Time to Call in Reinforcements:
Tips for When and How to Work with Third-Party Recruiters
Introduction

Should I Work With a Third-Party Recruiter?

How Do I Find the Right Partner for My Organization’s Needs?

How Do I Get the Most Out of a Partnership With a Third Party?

Conclusion
INTRODUCTION

Whether you’re filling a very niche role, looking for a new executive leader, or dealing with a lot of openings at once, there may come a time when your in-house talent acquisition team needs a little backup. When that happens, you may want to call in a third-party recruiter.

A lot of employers freeze at that thought. Hiring an outside agency or independent recruiter feels like a big, intimidating step. But it doesn’t have to be! If you know when to partner with a third party, how to choose the right recruiter, and how to get the most out of your relationship with them, you’ll see that working with an outside recruiter can be one of the best decisions your organization has ever made.

In this eBook, we’ll answer your burning questions about bringing a third-party recruiter on board, including:

1. Should I Work With a Third-Party Recruiter?
2. How Do I Find the Right Partner for My Organization’s Needs?
3. How Do I Get the Most Out of a Partnership With a Third Party?

But first, let’s bust some common myths surrounding agency and independent recruiters:

Myth No. 1: Third-Party Recruiters Cost Too Much

The first thing to know is that many agencies and independent recruiters charge contingency-based fees. Under this model, you don’t have to pay anything until the recruiter fills the position with a qualified candidate.

Another important note is that many agencies will guarantee a placement. If a candidate doesn’t work out and leaves the organization within a certain timeframe, the agency will find a new candidate to fill the departed employee’s role. You won’t run the risk of spending money on a bad candidate, because the agency will make it right.

You should also consider the ROI generated by partnering with a third-party recruiter. Yes, you have to pay for their services, but consider that you lose money every day a position goes unfilled. If the recruiter can fill that position for you – and can do so in a shorter timeframe than your internal team can – your bottom line suffers less from lost productivity.

Consider also how costly turnover can be: 6-9 months’ worth of the lost employee’s salary.1 Third-party recruiters can help you find better matches, thereby reducing turnover. And in the event that one of your new employees leaves? As mentioned above, many agencies will step in to help.

1 https://www.shrm.org/multimedia/webcasts/Documents/12ruyle_2.pdf

Consider that you lose money every day a position goes unfilled.
Myth No. 2: You Have to Give Up Control of the Recruiting Process If You Hire a Third-Party Recruiter

In reality, nothing could be further from the truth. Third-party recruiters are here to help you. They won't forcibly snatch the reins from you or turn in whatever candidate they happen to find. Instead, they'll work closely with you to understand your specific needs. Plus, if a third-party recruiter offers up a candidate who doesn't wow you, you always have the right to reject that candidate.

Myth No. 3: A Third-Party Recruiter Is Only a Temporary Solution

Some people worry that third-party recruiters can't solve long-term hiring problems. They can help when things get tough, but their use is limited to filling occasional roles. This can be true – but only if you want it to be.

While some organizations only turn to third-party recruiters when they are struggling to fill a particular role, others foster long-term relationships with select agencies or freelancers. These recruiters then become permanent features of the organization's recruiting strategy, rather than Band-Aids used to cover hiring problems.

Myth No. 4: A Third-Party Recruiter Won't Represent Us Well

It is certainly possible that some outside recruiters will be poor representatives of your employer brand – but you don’t need to work with them. When searching for a third-party partner, it’s always best to look for those recruiters who can act as positive representatives of your company. Communicate well with prospective recruiters, and you’ll be able to find an agency or freelancer that acts as a trusted extension of your team.

Now that we've cleared up a few misconceptions, let's get to the big questions that need answering:
rankly, the answer is: “It depends.” There’s no one-size-fits-all way to determine whether or not your organization should partner with an agency or freelancer. However, there are a few common scenarios in which many organizations find it helpful to hire a third party:

Scenario 1: You Have Some Hard-to-Fill Roles
Trying to fill a very niche role? Need someone with hard-to-find skills? You could let your internal team handle it, but such a time- and labor-intensive recruiting process would tie them up for a long time. If those team members have other duties in addition to recruiting for this role, then something will have to give. They won’t be able to do it all.

The other option would be to outsource the recruiting process to a third party. That way, your internal team members can still take care of their other duties and your role will get filled. It’s an even better idea to contract with a third-party recruiter that specializes in the particular niche you need to fill. This recruiter will likely be able to find better talent in less time than your internal team ever could.

You may also consider a third party if your organization is making a high-level or C-suite hire. At the upper levels of the corporate ladder, hiring is largely a matter of networking. Your internal team’s network may not have the kinds of candidates you need. A third-party executive recruiter, however, will likely have access to a wealth of qualified candidates.

Scenario 2: You've Noticed Excessive Turnover
Is there a role or department in your organization that suffers from higher-than-average turnover? A third-party recruiter may be able to help.

The best way to reduce turnover is to make great hires at the outset. Your organization may be struggling to identify exactly what such a great hire looks like in this context. A third-party recruiter that specializes in the field or industry may have the knowledge and network necessary to find candidates who will stick around for the long haul.

Scenario 3: You Have to Make a Time-Sensitive Hire
If you need someone right now, the best way to get them is often to ask a third party. Your internal team likely doesn’t have the capacity to drop everything and find a candidate immediately. However, a third-party recruiter does.

Scenario 4: You Need to Conduct a Confidential Search
Sometimes, you don’t want anyone to know you have an open role to fill. Maybe you don’t want competitors to know that a certain executive is departing, or maybe you’re staffing a new team for a project you need to keep quiet. Whatever the case, a third-party recruiter may be just the ticket.

Hiring a third-party recruiter means you won’t have to post public announcements to find talent, and it minimizes the chance that information about your opening will leak.

Scenario 5: You Need to Fill a Project-Specific Role
Perhaps you have a project coming up that requires some special talent. You don’t need a new full-time employee – just someone who can stay for the duration of the project. A third-party recruiter is more likely to have access to talent that meets these very specific needs. Plus, outsourcing this opening to a third party means your internal team can focus on making full-time, long-term hires.

Scenario 6: The HR Team Just Doesn't Have Time
Unless you have a team dedicated exclusively to recruiting and hiring, this is a problem you’ve run into. Given all the tasks that a typical human resources department has to juggle, sourcing and hiring sometimes drops in priority on its list. It’s especially problematic when facing an overabundance of open roles or high-volume hiring projects that require tens or hundreds of new employees.

When the HR team’s bandwidth is simply too constrained, bringing in a third-party recruiter can alleviate the pressure and make sure the hiring gets done.
If any of the scenarios outlined above apply to your organization, then it may be time to hire a third-party recruiter. If the partnership is to be successful, it is critical that you hire the right third party.

Here are some factors you should take into consideration when assessing potential third-party recruiters:

**Cost**

It may be obvious, but it’s worth mentioning: A third-party recruiter should generate enough ROI to be worth the price.

Look at a potential recruiter’s fees. How much do they charge? Is the fee contingency-based? Does the recruiter guarantee the candidates they submit?

Look at the recruiter’s cost in relation to your budget. Is it something you can afford? If so, what kind of return on investment will it produce? Don’t simply guess here – break out the numbers. Look over your financials. Study the costs of hiring and turnover at your company, and consider how the recruiter can (or can’t) save you money in these regards.

**KPIs**

What sort of key performance indicators (KPIs) does the recruiter use to track success? The recruiter should value the same KPIs that your organization does – e.g., time to hire, quality of hire, average time of candidate on the job, etc. See if the recruiter has kept track of their own past performance against these KPIs. If they have, ask if they wouldn’t mind sharing the data so you can see how they have done with other clients.

**Reputation/Track Record**

Look into the recruiter or agency’s reputation. Does the recruiter have testimonials from previous clients to share? You may also want to look for testimonials independently online, as they will give you access to previous clients’ unfiltered opinions.

Related to the KPIs mentioned above, you also want to look into the recruiter’s track record.
The recruiters are representing you in their interactions with candidates, so you want them to offer positive candidate experiences.

How long have they been working in the industry? How many positions like yours have they filled? How did those positions turn out? You may also want to look into the kinds of clients the recruiter has worked with in the past. Have they worked with clients like you before? Have they gained the trust of well-known, respectable brands in the field?

Specialization/Niche
It’s always a good idea to look for a third-party recruiter that has experience related to the industry your organization operates in and the kinds of positions you need to fill. For example, if you need to hire IT talent, you want to work with a recruiter who has successfully placed IT candidates in the past.

Methods and Tools
Talk to potential recruiters about the tactics, techniques, and technologies they use to source talent. Where do they look for candidates? How do they screen candidates? How do they build their networks? What kind of candidates do they have in their databases? You want recruiters who are up to date on their best practices.

You also want recruiters who treat candidates as people rather than resumes. After all, the recruiters are representing you in their interactions with candidates, so you want them to offer positive candidate experiences.

Values
Does the recruiter share your organizational values? If they do, they’ll be more likely to submit candidates who share your values as well. If not, the candidates they submit may not be the kinds of candidates you’re looking for.

Contract Terms
Some third-party recruiters – especially agencies – can be very rigid with their contracts. However, the best are agile and adaptable. They move quickly and creatively, reacting swiftly to changes in the market and in the client’s needs. You don’t want to work with a recruiter whose terms are too inflexible for change. Before hiring anyone, talk through the contract with them.

Risk Assessment and Due Diligence
To put it bluntly, you want to consider all the ways in which a recruiter could potentially get you into trouble. Is the recruiter or agency properly licensed for direct-hire recruiting? Are they compliant with all the relevant laws and regulations?

One set of rules and regulations to be particularly aware of is that of the Office of Federal Contract Compliance Programs (OFCCP), which is a government body that oversees federal contractor requirements. If your organization has contracts with the federal government – or could possibly have such contracts someday – then it’s a good idea to make sure your company and the third parties it works with all meet OFCCP standards. Even if your organization doesn’t do business with the government, it’s still a good idea to follow OFCCP guidelines – it’ll help ensure you don’t inadvertently run afoul of employment laws.

2 https://www.dol.gov/ofccp/index.htm
You weighed all the options and found the right third-party recruiter for your needs. Great!

However, if you want to make sure you get the most out of your partnership with an outside recruiter, you can’t just hand them an opening and wait for a candidate. If you want a long-lasting, fruitful, worthwhile partnership, you need to do a few more things:

Establish Your Rules of Engagement
It’s a good idea to establish some internal rules regarding when and how to engage with a third-party recruiter. Such a protocol will ensure no time is wasted debating whether or not a particular job should go to search. If it meets certain criteria, it gets passed to the recruiter.

Some things to consider when establishing these rules:

- What types of positions go to search?
- Are there any specific roles/departments that are always hard to fill? Should they always go to search?
- How long will you try to fill a roll internally before you bring the recruiter on board?

Be Clear About Your Needs
Recruiters can’t read your mind. You need to be absolutely clear about what you’re looking for in a new hire. Provide recruiters with a quick, comprehensive description of your ideal candidate. If a recruiter doesn’t know exactly what you’re looking for, it’s unlikely they’ll find it.

Foster Trust
You should be clear about your needs, but that doesn’t mean you should be overbearing. The best and most successful employer-recruiter relationships are born of trust. Give recruiters direction, but don’t insist on managing their every move. If you picked the right recruiter, you should be able to trust that they’ll do what’s best for your company.

Of course, trust is a two-way street. The recruiter should also trust that you will uphold your end of the bargain, whatever it may be. If you are transparent with them and they are transparent with you, there shouldn’t be any trust problems.

Recognize That ‘Fit’ Works Both Ways
In the previous section of this eBook, we outlined all the ways you could assess whether or not a recruiter would be a good fit for you. Now that you’ve partnered with a recruiter, you want to make sure you act as a good fit for them as well. Talk with your recruiter about ways that you could make their job easier. Is there a certain timeframe in which you could give feedback? Are there certain actions you can take to make the recruiter’s search easier? The more you help your recruiter out, the faster they can find a high-quality candidate to fill your roll.

Track Agency Spend and Assess ROI
Analytics will play an important role in your relationships with third-party recruiters. Keep track of every dollar you spend on agency and/or freelance recruiters. Keep track, too, of the quantifiable value these recruiters are producing for you. The services of third-party recruiters should yield a meaningful return on your investment. If not, it’s a sign that you need to reconsider your third-party recruiting strategy.

Build a Business Case and Stick to It
This may be the single most crucial piece of the puzzle: Your work with a third-party recruiter should be based on a specific business case. It should address a specific problem, like excessive turnover in your customer service department or an inability to find business-critical IT talent. If you know what problem you’re trying to solve by hiring a third-party recruiter, you can align your actions and the actions of your recruiting partner with the strategy to solve that problem. This will ensure that your work with a third-party recruiter produces meaningful value for your organization.
third-party recruiters, whether full-scale agencies, independent freelancers, or anything in between, can be intimidating to some employers. However, there's really no need to stress over the subject. In certain situations, hiring a third party is the best way to find quality talent in a timely manner.

If you find yourself in such a situation, look for a recruiter who can meet your needs. Different recruiters are better suited for different employers, depending on niches, experience, contract terms, and so on. Assess your options and choose the one that aligns most closely with your organization.

Then, once the partnership is in place, you need to put a little work in to ensure it is a long-term, productive relationship for both your company and the recruiter. The better your relationship with your recruiter, the better your results will be.