

9 Reasons You Should Use Staffing Firms



Staffing firms can play a critical role in helping companies find talent. By staffing firms I mean any external search firm that earns a fee for making a placement with a company. This includes staffing agencies, RPOs, contingency and retained executive search firms, and their hybrids.

There is nothing inherently superior to recruiters who work at external firms when compared to corporate recruiters, other than they tend to work fewer assignments and their compensation is based on their results, not their level of activity. This is a huge advantage when it comes to representing stronger candidates.

Unfortunately, many (maybe most) staffing firms don't take full advantage of the opportunity. Too many compete on speed and lower pricing, presenting the same

candidates their clients can find on their own. Equally as bad, many of their corporate clients force even the better firms to follow rules and processes that eliminate their unique advantages. To address this, I suggest using the following 10 factors when evaluating an outside search firm. If they don't meet this standard, don't use the firm.

The Difference Makers – How Staffing Firms Can Excel

1. Since they cover both the active and passive talent market, they can help raise the overall quality level of every new hire.

The only reason you should pay a fee or ongoing hourly rate for a candidate is if the person is clearly superior to the people your company is finding on its own. To get a sense of this, have the firm present a few of their best candidates, ask how they found them, and then compare them to those you're now interviewing for the same roles.

2. Given fewer assignments, they have the time to hone their search skills. In this case you'll see and hire stronger people.

You need to have exceptional recruiting skills when dealing with passive candidates. To be successful staffing firm recruiters must excel here. Even if corporate recruiters have similar ability, due to their workload, they just don't have the time to invest in passive candidate recruiting.

3. The best people want to work with them.

Top passive candidates, especially those with three or more years of experience, seek out the best third-party recruiters to keep them aware of opportunities at different companies. This is a huge advantage over corporate recruiters who only represent one company.

4. They have deep networks to find talent fast.

Part of being a strong recruiter is the opportunity to develop deep networks of passive candidates. This gives them a sourcing and speed advantage and allows them to find top people quickly.

5. They understand real job needs, so you'll hire people who can hit the ground running.

Part of being a strong third-party recruiter, especially those who are industry specialists, is understanding the real job needs, as well as the hiring manager needs. While corporate recruiters could certainly do this, they rarely get the chance. As a result, too many corporate recruiters over-rely on skills, experience and compensation to filter candidates, eliminating high potential and diverse candidates from consideration.

6. They have more time to source passive candidates.

Convincing a person who's not looking to consider an opportunity takes more time than recruiting someone who is anxious to leave. Most corporate recruiters spend the bulk of their time sourcing the latter types of active candidates. The best external recruiters should be spending 80-90% of their time networking and recruiting passive candidates.

7. They have credibility with hiring managers.

The best third-party recruiters need to work more closely and more often with the same hiring managers. This develops a trust factor that is hard to replicate with a corporate recruiter who needs to work with many different hiring managers. Surprisingly, many talent leaders prevent their external firms from working directly with hiring managers, losing the chance to leverage this essential partnership.

8. For an external recruiter, the focus is on placements not activity. As a result, you won't need to see as many candidates to get a top person hired.

When a person's compensation is based on their performance, some recruiters throw as many candidates as they can into the hopper, hoping one sticks. These types of recruiters should be avoided. The best external recruiters work with fewer high-quality candidates and by managing the process from beginning to end, don't need to present more than three to four candidates in order for one to get hired.

9. Since external recruiters are more consultative than transactional, their candidates take the job for the right reasons.

The best external recruiters are focused on having passive candidates understand the long-term career opportunities that come with a new job offer. While this takes more time for the recruiter, it ensures that the hire will be more successful in the long run because the offer is accepted based on actual job needs and the upside growth opportunity, not just the size of the compensation package.

Using a high-quality external recruiting firm that meets the above criteria should be part of every company's talent acquisition program. However, when you find a firm like this the worst thing that can be done is to force it to comply with internal rules or processes that negate their unique strengths. Instead, leverage their abilities, pay their one-time fee, and recognize that hiring the best people is a multi-year investment that keeps on giving.

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