Recruitment options - What's best for your business

BY SHANE STOREY

HIRING NEW STAFF IS ONE OF THE MOST IMPORTANT AND CHALLENGING DECISIONS YOU'LL MAKE AS A MANAGER OR EMPLOYER. THE ABILITY TO RECRUIT THE BEST CANDIDATES FOR SENIOR POSITIONS IS ESSENTIAL FOR ANY TOP PERFORMING BUSINESS.

Reviewing applications, interviewing candidates and negotiating salaries all take precious time away from a business owner's existing day-to-day obligations. This may end up hurting the business in the long run, particularly when a candidate turns out to be sub-par. So, should the crucial task of sourcing and approaching these individuals be entrusted to an in-house recruiting team, or should an outside specialist firm be brought in to help manage the hiring process? Both have their advantages and there are some key points to consider when deciding whether or not to enlist some outside expertise.

Partnering with recruitment agencies can take a lot of the time and effort out of the talent search and can be a valuable resource for finding that talent quickly and efficiently.

Recruitment agencies in New Zealand are either based in an office or online. How they work is simple. From a database of CVs, recruitment agencies are asked by paying employers to find the perfect match for a job role. They often match a selection of CVs with the job description, then send the job applicants in the direction of the employer to attend a job interview. Basically, it takes out the task of reading through countless CVs for the employer, while taking out the task of finding an employer for the jobseeker.

Businesses pay recruitment agencies in two ways, either a negotiated flat fee or a percentage of the remuneration of the successful job candidate.

The average flat fees range from $6,000 to $8,000, while the percentage fee is normally between 12.5% and 17.5% of the annual salary.

When you decide to go through the process of taking on a new staff member, you will need to decide whether to recruit through an agency, or to recruit yourself using internal resources. Using a recruitment agency isn't the right choice for every business and, while it certainly has its advantages, you may prefer to do things yourself. Here are some of the pros and cons of both options:

HIRING YOURSELF

Pros

- You stay 100% in control of the whole process;
- You can review all applicants;
- You choose where and when the job is advertised;
- No recruitment fees.

Cons

- Recruitment is costly in terms of your time – taking you away from your role;
- It may take longer to fill the position;
- You have access to a limited candidate pool;
- You may not have the knowledge;
- Limited knowledge of current law;
- Hidden costs of a bad hire .

RECRUITMENT AGENCY

Pros

- They have access to more potential candidates;
- They can source candidates more quickly through their networks;
- They free you up to concentrate on your job;
- No fees if you don't hire their candidates;
- Some legal details can be taken care of;
- Aware of the current laws;
- Agency recruiters, have market insights that their clients don't, about salaries and employer branding;
- They negotiate over salary and benefits;
- They are a third-party mediator;
- They conduct reference and background checks and verify credentials.

Cons

- You need to invest time with the agency to ensure they understand your company;
- You pay a fee for their services.

Before you decide to take on a new employee, it's important to think about all your options – there may be more than you think. Be certain of all the tasks and timelines that are involved in the role, and what level of experience you believe is necessary to complete them. Maybe you are going through a busy period and could really do with an extra pair of hands to help out with the admin, or maybe you are looking to grow your business steadily and are ready to teach a fresh young apprentice all the tricks of the trade. Be clear about your purpose before you begin the recruitment process.

Final word of advice: In anything that you decide to do, whether it is working with an outsourced partner or a contractor or employee, if you work with the right people and invest in that relationship, you will always get a better result.

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