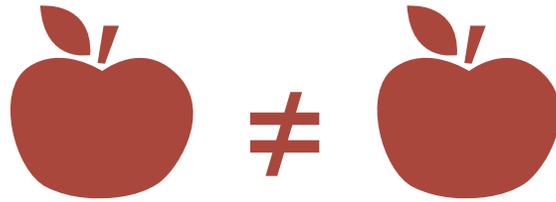


THERE'S  
MORE  
THAN  
ONE WAY  
TO FILL  
A POSITION



You might think one recruiting service is the same as the next. Not always. The services recruiting firms provide actually vary quite a bit – some do more, some do less.

Because each has its own industry lingo, it can be difficult to know what each recruiting firm does. So we've broken it down for you.

**Here are some of the common recruiting services  
in the market today.**



# Recruitment Process Outsourcing (RPO)



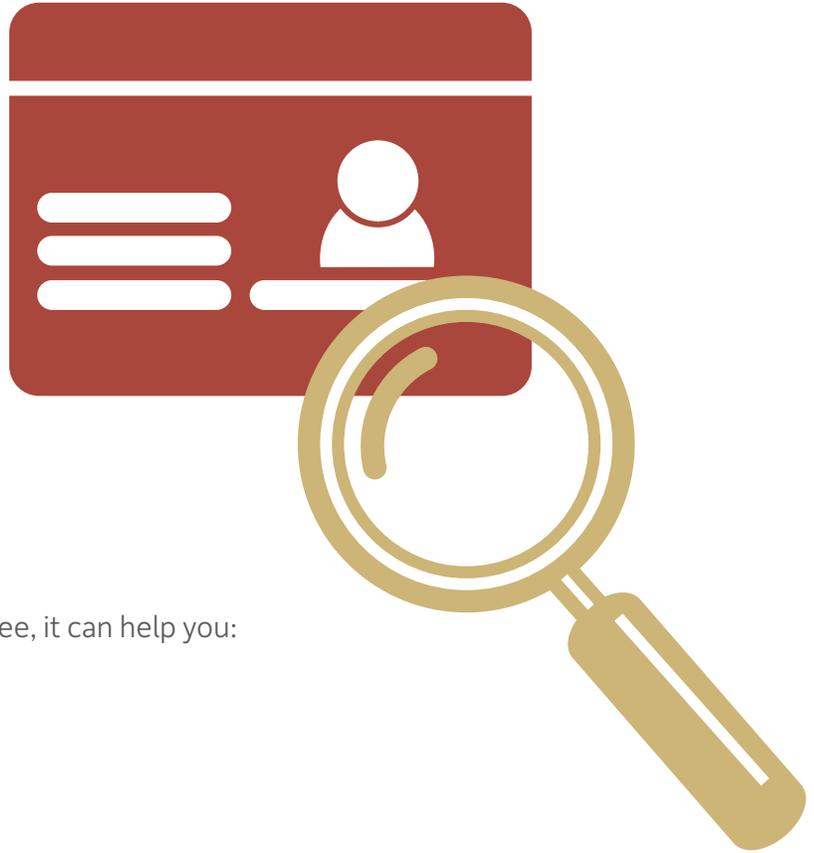
From helping you establish an employment brand to coordinating interviews for hiring managers, an RPO is an end-to-end service that takes on all your recruiting responsibilities.

An RPO does more than just find and present candidates. It develops a recruiting strategy to identify the types of candidates you need to reach your goals – both long-term and short-term. An RPO works closely with you, helping you define roles and positions, identify talent gaps, and perfect your overall recruiting strategy, while also managing your routine recruiting tasks.

One of the biggest misconceptions is that an RPO takes away your power over recruiting and hiring decisions. The truth is most RPO firms allow you to decide which tasks it will be responsible for and which you'd prefer to continue to do yourself. And though the RPO might offer some guidance, you ultimately decide who you want to hire, not the RPO.



# Direct hire



As a direct hire client, your recruiting service will help you manage most of your necessary recruiting tasks. But unlike an RPO, a direct hire firm works on an as-needed basis.

When you're ready to hire a new employee, it can help you:

- Advertise job openings.
- Find passive candidates.
- Screen resumes.
- Pre-screen potential candidates.
- Help you prepare for interviews.

Services can vary, depending on the recruiting firm. So be sure to get a clear understanding of what the recruiting service does and doesn't do before you make a final decision.

In general, direct hire services are divided into two categories: contingency and retainer. The biggest difference between these two types is the pricing structure.

## Contingency Recruiting

With contingency recruiting, you don't pay the recruiting firm until you hire a candidate.

"The onus is on the recruiting agency," says Melissa Trocko, managing director of recruiting research and development at Insperity. "If they can't find you a suitable candidate, they don't get paid."

Typically, a contingency recruiting service will charge you 20-30 percent of the new employee's salary. If you're recruiting for lower-pay positions, such as administrative assistants, this might not seem too bad. But if you're recruiting at the managerial or executive level, you can expect the price to go up.

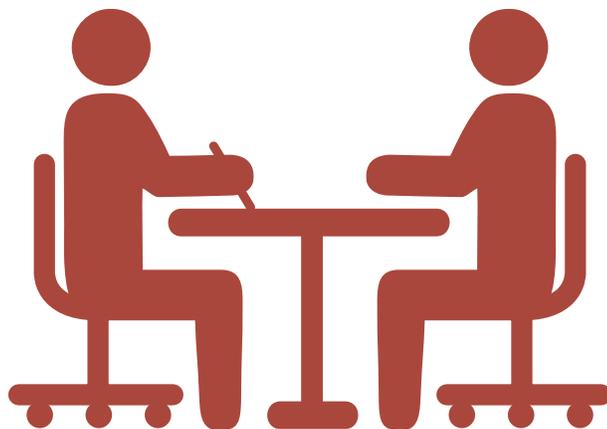
## Retainer Recruiting

When you work with a recruiting service on retainer, you pay a flat fee up front.

"The risk is on the client," says Trocko. "You have to pay up front whether they find you a qualified candidate or not."

Unlike a contingency service, a retainer recruiting firm sets a standard price for its services. As a result, fees can vary dramatically from company to company. Make sure you shop around to get the best deal.

While these are the two most common types of direct hire services, some recruiting firms have developed their own pricing models. Before you agree to anything, be sure you understand how you will be charged.



# Temporary staffing



Whether it's due to someone going on maternity leave or family medical leave, at some point you may find yourself needing temporary help. Instead of passing off extra work to other employees, you might consider hiring temporary staff.

More often than not, the average job seeker is looking for a permanent position, so finding someone to work on a short-term basis can be more challenging. However, temporary staffing agencies usually have a large pool of skilled candidates who are willing and ready to work on temporary assignments.

Temporary employees work for you but are employed through the staffing agency. This means the agency usually assumes responsibility for their payroll, W-2s and workers' compensation insurance.

While you don't pay these employees directly, you do pay the staffing agency for the hours the temporary employee has worked.

"Staffing agencies usually mark up an employee's wages 70-80 percent," says Trocko.

From this amount, the staffing agency pays the employee his or her wages, while the rest is considered profit.

So for a \$10-an-hour position, you could end up paying the staffing agency \$17 an hour. As a short-term solution, this may be a reasonable option. But it could get pricey if you keep the temporary employee on too long.



# Sourcing services



If you have an in-house recruiting program and your candidate pools have run dry, hiring an external sourcing team can help. Sourcing professionals help you find candidates that you might not find on your own using conventional recruiting methods. You control the rest of the recruiting and hiring process.

“They can help you keep a steady stream of resumes rolling in,” says Trocko.

While posting job advertisements is a good place to start, your best employee might not be actively looking for a job. Most sourcing professionals have well-developed industry connections, networks and social media connections that they can use to find candidates who aren’t looking for a new job but, for the right opportunity, would consider a change.

Typically, sourcing services invest in a variety of advanced search tools, such as applicant tracking systems and online software. This, coupled with their Web-search knowledge and experience, makes finding candidates with specialized skills quicker and easier than doing it yourself.

But be aware that sourcing services only *find* candidates that fit the description you provide; you have to do the rest.



## Consulting

Recruiting consultants are just that – consultants.

They don't actually do the recruiting for you, but instead use their knowledge and experience in the industry to assess your current recruiting program and make recommendations on how to best fill the gaps. Recruiting consultants help you better target your search efforts and spend less time with unfit candidates.

## The takeaway

Whether you need help with your entire recruiting process or shoring up a shaky strategy, if you take your time and do your research, you're sure to find a professional recruiting firm that has the services, knowledge, experience and fresh perspective you need to build a more successful workforce.



## About Insperity

Insperity™, a trusted advisor to America's best businesses for more than 25 years, provides an array of human resources and business solutions designed to help improve business performance. Insperity Business Performance Advisors offer the most comprehensive Workforce Optimization™ solution in the marketplace that delivers administrative relief, better benefits, reduced liabilities and a systematic way to improve productivity. Additional offerings include MidMarket Solutions™, Performance Management, Expense Management, Time and Attendance, Organizational Planning, Recruiting Services, Employment Screening, Retirement Services and Insurance Services.

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