

## Organizational Challenges Facing a Small Recruitment Agency: Case Study of a Firm Based in South India

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**Abstract :** The recruitment industry plays a critical role in connecting employers with talent. While there are many big recruitment firms and big organizations can also afford to have their own recruitment teams, small recruitment agencies form an essential part of the ecosystem serving a vast majority of small and medium sized clients. These clients utilize the services of the recruitment agencies to be able to scale their operations. However, there are significant organizational challenges that a small recruitment agency faces to build a sustainable and growing business. This case study explores the organizational challenges faced by a small recruitment agency in South India in an increasingly competitive landscape. Through this paper, the authors hope to understand, analyze and share the challenges faced by this firm and suggest a systematic approach to address the challenges. The study uses both qualitative and quantitative data collected from the agency's management and employees based on the year 2024. The findings reveal that the agency struggles with limited resources, unpredictable clients, and a lack of scalable processes and systems, which impacts not only the business outcomes but also key areas like employee performance management, compensation and benefits, and employee well-being. Based on these insights, the study proposes several strategies for overcoming these challenges, such as implementing scalable systems and processes. This research contributes to the understanding of the specific obstacles faced by small recruitment agencies in regional contexts and offers actionable recommendations for improving their organizational health, which may, in turn, positively impact their competitiveness.

**Keywords :** recruitment, organizational challenges, performance management, recruitment technology

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