



SOCIETY OF ACTUARIES

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Why You Should (or Should Not) Use a Recruiter

by Steve Glaeser

An insurer in a great location seeks an actuary with your exact qualifications and it would be a promotion. They offer a salary above your current level, superior benefits and they will relocate your family. You apply, and after several interviews, they make a generous offer. You should accept, right?

Wrong. In this case, it would be a career train wreck.

What they didn't tell you (and you forgot to ask) is that the incumbent quit when they insisted that he post fraudulent figures. If you take the job, they will ask you to do the same. Then, after uprooting your family, your choices are ugly: post fraudulent figures and risk going to jail (and destroying your reputation), quit and show a short employment term or post accurate figures and wait for the company to fire you for insubordination. Any way you look at it—you lose.

Recruiters in the industry know this company, but you applied on your own.

Farfetched? Unfortunately, I'm working with the actuary who left because he was asked to falsify figures.

Few actuaries spend their entire career at one company. Moving from one company to the next involves a new résumé, interviews, offers and uncertainty. Companies that need talent need to acquire the best leaders efficiently. The question for both: should you work with a recruiter?

JOB BANKS VS. RECRUITERS

Résumé warehouses collect résumés that are available to anyone who subscribes. You, as a candidate, should know that if your present employer subscribes, your résumé is likely to surface in a search. Once they see that you're "on the look," you can forget about the next promotion.

Companies who subscribe to databases and take résumés via their Web site run the risk of "fishing in a small pond," and missing the cream of candidates.

WHAT RECRUITERS CAN DO: FOR CANDIDATES

First and foremost, recruiters can tout your abilities louder than you can and not sound arrogant. Industry specialists speak the hiring manager's language and may have provided quality candidates in the past so the hiring manager knows the recruiter's recommendations are worthy.

Competent recruiters will help you craft a professional résumé or put you in touch with someone who will. The operative word here is "competent." One recruiter crafted an ASA's résumé with two grammatical errors in the first sentence. When the ASA sent it to over 80 companies, it was rejected until he discovered the error.

Additionally, recruiters can:

- Target your search for positions that truly match your competence and work style.
- Present you to the right hiring manager directly. (No more canned e-mails from the HR computer saying: "We'll look over your résumé—if you don't hear from us in two years ...").
- Schedule interviews and prepare you for that company's interview style.
- Ask tough questions about the company, its plans, policies, culture and the like.
- Vet references and prepare them for screening by the hiring manager or HR.
- Follow up with the hiring manager to discover why you're not hired.
- Negotiate salary, benefits, relocation packages and timing.
- Help you gracefully leave your current employer.

WHAT RECRUITERS CAN DO: FOR COMPANIES

Would 30 percent more revenue to your bottom line get your attention? According to Bradford Smart, Ph.D., companies with "A" level players produce 30 percent more revenue. On the other end, his research shows that bad hires can cost a company four to 10 times the incumbent's salary.



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Whether you call it “human capital” or “people resources,” your team members are not a commodity to be ordered or requisitioned; indeed, they are your greatest asset. If phrases like: “We need to fill a position,” or “Find a replacement” are common in your company’s HR or hiring manager’s vernacular, it is likely your staff is populated by B or C players who will hire other B/C players.

Recruiters can make “A” level talent available to your company. Top recruiters represent only the top talent because they know those professionals will be hired by top companies and they will earn their fee. Surprisingly, many companies rely on in-house staffers or a cartel of outside recruiters and thereby restrict their talent pool—dangerous in challenging times.

Recruiters are ethically restricted from recruiting from companies where they place candidates. In other words, if a recruiter has placed a candidate with one of your competitors, they are ethically prohibited from taking a candidate from that company to work for you. For some recruiting firms, the restricted list can be as high as 40 percent of your competitors. Be sure to check their restricted list!

The solution is to be totally candidate centered: allow all responsible recruiting firms to present candidates from the widest possible sources, and hire the top candidates. Hold recruiters responsible to bring you “A” level talent and have them provide a guarantee to replace the candidate if they leave in less than one year.

In addition to the above, a recruiter can:

- Shorten the time-to-hire cycle.
- Vet references on a more confidential basis (recruiter calls raise fewer suspicions).
- Ask candidates tough questions.
- Present a wider slate of talent because they are essentially free of non-compete restrictions.
- Utilize negotiating strategies normally unknown to in-house recruiters, e.g., placing a spouse in a new job, etc.

CANDIDATE’S GUIDE

The best recruiters work exclusively: they will not represent you if another recruiter has your résumé or if you are posted with an online job bank like Monster or Career Builder. They communicate with you often, know your skills well, and only present you for positions that further your personal and professional goals. You should always know where your résumé is presented.

You should not work with a recruiter if:

- You’ve been in your position for two years or less.
- You don’t plan to take an acceptable offer or your spouse won’t move with you.
- The recruiter “blasts” résumés indiscriminately.
- You plan to retire in two years or less.

COMPANY GUIDE

Ideally, your company has “A” level players in every position. If that is not the case, Smart’s book and system, *Topgrading*, combined with an open system of competent recruiters can make a turnaround in a short time. While it might not be practical to use

recruiters for all positions, those with salaries over \$100,000 warrant a wide recruiter network.

You should not work with a recruiter if:

- Your company can not afford the recruiter's usual fee: you'll only get B/C candidates
- The recruiter doesn't really know your industry.
- You won't hold recruiters accountable for mis-hires.
- You don't have a plan to upgrade B/C players or move them out.

- Your company is already 100 percent "A" level players. (How do you know?).

Challenging times are opportunities for leaders to replace B/C talent with "A" level players and position themselves to take market share from companies who do "business as usual." Top candidates recognize that challenging times are opportunities in disguise. When a recruiter does his job well, companies get the talent they need, efficiently, and candidates get the job they want, promptly: everyone wins. ●

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