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A Roadmap to Replicability

How to create, sustain, and scale an ethical recruitment agency



The logo for SEEFAR, with the word in blue and orange capital letters.

Acknowledgements

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Table of Contents

Acknowledgements i

Introduction 1

Charting the way ahead7

Starting your journey 19

Avoiding detours: Overcoming challenges in securing commercial clients26

On the road: The business process 31

Keep rolling and growing..... 41

Introduction

A roadmap to ethical recruitment

A number of actors and initiatives are trying to decrease exploitation in the overseas labor recruitment industry. Their solutions follow diverse approaches that target policies, enforcement, commercial engagement, worker advocacy, and recruitment actors.

We at The Ethical Recruitment Agency (TERA) have recently started the challenging and rewarding journey towards ethical recruitment of overseas migrant workers by setting up our own ethical recruitment agency.

This roadmap is intended to support aspiring ethical recruiters. Drawing lessons from TERA, other ethical recruitment actors and experts in the field, it aims to serve as a comprehensive guide for aspiring ethical recruiters to set up, sustain and scale ethical recruitment agencies.

We created this roadmap to fill the guidance gap we experienced as we started this experiment. We hope that others will learn from our experiences in order to be as efficient and effective as possible when setting out on the course towards ethical recruitment. This document, therefore, provides step-by-step guidance on questions that you—the future ethical recruitment agency—will have to ask, possible approaches you can implement, and decisions you will have to make.





- We start by sharing our lessons for charting the way ahead: How should market research be done to achieve maximum success with your future ethical recruitment agency? What should you keep in mind when making decisions on your geographic base, operating model and the networks you need to be successful?
- Once you have made these decisions, the roadmap guides you through how to start your journey. What is important with regard to ethical principles? What funding mechanisms are available and suitable for you? What should you keep in mind when registering and applying for recruitment licenses?
- One of the most critical detours to avoid is getting lost when trying to secure commercial clients. We share our learning and insights on how to harness existing demand, make the business case, what to focus on with regard to sales and finding an anchor client.
- Finally, the roadmap accompanies you through the journey by sharing critical elements of the business process: Staffing, partner and employer vetting, job seeker engagement, pre-departure training and your recruitment agency's worker welfare system.

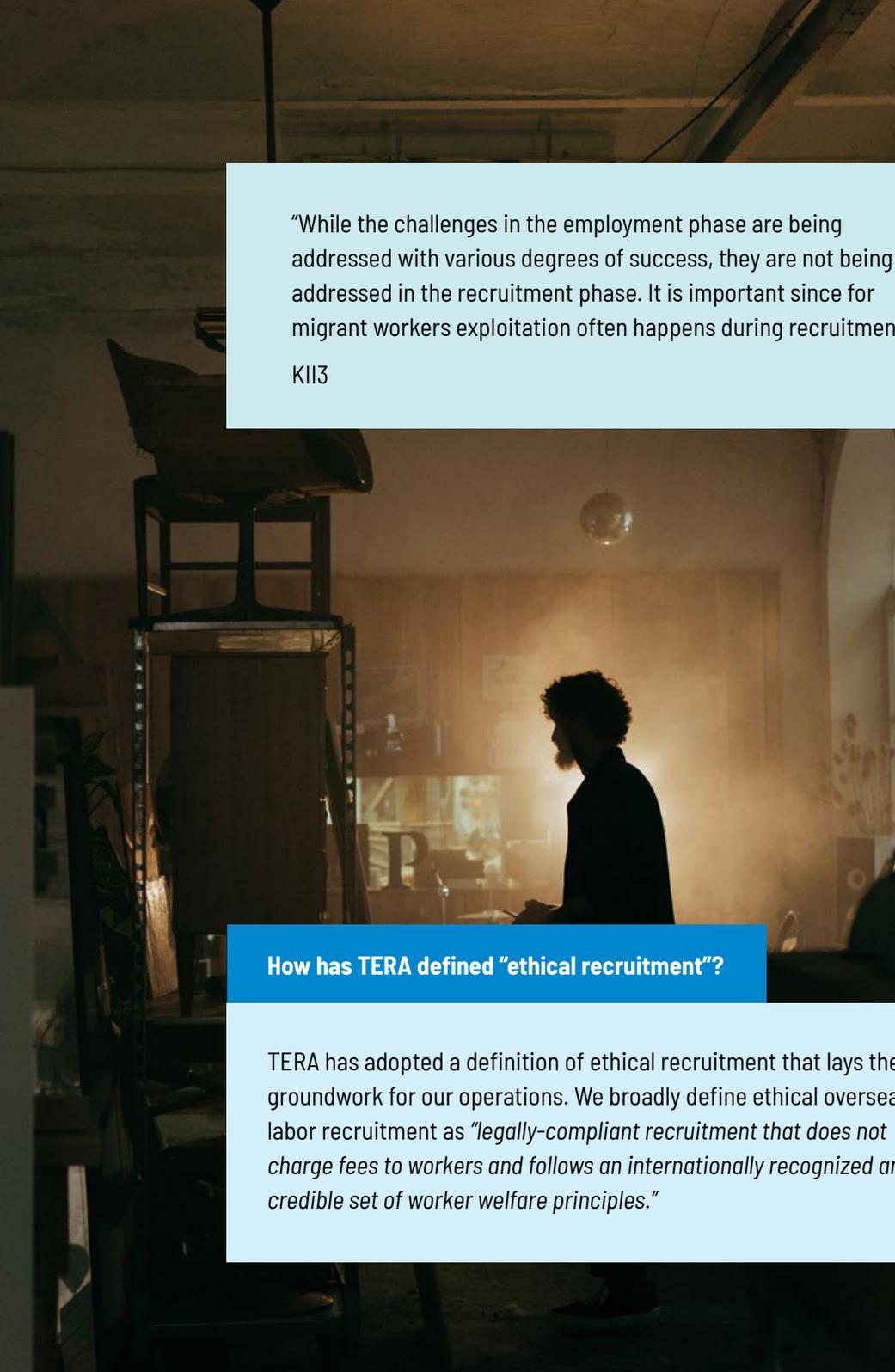
A photograph of a textile factory. In the foreground, a woman in a blue shirt is working at a sewing machine. The background shows other workers and rows of sewing machines under bright overhead lights. A sign with the number '31' is visible in the upper left.

Insights and lessons are drawn from TERA's operations in India, from a synthesis of existing evidence to date, and from interviews conducted with stakeholders who work in and are knowledgeable about ethical recruitment. We hope that our successes and lessons enable others to move towards ethical recruitment too, so that it may become more widely available.

In short, ethical recruitment isn't easy but it *is* rewarding – ethical recruitment agencies have the potential to reduce exploitation and forced labor in global labor systems whilst improving businesses' reputation, generating income, and strengthening worker retention and motivation.

To begin with, an understanding of the below creates a strong foundation for a successful plan. It is imperative that you consider and clarify these points before you begin.

- A **commitment** to understanding what it means to be an ethical recruiter and the responsibility that comes with this decision.
- A **willingness** to remain curious about the needs of your beneficiaries and to find ways to meet them.
- An **awareness** of the resources and networks you have and will need to be effective.
- And an **obligation** to reflect on your own actions to ensure consistency with the mandate you serve.



“While the challenges in the employment phase are being addressed with various degrees of success, they are not being addressed in the recruitment phase. It is important since for migrant workers exploitation often happens during recruitment.”

KII3

How has TERA defined “ethical recruitment”?

TERA has adopted a definition of ethical recruitment that lays the groundwork for our operations. We broadly define ethical overseas labor recruitment as *“legally-compliant recruitment that does not charge fees to workers and follows an internationally recognized and credible set of worker welfare principles.”*

Ethical recruitment

Though much remains to be done in the area, ethical recruitment is increasingly seen as a priority solution to decrease the global prevalence of forced labor.¹ As highlighted at the 2021 Global Forum for Responsible Recruitment: “Responsible recruitment is a win, win, win scenario.”² Indeed, literature on exploitation in the overseas labor recruitment industry repeatedly calls for ethical recruitment as a key innovation that may reduce or eliminate exploitation. Practitioners and international donors, too, cite ethical recruitment as a priority solution.³

One of the key challenges to successful ethical recruitment is that there is no consensus on the definition of “ethical recruitment.”⁴ There are a variety of principles, initiatives, codes of conduct and auditing schemes addressing ethical recruitment. A number of actors and initiatives are trying to decrease exploitation in the overseas labor recruitment industry. Their solutions follow diverse approaches that target

¹ For example: IOM (2016) “[Promoting the Ethical Recruitment of Migrant Workers](#)”; ILO (2014) “[Profits and Poverty: The economics of forced labour](#)”; ILO (2015) “[Regulating labour recruitment to prevent human trafficking and to foster fair migration: Models, challenges and opportunities](#)”; Ethical Trading Initiative (2019) “[Ethical Recruitment Practices and Forced Labour in China: Guidelines for Employers](#)”.

² ILO (2021) “[The Global Forum for Responsible Recruitment](#)”.

³ For example: U.S. Department of State (2020) “[2020 Trafficking in Persons Report](#)”; Open Working Group on Labor Migration & Recruitment (2017) “[Labor migration and recruitment](#)”; Migrant Forum in Asia (2015) “[Ethical Recruitment](#)”.

⁴ Migrant Forum in Asia (2015) “[Ethical Recruitment](#)”.

policies, enforcement, commercial engagement, worker advocacy and recruitment actors. While many of these efforts overlap and share core concepts, they often use different terminology, such as “responsible recruitment,” “ethical recruitment,” or “fair recruitment.” Generally speaking, definitions also fail to address topics such as the acceptability and definition of recruitment fees, the role of sub-agents, or minimum working standards. They also fail to specify the level of formalization required in different contexts.

THE TERA PROCESS

TERA operationalized ethical recruitment in Uttar Pradesh, India, with funding from Norad and GFEMS as part of a pilot project between 2020 and 2022. In 2022, TERA is entering its scaling phase following the initial funding period. TERA has become one of the very few ethical recruiters that are successfully sending migrant workers abroad while upholding ethical standards throughout the whole recruitment process.⁵

⁵ See <https://supporters.ethicalrecruitmentagency.com/compliance/> for more details.



The business mindset

Ethics tends to be one of the key motivations for setting up an ethical recruitment agency. That is, many actors are driven by the desire to improve conditions for international migrant workers while reducing the prevalence of forced labor and potentially increasing take-home pay for workers. Other motivations include improvement of conditions for international migrant workers, reducing the prevalence of forced labor and, notably, making a profit.

With the idea that businesses try to maximize their bottom-line, concepts of “ethics” and “business” can appear to be at odds with each other. It is, however, imperative that potential ethical recruiters bear in mind that an ethical recruitment agency is a *business* and should be run as such. Lessons from TERA’s experiences as well as those collected through key informant interviews centered around approaching each individual step of setting up, sustaining and scaling ethical recruitment from a business perspective. Indeed, one key informant noted the general “failure to recognize that [ethical recruitment] is a business.”⁶

Our roadmap and the step-by-step guidance it contains are therefore geared towards maintaining a business mindset. For someone who is deeply focused on the ethics of recruitment – supporting and creating better outcomes for job seekers, migrant workers and their families – this may feel counterintuitive. However, ensuring that your ethical recruitment agency is a self-sustaining business will better place you to achieve ethical outcomes. We therefore encourage you to adopt a business mindset, as early as

⁶ KII6.



“You need to work in a market where you can get a win-win solution for the actors, since creating an ethical recruitment model and just [hoping] that it works because you offer a good service does not work. You need to demonstrate that ethical recruitment is a good business practice—for example, that it increases productivity.”

KII2

possible and chart the way ahead from a business perspective. This means understanding your unique value and the resources available to you, continually identifying challenges and seizing opportunities and building – and sticking to – a clear plan that is realistic and appropriate for the outcomes you would like to achieve.



Charting the way ahead

Setting up an ethical recruitment agency will require you to clearly define where you want to base your operations, who you want to target in countries of origin and at destination, and what type of labor you want to focus on.

In this first section, we guide you through the action steps required to understand what options might work best for you, such that you may begin to take the first important decisions about your ethical recruitment business.

Market research

The first step in setting up an ethical recruitment agency is to carry out the market research. In the words of one key informant, “Before you start anything you need to conduct your research and understand your market.”⁷ Clearly understanding the needs, motivations, and specific challenges faced by key stakeholders will set your agency up for success.⁸

⁷ KII2.

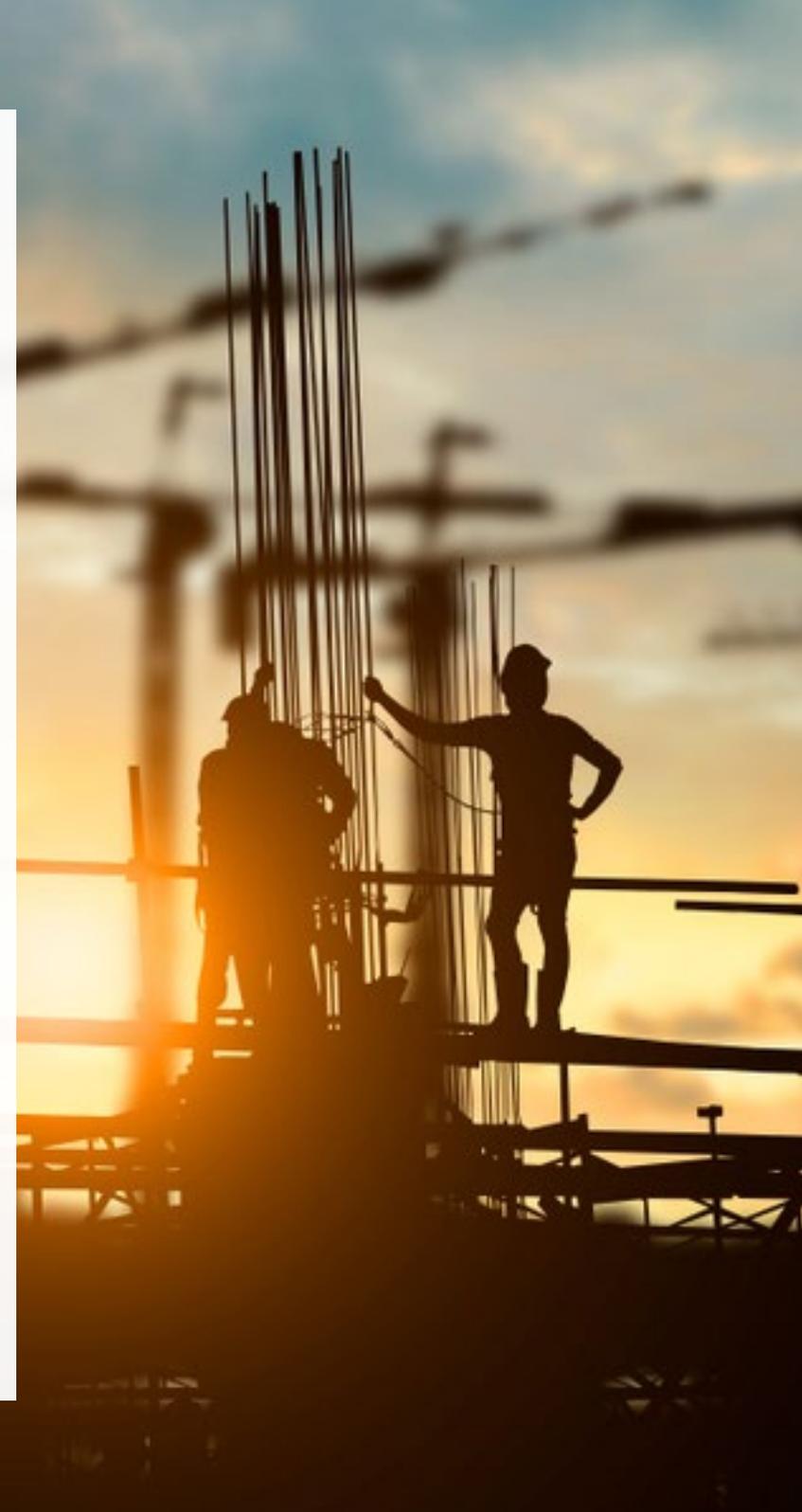
⁸ At TERA we conducted market research prior to starting the funded pilot project. We then also undertook rapid qualitative research to inform and improve the design of The Ethical Recruitment Agency India. The research was aimed at generating targeted data on migrant worker recruitment experiences and identifying specific areas of confusion, deception and exploitation.

Market research should focus on answering three concrete questions – where to set up the business, which migration corridor to focus on and the type of labor to supply – each guided by key market conditions. The matrix below can be used as a guide for exploring different scenarios when carrying out market research for an ethical recruitment agency.

	Where do I set up my business?	Which migration corridor do I focus on?	What type of labor do I want to supply?
Supply What do potential migrant workers need and offer?			
Supply What do potential clients need and offer?			
Competition What (ethical) recruitment actors already exist?			
Barriers What potential administrative/contextual ⁹ / legal/financial barriers exist?			

There are two main approaches to starting market research. They are “bottom-up” and “top-down.” When using the matrix above, the difference between the two approaches acts as a starting point. The *bottom-up approach* begins with exploring locations, migration corridors and types of labor. The *top-down approach* starts with analyzing supply and demand. As information is added to the matrix, viable options become clear. It is now that

⁹ Here, “contextual” not only includes cultural, gender, sociopolitical or historical factors, but also considers the business environment context. It is crucial to have a deep understanding of customer and client needs, desires and challenges.



analysis of competitions and barriers should begin. To utilize the *top-down* approach, simply flip the matrix around such that the starting point is to explore the potential administrative, contextual, legal and financial barriers that exist.

Your level of expertise and understanding of your capabilities and of the sector will determine which approach is likely to work best for you. Having industry knowledge will allow you to understand how to make potential clients' lives easier and their business more profitable in very practical terms.

It will also be important for you to have an understanding of your strengths and weaknesses related to the options, and to map out potential opportunities and threats for your business. You can use these points to develop a strategy that will allow you to realize the outcomes you want to achieve. Many of the decisions you will have to make after the market research phase will not only depend on what is needed in the market but also on how you can best meet those needs.

Here is some more context on how the two approaches can be used.

- **Bottom-up approach:** An aspiring ethical recruiter will need to consider their own experiences, situation, and knowledge to decide which country or region, migration corridor, and type of labor to concentrate their market research on. For example, a group of experts working in Southeast Asia will have a different focus to a civil society organization (CSO) based in Ethiopia. Prior experience in a certain industry, such as construction, or experience having worked on labor

migration movements in a certain area would also inform the specific migration corridor or specific type of work that they select. It is therefore important to consider past experience and interest. These elements will help aspiring ethical recruiters to narrow down their focus and to research a more targeted starting point. One ethical recruiter we spoke to, for instance, had deep local knowledge of the realities on the ground in Mexico and had developed a strong network of local NGOs that helped them further analyze the realities and conditions there.

- **Top-down approach:** If an aspiring ethical recruiter does not have expertise in a specific type of labor or particular region, the top-down approach is likely to be more suitable. Open-ended research to identify areas with a high need for ethical labor from the migrant worker perspective, and understanding where there may be high demand among companies who could become clients, would serve as a solid foundation for market research. This approach will likely require more extensive research and greater investment into building networks, but has the benefit of helping aspiring ethical recruiters to identify key priority areas where their agency can add value.

Based on TERA's own learning, the table provides examples of market research questions we examined at the beginning of our ethical recruitment journey.



THE TERA PROCESS

At TERA, we started with a broad context and researched the primary needs of key stakeholders on a large scale. Our expertise was in migration, specifically labor migration, and was not limited to a specific geography. We narrowed down the options based on where we saw the most need among workers and potential clients, then selected a specific migration corridor: from Uttar Pradesh, India, to Gulf Cooperation Council (GCC) countries. TERA was motivated to support migrant workers in UP, who we found to be acutely vulnerable to exploitative recruitment practices. For example, unregulated recruitment agents were charging high fees creating debt bondage, with migration cycles in UP costing between USD 850 to 1,100 while average annual per capita income was just USD 800.¹⁰ Migrant workers were also spending a minimum of three to ten months of a two-year contract paying back their debt.¹¹

Although TERA didn't have prior experience of working in Uttar Pradesh, we had enough contacts there to enable us to build a strong understanding of the realities on the ground. We identified that we would be the first ethical recruiter to enter UP with high flexibility, strong local networks and an understanding of the realities of what migrants were experiencing, which gave us a strong competitive advantage. This allowed us to take a hold in Lucknow quickly.

¹⁰ UP's 2016-2017 GDP per Capita was INR 57,480. However, migrant households in UP typically have far lower annual income. Legislative Research. Uttar Pradesh Budget Analysis 2019-2020. February 2019.

¹¹ Martin, Philip. What do Migrant Workers Pay for Foreign Jobs? KNOMAD Data and SDG Indicator 10.7.1. 2016.



Supply

- Which countries/regions have particularly high migration rates for the purpose of international labor?
- From which countries/regions are people emigrating for work due to particularly grave challenges?
- Among migrant workers facing particularly grave conditions, which nationalities are most common?
- How many people in a given country/region are actively seeking to emigrate for work?
- Where do people from a particular country or region emigrate for work?
- What skills do potential migrant workers in a particular country or region have?
- Are there enabling factors, such as laws, legislation, or policies, which affect the supply?
- Where are the skills of potential migrant workers from a particular country or region most in demand?
- Are there government or other organizations on the ground who can help connect workers with recruiters?
- Which in-demand skills are potential migrant workers from a particular country or region best equipped to learn?

Competition

- What recruiters currently operate in the country/region of interest?
- How does international recruitment work in different locations?
- Which agencies receive large work orders and how are these orders distributed among smaller recruitment agencies?
- What strategies have proven most effective at serving migrants' recruitment needs and keeping them safe throughout the process?
- What challenges have competitors faced and what failures and successes have they experienced?
- What interventions have shown the greatest stakeholder satisfaction and/or impact?

Demand

- Which industries have a demand for ethical recruitment and why?
- Which industries have historically engaged in ethical recruitment and why?
- Where/in which industries is demand for ethical recruitment likely to increase and why?
- Are other actors promoting or facilitating ethical recruitment? (This could have a leverage effect and promote wider change).
- In which sectors is there a high demand for migrant workers?
- In addition to increasing environmental, social, and governance (ESG) scores, how could you convince employers to invest in ethical recruitment? (e.g. through increasing profit and avoiding penalties)¹²
- What environmental factors affect the industries where demand for migrant workers is concentrated? (e.g. policy and legislation, cost of living, support systems)
- Do bilateral agreements encouraging international labor migration between countries, such as Government-to-Government (G2G), exist?

Barriers

- What is the standard legal structure of recruitment agencies in possible countries of origin and destination, and what is the most commonly used licensing procedure? Can you meet these requirements and cover related costs?
- What does the recruitment-specific operating landscape in countries of origin and destination look like? Are there governance or corruption issues that can prevent entry to the market? Are there criminal dynamics to consider?
- What is the minimum capital required for start-up?
- What challenges are migrants facing in accessing recruitment services? What is required to address them? Can you address them? If so, how?
- Are there existing recruitment agency syndicates which could stop or slow the start of new recruitment agencies?
- In receiving countries, are there systems or policies in place which provide additional requirements, such as sponsors, for labor migrants? (e.g. the kafala system in the GCC)



¹² For more information on engaging businesses on ethical recruitment, refer to page 7 of TERA's [Profitable Ethical Recruitment](#) study.

Decision: Geographic base

Most recruitment agencies begin by setting up in one country—or even a narrowly defined region. Targeting a specific location to start with, and scaling later, allows for more efficient use of resources during the start-up phase. This also allows the space for learning and adaptation prior to scaling. To create a sustainable stream of activity, a recruitment agency should base itself in an area with a large supply of potential workers who want to migrate for work and which makes it easy for the agency to engage directly with workers. Usually, this means being based in urban settings.

When choosing a location to set up its base, aspiring ethical recruits should consider their market research, their strengths and weaknesses, and the location of their networks. As outlined below, decisions on migration corridors and industries to “supply”¹³ labor will vary depending on the selected operating model. However, all ethical recruiters and experts TERA has spoken to have implemented ethical recruitment from one “home base.”

¹³ Within the recruitment industry, terminology of supply and demand of labor is commonly used. We recognize that these concepts carry charged and potentially problematic connotations that might inadvertently be reinforced in the nascent ethical recruiter. Where we use this language to talk about the industry and practice of recruitment and placement into jobs abroad, we do so in quotation marks.



THE TERA PROCESS

At TERA, we began our journey to establishing a home base by identifying pressing needs among aspiring labor migrants in Uttar Pradesh, India. We then used our knowledge of migratory patterns to establish an office in Lucknow, knowing that many migrants from across the state begin their search for overseas jobs there. At the same time, our insights showed that many aspiring migrants often had at least basic skills in relevant sectors, which allowed us to assume they would meet international demand for specific types of work and skill sets. For example, we spoke to drivers, tailors, cleaners, wardens who were interested in labor migration or had returned. In fact, many have prior migration experience, often in harsh or even forced labor conditions, and concrete plans to re-migrate for work. In the end, Uttar Pradesh emerged as an ideal home base in our journey, with our market research and existing connections in the region pinpointing it as a key region for prioritization.



Case study with a returned migrant worker in UP

“It was a heart shattering experience. The employer took us and dumped us in a building. It was a huge building, and around twelve people lived in a single room. For a month, I didn’t get a job. He used to provide for the food but no money. He told us that he is getting the identity papers for us to work. Then by the month’s end, after a lot of persuasion, he paid me 500 Dirhams. He then boarded three of us in a vehicle and took us to the countryside where work for solar panels was going on. I told him that we have been promised a job in a car garage, but he said there is no such job at present. I told him about everything that the agent had told me, but he said that the agent misguided me and that he did not say anything like that and that I either get ready to work and go home. There was a man from Kerala, who was our supervisor, he used to threaten us a lot. People were terrified of him. We used to really work hard but the pay was not good, we were paid 900 Dirhams, and the payments were late most of the time. I did not tell my father anything. I knew he would get worried. They were making us work like dogs. The supervisor used to come in to meet us and would never listen to our complaints. I worked for three months straight then my health began deteriorating.”

Example market research findings, TERA

The challenges of migrant labor recruitment are particularly striking in Uttar Pradesh, one of the largest migrant-sending states in India.¹⁴ Migrants from Uttar Pradesh often hail from rural areas to seek low-skilled work abroad, especially in GCC countries. Strong economic drivers, relatively low literacy rates, and a lack of upward social mobility are among the reasons that Uttar Pradesh sent the most migrants abroad—around 230,000—of all states in India in 2016.¹⁵ Yet these same factors are also closely linked with vulnerability to forced labor during recruitment.

¹⁴ Ask India (2019) “Beneficiary Vulnerability Analysis & Engagement for India Overseas Labor Migrants”.

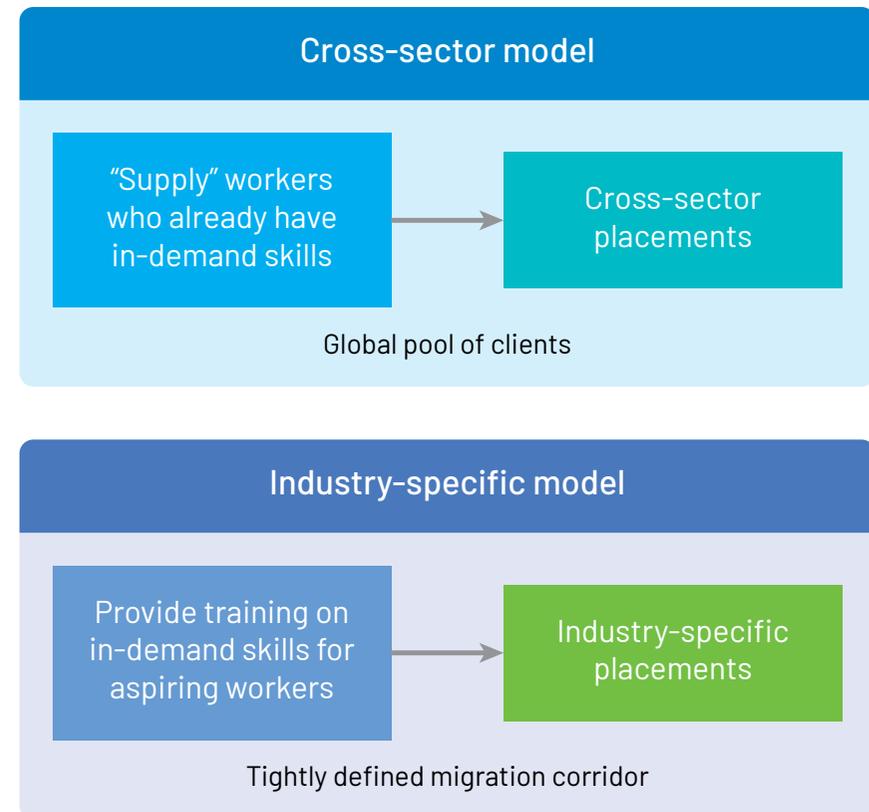
¹⁵ Grant Thornton India LLP (2016) “[Overseas Migration Patterns from India](#)”.

Decision: Operating model

After having selected the primary location from which they plan to operate, aspiring ethical recruiters are ready to assess how best to support migrants in accessing opportunities internationally under ethical conditions, and “supplying” migrant workers to employers abroad. Market research will have clarified what migrant workers need the most with regard to recruitment and labor migration and what agencies can offer in the global recruitment market. It will also have clarified what potential clients need the most, where there is demand for ethical recruitment, and how agencies might be able to respond to and harness these demands (see also [“Harness existing demand”](#)). The market research findings inform one of the most fundamental decisions: Which operating model to select?

Existing ethical recruiters implement two different models: an industry-specific and a cross-sector model.

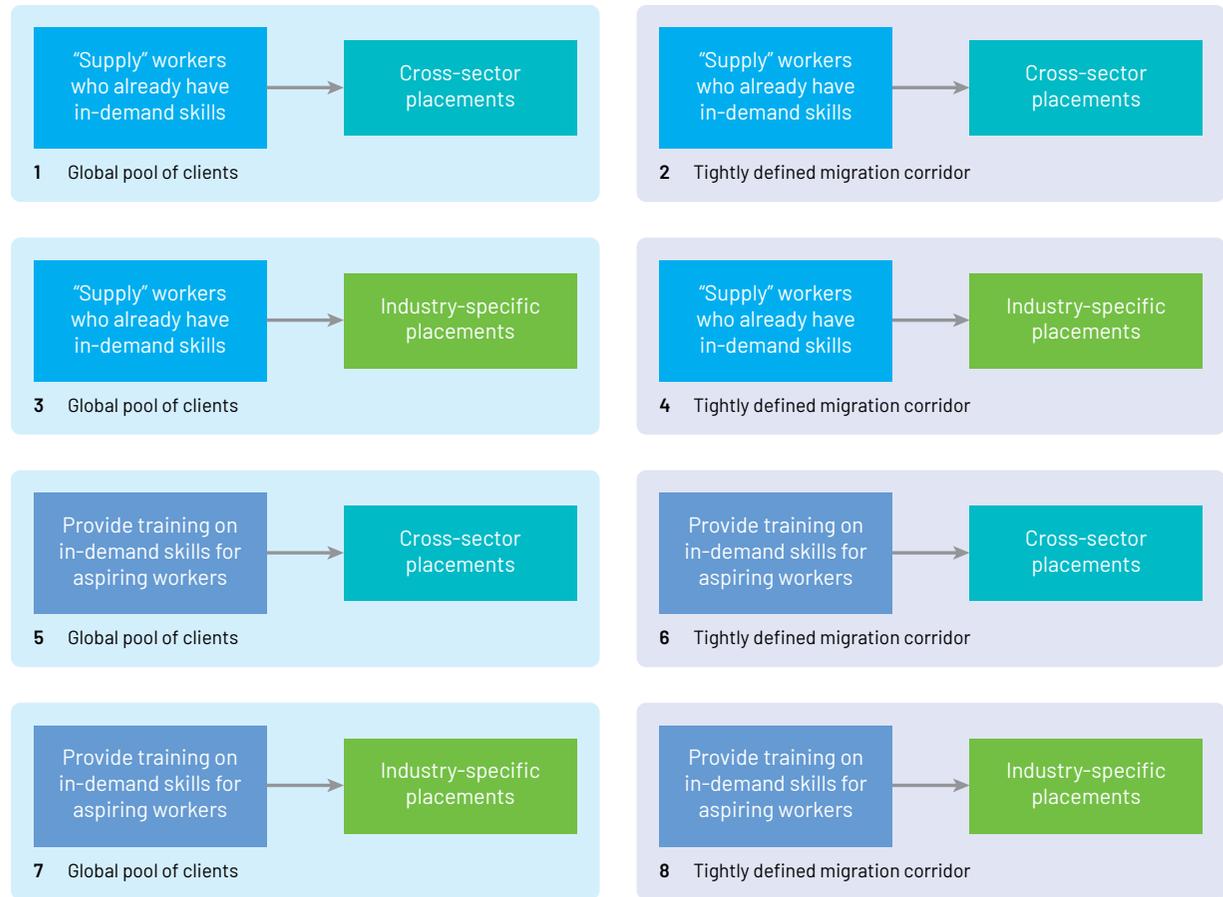
Industry-specific model: In this model, the ethical recruiter starts from the informed assumption that there is a **large group of people seeking international opportunities in their selected location that can be trained and sent abroad, primarily to work in a specific sector**. According to our key informants, this approach helps ethical recruiters build expertise in one area, improve their understanding of the industry, and build strong relationships. It also provides strategic direction for sales and marketing because it focuses on one technical area and one industry rather than multiple. Targeting a specific sector helps optimize operations and allows ethical recruiters to deliver highly technical and tailored training. It also creates more avenues for beneficiaries to become eligible for work



in international markets through training. Arguably, this model is harder to replicate and scale in different contexts, as an agency would need significantly higher resources to move beyond one industry or one type of training. However, there is currently a gap in available evidence to support or challenge this argument. While identifying clients globally is possible in theory, actors currently focus on more tightly defined migration corridors.

For example, one current ethical recruiter trains individuals that do not yet have the skills that are in demand in the international job market. They focus specifically on domestic work and blend hard skills training on “Cleaning, Cooking, Laundry, Using Appliances” with financial and rights training as well as communication skills and information on how to adjust to life abroad.¹⁶ Once the individual is trained, the ethical recruiter makes sure that they get a job abroad that complies with international standards.

Cross-sector model: As the name implies, in the cross-sector model, the ethical recruiter “supplies” labor across industries. For this approach, the agency’s goal is to **support migrants by matching their skills with the market demands of destination countries.** To accomplish this, the agency would need to gain and apply insights into two topics: the “supply” of skills among aspiring migrant workers in their home base and the “demand” for skills among potential employers. Unlike the industry-specific model, this model does not require recruitment agencies to provide technical training. As a result, they can access a wider range of industries and territories at a lower cost. By setting up systems that can be easily adapted to different locations, conditions, and industries, ethical



recruitment agencies can replicate and scale their business without compromising on ethics. In contrast, marketing efforts will likely require more resources because recruiters likely have to adapt outreach strategies to each industry and context. Recruiters will need to understand the pain points within each industry and know how to respond to them.

¹⁶ Fair Training Center (2022) “[Domestic Work NC2 Training](#)”.



TERA is currently the only ethical recruiter applying a cross-sector approach. We recruit people who already have the necessary skills to compete and get hired in the international labor market. We focus on clients who have an existing desire to increase the number of ethically recruited migrant workers globally, or on clients who are willing to work towards this. Our clients are not concentrated in one place but spread across destination countries in the GCC.

Our research found that both models can work, but that success in either depends heavily on the agency's own capabilities and networks. The two models also don't have to be mutually exclusive and don't necessarily follow a linear path. As the graphic shows, there are multiple possible combinations. An agency could work with individuals who already have in-demand skills but focus on one specific industry (3&4); or provide training on skills required in a number of different areas, placing workers in a range of different sectors (5&6). Agencies can also focus on operationalizing either of the models with a global pool of clients (1, 3, 5 and 7), like TERA, or do so in a very tightly defined migration corridor (2, 4, 6 and 8), like most industry-specific models.

However, there is currently limited evidence on how any of the mixed combinations (2 to 7) might work in practice. As current ethical recruiters tend to implement an industry-specific model in a tightly defined migration corridor, key informants were mostly cautious about cross-sector and global approaches. One key informant, for example, advised to "focus on a dedicated field and sector, and understand their needs."¹⁷ In fact, TERA's learning from implementing approach 1 requires us to develop an understanding

¹⁷ KII2.

of many industries. This is why we focus on one high-demand sector at a time. We collect lessons learned in the sectors we first enter and make the necessary adaptations to our processes and approaches before focusing on a new sector. In doing so, we are able to apply a more targeted and clear focus in the short term without limiting ourselves over the long term.

Importantly, insights gathered from key informants and TERA's own experience suggest that new ethical recruitment agencies should start small, no matter which model they employ. Trying to do too much at the beginning, as many ethical recruiters do, hinders their ability to keep their longer-term focus on track. As one key informant noted, "Often recruitment start-ups have the fear of missing opportunities in another location so try to do it all, but the successful ones focus and then grow from there."¹⁸

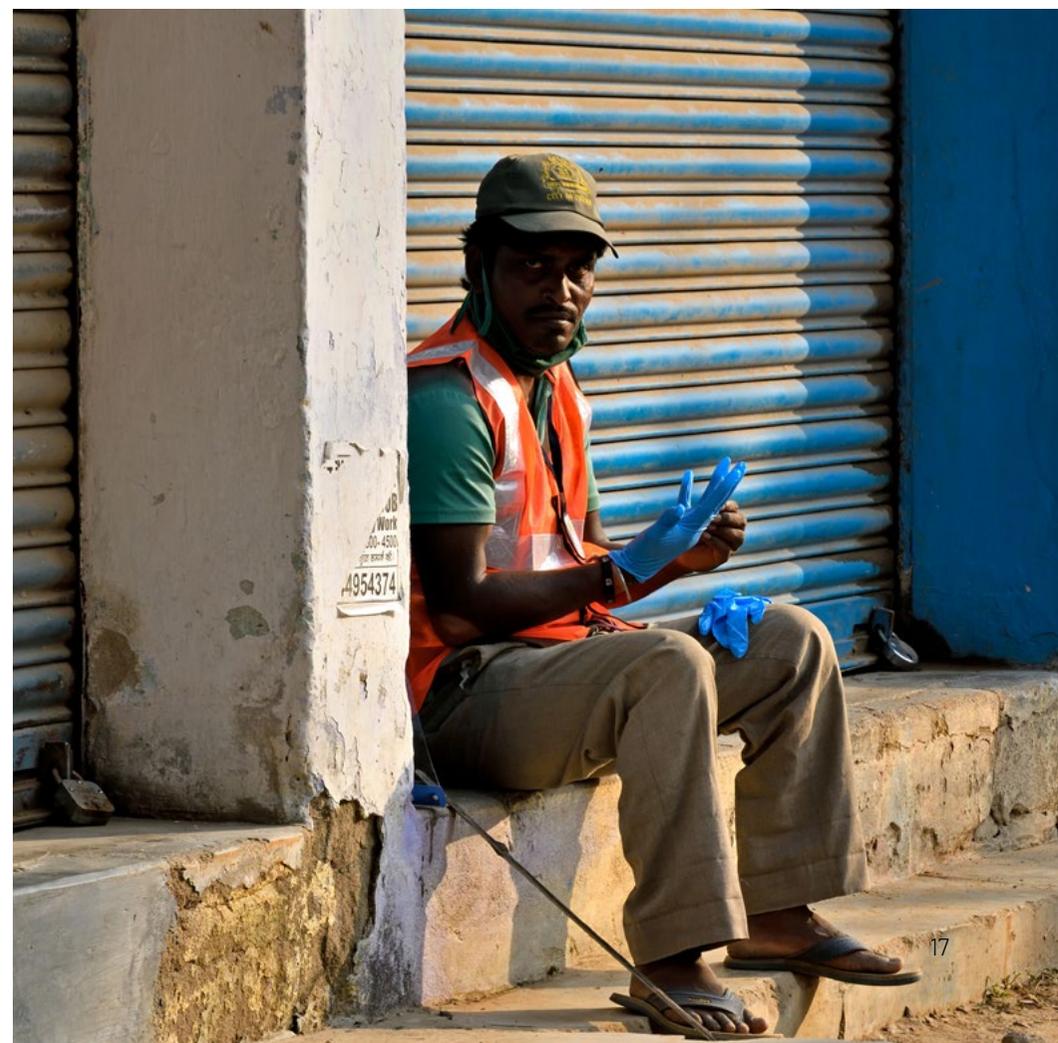
Most ethical recruiters tend to focus on a niche area to start, such as domestic work between Malaysia and one or two destination countries. It is, however, important to balance picking a specific niche with the need to stay flexible with uncertainty, since forecasts for demand in certain sectors are rapidly evolving, and there can be unexpected circumstances, such as the COVID-19 pandemic, that heavily affect movement. In these instances, ethical recruitment agencies should take the time to analyze the new context in order to consider how best to adapt.

When the COVID-19 pandemic affected labor migration, TERA took the time to review lessons learned, to make adaptations, and to refine its processes. For example, we digitized our Pre-Departure

¹⁸ KII8.

Training in order to make it more accessible for workers – an adaptation that has continued to benefit our workers even after borders opened up again.

It is important to remember that any decisions regarding your approach must be carefully considered so that you can achieve your intended impact. Be sure to carefully map out your process, follow the course, review your progress, and adjust as needed.



Decision: Networks

After having made some important initial decisions, aspiring ethical recruiters should go back and review their plan of action with a view to understanding their own capacity. Here, it is important to understand whether they can achieve their goals alone, or whether they should partner with other organizations. Agencies should consider their strengths and weaknesses, the areas of expertise they currently possess, and those that they plan to acquire. They should also consider whether and how their abilities might be strengthened by building connections with others.

In our experience, networks are crucial for the success of an ethical recruitment agency, and most people we spoke to agreed. In assessing your networks, think about who they are, where they are located, and what their own needs are. For example, you may have worked for an international agency that has a track record of hiring migrant workers. From here, you might think about their locations and whether it is possible to establish a connection between these two groups. Then you may choose to list some of the needs you have heard expressed by both groups, and consider how these might align. As one key informant noted, someone in your company “needs to spend a lot of time building and sustaining relationships in order to have a healthy client base,” and “a lot of the recruitment-related strategies are connections and in-person approaches, as it is quite an old-fashion industry.”¹⁹

New agencies will need to review their assets and capabilities, especially with a view to networks. This process begins by

¹⁹ KII7.

establishing clarity about whether or not the immediate team have the skills and resources necessary to establish connections. Here are some questions to consider:

- How connected are you to relevant networks? And how connected are your existing networks to other relevant stakeholders? Do you have access to these stakeholders?
- Where no connections currently exist, are you able to bridge the divide between skill and demand?
- Do you understand what the main challenges have been to doing this ethically?
- Do you have access to and knowledge of the industry you’re intending to “supply” labor to?
- Are you familiar with the risks posed to the most vulnerable among your potential migrant networks?
- How can you guarantee that employers in your network are abiding by ethical recruitment standards?

In any instance where you lack the knowledge, experience, capabilities or networks, you will need to decide if you want to hire new staff or work with external partners who can fill these gaps. This approach can also broaden your networks.

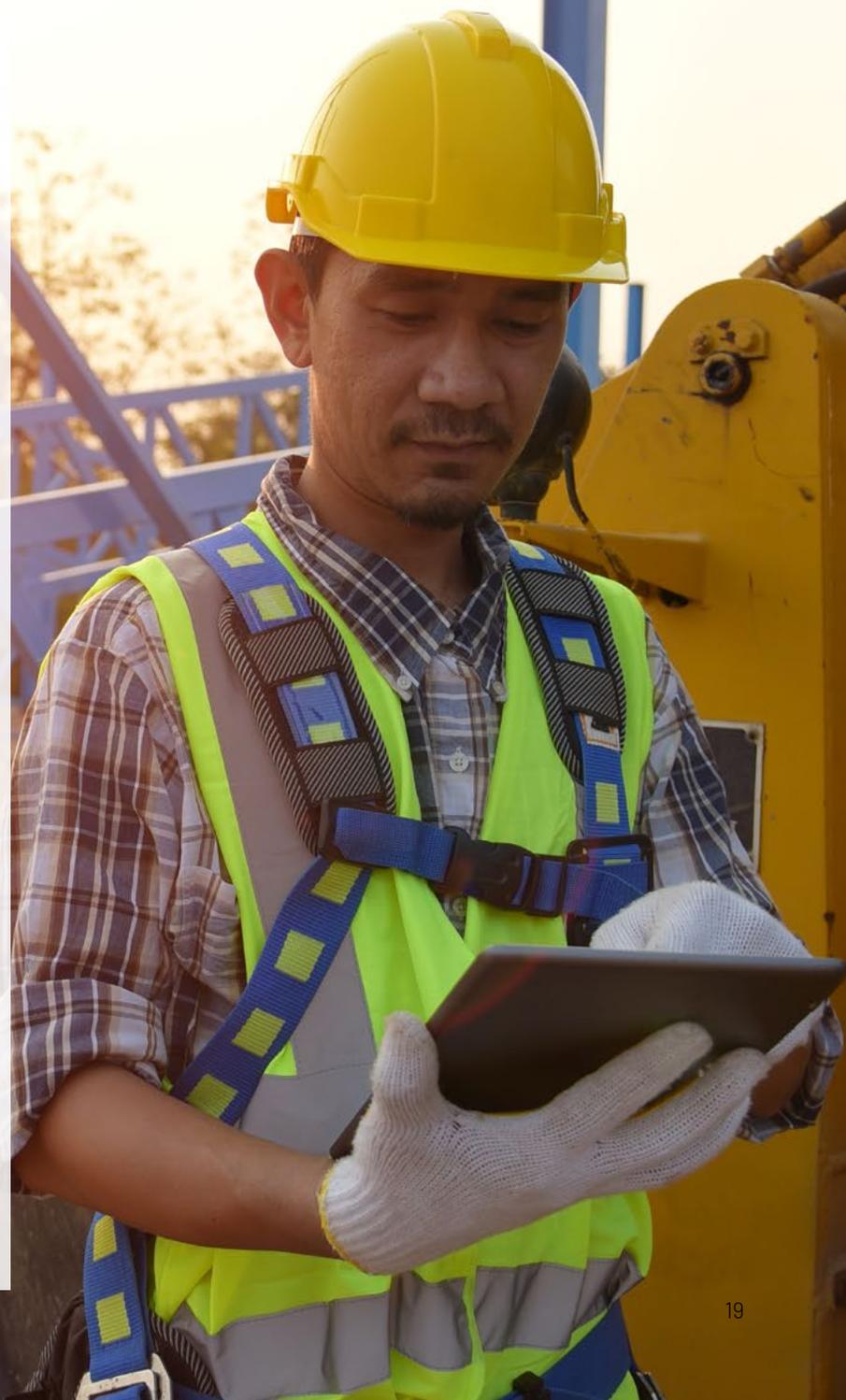
Starting your journey

Ethical principles

Ethical principles are at the heart of motivation for setting up, sustaining, and scaling an ethical recruitment agency. Ethical principles are crucial: they are what make the difference between jeopardizing and supporting beneficiaries' wellbeing. Operating without them would mean that an agency risks contributing to existing streams of unethical recruitment, rendering *ethical* recruitment goals unreachable. They should, therefore, be integrated into every aspect of planning and operations.

TERA has found that making ethical recruitment our unique selling point is what has ultimately set us apart from traditional recruiters. Without the "ethical" in a recruitment agency, it is very difficult for new agencies to differentiate themselves from the thousands of existing traditional agencies in the eyes of both job seekers and companies. In fact, ethics are a great selling point if they are embraced and placed at the core of what ethical recruitment agencies do. We therefore recommend that aspiring ethical recruiters establish their ethical recruitment principles as early as possible. These, in turn, should be inserted into agreements with clients and employer contracts.

Ethical principles can differ slightly depending on the exact definitions and standards of ethical recruitment that an agency wants to commit to. In fact, some key informants noted that some recruiters harm the reputation of the ethical recruitment industry by branding themselves as ethical without committing to the same high ethical standards. There is a risk of obscuring what "ethical recruitment" really means in practice. Put another way, one company's "ethical recruitment" might be another company's exploitation. New ethical recruitment agencies should, therefore, be clear on the set of standards they work with and towards. This means being clear on what "ethical" means for them, and what they will and won't do in and with their recruitment agency.





THE TERA PROCESS

At TERA, we designed our worker welfare system to comply with or exceed best-practice standards and principles, including:

- The Dhaka Principles for Migration with Dignity
- ILO Declaration on Fundamental Principles and Rights at Work and Follow-up
- C181 – Private Employment Agencies Convention, 1997 (No. 181)
- C189 – Domestic Workers Convention, 2011 (No. 189)
- The RBA Code of Conduct
- The Expo 2020 Dubai Worker Welfare Policy
- IOM’s International Recruitment Integrity System (IRIS) Standard
- Clearview’s Addressing Poor Recruitment Practices in Supply Chains White Paper
- The Consumer Goods Forum’s Forced Labor Priority Industry Principles
- Verite’s Fair Hiring Toolkit
- ILO’s Indicators of Forced Labor
- Qatar Foundation Mandatory Standards of Migrant Workers’ Welfare

These resources guided us in the design of our worker welfare system and general operations. For example, in addition to the key features of ethical recruitment outlined below (such as a strict zero-fee recruitment policy), we also monitor our processes as well as our clients independently at all phases. This includes conducting check-ins during the marketing and recruitment periods, prior to and during departure, as well as while abroad to monitor relevant indicators of labor exploitation and other issues of non-compliance with our ethical principles.

While TERA was building our unique approach to ethical recruitment, we realized that all of the policies and guidance related to ethical recruitment could be distilled into three broad categories:



1. Following the law.

This is the most basic part of ethical recruitment: ensuring that worker recruitment complies with the laws and regulations of origin and destination countries.



2. Eliminating (or reducing) recruitment fees.

The real cost of recruitment to job seekers is often thousands of dollars. Some forms of ethical recruitment require reducing these fees to the minimum costs allowed by law; others prohibit fees altogether.



3. Complying with core worker welfare principles.

While the principles themselves may vary, compliance with at least one reputable set of standards is key to making recruitment ethical.



“We are in the process of getting certified by IRIS but we struggle with the certifications. One of the issues is that they don’t go into the communities of origin and mainly they focus on [an agency’s] policies. To this date there is not an ethical recruiter that has IRIS. We believe in the recruitment model and due diligence that it provides, but one of the fears is that if we are certified and another agency that does less than us is also getting certified, then what? Also, IRIS still does not have full credibility with other actors.”

KII2

There is debate around whether becoming certified as an ethical recruiter, for example through IRIS or other schemes, is in fact useful. You can start thinking early on about whether you want to pursue a certification, but we don’t recommend prioritizing it. Key informants agreed that certifications have downsides and that “to this date, there is not an ethical recruiter that has IRIS.”²⁰ Although everyone agreed on the importance of the due diligence and standards that certifications provide—and that they would ultimately contribute to keeping workers safe—, some raised concerns about the practical credibility of certifications and the lack of standardization between them. Another worry was that the certification of agencies that don’t meet the highest ethical standards could weaken the branding benefits associated with being certified for other agencies. Lastly, key informants felt that the complexity of some very technical or theoretical certification schemes disregards the competitive landscape in the industry.

“Regarding certifications, IRIS has no credibility and that is why nobody gets certified. In Mexico they have made a thousand efforts to promote certification, but this has no credibility in the world of work, among governments and employers, since they do not see the added value.”

KIII

²⁰ KII2.

Secure funding

Any start-up requires capital to be successful. To make an ethical recruitment agency sustainable, a large upfront and ideally unrestricted investment that allows a new agency to allocate funds as it sees fit is required if it is to be successful in its mission. From our experience, this can either be a) an upfront investment/grant to get started, or b) taking the short-term hit of paying start-up costs yourself to get additional capital or until breaking even later on. This latter option may be through internal funding or through external funding, such as loans or credits.

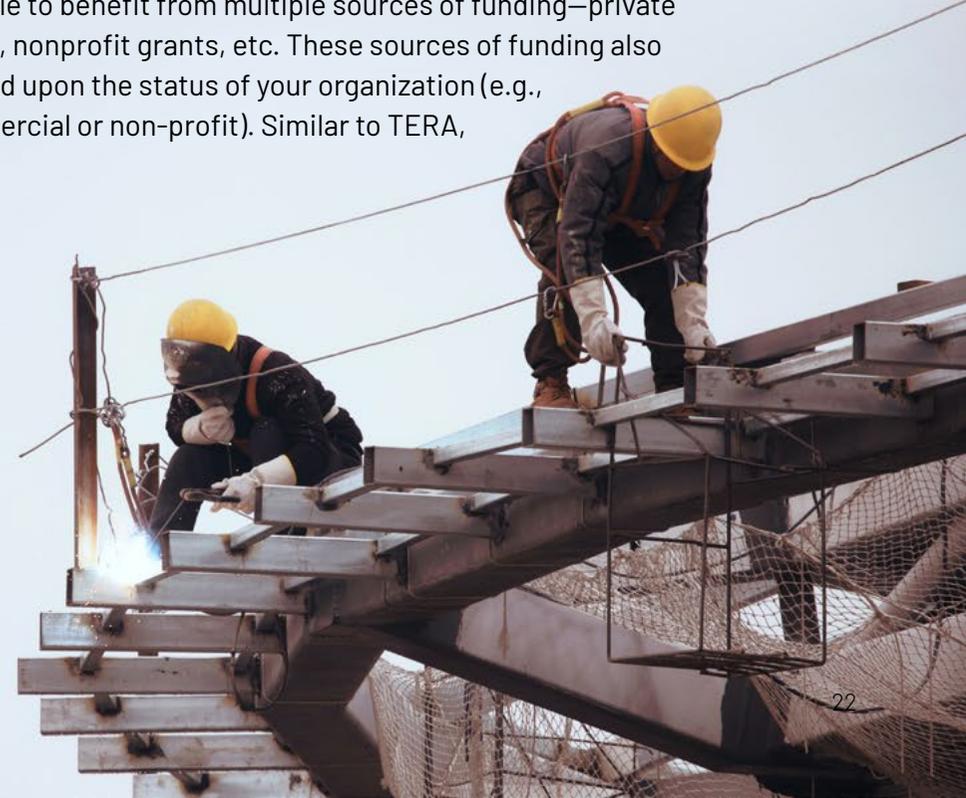
We have found that you will likely need to be able to secure a minimum level of investment for 12 months of operating costs and all other essential costs (e.g. any marketing or sales efforts, business trips, etc.). Don't forget to include your "salary"—if you can't pay for your expenses with your savings or an investment, your efforts in income generation might be geared toward your best interest rather than the company's.

"If you want to make an ethical recruitment agency sustainable, you need a large upfront and unrestricted investment that allows the company to allocate funds as it sees fit in order to guarantee and build its success."

KII7

It is important for aspiring ethical recruiters to consider the context when choosing an approach to securing funding. The first step is studying the factors for which decisions have already been made (including home base, operating model, and networks). The second step is to assess how those factors will affect funding needs, and to determine what sources of funding are available to meet those needs (see more in [Decision: Funding Mechanism](#)). These sources can be internal or external, and should be accessible to the agency. It is important to carefully determine what legal or other fiduciary obligations exist, as well as the ethical and security concerns that will be addressed. An informed decision about how to get the agency funded can only be made once detailed information about the funding landscape has been acquired.

Because of the nature of the work, ethical recruitment agencies are able to benefit from multiple sources of funding—private equity, nonprofit grants, etc. These sources of funding also depend upon the status of your organization (e.g., commercial or non-profit). Similar to TERA,



another ethical recruiter explained that their organization is “hybrid” in the sense that they are a nonprofit themselves but “have a lot of components as a profit business” with “support from the NGOs and opportunities to expand our business.”²¹ Contexts will differ but for your organization, a “hybrid” approach could include having strong community- and impact-oriented goals and objectives, while engaging in revenue-generating activities that are reinvested into activities that support the organization’s mission, similar to a social enterprise model. However, each type of funding comes with trade-offs that are difficult to juggle for socially-minded businesses (see table “Funding types”).

“Many of the costs that are linked to the bureaucracy of the country. For example, in the UK, or the Philippines they have generated systems and incentives for you to have the license, so it can be cheaper. In the case of Mexico, I would first spend the money on the license, on registering the company, on compliance etc. However, it is clear that it will take time to see a profit. It is difficult to start successfully with high volumes of work, so I would first start with 50 workers or so and continue looking for capital to continue operating.”

KII1

²¹ KII2.

THE TERA PROCESS

For TERA, setting up in India had a relatively low start-up cost. Other markets might require a more sizable investment to get started. TERA was started with an investment from Seefar that included financial resources in excess of USD 100,000, plus expert staff time, which positioned us to secure nonprofit funding to build our operations, secure our license, etc.

We have found that securing a minimum level of investment for 12 months of operating costs is essential. These will differ depending on the nature and structure of the business. For TERA, operating costs largely fit into the following categories:

- Office costs: including rent, utilities, and communications set up
- Staff costs: including salaries, taxes, training costs and costs related to benefits
- Subscription costs: including a customer relationship management (CRM) system, email accounts and website servers
- Marketing and sales costs: including online marketing and in-person events
- Fiduciary obligations: including licensing, legal and insurance costs



Decision: Funding mechanism

Selecting a funding mechanism for the start-up phase does not necessarily mean restricting oneself to a single type of funding. Yet, because of limited resources in the early stage of setting up an ethical recruitment agency, it will likely be beneficial to be clear on the advantages and drawbacks of the different types of available start-up funding, and to decide which will fit the business best.

Our learning and data from key informants suggest that in either case, when businesses do not invest resources in themselves, they should be looking for an investor that is both comfortable with a long-term investment and that does not expect a return in the initial years. For example, although government grants can be useful to get started and often have a clear ethical focus, there are usually restrictions associated with them. Additionally, there is typically some hesitation or outright prohibition around using funds for launching and registering a

new business, or around securing the recruitment license without immediately being able to implement funded activities such as matching migrant workers to employers.

While every start-up will have different resource needs, the general lesson is to secure funding sources that prioritize both profitability and welfare. While rare, these funding sources are increasingly available and include impact investors and social enterprises.

Funding type	Nonprofit funding	Commercial funding
Advantages	<ul style="list-style-type: none"> • May be accessible without a proven business case • Prioritizes worker welfare and the “ethical” side of recruitment • Rarely outcomes-oriented: once secured, may be easy to keep • Amounts can be quite large relative to actual accomplishments • Usually does not require equity to access 	<ul style="list-style-type: none"> • Typically flexible spending on corporate priorities • Better business advice and networks to draw on
Drawbacks	<ul style="list-style-type: none"> • Due diligence requirements can make them inaccessible to many start-ups • Often has spending restrictions that do not align with corporate needs, e.g. limiting spending to certain geographic areas • May not provide effective advice, or guidance may be counter to business needs • May not provide a strong push towards commercial sustainability 	<ul style="list-style-type: none"> • May require equity • Will typically prioritize profitability over worker welfare • Outcomes orientation can create short leashes if you can’t demonstrate success quickly • May require scale or existing business case making it inaccessible to start-ups

Register and apply for licenses

The administrative tasks required to successfully set up and run an ethical recruitment agency take a lot of time, no matter the context. Market research will have provided you with the tools required to map out the different requirements, and this in turn will make it easier to understand the licensing and recruitment-specific operating landscape in the selected origin and destination countries.

Here are a few questions to keep in mind:

- What licenses do you need, not only to operate locally but also on the client (employer) side?
- What is the licensing process, timeline, and cost on the origin side?
- Are there governance/corruption issues that prevent entry?
- Are there regulations specific to foreign owners/shareholders of recruitment companies?
- Do clients require specific certifications or membership to specific associations?

Make sure as early as possible that your ethical recruitment agency is duly registered and complies with the law in both origin and destination countries. Start applying for the recruitment license early on to be able to start operating as quickly as possible. In TERA's case, it took us about ten months to complete all the



requirements to get our license, underlining the importance for future agencies to plan for licensing to take a lot longer than it appears on paper.

On the destination side, there are several options for how to run operations. From our experience, these include: a) opening a destination recruitment agency, b) partnering with a trusted counterpart, and c) operating in jurisdictions that do not require local registration/presence. This will likely differ significantly depending on the location you select.

Avoiding detours: Overcoming challenges in securing commercial clients

While en route to becoming an established and well-functioning ethical recruitment agency, new agencies will naturally face difficulties and may run into roadblocks.

The challenge most aspiring ethical recruiters face is that the market for ethical recruitment services is still quite small. It's easy to be deceived by all the talk among international non-governmental organizations, governments, and multinational companies about their commitments to ethical recruitment. On the ground, the reality is quite different: most employers do not pay for recruitment.

Harness existing demand

When competing for clients that are accustomed to paying for recruitment, ethical recruiters can set themselves apart on ethics and the quality of workers they provide. For example, employers of domestic workers may be used to paying at least some costs to an employment agency. Although initial costs of recruiting through ethical businesses – which eliminate or reduce costs for workers – may be higher, long-term costs may be lower if an ethical recruitment agency provides better informed and better trained workers.²²

In other industries, such as facility management or construction, companies have often never had to pay any fees for recruitment. Asking companies in these industries to pay a premium is much harder in TERA's experience. It's exceedingly rare to find companies suddenly willing to pay for recruitment costs.

²² Seefar (2021) "[The Pre-migration Impacts of Ethical Recruitment. Measuring the role of ethical recruitment on migration knowledge, decision-making, and vulnerability to forced labor](#)".



An exception to this is companies facing increasing public scrutiny. One key informant highlighted that you should “pick industries where there is a customer facing element,” which incentivizes them to source ethically, “especially if they can become targets for NGOs’ criticism.”²³ However, as an ethical recruiter, planning for these types of scenarios is risky. While there might be a “tipping point where there is more money to be made in ethical recruitment,”²⁴ ethical recruiters will likely be more successful if they harness existing demand rather than investing resources into advocating for ethical recruitment among businesses and industries that are unlikely to pay for recruitment in the short- to medium-term.

The lesson is that to be successful, an ethical recruiter needs to identify a clear market for their services rather than to simply hope that the market will emerge. For TERA, we pinpointed Expo

“There is increasing demand for ethical recruiters in some migration corridors, and this is because some brands are concerned about existing legislation or commercial pressures. In this sense, what an ethical recruitment agency should do is to seek out these companies, as they have an interest in ethical recruitment and can put pressure on their suppliers.”

K111

²³ K113.

²⁴ K113.

2020 Dubai as our initial market. We had a clear set of potential customers; Expo suppliers are required, through Expo’s worker welfare code, to adhere to ethical recruitment principles including free and fair recruitment. Prior to set-up, we secured partnerships from various Expo suppliers that proved TERA’s business case. However, this remains a very niche market.

Make the business case

Even when harnessing existing demand, ethical recruiters will need to make a strong business case for their potential clients to consider using their services. It is therefore important to be clear on their value proposition, and whether they are able to effectively communicate this.

TERA and our key informants have found that it’s more effective to speak to businesses in terms of financial gains as opposed to human rights. While it is important to understand the social impact of the work, these outcomes should be translated into language that the business and investment community understands and cares about most. In this respect, focusing on profit and loss will almost always gain more traction with businesses than moral arguments for better treatment. Although your business case should start with your strong ethics as a unique selling point, it should quickly move on to addressing clients’ needs. These typically include:

- Increasing productivity
- Accessing more income
- Avoiding penalties

- Improving reputation to access new business opportunities
- Achieving higher retention rates

In fact, many of the unseen risks to the client stem from unethical recruitment. Some examples include roles not being as described and salary not as promised, accommodation and food costs not being communicated upfront, or fees paid by migrant workers being equal to one or two years of salary. These practices could leave clients liable for fines and lead to reputation loss.

Data on reducing costs and increasing profit through ethically sourced labor continues to be scarce, and few studies available lead with the commercial rewards available to businesses that improve their labor practices. However, new studies and information are coming out regularly. It is therefore important for new ethical recruitment agencies to carry out their own research in order to make a solid business case for themselves, including which

Potential benefits of ethical recruitment/employment for employers include:

- Motivated staff
- Attracting more skilled workers (because workers agreeing to pay the high cost of traditional recruitment fees tend to be the most desperate)
- Lower costs, as stronger worker retention means less recruitment needs
- Reduced risk of fines and reputational harm

“In general, the majority of suppliers want to do things in the right way—but do they have the incentive to pay more? No. They don’t see the positive case, for example, that it can increase productivity.”

KII5

migration corridor and industry or industries to focus on. In doing so, they may find existing data on the benefits of ethical labor from a client’s perspective. In fact, several key informants highlighted that one of the key selling points of ethical recruitment is higher quality and productivity among workers, and that they have been able to clearly demonstrate this advantage to clients.

You may find it useful to refer to TERA’s research and guidelines for businesses on profitable ethical recruitment.²⁵ We lay out a conceptual framework for promoting and enhancing the viability of ethical labor recruitment in the engineering and construction (E&C) industry in GCC countries, and articulate the rationale for small and medium-sized companies (SMCs) within the E&C industry to adopt ethical recruitment practices. We also provide a tool that can help companies calculate the costs and gains of more ethical business practices.²⁶

²⁵ TERA (2021) “[How smart E&C businesses can stay ahead in a challenging environment](#)”; Seefar (2021) “[Profitable Ethical Recruitment: How basic labour standards can spur growth in the GCC engineering and construction industry](#)”.

²⁶ TERA (2021) “[Calculate the costs and gains of adopting more ethical business practices](#)”.



“Often the problem is that they think that it will be more expensive for them, when in reality it may not be. However, there is also a lack of data, which makes it difficult to promote ethical recruitment.”

KII2

TERA’s client engagement example: Why recruit with TERA?²⁷



You’ll achieve greater compliance in your supply chains without compromising on cost.

TERA is committed to demonstrating that responsible recruitment is sustainable for businesses. Our prices have been benchmarked against top industry competition and are consistently lower than other manpower recruiters who cannot guarantee compliance.



You’ll save time and money while protecting your brand’s reputation.

TERA’s completely transparent pricing allows our clients to accurately plan for their business needs without worrying about unexpected costs or remediation. We are dedicated to saving our clients’ time, money, and reputation.

- Other recruiters charge recruitment fees that companies have to reimburse. TERA provides a zero fee guarantee to our clients.
- Other companies face significant legal costs and risks related to worker grievances. Through our industry-leading customer service and welfare monitoring, TERA solves worker concerns before they become problems.
- Most migrant workers want to change jobs frequently due to deception at the recruitment stage. TERA’s workers are excited to grow with a company for the long term.

²⁷ TERA (2021) “[Why recruit with TERA](#)”.

Because of a fear of poor delivery, companies often have little incentive to change their supply chains. Key informants spoke of examples where ethical recruiters were ultimately not able to pair clients with immediately available job seekers. One respondent explained: “The biggest challenge is a lack of recruitment agents who are able to recruit ethically and effectively—that is, hiring a large volume of employees and delivering professional services. [...] Businesses expect that if they want 50 workers, they want it now.”²⁸ As you make your business case, you should make sure to highlight how you plan on addressing this problem. Ensure that your clients understand that you focus on delivering a high-quality service, demonstrating that you are operating with the *business mindset*.

Identify and invest in sales targets

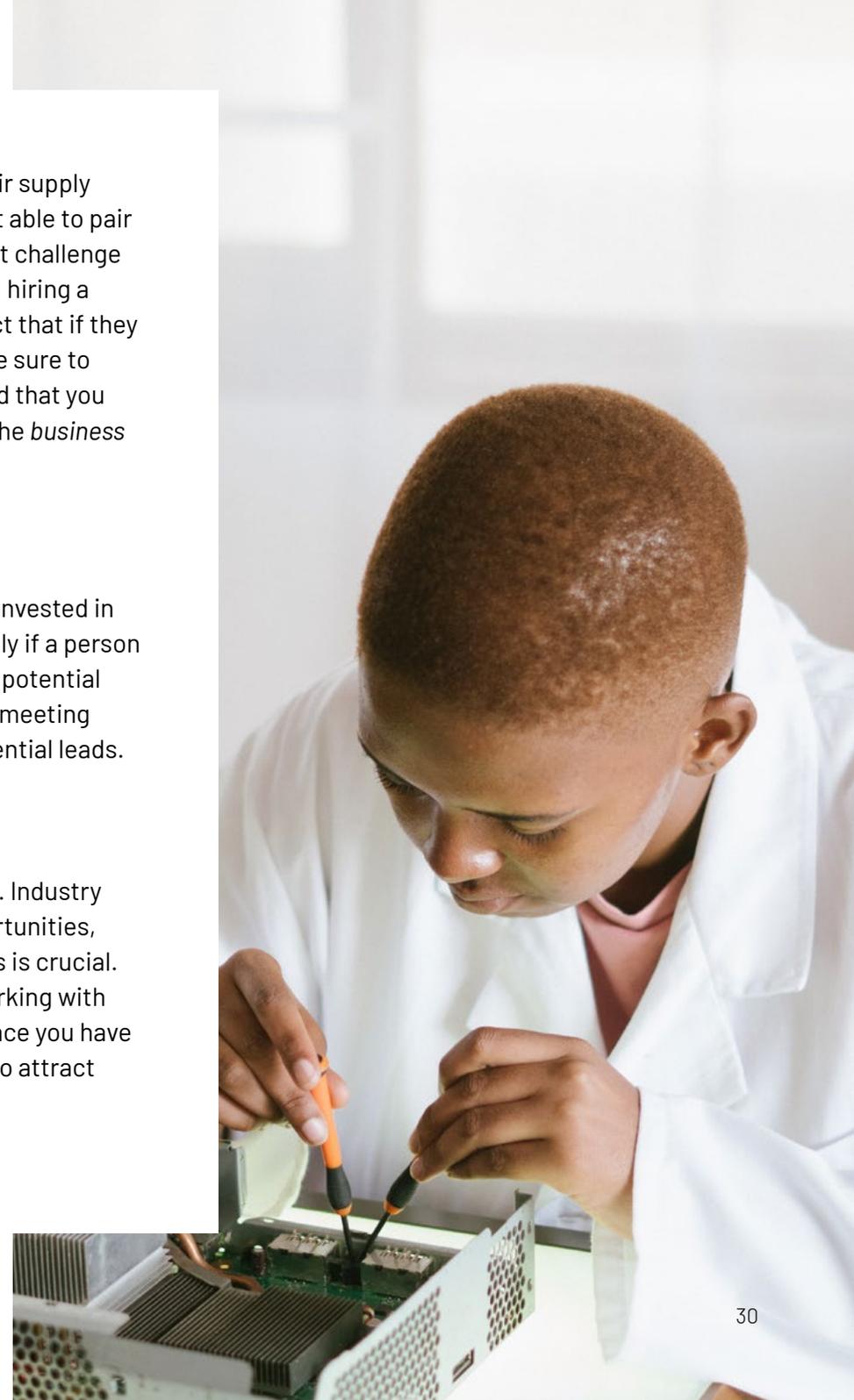
TERA’s experience has been that a minimum of 30% of the agency’s budget should be invested in sales early on. Identifying clients must be a top priority for you and your team, especially if a person within your team can rely on pre-existing networks or quickly establish a network with potential clients. We also recommend setting clear sales goals and defining clear strategies for meeting them, for instance through setting daily targets for the number of calls to make to potential leads.

Find an anchor client

A reliable network will likely be what opens doors for a new ethical recruitment agency. Industry expertise makes it easier to understand who the key players are, who can create opportunities, and what needs they have. TERA’s experience suggests that leveraging these networks is crucial. Ideally, your network will allow you to identify an anchor client that is committed to working with you and gives you the security to grow your business. One key informant explained: “Once you have a client, then you can start demonstrating your model, and start getting data in order to attract other clients.”²⁹

²⁸ KII3.

²⁹ KII2.





On the road: The business process

As your new ethical recruitment agency picks up speed, you will need to make sure you have all the right parts in place before you can start placing workers. Here, map out all of the components of your business processes so that your launch will be successful.

A recommended starting off point is to establish Standard Operating Procedures (SOPs) detailing processes for each step, from reaching out to job seekers to receiving work orders, to monitoring the selected candidates abroad. During this process, liberally and thoughtfully consider every aspect of how your business will function and the guidelines that will be needed to manage your processes. Consider not only how these aspects should be implemented but also how you will monitor and evaluate their performance in accordance with your mission and business needs. Monitoring and evaluation can help ensure the validity of your operations, increase your business' efficiency, improve coordination between different team members and stakeholders, and mitigate internal risks associated with procedural or administrative uncertainty.

Staffing

One business process that calls for dedicated preparation is staffing. Consider your short-, medium-, and long-term staffing needs. First, think about your current staff, and assess that group as a single unit. If you are the only person on your team, think

about yourself as your existing team. Then, return to the section on *Decision: Networks*, and review your responses to the questions at the start of that section. Where feasible, tailor those questions to your staffing needs and capabilities, and ask other relevant questions. From here, determine what your minimum effective staff complement should be—that is, what is the smallest number of people and the most critical skill sets needed to operate your business? Finally, consider what the budgetary needs of this team are and, where necessary, adjust your funding strategy to address any unbudgeted needs you discover here. Some examples of less obvious costs might be transportation and communications costs, and any costs associated with ensuring that staff have access to the technology they will require. If you have not already done so, we recommend that you speak with an accountant in the country where you will operate so as to fully understand all administrative costs related to human resources in your specific context.

Here is also where you convert your network evaluations into actionable insights. Review the networks available to you and your team. These will help you to prepare to “engage with the whole supply chain in order to create an ecosystem of actors that can create the incentives that are necessary for ethical recruitment.”³⁰ By assessing who you already have access to, you can determine what is needed to establish working relationships with relevant actors across the supply chain.

³⁰ KII2.



THE TERA PROCESS

At TERA, we found that sales was the key role and skill set required to effectively engage and build trust with job seekers and to create systems that would translate into worker placements. We initially lacked the right networks among potential clients, and in failing at this crucial step, we initially failed to reach our desired outcomes. We therefore changed course and invested into expanding our staff to include key recruitment experts with connections to potential employers.

We have also made sure that all positions related to the monitoring of our ethical standards and the wellbeing of our workers abroad were independent. Having two clearly separated arms of the business and removing power hierarchies between them has allowed us to avoid compromising our ethical standards in any way.

Partner and employer vetting

Another key function to get right is robust employer and partner vetting to support safeguarding and, ultimately, to ensure the sustainability of your ethical recruitment agency. This is particularly important because there is a natural limit to your Worker Welfare processes when checking migrant workers' conditions while working abroad: You have very few sanctioning mechanisms at your direct disposal. This puts more pressure on the due diligence pre-deployment and ensures the clients you work with are fully embracing and following the ethical processes you have agreed on.

Ideally, you should put in place a process allowing you to verify that potential clients will adhere to your ethical standards before you reach out to them. This will save you from investing time and money into building relationships with potential clients who are highly unlikely to meet those standards; and into supporting the return of workers home in case they are not treated ethically abroad.

Marketing and job seeker engagement

One key element for success is to be able to recruit from a large pool of job seekers, and to do so quickly and effectively, with high quality *and* high ethical standards. To accomplish this, ethical recruitment agencies will need an effective method of communicating with job seekers seeking to become migrant workers. This is where a marketing strategy comes in.

Your marketing strategy should serve to let job seekers know that using your recruitment services is a safe, effective, and reliable option for placing them abroad. Here, it is important to research the most effective communication channels to reach job seekers. This includes understanding a) who the marketing



is targeted to and b) what channels they use to learn about opportunities. Based on the characteristics of your target audience, such as their levels of (digital) literacy, and how they research jobs, different marketing channels could be employed. For example, some potential migrant workers may be easier to engage with through online outreach or local advertising. For others, an indirect approach via engaging training centers, or through Government agencies might be more effective. As described above, your market research should have helped you to map this out. If you are hoping to attract workers from rural areas, it is now worth considering how you might interact with communities in person for direct, in-person marketing. In these instances, it is helpful to first establish relationships with community leaders and individuals who are well trusted within these communities. Depending on the context, this may include religious leaders, school teachers or local government.

Our experience has shown that a diversity of marketing tools will make your marketing strategy more resilient, as it provides flexibility in the instance that one tool does not provide the desired results.

When developing marketing materials, the first step is to understand why your audience is interested in migration in the first place. This will in turn make your outreach more meaningful. Indeed, understanding why people in your location/locations want to leave can help increase interest when explaining how your ethical recruitment agency can address those drivers—and do so in a better, safer way than traditional recruitment methods.

A strong understanding of risk perceptions for traditional recruitment will also help you make your marketing strategy more

“One of the challenges was to convince individuals that what TERA offers is true. In order to develop trust with them you have to interact with them. TERA showed them the office, and told them detailed information about what we do. Interaction is the best thing for people to understand what we are offering.”

KII9

relevant. For example, TERA conducted case studies with returned migrant workers and quickly understood that workers were often unaware that a no-fee recruitment option was in fact a *reliable* option for working abroad.

This leads to a critical component of your marketing strategy: *How to develop trust with potential migrant workers.* TERA's experience in India and key informants' experiences elsewhere suggest that many migrant workers struggle to trust ethical recruiters. Perhaps somewhat counterintuitively, job seekers often think an agency or job is fake if they are not being charged any fees for it. The practice of paying for your job has become so entrenched in many migrant-sending communities that changing this norm through ethical recruitment requires you to invest quite heavily into building trust in order to secure workers for placements abroad.

In our market research phase and case studies, many respondents associated paying fees with a higher chance of being successfully

placed and did not trust that a no-fee recruiter was a “real” agency that could send them abroad. This led us to conclude that we had to tell prospective migrant workers clearly and from the first interaction that a) they had to pay no fees, b) that there are no other agents in the migration process, and c) how TERA could nonetheless give them reliable job opportunities abroad. We also provided potential migrant workers with a single point of contact at TERA for end-to-end recruitment needs in order to increase trust. Having a physical office that job seekers could visit proved extremely useful for trust-building in TERA’s case.

Therefore, in terms of “supply” and “demand”, your sales and marketing strategy should not only focus on how you will increase the odds that jobs are filled by job seekers, i.e. the potential migrant workers you hope to engage and support. As one key informant noted: “It’s important to build a corporate image and create trust among workers.”³¹ Here are a few techniques that might work for you:

- Use migrant worker testimonials (e.g. for worker pre-departure training) to act as character references. If possible, employ returned migrant workers as part of your team, or seek ways to involve them in direct engagement with your audience.
- Include testimonies of returned migrant workers and their experiences (i.e. their struggles and how your agency can improve the migration experience).

³¹ KII10.



- Get promoted through official channels, such as governmental education centers, trade or technical schools, etc.
- Sensitively include cultural references to marketing messages.
- Invest time in explaining your recruitment agency and job opportunities to job seekers and their influencers, such as family members.

Ideally you engage potential migrant workers already in the “pre-decision” and “the pre-departure phase” to avoid them falling victim to exploitative practices and instead access your ethical recruitment services.³² A study TERA conducted in 2021 points to the promise of ethical recruitment interventions to not only decrease vulnerability to forced labor but also to raise knowledge and build awareness already in the pre-migration phase. It suggests that through marketing and outreach activities, ethical recruitment agencies like TERA are a cost-effective means of informing and protecting thousands of migrant workers during this phase.³³

³² KII4.

³³ Seefar (2021) “[The Pre-migration Impacts of Ethical Recruitment. Measuring the role of ethical recruitment on migration knowledge, decision-making, and vulnerability to forced labor](#)”.

Decision: Job seeker engagement

When it comes to engaging potential migrant workers, current ethical recruiters apply two approaches: Direct job seeker engagement—like in TERA’s case—or engaging with potential migrant workers through a network of local partners or partner organizations.

Direct engagement will likely mean more resources for you to spend on implementing this form of outreach and interaction, and monitoring that none of your own staff corrupt the ethical recruitment process. Working with partners, such as local community leaders, can pose a more severe risk as “the community leader can take money from the prospective workers.”³⁴ A network of local partner organizations can maximize trust and reach, but also bears a risk “as every part of the process can be corrupted.” One actor implementing this model noted that working with multiple organizations at once can create “mutual accountability”; “If someone is charging a worker in the community on our behalf, but everyone knows that we don’t charge any fees, then we get notified.”³⁵

Based on your own local

³⁴ KII10.

³⁵ KII2.

capacities, and keeping in mind the benefits and drawbacks of each approach, you should decide early on how you want to engage job seekers. Once again, a hybrid model can work and may even be the ideal, but would likely go along with higher resources needed in order to establish the relevant systems for both approaches.

In any case, you will need to understand to what extent it will be necessary and productive to build trust with local communities or key actors to succeed, as most job seekers rely on information from relatives/family/social networks to find a recruiter. Building trust with local communities is time-consuming, difficult and expensive. You will also need to understand that engaging with the local community also poses a risk to your operations, as each person that you interact with and is in contact with a job seeker can be charging fees to prospective migrant workers. In this regard, the solution is not to avoid interacting with them but rather to have procedures in place to mitigate these risks. Investing in this early

allows you to essentially build a highway to safely, ethically, and efficiently transport your passengers (i.e., job seekers) to their promised destinations (i.e., your clients’ jobs). Successfully traversing this leg of the journey is also crucial to sustaining trust among all your stakeholders.



Pre-departure training

Pre-departure training is a key component for all ethical recruiters we spoke to. At TERA we have conducted research on the effects of training during the pre-departure phase. We found that through pre-departure training, ethical recruitment agencies play a powerful role in raising awareness of migration risks and illegal recruitment practices during this phase, making a case for viewing ethical recruitment agencies as “two in one” interventions: marketing infrastructure to disseminate strategic migration messages, and livelihoods programming that empowers and safeguards the most vulnerable people. For example, respondents who received information on ethical recruitment by TERA were comprehensively more knowledgeable about the migration process, requirements, and risks than a separate group who did not interact with TERA.³⁶

Pre-departure training can take different forms: An agency with an industry-specific operating model will likely also focus on providing training that includes skills, whereas an agency working with the cross-sector model can focus the entirety of the pre-departure training on non-technical skills and knowledge needed for working overseas.

As technical/vocational training will depend heavily on the industry selected, we focus our guidelines for pre-departure training on training that aims to equip migrant workers with the skills and knowledge needed to make the recruitment process truly ethical.

³⁶ Seefar (2021) “[The Pre-migration Impacts of Ethical Recruitment. Measuring the role of ethical recruitment on migration knowledge, decision-making, and vulnerability to forced labor](#)”.



When designing your pre-departure training **it is crucial to think from the migrant workers’ perspective and what they need in order to succeed abroad, not what we would like them to know.** Some recruiters overload their training curricula and content with international and national laws that workers often do not care about - without supporting them in understanding what the laws mean for them and how exactly they can help them, laws have little relevance to them. The lesson is to be simple, clear, and focus on what workers care about in order to have an ethical experience when working overseas.

Here are some broad suggestions on what this type of training can prioritize:

- **Contract terms:** Contracts are often not provided in local languages or are written in a way that a migrant worker can easily understand them - a key barrier to ethical recruitment and work! Pre-departure training can focus on going through the contract with workers, explaining and interpreting key sections and provisions. This will maximize knowledge about their rights and responsibilities, and reduce the likelihood of workers falling victim to workplace abuse or - in a worst-case scenario - any form of forced labor. Also make sure to communicate upfront any additional cost that workers may need to pay, such as taxes.
- **Labor rights:** In addition to the contract, workers benefit from labor rights in the country of employment. As noted above, don't list laws and rights but explain to them what they mean for them. For example, a key informant suggested that supporting a migrant worker in understanding their value at their job and throughout the supply chain can help them recognize and make use of labor rights more easily.
- **Support systems and grievance mechanisms:** Both your recruitment agency and the country where the employment contract is issued will likely have support systems and grievance mechanisms in place that migrant workers can access. Source country embassies and consular services may also have mechanisms in place. However, the use of such systems is often low - migrant workers may fear repercussions from their employer and how they are treated

by their employer. Pre-departure training can focus on not only explaining how to access support and grievance mechanisms, but also on empowering workers to do so should they need it.

- **Culture and language:** You may not always be able to include comprehensive language training. But introducing the migrant workers to some key cultural differences and similarities, including food, lifestyle and basic sentences to use in their daily life, will likely help them in dealing better with culture shock upon arrival.
- **Travel:** You should be as detailed as possible when explaining the journey migrant workers are about to take. This includes step-by-step information on the travel, packing, immigration and arrival. The more they know and internalize about what the day of the journey looks like, the less prone to potential interference they will be. TERA, for example, found a need to generate information sheets for workers in Arabic that they can give to Immigration Officers if needed.

“It is important that workers are not charged with fees, make workers understand their value at their job and throughout the supply chain and teach them how to use their soft skills to build a safe space, for example, showing them grievance mechanisms and how to be protected. It is important to also help them create a life plan.”

KII2

We can never train migrant workers on everything we want to train them on. It is therefore important to bear in mind that your training should also: 1) refer them to additional resources, 2) have a staff member (e.g. the worker welfare officer) who can receive their calls and answer their questions beyond the duration of the pre-departure training, and 3) be clear about the limitations of the services you provide. Frequent contact with soon-to-be migrant workers during the pre-departure phase will mitigate their anxiety as this also allows workers to ask any questions that arise at any time.



Worker welfare system

Finally, ensuring worker welfare from the very first point of interaction all the way through to return is key to making your recruitment agency ethical.

Each worker welfare system will depend on how you design your recruitment agency and operations. For example, an operating model where local actors are the ones engaging with job seekers will require different systems to be in place to monitor and respond to any unethical behavior—e.g. charging fees at any point during the recruitment - than a model where your staff directly engage with job seekers.

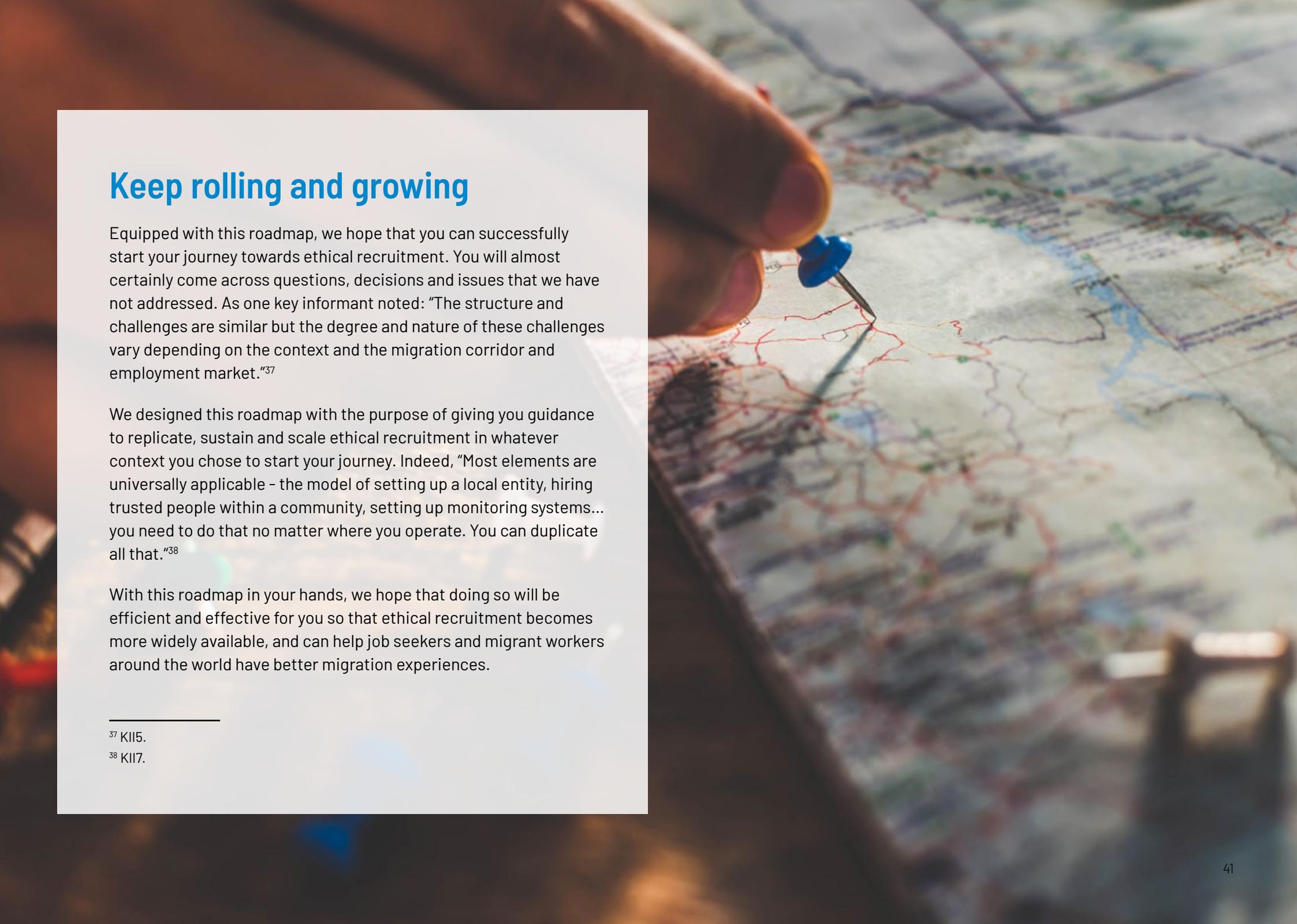
Our experience suggests that at a minimum you should implement the following:

- Independence of any worker welfare staff: As outlined earlier, make sure that worker welfare staff are supervised independently from other roles and work against any potential power dynamics between staff who implement the recruitment and those who monitor the job seekers' and migrant workers' welfare.
- Establish welfare monitoring processes at all phases: You should commit to monitoring your beneficiaries' wellbeing not only in the pre-departure phase but also while abroad. Independent check-ins during the recruitment and prior to departure as well as contact abroad to monitor relevant indicators to labor exploitation are crucial to ensuring your agency complies with ethical standards.



In practice this means:

- Conduct regular random and independent spot checking to monitor the job seekers' and migrant workers' interaction with the agency's staff at any point in the recruitment chain and to make sure that they understood your ethical recruitment practices;
- Set up on- and offline grievance mechanisms with easy instructions for job seekers and migrant workers to use these mechanisms, and clear areas of responsibilities and standard operating procedures for who and how to respond to grievances raised. Here, it is crucial to consider how the most vulnerable workers are able to access these mechanisms - it may be necessary to have several different methods for workers with different profiles;
- Establish systems to ensure that grievances are addressed and that this is systematically communicated back to reporters;
- Providing job seekers and migrant workers with a single point of contact to reach out to during the pre-departure and employment phases. A worker welfare staff should also be on call while workers are traveling in case of issues;
- Establish a process to control the interaction with third parties and workers in order to guarantee that it is fair and ethical (i.e. if a third party conducts skills training and a skills assessment for one of the workers, make sure that they have not received any fee and that the process was fair);
- Regular and meaningful check-ins when workers are placed abroad; and
- Ensure that agreements with employers include clauses clearly laying out Worker Welfare standards and repercussions for breaking these.

A close-up photograph of a hand holding a blue pushpin, which is pinned to a map. The map shows various geographical features, including roads, rivers, and city layouts. The background is blurred, showing more of the map and the hand.

Keep rolling and growing

Equipped with this roadmap, we hope that you can successfully start your journey towards ethical recruitment. You will almost certainly come across questions, decisions and issues that we have not addressed. As one key informant noted: “The structure and challenges are similar but the degree and nature of these challenges vary depending on the context and the migration corridor and employment market.”³⁷

We designed this roadmap with the purpose of giving you guidance to replicate, sustain and scale ethical recruitment in whatever context you chose to start your journey. Indeed, “Most elements are universally applicable - the model of setting up a local entity, hiring trusted people within a community, setting up monitoring systems... you need to do that no matter where you operate. You can duplicate all that.”³⁸

With this roadmap in your hands, we hope that doing so will be efficient and effective for you so that ethical recruitment becomes more widely available, and can help job seekers and migrant workers around the world have better migration experiences.

³⁷ KII5.

³⁸ KII7.

A Roadmap to Replicability

How to create, sustain, and scale an ethical recruitment agency

SEEFAR

