CSR Snapshot #3 - Hiring responsibly

Local employment is one of the most prevalent issues around which company-community conflicts can emerge. When a company establishes itself in a new environment, the local community tends to focus its attention on the employment opportunities expected to arise. Company-community tensions around employment often stem from two related issues: a) the perception that the company is not providing enough employment opportunities, and b) jobs to which "local" communities feel they are entitled are offered to "outsiders".

Practical tips for getting it right

Irrespective of the country or sector, it is critical that local people view the hiring process as fair and transparent. Below are some practical approaches that companies can take to get local employment practices on the right track before, during and after the recruitment process.

Before starting to hire

Where possible, it is good practice to make an **explicit commitment to employ locally** to ease anxiety among local communities. Increasingly, companies commit to hiring "locally" for a certain percentage of non-skilled labour positions, some up to 100 percent. The definition of "locals" and "outsiders" is best determined together with the affected communities.

Myth buster

Hiring based on merit may not always be viewed as fair. Particularly in contexts where certain groups have had better educational opportunities than others, merit criteria can lead to serious conflict between groups and between the company and these groups—hence the need to find out what the local people consider "fair."

It is worthwhile for companies to work with the affected communities to determine what fairness and transparency mean in the local context rather than making assumptions. For example, what is a fair distribution of jobs between "local" communities? Is it fairer to employ fewer people for longer periods of time, or more people by using a rotational system?

As a company builds its employment-related knowledge baseline, it may also find it useful to conduct a quick **skills and capabilities survey**. Such a survey should

identify the number and qualities of job seekers as well as literacy and educational levels.

Depending on the market offering, **certification programs** could help those who are already skilled but who lack formal qualifications to increase their chances of being hired by the company, as can basic **adult education** (if only to be able to read safety signs) or **language skills** training. **Workforce preparation** courses can take place in partnership with local vocational training centres to facilitate easy entry into the workforce. Working in concert with local educational ministries and programs is good practice; the local Canadian Trade Commissioner can provide relevant contacts.

Companies may also consider integrating local employment clauses in their tendering documents and contracts to increase local employment opportunities. Companies could allocate **apprenticeship positions** for local people or retain a **training coordinator** tasked with helping local, non-skilled labour employees to become semi-skilled over time and increase their chances of remaining employed for a longer period of time.

Work with stakeholders to develop targets and objectives over the long term

In many places, local stakeholders recognize that not all the skills needed for skilled labour positions are available in the immediate vicinity, but they want to see the company making an effort to:
a) hire local people where possible; and
b) increase the number of local people in more senior positions over time through a local hiring strategy.

Keeping the community informed

Throughout the process, a useful practice is to report local employment performance to stakeholders in the form of a report in a local newspaper, via public meetings or through bulletin boards. Some companies are now communicating such information via text message. Information could include:
1) number of jobs (including contractor staff);
2) types of positions (non-/semi-skilled, managerial); and
3) total payroll amount related to a particular community.

To manage this aspect of its relationship with local stakeholders, a company may find it helpful to develop a long-term, local employment strategy.

Such a plan could include targets, timelines, training efforts, etc. Within such a plan a company could commit

to longer-term local employment targets and objectives both in the number and type of jobs available, i.e. "In 20 years, 20 percent of our management team will be 'local'."

Measuring success: Some metrics

1. There is a decreasing trend in complaints related to employment.
2. "Locals" and "outsiders" peacefully live in the same neighbourhoods.
3. Youths say the distribution of jobs among individuals and communities is fair.
4. Stakeholder representatives say the company is making a good effort to increase access to a range of jobs, including those at the management level.
5. Communities say the company is making an effort to increase their employability, internally or with other companies.
6. No one is lined up at the company gate looking for work.
7. Over time, more local people are working in management positions.

Recruitment and selection

Communication about recruitment practices is important from various perspectives, including in terms of influx management. For example, to avoid many "outsider" job seekers descending on the project area, companies may wish to **widely disseminate their definition of "local"** in messages that clearly explain that "if you are non-skilled and not local, please stay home."

Up front, clear communication about what the company requires, and *why* it does, is useful for managing expectations. For example, if recruits need to pass a medical check, companies have found it helpful to explain that it is a health and safety issue for both the worker and the company.

Avoid hiring at the gate

Although it may be tempting and appear to be efficient, hiring people who have turned up at the gate can contribute to influx-related challenges. If jobseekers know they have even a tiny chance of being hired at the gate, they have no incentive to leave the area.

At critical junctures along the timeline of large projects, such as the construction phase, some companies have found it a useful practice to take **full responsibility for the recruitment process** of the non-skilled labour positions of their contractors. Practically speaking, this means that personnel will be hired by the contractor, but this will be done in complete alignment with the company's own plans and community commitments.

There are several ways to make a selection process **transparent.** For example, non-skilled labour positions could be allocated by a **public lottery** for all eligible candidates. Names of selected workers could be made public on **bulletin boards** where others can verify their "localness". Some companies have required proof of localness from jobseekers. To reduce the risk of unethical practices, local authorities could be provided some discretionary positions. Again, it is advisable to work with local stakeholders to determine how best to be transparent during the selection process.

Subcontractors' practices affect the company

It is worthwhile to work so that **labour conditions** between the company and its contractors are aligned for non-skilled labour positions to avoid community dissatisfaction that could backfire on the company.

During employment

During employment, it is important to **manage expectations** of local recruits. In the case of temporary employment, such as construction-related work, it is advisable to provide clarity regarding the duration of the contract. Some companies provide incentives for temporary local staff to continue their original profession (particularly farming).

Individual **skills development programs** for local employees can help increase their chance of remaining employable as the project progresses. The provision of financial management training and discussions about life after (temporary) company employment are other ways to help locals prepare for retrenchment.

Toward the end of the employment

Retrenchment of local employees may affect the overall company-community relationship. Support to these employees can be an important part of maintaining effective stakeholder relations. Activities that have been found to be useful in this regard include hiring an **accreditation institution** to recognize relevant work experience, providing support in **writing a résumé** and providing **basic language or computer courses.** These tactics can increase the post-contract employability of locals.

May 2016