

MASTERING S.M.A.R.T. TALENT MANAGEMENT

THE RIGHT

SOURCING · MARKETING · ASSESSING · RECRUITING

HIRE

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EXECUTIVE SUMMARY **15**

Chapter 5 | Hiring Researchers and
Recruiters - Pros and Cons

Hiring Researchers and Recruiters - Pros and Cons

As an alternative to filling your own positions, your company can take advantage of the services of researchers and recruiters outside your organization. Of course, you can also use your own people internally within HR to perform the same services. Either way, especially if you are frequently filling positions, you will need to determine which method is more cost effective and capable of producing the overall results you want.

Information researchers can be used when you want to start a search effort and need to compile a list of names. They can also supply you with lists of places to source, advertise or recruit. A researcher can also give you a lengthy list of names that you will contact and decide which ones are of value to your company.

Executive recruiters will take those long lists created by the information researchers and evaluate, recruit, and manage prospects in order to provide you with a much more refined and select short list of pre-screened candidates. Once you have this reduced list, you then are provided assistance in contacting these candidates for further assessment, interviewing, and then help in choosing one to fill your open position.

When you want to find an external recruiting company, there are primarily four different types that you can choose from. The one you need would be selected based on the type of position you are looking to fill, and any other criteria that may apply to your particular set of circumstances.

Four Types of Recruiting Firms

When finding the right recruiting firm for your needs, you need to choose the one that best matches your situation.



Choosing the Best Comes from Understanding the Options

- **Retained Search Firm** : When you are seeking to fill a senior-level management position with typically at least a six-figure salary, this is the type of firm you want to choose. As the name suggests, a retainer is required, which means you will need to pay some money up front. Generally, they will provide the company that hired them with a list of about 10 names of potential candidates who are highly qualified and proven to be very reputable. It is important to know that this kind of company does not work with individuals who are looking for positions. Instead, it works for the company and seeks to provide them with a list of carefully screened candidates who are deemed the best qualified people for a specific position.
- **Contingency Search Firm** : Filling a position for entry to mid-level executives may mean that you should work with a contingency search firm. The main difference between these two firms is that this type of company only gets paid when a candidate it presents is actually hired to fill

the position. The other difference is that a retained firm invests two to three times the effort to comprehensively understand, market, and screen candidates for your opportunity.

- **Internal Search Firm:** If your company is frequently hiring entry to mid-level talent, then you may want to take your searches internal. It is important, however, that your staff used for the research and recruiting process be trained properly. A better solution, however, would be to hire recruiters who have already worked for a contingency or retained search firm. This ensures they at least have an understanding of the process and challenges that researchers and recruiters will face.
- **Information Research Firm:** Another way to get lists of possible candidates is to use an information research firm. These companies compile lists from the more openly available sources, such as Monster.com, Google.com, and various association directories, and they may even obtain some easily available resumes, too. Because they rely on the above sources, and more, you can also see that they are only going to supply you with names of people who are actively job seeking. No real screening or consulting depth is provided. The rest of screening of the candidates, the initial recruiting contact, opportunity presentation, dealing with interview scheduling, relocation issues, compensation negotiations, etc., is entirely left up to the company.

Keeping up with all of the work involved in finding quality people can be daunting and an organizational and people management nightmare. It may be much more than your HR department is either willing or capable of handling. Since many companies find it to be too much work, especially smaller to mid-sized companies, there are now many hundreds of research companies available that offer the services you need. They also offer their services to internal corporate recruiting teams and to executive search firms. Most of these information research companies consist of just one to three people working from their homes, and they typically will manage a list of 10 to 15 clients and/or projects within a month. Here are some examples of companies that perform information research:

- **Corporate Navigators:** (www.corporatenavigators.com)—The company website states that the company was “formed to fill the research needs of search firms and

corporate recruiters who demand timely and targeted business information.”

- **ESR (Executive Search Research):** (www.esr-usa.com)—According to its website, “ESR has been providing an alternative to traditional internal and outsourced recruitment since 1997.” that the company



Outsourcing to the Right Company May Produce Better Results

- **Executive Search Research:** (www.executivesearchresearch.us)—This company “provides executive search research and recruitment research to executives and corporate HR professionals.”
- **Sheila Greco Associates, LLC:** (www.sheilagreco.com)—This company has been a leader in passive candidate research since 1989. One of the largest firms of its kind.
- **Xcavate:** (www.xcavate.com)—This company started in 2000 serving primarily Fortune 500 corporate technology clients who are usually looking for needles in haystacks—now serves many of the world’s largest consumer, energy, and medical products companies.

Some companies choose to outsource only some of their recruiting work. In that case, you will need to choose between a retained recruiter and a contingency recruiter.

Positive and Negative Aspects of Internal and External Recruiting

It is not surprising to find that there are some people who speak positively – and some negatively – about the issue of external recruiting. One of the main arguments against it is that some people believe that they can do just as good a job as a recruiter, and that they can do it for much less money. To them, the costs are simply not worth the results.

On the other side of the coin, some HR departments know that an external firm can produce excellent benefits because of their already established network. This network enables the recruiting agency to get more and better qualified candidates (active and passive) within the same time frame. Because a company's bottom line is affected by the quality of a candidate, it can mean a long term benefit that an HR department may not be able to match. The additional value benefits of using an executive search consultant are extensive and could fill pages. At the bottom of this summary are sources for better understanding the value proposition of using external recruiters.



Will Your Team Really Be Able to Select the Best?

If you do some of your own researching or recruiting for candidates, then there's always the real possibility that there will be some positions that you will still want to outsource. You will need to make that decision on a position-by-position basis. In order to determine whether or not you would do better by outsourcing the talent search for a particular position, you should ask some questions such as these:

- *Does the urgency for filling this position present reasons why outside recruiting resources may be necessary?*
- *Does the nature of the skill level required, level of this position, location, compensation, etc. . . make the likely candidate pool very small?*
- *Does the HR department or hiring manager have the time to do the in-depth search this particular position requires?*
- *Does the HR department or hiring manager have the network in place to find the right candidates?*
- *How much time are we willing to invest to find this out?*
- *Will the candidates you want respond to direct recruitment calls from internal HR recruiters?*

- *Can internal recruiters handle the interview scheduling, candidate screening, interviewing complexities, relocation and compensation issues, as well as an external expert?*
- *What happens if the best candidates are lost to poor performance of the above processes by internal recruiters? Especially lost to your competitors?*

Questions about time and money could be rather lengthy when dealing with this topic – which we will not address further here. If you have decided to use external search consultants for a specific position, then you need to find the right firm to do the best job for you.

Choosing the Right Search Firm to Fill Your Open Position

Finding the right search firm is not something that you want to do in a hurry. Although you will quickly find that there are many to choose from, some will work better for you than others. The most important factor in choosing the right one is getting an individual who understands your industry, product or market niche, local marketplace, and functionally the types of positions that you want them to fill.

You can use a Google search to find a search company, but it will be even better if you then talk to peers about the recruiting companies that they may have used successfully. You will also want to talk to the best talent in your company, too, because you can be sure that they are constantly being approached by various recruiters all the time. Find out from them which ones have made the best impression on them. Calling the recruiters references is a real good idea as well.

Here are some networks that you may want to consider using to find recruiters:

- **www.aesc.org** - Professional association representing retained executive search consulting firms worldwide.
- **www.findarecruiter.com** - "The guide to employment search professionals."
- **www.healthcareeragents.com** - Need quality healthcare candidates? You need quality healthcare recruiters.

- **www.recommendedrecruiter.com** - The top echelon network of primarily contingency recruiters nationwide.
- **www.recruiterredbook.com** - Detailed information for 13,000 recruiters.
- **www.onlinerecruitersdirectory.com** - The place to find a recruiter, executive search firm, or headhunter for your business.
- **Google** - type a search string that relates to your opening and add the word "recruiter" to it.

After you have created an initial short list of recruiters to choose from, be sure that you are ready to work with both the firm in general and the consultant who will be working with you.

Below you will find three posters that are available that have information on them to help HR and Hiring Managers alike understand search consultants and how to use them:

After you are ready, by understanding the various sources and techniques used to gather a list of possible candidates, you want to make sure that you are properly organized to do so. This includes making sure that you create a computer filing system that is capable of handling and organizing the inflow of resumes that will soon be coming your way. To learn more about that part of the recruiting process get a copy of The Right Hire.



* To see a full view of the poster, or to get your own copy of these Posters, please go to The Right Hire Resource Page at: www.ropella.com/therighthouse

THE RIGHT HIRE

“The most important decisions that business people make are not *what* decisions, but *who* decisions.”

- Jim Collins, Author of *Good to Great: Why Some Companies Make the Leap... And Others Don't*



In most organizations, making the right hire means the difference between success and failure. This book helps you recruit great people and keep them loyal to the organization by helping you understand, assimilate and execute today's best processes, programs and practices for Sourcing and Marketing to potential candidates, Assessing and Recruiting top talent, Retaining & Training employees and Transforming your organization for the better.

What you will learn from this book

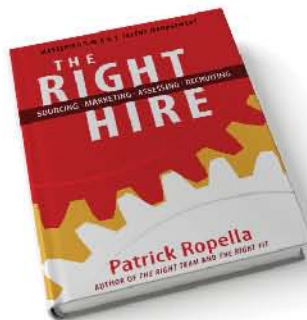
- How to successfully execute the all-important preparation stage of talent sourcing
- What to do to bring into alignment the whole interview-selection team
- Where to scout, network, and narrowcast in order to recruit the best candidates
- What techniques to use to screen and assess talent using proven tools
- How to use behavioral-based questions and interviewing techniques to uncover quality information that leads to great hiring decisions
- What can be done to dramatically improve the negotiations, offer, acceptance, start date and on-boarding processes
- And much, much more...

“People interviewing have choices, and *The Right Hire* presents the right things to do not only attract the top talent, but also to assess for culture fit, personal characteristics, experiences and credentials that will fit with your opportunity. With the growing need for companies to hire the very best talent available, *The Right Hire* is a must read.”

- Steve Watson,
International Chairman, Stanton Chase

“Too often making the right hire is seen as a matter of luck. It should not be. Follow the steps in this book and it will improve your success rate dramatically.”

- Yves Lermusi, CEO, Checkster



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Patrick B. Ropella is Chairman & CEO of the Ropella Group, a 25-year-old international Executive Search, Leadership Transformation, and Corporate Consulting firm in Florida with clients among the world's most prestigious corporations. The Ropella Group focuses on working with mid-level management and executive-level leaders regarding their search, leadership, and/or consulting needs across most roles and functions. Patrick authored the book and web based training program, *The Right Hire – Mastering the Art of SMART Talent Management*. The SMART Talent Management System covers Sourcing, Marketing, Assessing, Recruiting, Retention, Training and Transforming top talent. Patrick's status as a thought expert, and writer on talent management & leadership has been promoted, featured and published in a wide variety of trade magazines and business publications, and leadership and executive search industry blogs and journals. Patrick regularly speaks at webinars, career fairs, conferences, trades shows and more. For more information about Growing Your Great Company through Ropella services, visit www.ropella.com, or call Patrick Ropella at (850) 983 - 4777.