

Different Take on Recruiting

BY MARY SIT
For the Chronicle

A 5-inch-tall brass bell rings, and colleagues quickly gather in the lobby of the office to hear the good news: One more person has been recruited successfully.

For this Houston-based executive consulting firm, the peal of bells has quickly become a tradition to celebrate achievements.

The founder, president and chief executive of Quantum Solutions for Business, Nick Tubach, says his approach to recruiting represents a new way of thinking.

Traditional recruiting agencies typically charge 20 percent of the recruit's first-year salary. Agencies may also find a qualified candidate - but will often shop that candidate to three or four other firms, too.

First, the company plays psychologist, trying to find the kind of candidate who would want to come to work for a company that's large or small.

Getting into their heads

"We get into the head of the individuals - to understand what makes them tick," says Tubach, 42, who admits he has often successfully hired people whose resumes didn't fit the job description but who possessed the capacity and qualities for the job.

The company also subscribes to "every single job board on the planet," Tubach said.

Q4B's fees range from \$12,000 a month to \$150,000 to \$200,000 a month, depending on the solutions companies require.

About 60 percent of its work is running a firm's entire recruiting process. Other clients only want consulting or on-demand services.

Although the fees may seem steep, Tubach said the true cost-per-hire is less than traditional methods, especially when companies consider the time and effort managers typically spend on recruiting instead of managing.

"There is central accountability for success - a complete solution with audit trails," he said.

Tubach is convinced Q4B's business model is working.

The company became profitable about a year after it was founded in July 2004. Current annual revenue is about \$4 million, with projected revenue of \$10 million next year.

Clients include Dell Computers, Samsung Semiconductors, Siemens, Rohm & Haas.

When Andrew Corp., a telecommunications, equipment and services business-to-business company, needed 300 positions filled in a year, it turned to Q4B.

“We’re into this now for almost 10 months, and Q4B has placed almost 450 people,” says Tom Maratea, manager for recruiting and staffing at Andrew Corp., a \$22 billion business with 40 locations worldwide. “We’ve asked them to do twice as much. They’re very customer-focused. They have provided what we have looked for in terms of hitting the floor running.”

V. Kumar, a former marketing professor at the University of Houston and now professor of marketing at the University of Connecticut’s School of Business, said outsourcing has become a trend triggered by jobs that involve multitasking, laws that deal with diversity and international positions.

The case for a flat fee

And Q4B’s flat fee makes sense for both companies and Q4B, says Kumar.

“When the demand fluctuates, it’s better for the company to agree to a flat fee so they know what to expect. The recruiting company...gets a constant income,” says Kumar.

But Jennifer George, professor of management at the Jones School of Management at Rice University, cautions that recruiting is a tricky business.

“The key issue is giving applicants a really accurate portrayal of what the organization is like, who they’ll be working for and what the job entails,” George said. “To what extent a third party can do that...is fundamental to whether or not this works.”

Kumar said if clients can rely on a recruiting company’s judgment, it works.

“The time value of money for the executive to interview people is so high that if they trust the recruiting company...it becomes an accepted practice,” he said.