

How to Choose Recruiters, Executive Search, and Recruitment Agencies (and How They Work)

By [Harrison Barnes](#)

When you go to most job sites, the majority of advertisements you will typically see will be from recruiters. However, despite so many recruiter advertisements clogging job sites, recruiters are one of the most popular (and most misunderstood) ways of getting a job. It is rare to see articles that are negative about recruiters, or information that "tells it like it is" when it comes to giving you advice on how to work with recruiters. The reason for this is largely due to the fact that the money recruiters pay to advertise on job sites and other publications incentivizes most publications from saying bad things about them.

Most job sites get the majority of their revenue from recruiters. Even the most respected publications like The Wall Street Journal, New York Times, and others get a good slice of revenue from recruiters. Because of the money that flows into the media from recruiters, there are very few in-depth discussions out there about how to choose a good recruiter.

- If you work with a good recruiter, you can open more doors and get jobs more effectively than you could if you track down jobs on your own.
- If you work with a poor recruiter, you will actually be worse off than if you had not used a recruiter at all.

The key when working with recruiters is therefore to insure you understand how to choose a recruiter to work with.

Niche Recruiters Are Generally Better Than General Recruiters

Most industries are made up of an extraordinarily complex web of people and relationships. For example, in the legal field that I have experience recruiting in, most of the people who do the hiring know the recruiters who do the recruiting. They meet at industry-related conferences, have lunch on an ongoing basis with hiring people inside the industry, and so forth. Because of these contacts, it is difficult for outsiders to generate contacts within the industry and place people.

When you deal with recruiters who specialize in your niche, you are going to be better off almost 100% of the time. The fact that they are able to make a living and thrive in your niche means they have developed the contacts and have an expertise on being effective on an ongoing basis. It also means they have likely developed relationships that can be used to your advantage. Operating in a small niche also means they are likely to be aware of industry players in your niche, be alert when openings come up, and know employers that may be having problems that you should not go to work for.

Recruiters may also specialize in people with your specific skill set, or people who work for a certain type of employer. For example, in the legal field there are recruiters who specialize in placing just construction attorneys in construction law firms. They do not place other types of attorneys and they do not place attorneys in corporations. This sort of specialization means they are likely to be much more effective when they do work on your behalf. They will be able to convincingly point out certain aspects of your experience that set you apart from other sorts of candidates out there.

In contrast, a recruiter who is not specialized, is unlikely to have the proper contacts. They may not know whom to call. They may not know where the openings are. They may not know which employers are expanding and which ones are experiencing problems. They may not have the skills necessary to understand your specific background and communicate your value to an employer.

Larger Recruiting Firms are (Generally) Better Than Smaller Ones

There are over 12,000+ recruiting firms out there who list themselves in various industry directories. In addition to these 12,000+ recruiting firms there are thousands of other recruiters who are not part of industry associations, but are tracked by various other directories. Some of these recruiting firms are large and may have 100+ recruiters in many instances. In other cases, the recruiting firms may just consist of one recruiter. It is very common, for example, for a single recruiter to work alone and work out of their home or a small office.

As a general rule, larger recruiting firms (or a recruiting firm part of a larger organization) are going to be better than working with smaller recruiting firms. A larger recruiting firm has the resources to research jobs—whereas a smaller one may not. In addition, the size of the larger recruiting firm is generally an indication that they are "doing something right". You do not become a larger recruiting firm and grow in size if you are not doing something correctly. In that case of "doing something correctly", it generally means they are getting people jobs.

There are some other things about larger recruiting firms that are important to understand. First, they typically work out of an office, which means that the recruiters are able to be "focused" during work. When a recruiter works at home they may get distracted and not "put in an honest day's work," which means that the level of service you receive is not as good as it could be. In addition, recruiters who work in larger offices typically communicate with other recruiters about firms with openings, how to place certain candidates, and more. A "base" of shared knowledge is something recruiters in larger offices do, which means you are likely to have a better shot getting placed.

Recruiters in larger recruiting firms typically are "reinvesting" in the business. This means there are receptionists and others to take calls from employers when they come in. It means the recruiting firm typically is using a database which allows the recruiters to share information among one another. It means the recruiting firm is doing a lot of advertising. The advertising the recruiting firm does, allows it to attract a good steady flow of candidates. Recruiting firms that have a lot of candidates typically have better relationships with employers because employers need them.

Finally, larger recruiting firms typically have various standards in place. The larger a recruiting firm gets, the more bureaucratic it is likely to become. This bureaucracy means that the recruiting firm will enforce certain standards of performance for its recruiters—only the best recruiters can stay employed. Moreover, the recruiting firm by virtue of its size will typically have a "better brand" in the market and attract the best recruiters out there. Recruiters typically want to work for

recruiting firms with the most candidates, most support resources, and so forth.

Smaller recruiting firms are often at a disadvantage because they do not have the resources to investigate all of the jobs. The small size of the recruiting firm means that they must, by nature, sacrifice doing certain things. Smaller recruiting firms are most often run out of the recruiter's home. Because of this, the recruiter may not have the resources to take all of the calls coming in, meet with employers on an ongoing basis, and so forth. Smaller recruiters also typically do not do a lot of advertising, which limits the number and quality of candidates they attract, and, consequently, the strength of their relationship with employers (and the number of employers they have relationships with).

I hate to sound so harsh on the smaller recruiting firms because there are a ton of good ones as well. The more focused the recruiting firm is, the better. There are some small recruiting firms out there that are very focused and are just exceptional; however, in most cases I believe that small recruiting firms have many dangers that you should be aware of.

What I have found throughout the years is that when you speak with recruiters from smaller recruiting firms, they will tell you that they have made a "lifestyle choice" choosing recruiting as a profession. They will talk about how the profession provides them the money they want, to lead the life they want, while not having to worry about working for certain hours, and so forth. When you call these recruiting firms, you will typically get an answering machine (but not always).

The problem with trusting your career to a recruiter who is making a "lifestyle choice" in terms of their profession is that this may limit you. The recruiter is likely to have fewer jobs for you to go to. The recruiter is likely to have fewer relationships with employers. The recruiter is likely to be unreachable as much as you would like. The recruiter likely does not adhere to certain standards in their work product and more.

Generally, you are better off choosing a larger recruiting firm in your industry (but not always). My advice is that you generally want to look for the largest recruiting firm that is the most focused in your industry, and that has been around the longest (see more on this below).

Seek a Recruiting Firm That Has Been Around a Long Time

Recruiting is a strange business. During the late 1990s, thousands of tech recruiting firms sprung up to help companies find programmers and other tech talents. The business was easy. Many people with zero experience in recruiting were suddenly making hundreds of thousands of dollars a year. Both large and small tech recruiting firms popped up almost overnight. It was "fast money," and a certain breed of recruiter who follows the money (and does not necessarily care about the work) appeared.

By early 2002, virtually every one of these new tech recruiters was out of business. They had no staying power in the business and no deep relationships. Moreover, most of them had never dealt with a recession before. The recruiters who worked for these recruiting firms were not committed to the work and were just chasing money:

- In fact, many of these recruiters went to work for mortgage companies after tech recruiting stalled!
- After mortgages stalled, they went to work for debt consolidation firms when the economy went into recession!

In contrast to all of the new tech recruiters, the breed of recruiters who had been doing technology recruiting for a decade or more, survived. They had deep relationships with major employers that had consistent recruiting work (and smaller employers as well), that allowed them to survive. These established recruiting firms may have cut back their investment and internal hiring to some extent (or laid people off), but they survived.

The best recruiting firms have deep roots in their industry and are able to survive in all economic climates. In addition, their reputation keeps them going. You cannot stay in business very long if you get a bad reputation.

Recruiters who have been around a long time are typically quite committed to their industry and what they do. You want to work with recruiters who are committed to their profession. Someone who is committed and has been around a long time will typically have a "long-range view" of the work that they do. This is incredibly important and something that will make a major difference in the effectiveness of the recruiter you work with.

Know the Difference Between Retained and Contingency Recruiters

It is important to understand the differences between a retained and a contingency recruiter.

There are certain employers in all industries who work with "contingency recruiters". A contingency recruiter may work without a formal contract with the employer, and will forward people to the employer it believes are qualified for certain positions. If the employer chooses to hire the person, the recruiter will then negotiate a fee with the employer. In most industries, the fee a contingency recruiter gets paid is between 20 and 40 percent.

Contingency recruiters may check the employer's website for jobs, or the employer may forward jobs to various lists of contingency recruiters that they use. The contingency recruiter may have a relationship with the employer, or may not. The contingency recruiter may have a poor relationship with the employer, or may not.

As frightening as it sounds, most recruiters out there are contingency recruiters. They (and other recruiters) are all competing to generate the best candidates for an employer. A contingency recruiter will call candidates, email candidates, advertise and do whatever it takes to generate the best candidates for the company. In many cases, hundreds of recruiters may be racing to fill the same position. It is not uncommon for certain types of candidates to get 10+ calls in one day when a job is released to contingency recruiters.

Despite how alarming it may sound to work with contingency recruiters, there are actually some very good ones. Many contingency recruiters have very good relationships with employers and exceptional work products. Many contingency recruiters work in large recruiting firms that do a good job getting openings. Many contingency recruiters are highly respected by employers and working with them is considered "an endorsement" of sorts for the candidate, and gets them looked at more closely by employers.

Because contingency recruiters are compensated only if you are hired, they have a major incentive to get you out to as many employers as possible, and to get your resume to employers first. In working with a contingency recruiter, it is important to understand that you need to be careful which one you choose to work with. The advantages of working with a good contingency recruiter are profound and they can open many doors you could not on your own: Namely, by how they present you, making sure your resume is seen by the right person inside the organization, and through the quality of the recruiter's reputation.

However, it is important to understand that since there is a fee involved to the employer if you are hired through the

contingency recruiter, you should be careful which one you use. If you apply to an employer alone without the recruiting firm, the employer will not need to pay the recruiter up to 40% of your annual salary as a fee. Nevertheless, most major employers do not view the recruiting fee as an obstacle to hiring you because they want to get the right person for the job. However, if your qualifications are not outstanding for the job you are applying to, you probably should not be using a recruiter—the fee may be a factor in whether or not the employer hires you (this is rare, but it does happen).

In contrast to the contingency recruiter, the retained recruiter operates in a "rarified" sort of world. Retained recruiters typically are engaged by companies for their most complex, sensitive, and important searches. When a retained recruiter approaches you for a job, they are generally the only recruiter working to fill the position, and you need to go through them if you are going to get the job they are advertising.

Retained recruiters typically will charge the employer an upfront fee for working on a specified search. This fee will cover research, expenses, developing a list of potential candidates, and various consultations with the employer throughout the process. The retained recruiter will typically guarantee (as part of their fee) that they will recruit a certain number of candidates to interview with the firm, or work on the search for a specified period of time—but they generally will not guarantee a successful hire. (However, the recruiting firm will generally be paid a success fee if a successful hire is made.)

The recruiter may also develop a "pitch" that emphasizes the company's strengths and makes it look attractive to the employer. In contrast to the contingency recruiter, the retained recruiter will typically work very closely with the employer to identify specific candidates. Retained recruiters are typically used to recruit CEOs, law firm partners, and important executives for major corporations.

The advertisements for a retained search will generally name the company the recruiter is recruiting for, and will also specify that the recruiter has been "retained" to fulfill the search. In contrast, an advertisement of a contingency recruiter will describe the position in vague terms, and will not mention the company's name they are recruiting for. The reason for this is that the contingency recruiter does not want you approaching the employer on your own because they will not be compensated. In contrast, the retained recruiter has already been compensated, and resumes sent directly to a company with the job opening the retained recruiter is recruiting for, will be sent to the retained recruiter.

Should You Be Using a Recruiter at All?

If you are approached by a retained recruiter, there is never any concern with using the recruiter. The recruiter has already been compensated so there is nothing to worry about. The situation becomes more complicated when you are deciding whether or not to use a contingency recruiter for your job search.

The factors mentioned above should all guide your decision as whether or not to use a recruiter. In addition, some other factors you should consider are:

- How much experience does the recruiter have in your industry?
- How many placements has the recruiter made of people like you?
- Do you feel comfortable with the recruiter?
- Does the recruiter have a good reputation in your industry?
- Can the recruiter share with you their work product on your behalf (most recruiters write introductory letters for their candidates to organizations)

These factors are all quite meaningful. For example, good recruiters will regularly share redacted copies of their work product with their candidates.

In order to be using a contingency recruiter, you should have unique skills and be someone who is not easily found in the market. There is no reason for a recruiter to pay a recruiting fee to a recruiter if there are a lot of candidates like you out there. You need to be unique and have skills that a lot of other people in your geographic area do not. Generally, unless you have exceptional qualifications (or do a rare job that not a lot of other people do not) you should not be using a recruiter. Everyone is a commodity. If there are a lot of people like you out there that the employer can find without using a recruiter ... why would they? You need to be able to make that case.

In addition, it is important to understand how the state of the economy guides recruiter's use. In bad economies, employers are much more careful about using recruiters than they are in good economies. In good economies, employers may not pay as much attention to the expense, so you do not need to be as careful about using recruiter.

Finally, when using a contingency recruiter, it is always important to make sure they get your specific authorization to submit you to a given firm.

Conclusions

I have done both contingency and retained recruiting in my career. I also believe that I am a good recruiter. For example, I have had candidates who went months with no interviews on their own and within days of me getting involved, they had numerous offers. When you use a good recruiter, you are doing yourself a world of good.

Despite my enthusiasm for recruiters and recruiting in general, I am very sad to report that there are more bad recruiters out there than good ones. Be very careful about what recruiter you choose and use the above list to identify the best recruiters.

Recruiter Directory Links

<http://www.SearchFirm.com>

https://www.dmoz.org/Business/Employment/Recruitment_and_Staffing/Recruiters/

<http://www.recruiterredbook.com/>

<http://www.rileyguide.com/recruiters.html>

<http://www.onlinerecruitersdirectory.com/>

<http://www.recruiterresources.com/XcDirectory/XcDirectory.asp>

<http://www.recruitersdirectory.com/search/index.cfm>

THE LESSON

Working with a recruiter can open more doors, and help you can jobs more effectively than if you were tracking down openings on your own. A poor recruiter, however, can leave you even worse off than you were on your own. Be very careful

about the recruiter with whom your work, and try to find one that specializes in your niche or field.

<https://www.harrisonbarnes.com/>