capabilities in-house.” To this end, generally we've seen a greater adoption of direct and web-based recruiting techniques and approaches in the north and less so as we move south. For instance, as Percival notes, Scandinavian companies in Norway, Sweden, and Denmark, were amongst the first to really leverage the Internet for recruiting. And even today, recruiting in France and Italy and much of southern Europe is still not as web-enabled. (See Figure 1)

Similarly, we've seen a faster adoption of internal recruiting mechanisms (direct sourcing, etc.) and the use of technology in Eastern Europe (where they're not as concerned with the old norms and using third party agencies) than in western Europe.

I believe the idea of a much more solidly web-enabled recruitment process (where both employers and prospective candidates at all levels leverage web-based tools to find and fill jobs), as well as a more direct and assertive external recruitment profile on behalf of employers flows from north to south in Europe. But there are several factors that contribute to this, such as cultural norms and local laws. Most important, as I've mentioned, every country is different. Thus while technology has undoubtedly had the greatest impact on the growth and development of recruiting throughout Europe, the rise and spread of global, multinational companies, and their competitive needs, has also played a significant role. Perhaps the most important factor in this development is cost: As multinational companies grow, their need to recruit talent more efficiently and, most importantly, in a cost-efficient manner increases. This in turn has been a primary driver of the development of in-house recruiting

European Recruitment Culture and Web-Enabled Recruitment Adoption



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departments and specialties that are distinct from general HR. This development was relatively new to even the most sophisticated recruiting departments 10 years ago, so it's still new to many companies and countries in Europe to this day. Some large, but mostly medium and small, companies still do not have in-house recruiting departments. But multinational companies have a need to get the best talent faster and in a less costly manner and, as a result, it's more efficient to recruit themselves when they can.

This is an example too of how one development can become linked with another, and the two can feed off of one another. In this instance, as technology has improved, it has enabled in-house recruiting capabilities to flourish; and in turn, as multinational companies have spread, their desire for in-house recruiting has increased. So each feeds off of the other. To underscore this, StepStone's Percival points out, "Technology has helped speed up the recruiting process massively in the past 10 years. Whereas before, candidates and agencies faxed CVs, today they email or submit them through postings. This more efficient process has also led to greater expectations on the part of both candidates and managers in terms of speed of response and hiring."

Percival continues: "The increased focus on costs asso-

ciated with recruitment has also led companies in Europe to a greater awareness of the importance of internal mobility. Internal job boards make the whole process of applying for internal roles far easier and simpler for existing employees. This helps an organization make the most of its resources by retaining scarce skills whenever possible and helping to minimize the risk that is often associated with hiring people from the outside. In addition,

companies have seen the wisdom and value of 'buy backs'—adjusting the compensation of an employee, where possible, who is a potential leaver rather than having to replace them outright."

Thus, while technology and the rise of multinationals have had the biggest impacts on recruiting in Europe in recent memory, any discussion about European recruiting would be incomplete without addressing the importance of the political changes that occurred through the formation of the EU and how that has affected recruiting throughout the region.

"Pan-European Recruitment"

Specifically, the formation of the European Union undoubtedly made it easier for multinationals to spread across Europe and cross borders. Similarly, the barriers for the citizens of the EU states to work in different countries have gradually been lowered. As has been noted, though in theory the barriers to working across much of the European Union were removed in 1992, it has only been in the last 10 years that far more people, other than recent university graduates and very senior executives, have been prepared to uproot themselves to live and work in another European

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country. Prior to that, other than the Irish, Dutch, and a few others, it was uncommon to see other European nationals in the labor market outside of their home country. However, the idea and practical realities of pan-European recruiting, and a pan-European recruiting function, are at best conflicted and complex. As I've reiterated a number of times, the biggest mistake anyone can make when it comes to considering recruiting throughout Europe is to consider Europe as one place and not a collection of independent, individual countries that happen to be located next to one another. Europeans should understand the strong sense of nationalism throughout the region, and that a fatal approach would be to consider it "the United States of Europe." It's the truth behind this sentiment that makes pan-European recruiting so challenging.

Another challenge to successfully running a pan-European recruiting function lies in managing an array of recruiters across a diverse geographical and cultural landscape. While there are some tools, philosophies, and selection methods that can be shared across a company, to require a recruiter in one country to hew too closely to the style and approach of a recruiter (or boss!) in a different country is challenging their sense of nationalism and asking for trouble. According to Percival, "The ideal scenario is to have local recruiters who are capable of and committed to recruiting to the internationally agreed company standards and who use the company-wide adopted software tools and selection methods."

"Anyone who has recruited in Europe for any length of time will have learned very rapidly that local knowledge and capability is vital and that the approach to the recruitment challenge varies enormously from country to country," says Percival.

To this end, there are cultural, legal, and language issues that make any notion of easily recruiting an individual from one country to another remote at best. Along these lines, even if one country is a half hour's drive from another, the metaphorical recruiting "fences" along the borders can be tall. For instance, culturally, what might work in one country (such as calling or sourcing directly) may be considered crass or unacceptable for its next door neighbor. Then there are the language differences, which cannot be overlooked. As if that weren't enough, there also are differences in laws

and regulatory compliance from one country to the next. Even within countries, there are local laws related to work councils and unions that complement national labor negotiations. Thus, as has been succinctly noted, recruitment is still a very localized activity with many pitfalls for the unwary recruiter from abroad. However, companies can and do have successful pan-European recruitment activities, as long as they adopt an approach that balances a corporate philosophy, strategy, and technology with specific local needs.

"Having a pan-EU function makes sense in terms of expertise development, system use, and overall talent acquisition strategy," says Roel Lambrichts from Coca-Cola Enterprises. "However, you will always need local recruiters on the ground when you are recruiting at operational levels

to be able to present high quality, finalist candidates. With executive levels, having a central EU or even global function may work quite well. On the lower levels, due to language constraints, candidate proximity, and knowledge of local labor market/sourcing trends, and understanding the business needs, I prefer recruiters to stay local. So overall, the best approach is to keep organization, strategy, and system development central and operational talent acquisition activities and candidate/business contacts local."

Percival reinforces this notion by adding that "the ideal scenario is to have expert local recruiters who are capable of and committed to adopting the internationally agreed company standards and who use the company-wide software tools and selection methods."

Percival gave an example of the challenges of a recruiter from one country recruiting a candidate from another. "In the past year I have coached colleagues from the UK on making sure they probe firmly for package details of Dutch candidates (they will tell you what they *expect* to earn typically—not what they *currently* earn); and that a part of the deal negotiation with Danish candidates is how many newspapers and magazine subscriptions the company will pay for—much to the incredulity of the UK and U.S. recruiters!"

He concluded that recruiting from one country to the next can be very challenging and is more likely to work on sub-regional basis (Benelux, Germany/Austria/Switzerland, Nordics, etc.) than across the whole of Europe.

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Key Tips and Tools for Leading Recruiting in Europe

A recent StepStone Solutions talent report called “Companies at a Crossroads,” written in cooperation with the Economist Intelligence Unit, indicated the following: “After two years of uncertainty, 2010 offers renewed optimism about prospects for economic growth. Although a recovery is welcome, it is the start, not the end, of a new journey. The post-recessionary environment will see companies at a crossroads, where critical decisions on managing talent will need to be made. The message from the survey of global executives ... is that businesses must concentrate on people and on their business talent—and do so urgently.”

As a result, successful recruiting and talent acquisition in Europe has never been more vital to a global company. Given where things were and how far they’ve come in Europe, let’s talk about tips, tools, and techniques that will enable talent acquisition leaders to manage recruiting across Europe most effectively.

To begin, some basic, fundamental relationship-building is key. To this end, traveling to the region and having some personal face time is important (ideally, unlike my experience 15 years ago, *before* you hit bumps in the road). Demonstrating your desire to listen to colleagues in the region and understand their business and talent needs in person is critical. It shouldn’t be done via the phone or email. Second, considering each country in Europe on its own terms (and recruiting locally) is not only an important mindset and approach; it extends to systems and processes. Don’t assume that systems and processes designed for one particular region will work in Europe (or even ones designed for one country in Europe will automatically work for another in the area). Be prepared to adapt them, at least to a degree, to allow for local differences.

It’s also recommended that application processes generally be kept simple, with as few clicks as possible. Candidates are used to using simple and well-designed websites for e-commerce purposes. They will not have the patience to follow a clunky web-based job application process. Thus websites are key. A company has to have a high-quality careers section of their corporate site—or even a microsite. Applicants—whether direct or via other sources—will review

the careers pages and recruiters can save a lot of valuable interview time if many of the typical FAQs have already been answered via the careers pages. Job boards will inevitably evolve fast in the coming years. Many candidates now skip job boards initially and go straight to search engines like Google to search for their desired role. Search Engine Optimization is therefore increasingly important. As Percival notes, “At StepStone three years ago we had a position for a temporary Berlin-based English-speaking paralegal. A candidate based in the UK, a German national who was looking to return to Germany for a few months, searched through Google for the role she was looking for, was taken to the StepStone posting for the job, and successfully applied. Her

route to the job posting was undoubtedly different than it have made been just a couple of years earlier.”

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However, with improved technology and access come challenges. Undoubtedly, the web has made the process of finding candidates far easier, where the required skills are scarce and work permits are available; the challenge, however, is companies can now expect to receive job applications from literally all around the world, and there is the real risk that potentially hundreds of people may apply for certain roles where either the employer does not need to bring in talent from abroad or where the odds of

receiving a work permit are minimal.

Social media is also a vital and emerging tool these days (although outside the U.S. there is little evidence as of yet that it has been used very successfully for direct sourcing). LinkedIn is now very powerful, as is Xing in German-speaking countries or areas (of Germany, Austria, and Switzerland) and Viadeo in France. Many companies are still not making the right use of social media and many fail to appreciate how effective a candidate’s personal marketing page can be on the web.

The following are some additional recommendations for improving talent acquisition activities in Europe (that can also be applied to an organization’s recruiting activities overall):

- Tailor to each culture/country—as has been mentioned, recruiting cultures and what’s accepted as recruiting norms vary from country-to-country and region-to-re-

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gion. There is no “one size fits all.” Thus understand what makes the recruiting culture unique in each country or region that you work and customize your approach to address those needs.

- Tailor to each candidate pool—because various countries use the web and technology in different ways, tailoring your specific message to candidate pools helps get the word to them, irrespective of whether or not they have access to the web. Since not all countries use the web as much as other parts of the world for recruiting, this will enable you to achieve a greater consistency in your recruiting.
- Tailor your technology to each culture/country—remember each country or region may have its own unique tools to identify where the candidates you seek are lurking. Know some of the specific gathering places. Some include typical social networking and media networks...but others include other unique applications, such as Xing for example, which is much more widely used in German-speaking countries than LinkedIn for professional social networking.

There are tried-and-true tips that apply to all organizations around the world, but especially in Europe:

- Train your hiring managers. Management development has not gotten a lot of attention in many businesses in the past 10-plus years, and even some of the best managers need training in effective recruitment. Some hiring managers need significant coaching and guidance: to get the right end result, they need to give the right brief to recruiters. It may seem obvious to you. It’s not to others. This is especially key in European environments.

- Employee referrals have taken something of a back seat in the past two years due to the economic downturn, but their time will return. Continue to actively promote them and ensure that they have a positive image and reputation that is marketed well internationally and company-wide. They are a relatively rare example of a sourcing methodology that typically works well across the whole of Europe.
- Job descriptions have changed significantly in recent years. Good ones now are far more useful, and good ones really do *describe* the job—not simply follow a formulaic template that hiring managers see as needed to “keep HR happy.” The right key words and searchable terms are vital to attract the type of people with the required skills and experience. Ask the people doing the role well currently how would they describe the job.

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Though recruiting in Europe has changed significantly over the past several years, there are still complexities that are unique to its composition of so many different countries residing in such a small space. Many of those challenges and cross-border barriers will remain until other changes (political and otherwise) occur. In the past, recruitment in many countries and companies in Europe may have *appeared* to outsiders to be less advanced than other regions of the world. Things are changing fast! As technology continues to evolve and become ubiquitous; as multinationals continue to grow and seek efficiencies and cost decreases; and as neighboring countries in Europe continue to lower the barriers to working together, the whole of Europe, including its many individual countries and companies, will indeed be on the cutting edge of the recruiting universe.



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