



# The Future of Recruitment

How technology will empower  
recruitment agencies to work  
smarter

White Paper

[www.etzpayments.com](http://www.etzpayments.com)

# Welcome to the fourth industrial revolution

Recruitment agencies need to be dynamic in order to thrive, which means constantly reacting to changes in the market, within their clients' businesses, and in the workforce.

Technology is critical to keeping up with this change, enabling recruitment agencies to innovate at the pace that our sector demands. It is the bedrock of what experts call the 'fourth Industrial Revolution', where the digital and physical worlds have become blurred, and we are using machinery to make us more efficient and effective at what we do.

So just where is the recruitment industry heading, and what technologies should recruiters be backing in order to stay ahead of the curve?

As a leader in recruitment technology since 2001, ETZ is always looking for new recruitment tools and processes that help agencies to work smarter – and we want to share our knowledge with you in this whitepaper.

Read on to discover how technology is shaping the future of recruitment, including key trends that you need to watch closely if you want to keep expanding your business.

*Companies are seeking to harness new and emerging technologies to reach higher levels of efficiency of production and consumption, expand into new markets, and compete...for a global consumer base composed increasingly of digital natives.*

*- World Economic Forum*

# AI and smarter talent searching

When analysing the future of recruitment, there is no better place to start than Artificial Intelligence. AI has been a big technology buzzword for a few years, but it's only now that we're starting to see the positive impact that smart technology is having on recruitment businesses.

There are a few areas in which AI is drastically transforming recruitment processes, but its most dramatic impact will be felt in talent searching. Here are some of the examples we are already seeing:

**Advertising** – recruiters are beginning to introduce augmented writing tools, which analyse word patterns and sentence structures in job adverts. This data is matched to click through rates, to determine which layout generates the best response – so adverts can be dynamically adapted across channels and websites.

**Shortlist qualification** – a growing number of recruiters are using AI chatbots to ask basic questions to potential candidates, qualifying their interest and suitability for a role. This means the least appropriate applicants can be filtered out automatically, sending only the strongest candidates through to interview.

## A match made in algorithmic heaven

Another area in which AI is proving pivotal is candidate skill matching. People looking for new opportunities can upload their CV, and an AI algorithm will scan each of their profiles to identify important data such as their location, qualifications, experience and key strengths.

When a client identifies a new job opening or a gap in their skills base, recruitment agencies and end clients will be able to match their brief against the data from candidate profiles saved online to create a best-fit shortlist for that role. Not only is this significantly quicker than reviewing CVs manually, it ensures only high-quality candidates are put forward for vacancies.

The most exciting part of this approach is that AI has an iterative learning capacity, meaning it becomes smarter each time it completes a data crawl. This means talent searching technology will get even better with each use, enabling recruiters to produce stronger and stronger outcomes for your clients. It's a match made in algorithmic heaven.



*48% of global employers say talent shortages are their biggest challenge - Glassdoor*

# Blockchain, data control and the new role of recruitment agencies

AI-driven technology is part of a wider movement towards using data to make smarter decisions, and this will only become more prevalent in the recruitment industry. However, the nature of data-based relationships will change.

At the moment, the services that collect data are in control of sensitive information, rather than the person who owns that data. In the future, this balance of power will be reversed – spurred on by legislations such as GDPR.

Technological developments like the blockchain are enabling users to have complete authority over their personal data, so they can choose where it is stored, who can see it and for what purposes. This is because the blockchain is decentralised, so no single source has complete control over data, and any information stored on it is encrypted for restricted access.

At some point, recruitment technology will catch up with this data evolution and more providers will use blockchain services to give information authority back to the data holder. As a result, candidates will start controlling the recruitment relationship – not recruitment agencies, who will instead assume more of a talent agent role, negotiating contracts on behalf of your contractors.

*Rather than yielding our most sensitive information to every...platform we interact with online, we could instead store it in a decentralised ledger, free from a single point of failure.*

*- The Guardian*

# Generation Z, the new kids in town

One reason that technology is so critical to recruitment innovation is that the workforce is changing, as the first generation of true digital natives start their careers.

Generation Z – the name for those born in the dot com era, from the mid-1990s onwards – is unlike any employee demographic that has gone before.

Their digital and physical worlds are indivisible; they use technology intuitively and are quick to grasp new concepts; and their connected existence means they are 'always on'.

As a result, Gen Z offers a completely different set of ethics to established workers, which recruitment agencies will be increasingly leveraging to bring fresh energy into their clients' businesses.

Equally, the digitally-driven nature of these young workers means they have strong abilities in emerging areas, addressing the skills gaps that companies are struggling to fill with older professionals.



*65% of Generation Z employees are happy to be contacted outside standard working hours – twice the number of older professionals - Talent Works*

# Flying the Gen Z flag

The biggest challenge that recruiters will face tapping into the Generation Z talent pool is overcoming the attitudes of your clients. Many companies still judge candidates' potential on the length of their CV, rather than the raw skills they have to offer, but this is changing

The AI-driven digital search hubs that we've already discussed will directly support agencies that want to work with Gen Z, as they highlight key skills, rather than focussing on the number of years' experience that candidates possesses.

This will help relatively inexperienced workers play to their strengths in the recruitment process, whilst also meeting the expectations of the traditional working world.

By showcasing the USPs of younger applicants, recruitment agencies will have won half the battle, and you can then educate clients on further benefits of employing Gen Z workers. Despite their relatively short careers, this group is a blank canvas, hungry for success, with strong digital skills and a natural resourcefulness.

*Gen Z have a 'do-it-myself' mentality and entrepreneurial spirit. They've grown up turning to the internet, YouTube and their global peer group for answers. They've watched people their own age create successful companies. This independence and entrepreneurial view is carrying over to the workplace.*

*- Ernst & Young*

# Automation comes of age...

It's not just the relationships between candidates, clients and agencies that are evolving. In the next few years, seismic shifts will also take place behind-the-scenes in the recruitment industry.

Automation has already had a massive operational impact on many agencies, and the adoption rate for automating technologies will increase rapidly in the years to come. Many of the manual processes that are commonplace within agencies currently will cease to exist in a decade's time.

Industries like FinTech are setting the standard in innovation, but progressive recruitment technology companies are watching how these sectors are using automation, and applying it to their own development strategy.

*Automation raises the premium on high-order cognitive skills in advanced and emerging economies. - World Banking*

## ...and kills off manual operations

One big recruitment industry change will be a move away from technology that focusses on a particular function to offering a suite of cognitive services.

Rather than taking people's jobs, tech companies are looking at where automation can replace repetitive tasks, joining-up processes in a way that makes a big difference to a recruitment agency's bottom line.

ETZ has already broken significant ground in this back office space, taking the operational burden away from staff and letting machinery do the heavy lifting. By streamlining processes and putting automated workflows in place, we are enabling recruiters to get the right resources to your clients quicker, enhancing your relationships.

Not only that, our software is handing paperwork demands – such as timesheet and invoicing management – over to technology, so staff are free to focus on the things they do best. It's the perfect marriage of technology efficiency and human skill, while cutting the time and cost of running your recruitment back office.



*ETZ Payments cuts back office costs by up to 85%*

# Taking the pain out of payments

Automating technology not only enables recruiters to run more efficiently, it has the potential to change working models – and the most powerful example of this is payments.

Instead of paying temporary and contract workers weekly or monthly, agencies will be able to use technology to seamlessly check, approve and send contractor timesheets on a daily basis. This capability can be paired with blockchain technology to ensure that secure payments can be made and processed in real-time for work completed that day. Imagine that – being paid every day you work!

Daily payment has positive benefits for all parties involved. Contractors will see the fruits of their labour quickly, helping them to stay motivated. Meanwhile recruitment agencies will receive a significant cashflow boost, and put an end to business-destroying 30-day payment terms.



*ETZ is working on this exciting new technology. **Contact us** to find out more.*



# The recruitment revolution has already begun

As our whitepaper shows, the right technology can positively change the future of growing recruitment agencies in multiple ways.

Firstly, it enables companies to work smarter and get better results, ensuring return on investment.

Secondly, it gives recruiters the opportunity to improve your productivity and profitability for relatively little manual commitment; a minimum input, maximum output scenario.

Finally, technology augments the skills of talented workers, rather than replacing men with machines. In the future, people and technology will work collaboratively, with tech taking the strain of repetitive jobs while staff focus on more valuable activities.

In fact, there's only one downside to this technology recruitment revolution: it's already begun, and not every business has realised this yet. Companies that stand back and wait for others to test the water will find themselves getting left behind, missing out on valuable opportunities to attract new types of candidates and clients.

By striking while the iron is hot, ambitious recruitment agencies will edge out the competition – and ETZ is the perfect technology partner with to future-proof your business.

Revolutionise your recruitment operations with ETZ – [book a free demo](#)

## About ETZ Payments

ETZ is your recruitment back office.

Running your recruitment back office is time consuming, complicated and admin heavy. ETZ saves a lot of this hassle, time and money with our powerful software. ETZ automates and streamlines back office processes delivering cost and efficiency benefits while making timesheet, invoice and payment processing easy.

Save back office processing costs by up to 85%

To get started or find out more call us now on 0800 311 2266 or book a demo and we can have you up and running in 24 hours.

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