

Recruiters may be causing the candidates they found for your business to quit

July 8 2022



Credit: Pixabay/CC0 Public Domain

Relying on headhunters to fill job vacancies can drive up voluntary turnover, as new research has found that they typically recruit the employees they successfully placed before for their next job.

Using Japan as a [case study](#), where foreign subsidiaries extensively use headhunters to recruit host country nationals (HCNs), Hiroshima University (HU) Professor Vesa Peltokorpi applied an exploratory sequential mixed-method design to examine how contacts with recruiters are related to turnover.

His study published in March in the *British Journal of Management* revealed what kind of candidates recruiters contact, the manner they find them, and how they may be causing the employees they placed in your company to leave.

What kind of candidates do recruiters approach?

Peltokorpi interviewed 131 people—hiring managers in foreign subsidiaries, headhunters and HCNs. He found that contacts made by the recruiters were guided by the candidates' age, gender, [education level](#), English proficiency, tenure, and prior placement by headhunters.

Interview findings suggested that headhunters preferred to contact male HCNs who are younger than 50 years old, hold bachelor's degrees, possess sufficient English proficiency, and have moderate tenure. Peltokorpi used these findings to develop an abductively derived research model and hypotheses on the kinds of employees contingency headhunters approach and why some of them decide to leave.

He then tested these hypotheses via a time-lagged survey where 456 HCNs working in foreign subsidiaries responded. The [survey data](#) showed that recruiters target HCNs with higher English proficiency, shorter tenures, and had previously been placed by headhunters.

The interview and survey findings revealed that headhunters can systematically recycle HCNs by moving them from one foreign subsidiary to another in Japan.

"Organizations in domestic and international settings are increasingly relying on headhunters to recruit employees. However, very little focused research on headhunters has been conducted. Furthermore, research to date has focused primarily on the positive effects accompanied by recruiting through headhunters," Peltokorpi, who handles courses on human resource management and [organizational behavior](#) at HU's Graduate School of Humanities and Social Sciences, said.

"This paper takes a [different perspective](#). It demonstrates that recruiting through headhunters can increase voluntary turnover in organizations partly because headhunters contact employees that they have previously placed in organizations."

Why employees leave

While headhunters reached out to candidates who fit the search criteria of foreign subsidiary clients, they also targeted easy-to-contact and easy-to-move HCNs to maximize the likelihood of receiving placement fees. Easy-to-move HCNs were those interested in job alternatives and are weakly embedded in their organizations.

Employees with low job embeddedness—weak job-related fit, links, and sacrifices—were more likely to leave partly because they had fewer material and psychological benefits that they would forfeit by leaving. The findings showed that employees who had not been actively searching for work decided to leave after headhunters presented the alternative jobs as better than what they currently had in their organizations.

Higher job embeddedness, however, made HCNs more likely to stay in their organizations owing to job fit, links, and sacrifice-related factors.

Peltokorpi explained how this study demonstrated the active role recruiters play in shaping the [labor market](#) and called attention to the less examined negative effects of headhunter-assisted recruitment.

"Although previous research has been silent on the factors driving headhunter contacts, our findings show that they were influenced by HCNs' age, gender, education, English proficiency, tenure and prior placement by headhunters," he said in the paper.

"Along the same lines, more general evidence shows that age discrimination occurs in the labor market, and that retainer headhunting firms contribute to gender bias in managerial and professional labor markets by underrepresenting [female candidates](#) and contact individuals with university and professional degrees."

As a researcher focused on how to provide a better work environment and decrease turnover and discrimination in organizations, he said his next step is to examine headhunter-corporate client relations.

"My goal is to provide an in-depth understanding of the pros and cons related to different recruitment methods used in organizations. This is important because recruitment is one of the most important [human resource management](#) functions."

More information: Vesa Peltokorpi, Here Today, Gone Tomorrow: A Mixed-method Study on Headhunter-intermediated Recruitment Practices, *British Journal of Management* (2022). [DOI: 10.1111/1467-8551.12607](https://doi.org/10.1111/1467-8551.12607)

Provided by Hiroshima University

Citation: Recruiters may be causing the candidates they found for your business to quit (2022, July 8) retrieved 24 April 2024 from <https://phys.org/news/2022-07-candidates-business.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.