

RECRUITMENT SOURCES

My friend and university fellow, currently enjoying CEO position in FMCG organization in Muscat, suggested me to add external recruiting services for my existing clients as well as potential market.

Although, I gave a serious thought to the idea of providing recruiting services, which mostly large organizations are availing in Pakistan, but I am still not convinced that it's appropriate for companies to engage external recruiter for hiring it's employees.

My experience is that even owners/management of companies using outside recruiters insist that they had greater success and even saved money when they have in house hiring professional.

Why is that? Because hiring is about finding the right fit. In the entrepreneurial world, it translates into finding smart people with impressive pedigree who will flourish within your company culture.

With external recruiters, it is difficult to achieve that, because they don't sit in your office every day. Culture is a powerful force. Companies with strong cultures do better. The biggest mistake companies make is hiring applicants based purely on their technical skills and not on raw intellectual power. Of course hiring top-shelf talent and retaining that talent over the long period is vital to the survival of any entrepreneurial venture, particularly a startup operating on a shoestring budget. So it is economical and worth hiring a full-time recruiter.

In Pakistan, companies are even hiring foreigners through external recruiting companies/agents all over the world and paying big amount in dollars for the services. I haven't found this strategy profitable for any company. The reason is very simple; not only that foreign applicant but external recruiter has no knowledge/experience about culture of company and country. It came across that a major company paid outside firm US dollars in six figures to hire ten employees. One year later only three of those employees still work for the company. The others left with in a year even after signing a contract of two years. The problem wasn't that the hires were unqualified. The issue was people didn't thrive within the company culture.

The rapid transitions meant the company spent more time recruiting and training and less time advancing. In my books employee turnover is lethal and always end with big figure in expenses. Internal recruiters don't come cheap but the typical external recruiting agency charges 20 to 30 percent of new hire's salary, or 20k to 30k a piece. Internal recruiter's typical salary range is 50k to 150k per month but can hire dozens of people.

For companies planning to hire more than 20 employees in coming year, an internal recruiter could save them lot of money. If you are an entrepreneur with vision and looking to expand, then stick with internal recruiters' strategy to save company's culture which is very much essential for growth and prosperity of organization.

