

Vision Financial Search_{LLC}

accounting & financial recruiting

Do More Recruiters Equal Better Results?

A White Paper on the Most Effective Approach to Utilizing Recruiters to Reach all the Qualified Candidates in the Marketplace.

By William J. Bardani

How many times have you engaged more than one recruiter for a key search, only to find that you see many of the same resumes from each firm? How often have you been inundated with resumes early on in a search, only to have the flow virtually stop after the first wave of resumes? Have you ever found yourself many weeks into a search and realized that you do not have a strong pipeline of high-potential prospects?

If you have experienced any of these problems, you may want to consider a different approach to utilizing recruiting firms. The objective of this paper is to demonstrate how utilizing one recruiter exclusively will broaden your candidate flow and increase your chances of securing the ideal candidate in a timely and efficient manner.

Exploring the Candidate Base

For starters, let's consider the pool of qualified candidates for any position. For purposes of discussion, let's refer to this pool as the Candidate Base. The Candidate Base is defined as the pool of candidates in the marketplace who possess the requisite qualifications for a particular position. Regardless of the position, the Candidate Base will consist of two types of candidates:

1. **Active Candidates** are those who are currently in the market for other opportunities. They are either unemployed, not happy in their current role, or they work for companies that are relocating out of town, in the process of being acquired or facing financial difficulties. They comprise 12% of the Candidate Base.

2. **Passive Candidates** are those individuals who, although reasonably happy in their current role, may be open to other opportunities that have the potential to accelerate their career growth. They are not actively seeking other opportunities. They comprise 88% of the Candidate Base.

Active Candidates are the easiest to identify because they are already engaged in a job search. They are generally much more receptive to a call from any recruiter who may be able to present intriguing opportunities. Many of these candidates even make

themselves known to recruiters directly. Others try to increase their exposure to recruiters and employers by posting their resumes on the internet.

Gaining access to Passive Candidates is considerably more challenging and time consuming because it involves a good deal of prospecting (cold calls) and the expenditure of significant resources by the firm. Developing inroads within this group requires a thorough and systematic search plan by the recruiter geared towards identifying top talent within target organizations and demonstrating to these candidates how their client's opportunity can accelerate their career.

Conventional Wisdom

There exists a perception in the marketplace that companies will have a better chance of securing the ideal candidate when they engage multiple recruiting firms for the same search. The logic behind this is that competition among recruiting firms during the course of the search results in a greater slate of prospective candidates. The reality, however, is that by utilizing this "more is better" approach during the search process, companies are actually limiting the depth at which they penetrate the Candidate Base to only the Active Candidates.

The reason for this lies in the fact that contingency searches always have an inherent element of risk because there is no commitment on the part of the client to select a candidate presented by a particular recruiter. Recruiters must be prudent with their time and continuously evaluate the risk associated with any search. Although there are many factors that contribute to a recruiter's risk assessment, one of the most important considerations is the number of recruiters working the search. As the number of recruiters working on a search increases, the probability of an individual recruiter filling the position decreases. Therefore, the level of effort exerted for a search is directly correlated to the probability of being able to successfully fill the position. The recruiter will commit the majority of his or her resources to the searches upon which they have the best chance of successfully completing. (over)

The troubling reality is that when there are multiple recruiters engaged, most recruiters will limit the depth at which they penetrate the Candidate Base. Their efforts will be focused on the Active Candidates, those who comprise only 12% of the qualified candidates, because they are easily identifiable and readily available. Why would any recruiter spend considerable time sourcing the Passive Candidate pool if there is a possibility, due to the increased level of competition, that a candidate will be hired through another means?

Unintended Consequences

When faced with this scenario, recruiters do what is referred to in the industry as a “file search”. Each recruiter will comb through their Active Candidates and, within a few days, present a slate of qualified candidates. One of the outcomes, however, is multiple presentations of the same candidate by more than one recruiter. This is due to the fact that the Active Candidates are known by most recruiters. Additionally, because each recruiter is only concentrating on the Active Candidates, the candidate flow will stop after the first wave of resumes when this source has been exhausted.

Although it is possible that companies opting for this approach can find a perfectly qualified candidate, they are considerably limiting their options because they are not gaining access to Passive Candidates - 88% of the qualified candidates in the marketplace. If the position is not filled by one of the Active Candidates, it is very likely that it will remain open for quite some time.

Penetrating the Passive Candidate Base

Why would any company want to lose out on up to 88% of the qualified candidates for a particular position? The starting point for penetrating the Passive Candidate Base is having a clear understanding of the value a carefully selected and competent recruiter can provide and a willingness to empower that recruiter to conduct a thorough search. After all, it is because of a recruiter's ability to attract the best talent in the marketplace that they are hired in the first place. A recruiter's value should not be measured by how quickly they can produce a candidate who has posted his or her resume on the internet. Rather, a recruiter's value should be measured by the positive impact the placed candidate has on the organization over the long-term. It is therefore imperative that recruiters penetrate and gain access to the Passive Candidate Base to increase

the likelihood of finding the candidate who has the best chance of making a positive, long-term contribution.

By committing exclusively to a particular recruiter, a company is empowering the recruiter to fully commit all of his or her resources to securing the candidate who will have the greatest positive impact, regardless of whether they are Active or Passive Candidates. Commitment by a company to one recruiter eliminates the risk described above and ensures the highest level of priority to selecting the right candidate for the position.

Conclusion

This paper is not intended to suggest that competition amongst recruiting firms is counterproductive. After all, competition is one of the driving forces behind a thriving capitalist society. Competition should be encouraged, but it should be moved up in the process to before the search begins. Organizations considering the use of external recruiting firms should conduct thorough due diligence on a handful of recruiting firms and award the search, on an exclusive basis, to the firm that will best represent their interests.

The exclusive nature of the relationship will give the recruiter the assurance needed to fully execute his or her search plan, thus ensuring access to the entire Candidate Base. This will significantly increase your chances of attracting the most qualified candidate - the one who will make the greatest long-term contribution to your organization.