

HOWTO

CHOOSE A RECRUITMENT CONSULTANCY

A PERFECT MATCH

THE DIFFERENCE BETWEEN FILLING A VACANCY AND GETTING THE RIGHT PERSON CAN BE IMPORTANT TO THE MORALE, PRODUCTIVITY AND SUCCESS. **MAX WILLIAMSON** EXAMINES HOW TO GET THE MOST OUT OF YOUR RECRUITMENT

The UK is home to some of Europe's most successful multinational recruitment companies, as well as a vast number of well-respected specialist consultancies. The choice can be overwhelming, but there are a number of criteria you can adopt to assist you in your search.

RETAIN A RECRUITER

The first decision that needs to be taken is whether you intend to retain a recruiter or use them on a 'no win, no fee' basis. Retainers are typically employed when recruiting for more senior roles, when recruiting a whole team or where the candidate pool is particularly small. Many companies prefer using retainers because they have a formal agreement drafted in accordance with the exact specification of the role. The recruitment process is easier to control and companies feel more comfortable with the greater accountability placed on the shoulders of the recruiter. A retainer arrangement can also help to maintain a level of confidentiality.

While the benefits are clear, a retainer does tie you into an arrangement with that recruiter for a number of months and will effectively prevent you considering candidates presented from other sources. Such decisions should therefore be taken with a medium-term outlook in mind.

The recruiter will typically receive 25-30% of the employee's anticipated salary, with the payment spread over the recruit-

ment process. This usually occurs upon commencing the search, on delivering a shortlist of candidates and a final payment upon an applicant's acceptance of an offer.

Below the level of the most senior recruitment, companies will select several recruitment partners and they will work on a 'success-only' basis. This avoids a costly retainer and encourages recruitment companies to work quickly.

KEY STAGES

1 Consider your likely recruiting pattern for the next few months – not just the current vacancy

2 Consider whether it is more important that the role is filled discreetly or quickly

3 Push shortlisted recruiters to show they have the sector knowledge, web presence and people skills to attract the sort of people you want.

GET WITH THE LINGO

Those working in finance at any level respond badly to recruiters who are not familiar with specialist vocabulary and will gravitate towards recruiters who are. As a result, a recruitment company that can demonstrate a good understanding of the industry will have access to stronger candidates.

A specialist should understand the nuances of the market: where your target candidates look for jobs, at what time of year they are most likely to move (a recent survey we conducted revealed that 46% of candidates were most likely to search for a new job between April and June) and will be able to provide advice on salary levels and salary negotiation. A specialist could be someone within a large recruitment multinational, but could easily be a niche recruitment company that you've never heard of before. Shortlist suitable recruitment companies using recommendations from contacts, trade press and trade associations. There are some links provided as a starter.

OK ONLINE?

A recent survey conducted by Hays revealed that nearly 53% of respondents found their last job via the internet. It's certainly true that most candidates will at least start their job search online, so it follows that your recruiter needs to have a strong and appealing online presence. A successful recruitment site will act as a gateway not only for jobs, but will provide plenty of information on subjects such as interview techniques and salary levels. Providing such resources ensures that individuals will continue to visit the site and make it more likely that they view and apply for your job.

FIRST CONTACT

The accounting and finance recruitment market is usually referred to as a 'candidate led' market. This typically means that there aren't enough people to fill the number of jobs available, but it changes the currents of the market, and so your choice of recruiter. In such a market, candidates are typically well treated by their current employers and tend to be overloaded by calls from recruiters. The usual response from candidates in such a market is negative, so a recruiter really has to work hard to generate any level of interest from candidates. The initial contact the recruiter makes with a candidate is arguably the most important and difficult stage of the process. If your recruitment partner is not able to engage the target candidates then you are unlikely to receive suitable people. Irrespective of the quality of the job that is being presented, candidates tend to follow good recruiters and it is worth bearing in mind that a great job will not be enough to overcome a clumsy recruiter.

COST EFFECTIVE RECRUITMENT

Recruitment budgets are likely to be reduced if the economy continues to slow and if a traditional recruitment consultancy becomes too costly, it's worth remembering that your existing staff could be equally valuable recruitment partners. Many companies now incentivise their staff to seek out people who may be of interest to the company. In some cases, these rewards can run into several thousand pounds and have elicited a great response from employees.

As with most things, companies who approach recruitment partners from a negative standpoint tend to have negative experiences. Whilst everyone has some horror stories to tell, it's worth remembering that there are some recruiters who are exceedingly good at their jobs in the UK. Getting their help, and getting it consistently, will not only fill your vacancies quickly but could add genuine value to your company.

Max Williamson is a director of CareersinAudit.com

WORDS OF ADVICE

'Recruitment is all about the people who deliver the service. To be effective, a recruitment consultant must be credible; possessing in-depth market knowledge with extensive experience of successfully filling roles in a particular specialism, be skilled in advising on and supporting a recruitment process and possess an ethical approach based on respect for the needs of the individual.'

Ian Coyle, director, corporate governance recruitment specialist Barclay Simpson

'It is important that our recruiting partners not only understand the skill sets and competency requirements that we are looking for but also understand well our corporate culture. We expect our recruiting partners to assist us in identifying individuals who possess the right business and work ethic and who want to build an exciting long term career with us.'

Joyce Vassiliou, director of internal audit, Coca-Cola Hellenic



RULES OF ATTRACTION

YOU SHOULD CONSIDER ALL THE OPTIONS BEFORE DECIDING WHICH CONSULTANCY WILL BE BEST FOR YOUR BUSINESS, EXPLAINS IAIN HOPKINS

The recruitment process is now, by all accounts, a daunting affair. It's been likened not so much to an art as a science – such is the complexity of the process and the jigsaw-like pieces that must slot seamlessly together to get the best people into an organisation. It's no surprise that recruitment agencies have risen to such prominence in the minds of company leaders and executives over the past decade. In a tight, complex labour market, any assistance is better than none.

What options are out there and what are the pros and cons of using a third party for recruitment needs?

Over time, the biggest change has been the growth in number and scope of services offered by recruitment agencies. Today there are large multinational recruitment agencies and small boutique specialists and everything in between, and the range of services they provide has also changed. Many organisations will have preferred supplier agreements with a range of agencies in order to cover all bases. Indeed, it is now possible to outsource large chunks of HR and recruitment processes.

BUILDING AGENCY RELATIONSHIPS

It's a cliché but the best recruiters are those who truly partner with their clients. They take the time to understand the makeup and culture of that business, and know what kind of people will work well. They also know the industry in which the business operates and are prepared to attend industry functions to increase their knowledge. They will know who's about to leave an organisation before the organisation does – because they network so effectively.

Building that relationship takes an investment of time – or what could be called 'conversations without purpose' – to the point where the recruiter should be confident enough to say, 'no I don't think we can do that job for you.'

Bear in mind that there are plenty of agencies out there who will simply want the business. They'll look to get a bum on a chair, with no real concerns about the duration that person stays for or the fit.

HR professionals often claim that a trusted agency consultant is like gold – particularly in an industry where consultant turnover is notoriously high. If that trust exists, many steps in the recruitment process can be passed over to the external recruiter, and it's only necessary for the employer to become involved when a shortlist of candidates is produced, or perhaps to check references. In exceptional employer/agency relationships, the employer will allow the agency to send through unsolicited CVs, simply because the

SELF KNOWLEDGE

Before engaging any recruitment assistance it's important to be clear about exactly what is required. The most successful organisations will have clear talent management strategies. These strategies look at short, medium and long-term business objectives and map talent strategies to those objectives. For example, if the business is aiming to grow sales by 15% in the next five years, what human capital requirements will be needed to make that a reality? Or perhaps the business aims to set up overseas operations – what talent will be required to do that? What talent already exists within the organisation that could potentially be developed and promoted from within, and where will it be necessary to bring in external talent?

Once a talent strategy has been aligned to business strategy, choices need to be made about the most effective means to achieve those talent objectives. Traditionally this is where an organisation's HR department would kick into gear. However, there have also been changes in this area over the past decade. Larger organisations in particular will now outsource many day-to-day HR functions to third party operators such as payroll and salary packaging specialists.

employer trusts the judgment of the agency and the agency understand the needs of the employer.

Central to this relationship is the service level expectations agreed with the agency. Clarify exactly what you are asking for and what you expect to receive. Most managers have had the experience of being inundated with CVs, where they've specified that they are only interested in people suitable for senior roles and yet they receive candidates with two years of work experience. A clear brief will hopefully remove the likelihood of unsuitable candidates.

It's also important not to fall for time pressure tactics – for instance, when an agency consultant says that a competitor is also interested in a candidate and is about to make an offer. Nothing replaces good sound recruitment practices and when the process is sped up prematurely it's not going to work. It's crucial to continue to recruit for the right skills and behaviours.

As always, perhaps the most contentious issue is the price agencies charge for their services. Once upon a time rates lingered around 10-12%. Now it's not unusual to see rates as high as 25-30+%. As the rate is charged on annual income for the candidate, one might think it doesn't need to change too much, given that the amount will increase with the CPI and cost of wages. The increase can therefore be traced to broader service offerings and the sophistication of today's labour market.

However, in some cases the rate charged is more than justified – especially for hard to fill roles and senior positions. In addition, agency rates should be low on the list of considerations; those employers purely looking at price will get what they deserve.

Iain Hopkins is editor of Human Capital magazine in Sydney, Australia

IN HOUSE VS OUTSOURCE

In HR circles, the outsource/in-house/recruitment hybrid debate continues to rage.

There is merit to doing it all or as much as possible in-house, but it's vital to understand what you're trying to recruit for and ensure you have full understanding of the process, and make sure it's done as efficiently as possible.

Alternatively, if you find there are people who can do it better, more cost effectively and have a more up to date view of the market then it's

worth considering outsourcing some or all of the process.

Another alternative is to have agency consultants sitting within your company or firm. Under this arrangement – known as in-house recruitment outsourcing – recruiters are effectively employees of that organisation, yet they bring the resources and skills of the agency with them. In this way the agency reps learn about the inner workings and culture of a company particularly well.

The recruitment choice really depends on the organisation and what sort of infrastructure it has.

For a small firm that doesn't have HR infrastructure, an external agency would likely be very positive because they don't have the skills and experience in-house. For a firm that does have the infrastructure and also a recognised brand who would achieve more by advertising themselves it's clear why they can do it alone.

One thing is clear: agencies, especially those with good reputations, vast candidate databases and well-connected consultants, can provide a valuable lifeline to already-burdened managers.