The World According to Recruiters

**Conventional Wisdom:** Recruiters will help and support my job search efforts.

**New Thinking:** Recruiters work for the folks that pay the bill—and you will be more successful in getting the attention you need if you understand their business model.

Otherwise savvy business people are frequently confused or angered by their experiences with recruiters. In large part, this is because they have not looked closely at the recruiting industry’s basic business and compensation models. Since this is a business relationship, the path to enlightenment can be found by simply following the money.

The Usual Complaints

- Recruiters won’t call me back.
- Recruiters won’t give me a few minutes of advice on my resume or job search.
- The recruiters I know never seem to have a job opportunity for me.
- Recruiters won’t consider me for a search even though I know I am perfectly qualified.
- If I do network my way into a company, I end up talking with the recruiter anyway.
- If the recruiter didn’t “find” me, I don’t get fair consideration.
- After I’ve been interviewed, a recruiter may be attentive and then suddenly disappear.
- They string me along and keep me hanging.

None of this seems rational or fair, and certainly not considerate. Understanding how the recruiting world works and how recruiters make their money goes a long way to helping you have a more productive and less frustrating experience. If you understand their perspective, you have an opportunity to work with recruiters effectively, positively, and to your mutual benefit. It is a dance, and you can be a good partner.
Why Won’t They Talk to Me?
Recruiters work for their clients, and the clients pay the bill. Regardless of the type of firm, recruiters ultimately get paid for executing successful searches by delivering qualified and interested candidates. If you are not a match for an active search, every minute a recruiter spends with you is a minute that he or she is not making money. Unless you are a valuable resource for the future, recruiters tend not to extend common courtesies such as returning phone calls.

Why Don’t They Have a Job For Me?
Surprise! External recruiters control only 10-15% of the job market. An individual recruiter conducts only a small number of assignments each year, often as few as 8 to 10 for executive positions. Those searches span positions and sometimes industries and geographies as well. Recruiters are tied tightly to a job specification, and more tightly in a buyer’s economy. The company is looking for candidates that “fit” the spec, not “out-of-the-box” talent. The odds that any individual recruiter is working on a search that is a perfect fit for you at the time you are looking for a new opportunity is infinitesimally small.

Why Aren’t They Interested In Me?
Good recruiters learn what their clients want to fill the position. In addition to the job description, the recruiter usually understands the company culture, the history of incumbents in the position, and the private or unstated criteria on which the company will ultimately make a decision. The recruiter needs to find candidates that not only can do the job, but who also can be “sold” to the client.

Clients pay a lot of money for recruiting services—sometimes as much as 35% of first year compensation. And the higher the position, the more likely the client pays travel expenses for the recruiter to conduct interviews. CATCH 22: The client is paying dearly for recruiting services, so the client will funnel all candidates through the recruiter for evaluation in order to get the full benefit of those services. On the other hand, recruiters need clients to value their investment; therefore, recruiters have a vested interest in “finding” the candidate. If the client finds the successful candidate rather than the recruiter, it can affect the perceived value of the services.

Why Do They String Me Along?
Recruiting assignments often have erratic paths. They start quickly, go on hold, change requirements, change hiring executive, or even get cancelled altogether. The recruiter is required to go with the client’s flow and, at the same time, maintain an inventory of ready prospects. Furthermore, the recruiter never truly knows what the client or other candidates are going to do. He or she always needs a pipeline until an offer has been made and accepted, and sometimes even until the person actually starts the job.
What Do I Do About It?

Recruiters are still an important channel in any job search. It is important to stay on their radar screens because no one ever knows when a great opportunity will suddenly surface, or which recruiter will have it. At the most senior levels, executive search firms are universally used when companies go to the external market to fill a position. Such a search is complex and time consuming. It requires extraordinary skills and is often confidential. Search firms must have or be able to get access to the right people. Clients use recruiters for finding managers and staff so they can outsource tasks to skilled professionals.

By understanding how recruiters work, you can position yourself to get the benefit of this channel.

- *Do* network with the appropriate people and get to know recruiters in your field.
- *Offer* to be a source and provide quality referrals.
- *Do* keep your resume up-to-date and in their hands or databases.
- *Do not* expect anything in return.
- *Do not* take recruiter behavior personally.
- *Do* be connected and visible. Recruiters have all kinds of tools for finding you. Make sure you can be found!
Who’s Who in Recruiting

There is a lot of confusion about the recruiting industry. Not all recruiters are created equal or follow the same revenue structure. Some get paid for doing the work and others get paid for getting a candidate hired. A firm may be involved in more than one type of recruiting services.

Here is a guide to the most common types of recruiters.

- **Retained.** Recruiters that are “retained” are like consultants. Most call themselves Retained Executive Search Consultants. They get paid for each engagement, regardless of whether their candidate gets hired or even if anyone gets hired. For obvious reasons, these are exclusive assignments—no other firm is representing the same job at the same time. They have deep motivation to do a good job so that the company will continue to use their services over the long run. Because of the cost and the exclusivity, they represent positions at the high-income executive level, but not always.

In some cases, recruiters will provide a hybrid type of engagement such that they will get paid for their work in installments, but with the last payment contingent on a final placement of their candidate.

- **Contingency.** Contingency recruiters typically work at the professional and middle management levels. They get paid only when their candidates get hired, regardless of the amount of work that they do. They may or may not be engaged exclusively by the company. Some contingency recruiters market good candidates to companies where they have a relationship in the hopes that the company might hire the person and they would get paid for the placement. Often when the economy weakens, there are more recruiters who try to expand their revenue by “finding jobs” for individuals.

- **Staffing.** Staffing is a widespread pillar of talent acquisition. Staffing agencies handle a variety of temporary, temp-to-perm, and full-time positions focused on clerical, administrative, technical, and operational jobs. It is used in every profession and industry and is often the platform for spot hiring and staff augmentation. They typically get paid fees based on hours worked or a placement fee.

- **In-house.** Large companies maintain internal recruiting personnel whose responsibilities range from full service recruiting for all levels of employees and executives to managing contracts with outside recruiters. The sophistication of Internet and recruiting technologies provide broader and more efficient access to the market for internal recruiters than ever before.