

Head Hunters & Recruiting Agencies Guide

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- We're looking to fill a highly-specialized role for which there are likely to be few candidates
- We have limited access to eligible candidates
- We have a requirement for a short-term or temporary position
- The search may span outside our immediate jurisdiction:
 - national; or
 - international immigration and tax expertise may be required; and/or
 - the position will likely require relocation

Head Hunters & Recruiting Agencies – What's the Difference?

Both head hunters and recruiting agencies act as intermediaries between companies that are looking to fill an open position and the individuals who are seeking work.

To put it simply, their main function is to find the most suitable person to fill a position.

Based on a job description provided by the company, they use a variety of resources to search for suitable candidates—advertising on their own websites and on other job sites, using social media and networking (LinkedIn, for example), attending job fairs and university and college campuses, and so on.

While the terms 'head hunter' and 'recruiting agent' (or 'recruiter') are often used interchangeably, the main differences between them typically lie in their working arrangement, their relationship with companies and individual job seekers, and the way in which they are paid by their clients (i.e., the companies that use their services).

WORKING ARRANGEMENT

Recruiters work for a recruiting company or 'agency'. They may work for a single agency as a full-time employee, or for several agencies on a contract basis (the latter is more common if the recruiter specializes in a particular sector or industry). Typically, they work on contingency basis — they only get paid if they find the right candidate.

A head hunter may work alone, or for an agency that specializes in a finding highly-skilled or specialized 'top talent' for companies. As a general rule, head hunters work on a fee-per-service basis (See Recruitment Agencies – Executive Search Firms.)

RELATIONSHIP WITH COMPANIES

Recruiting agencies work with one or more companies looking to fill positions for a variety of reasons. As part of their services, a recruiting agency may also be responsible for advertising, screening, and interviewing candidates on behalf of the company.

Document #: OP-HR-2480-R-1.0

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RECRUITING AGENCIES

Recruiting agencies differ in their approach but typically the process is:

- 1. The company sends the agency the job description of the position they need to fill.
- 2. A recruiting agent reviews the position requirements and then:
 - Creates the job posting, advertises the position, and may also post the position on one or more job boards
 - Searches through the agency's database of candidates to find those whose qualifications and experience appear to be a potential match
- 3. The agent compiles a shortlist of candidates from the database and from applicants who responded to the advertised position.
- 4. The agent then screens the profiles, resumes, and cover letters of each potential candidate on the initial shortlist, and arranges telephone interviews with the most promising individuals. During the telephone screening, the agent discusses the candidate's skills and their requirements, to determine if that person is still a potential match for the company's position.
- 5. If there is a match between the candidate and the job description, the agent adds them to a shortlist and sends their details to the company (usually the top 2 or 3 candidates).
- 6. The company reviews the profile, resume, and cover letter of each shortlisted candidate and asks the agent to arrange interviews with their preferred candidates.
- 7. The company interviews the candidates according to their interviewing process.

HEAD HUNTERS

Head hunters can be considered highly-skilled sales people. They typically maintain a database of individuals who are highly-skilled or experienced in certain professions or sectors, some of whom may not be actively looking for a new position. They do not advertise positions, relying heavily on strategic networking and professional relationships, and cold calling, to source experienced and qualified candidates.

While the steps they follow may be very similar to those outlined above for recruiting agencies, head hunters may also pursue an individual who is not in their database, but who they believe (through research and networking) may be an ideal candidate for the position.

Sometimes, a company may provide the head hunter with a list of names of individuals to pursue as ideal candidates on their behalf.

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PROVIDE EXPERTISE ON PAY RATES, EMPLOYMENT LAW, & REGULATIONS

Recruiting agencies and head hunters must not only be knowledgeable about the hiring requirements, criteria, and salary expectations of the companies they represent (and those of potential candidates), but must also be able to provide:

- Guidance to help companies attract 'top talent'
- Accurate information on current market/industry issues and pay rates
- Information and guidance regarding legal compliance, employment law, and government regulations—such as equal opportunity employment policies, affirmative action initiatives, and laws regarding safety and ethics

TIP: Research current market pay rates before discussing an open position with a recruiter or head hunter.

While they may be able to provide accurate information on current market/industry issues and pay rates, their job is to generate sales for their company/themselves. Keep this in mind if you find yourself feeling pressured to offer candidates higher starting salaries.

MANAGE CANDIDATE & COMPANY EXPECTATIONS

Good recruiters and head hunters establish the expectations of their potential candidates early in the process so that they can convey a realistic picture to the companies they work with. What's more, they should also advise candidates if their expectations are unrealistic.

Conversely, recruiters and head hunters should advise the companies they work with if their expectations regarding skill set and experience level are unrealistic, or do not match the budget they have.

To do this, the recruiter/head hunter must have a good understanding of market rates for the open position, as discussed previously.

COORDINATE EMERGENCY, SHORT-TERM, OR TEMPORARY COVERAGE

There will always be times when emergency, short-term, or temporary coverage is required. Most agencies cover the temporary employment sector and will already have access to a selection of prescreened candidates able to start work at short notice.

Maternity coverage is a typical need that most companies experience at some point. In this scenario, using the services of a recruiting agency is definitely worth considering since they are well-versed in the legal aspects of maternity coverage.

For more information, see Recruitment Agencies – Temporary Employees.

MANAGE PAYROLL FOR TEMPORARY STAFF

In many cases, a recruiting agency will handle payroll for temporary staff, including vacation and sickness pay, and taxes. Some will also manage payment for contract workers.

This can save the Company money, as well as valuable HR, accounting, and administration time.

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or head hunter who fully understands the industry and knows what questions to ask when screening candidates.

If this is not the case, the recruiter will not be able to create technical job specifications, and will not be able to accurately assess candidates' skills and competence. In this case, we risk being sent candidates who are not qualified for the position. End result = wasted Company time, effort, and money.

THE PERFECT CANDIDATE MAY BE OFF LIMITS

One of the disadvantages of using a recruiting agency is that their pool of candidates is restricted to individuals they have not placed with their other clients—unless those individuals approach the agency directly.

This means that if they have already placed the perfect candidate for our open position with another company, that person is officially 'off limits' to us.

Recruiting Agency Types

There are different types of recruitment. Common types are 'permanent recruitment & selection', 'project sourcing/outsourcing', 'temporary', and 'specialist/executive search'.

Recruitment Agencies – Permanent Recruitment & Selection

Recruitment and selection agencies find candidates to fill permanent positions with a company. The recruiting agency works with that company only until a candidate starts work.

Recruitment and selection is a particularly viable option for companies who have one or more permanent roles to fill, but insufficient time or resources to search for and screen candidates.

Recruitment Agencies - Project Sourcing/Outsourcing

Project sourcing is also referred to as outsourcing, co-sourcing, contracting, and project secondment.

Project sourcing agencies specialize in finding candidates to work on temporary projects within a company, typically individuals with specialist knowledge in a specific area.

In this scenario, the individual is permanently employed by the project sourcing agency, and the responsibility for the individual remains with the agency.

This arrangement typically works well for companies that require temporary specialized knowledge for a specific project.

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Finding the Right Recruiting Agency or Head Hunter

The Facts

Fact #1: There are a lot of recruiting agencies and head hunters out there.

Fact #2: They all want our business.

Fact #3: If we do not choose wisely, we lose money and time.

How to Choose an Agency or Head Hunter

So how do you go about choosing agency or head hunter that is right for the Company?

1. UNDERSTAND YOUR NEEDS

Before making contact with an agency or head hunter, ensure that you fully understand and define the Company's needs. Not only in terms of the position description, but also regarding the budget limitations and any specific services that we would like the agency to take care of—advertising, pay roll handling, etc.

2. DO YOUR RESEARCH

Begin by doing some research and networking. Check with the Chamber of Commerce, and ask around—perhaps the Company lawyer or accountant has some recommendations or suggestions.

Search online to find agencies in the area. Use search terms such as "recruiting agency", "recruitment agency", "employment agency", "staffing agency", "temporary staffing", along with our industry sector and our location.

3. ASK QUESTIONS

Once you've selected a shortlist of agencies, the first step is to conduct a telephone interview to discuss our needs. During this conversation, there are some basic questions you can ask to help you decide if the agency will be a good fit for us.

ARE THEY STABLE AND RELIABLE?

Is the agency well-established? How long have they been in business? Do they have a history of success, and can they back this up with numbers? For example, ask how many roles they fill every month and what the retention rate is of their placements.

If the agency is a public company, you might want to consider reviewing their latest annual report, or even request a certified financial statement.

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- The location—rates vary significantly from city to city
- The services we would like the agency to handle on our behalf—advertising, interviewing, handling payroll for temporary employees, etc.

Before you sign on the dotted line and enter into a business agreement with an agency or head hunter, make sure you fully understand how they will charge the Company.

WHAT IS THEIR KNOWLEDGE OF OUR INDUSTRY SECTOR?

If you're looking to fill a position that requires skills and knowledge specific to our industry sector, it's crucial that the agency or head hunter has a good understanding of and experience in hiring candidates for this sector.

Do they ask thoughtful, relevant questions? Do they make every effort to fully investigate your requirements? And do they seem to understand your wish list for the 'best possible scenario' candidate?

DO THEY UNDERSTAND OUR NEEDS? (AND DO THEY CARE?)

To be fully effective in recruiting for the Company, the agency or head hunter should make every effort to create a partnership with the Company.

Are they interested in what we do? Do they take the time to really dig into the nuts and bolts of the position we are looking to fill? Or do they seem rushed and perhaps overly focused on the payment plan?

Only by fully understanding our business needs, can a recruiter or head hunter feel confident and be effective in:

- Quickly filtering unsuitable applicants
- Presenting the best candidates for the open position
- Marketing the Company and our brand to the candidate
- Conveying to prospective candidates the benefits of accepting a position with us

DOES THEIR CODE OF ETHICS MATCH OURS?

Recruiting agencies operate in a highly competitive environment, so it's important to determine their integrity and code of ethics **before** the Company starts working with them.

For example, a reputable agency would not put forward a candidate who misrepresented themselves, or who was placed with another company but found to be unsuitable.

TIP: Take a look at the websites of the recruiting agencies that interest you. If the positions they are advertising are similar to ours, or appear to be targeting a similar audience, the odds are in our favor that the agency will have a good understanding of our industry and needs.

If we are asking an agency to handle our recruiting process, we are putting our trust in them. Don't be afraid to ask for references, preferably from a few companies in our sector—and especially if they are asking us to pay a retainer!

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