

Recruiting your Recruiter – Part II

Defining your Needs & Setting Expectations

In [Part I](#), we discussed the questions you should ask yourself prior to engaging a recruiter. Some of these questions relate to deciding whether or not to select a local or national firm. Others focus on determining whether you should rely on a firm that specializes in a specific function or industry and the value derived from working with a small boutique firm vs. a high volume recruiter.

In Part II, we will focus on the issues of *salary, exclusivity and fees*. We will also suggest some specific questions that should be addressed with a prospective recruiter. For example, consider whether or not you have the budget to hire an A player; whether or not there is any value in using one recruiter exclusively; and the fees you should expect to pay when engaging an outside recruiter.

What Can I Afford?

Whether you are in the market for a new car, a cell phone or an Operations Manager, the first question to ask yourself relates to price. Similar to cell phones, candidates, offer different features, technical capabilities and functionalities. With the addition of each new “feature”, the price will increase. A cell phone that offers Bluetooth, a full keypad and mobile web will be more expensive and is not right for everyone. Likewise, an Operations Manager with Fortune 500 experience, an MBA, experience managing 3 distribution centers and a Six Sigma Blackbelt will command a higher salary and is not right for every business.

Therefore, the first decision relates to *the total compensation package*. Your decision regarding the base salary and bonus should be based on [relevant salary data](#) from reliable sources. Consider whether or not you need to hire a seasoned expert who can hit the ground running with minimal training or whether you are able to hire a less experienced and less expensive professional. Obviously, while the second option may save you some money, it will require more of your time to commit to training and guidance. Many organizations make the mistake of pursuing a seasoned expert for every position. However, this type of professional is not required in every case and it is important to consider the makeup of the entire department before making this hire. Perhaps your department is comprised of seasoned experts that can provide the proper training and guidance to a more junior professional. If you are hiring a new position and the work is currently being completed by others in your department, perhaps you have the luxury of bringing in a non-certified junior professional that may take longer to train yet require a lower salary.

Another common mistake is the attempt to hire a senior executive while offering a junior salary! Taking this approach will not only create a long delay in filling your position, it will also brand your company as an organization that underpays and over hires. While

there is no right or wrong way to answer these questions, understanding how one affects the other will determine whether or not your expectations can be met by your internal recruiting staff and external recruiters.

The key questions to ask in this situation relate to the amount of time you have to train your new hire, the timeline for getting your new employee “up to speed”, the level of expertise and certification required and whether or not you are able to offer market rate.

You Get What you Pay For

One of the most common questions surrounds *fees and exclusivity*. Fees can vary widely depending upon the type of recruiter, the location of the position, the skills required and the sense of urgency. Therefore, the second decision to be made relates to *the specialized nature of the position (see Part I)* and *the message you want to send to the marketplace*.

As a rule of thumb, fees range between 15% (lower level, non-technical positions) and 33% (C-Suite, highly specialized positions). Many firms offer a discounted fee for the exclusive right to conduct your search. This will not preclude you from continuing your own networking, but it will require you to work with only one recruiter for a specified period of time. This approach benefits the recruiter by enabling him to contact prospective candidates and discuss a position that is unknown to other recruiters. It will allow the recruiter to gain the candidate’s interest much quicker – which is particularly important for higher level positions.

From the company’s perspective, exclusivity is beneficial for three reasons: first, the fee is lower - if the recruiter is not offering a lower fee for exclusivity, the company should make this request. Second, an exclusive search is a top priority for a recruiter. The recruiter knows that she has a finite amount of time to identify, screen and present the best candidates before the client fills the position on their own or invites other recruiters into the process. Lastly, and most importantly, when a candidate receives a call regarding an exclusive search, it heightens the level of interest because the candidate understands that the only way she will hear about this position is through this particular recruiter. Moreover, receiving this call makes the candidate feel that she is part of a unique group – a group that has been targeted by this specific recruiter and this specific company to fill this specific position. She feels that any company opting to work with one recruiter to fill its open position is a company that has researched its options before selecting the best recruiter for the job. Therefore, the recruiter must be an expert in this arena and the position must be a high priority.

Contrast this experience with a candidate that receives a call from 3 or 4 different recruiters, all working on the same position, all claiming to know the client better than the others. In this scenario, the message received by the candidate labels her as a commodity. If the company felt compelled to call multiple recruiters to fill this position, perhaps the company has not determined exactly what they are looking for and perhaps there is something about the organization that is contributing to the difficulty in finding

the right candidate. Furthermore, it causes the candidate to wonder whether or not the company is focused on hiring the *available candidate* rather than the *qualified professional*. Most “A players” will ask the recruiter whether or not the position they are calling about is exclusive to their firm.

The key questions to ask in this situation are twofold: first, does this recruiter have a well-developed database for this particular position allowing him to consider a wide range of prospects. Second, will this search be a top priority for this recruiter.

While each recruiter relies on different metrics to gauge their success internally, there are 10 key metrics that each client should know prior to engaging the recruiter.

Top 10 Questions to ask your Recruiter

1. What differentiates them from the other recruiters in the area?
2. What is the Retention Ratio? (the number of placements that are still in the job 1, 2, 3 years later)
3. What is the recruiter’s average time to fill? (on average, how much time does it take them to fill this type of position)
4. How does the recruiter source and screen their candidates? (Monster.com, direct recruiting, in-person, phone, etc.)
5. How many orders is the recruiter currently working on and what is their capacity to add more?
6. What is the recruiter’s “fill ratio” over the past 6-12 months (the percentage of positions they have filled compared to the number they have worked on – the industry average is approximately 50%)
7. How many positions have been filled by the recruiter with the same criteria as your open position?
8. On average, how many candidates do they present before a placement is made?
9. What is the average salary for this type of position?
10. What client references can the recruiter provide?

Leveraging the expertise and network of external recruiters is an opportunity to partner with professionals that can expedite and enhance the hiring process. By asking the right questions, this partnership can and will be highly successful. Remember, just as you would not hire someone that is misaligned with your company culture or business model, there is no reason to hire a recruiter that fails to pass the same test.