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Using recruitment consultancies effectively - a guide for HR professionals

By Denise Walker FREC

There's an HR school of thought that says that recruitment consultancies are a necessary evil – that they are used purely as a last resort, when the pressure is on to find new recruits quickly and that “all agencies are the same and often sharks”. Then there's an alternative school of thought that says that working successfully with the right recruitment consultancies can save clients endless time and effort, not only through access to quality candidates for their vacancies but also through numerous services that add great value, such as salary surveys and helping to ‘translate’ line managers’ recruitment needs into viable job descriptions and person specifications.

I am not a qualified HR manager, nor do I profess to know and understand HR practices (the total of my CIPD education ended at year one's Core Management Programme!). However my background is 20+ years as a hands-on recruitment professional, during which time I have worked with some amazing clients, who placed their trust in me and my teams, enabling us to do our jobs properly to our mutual job satisfaction and benefit.

I am constantly amazed that HR professionals can push prices down to next to nothing and then bemoan the fact that the service is lacking. I'm even more amazed that recruiters allow them to do this!

With this brief guide, my aim is to provide some food for thought, which could help to ensure that the right suppliers are selected, that any negotiating is done on a win-win basis and that recruitment professionals are allowed to do their jobs properly.

1. Start with the basics

The first thing a client should do is assess their organisation's culture and basic working standards. They should ask themselves, “What looks good around here?” What is expected of their own employees and to what measurable service standards they work to, e.g. timescales for dealing with customer orders, answering the telephone or percentage of allowable error rates for administration? They may already have this documented but either way, this process will enable them to start to build a picture on which detailed specifications for their recruitment consultancy ‘suppliers’ will be based.

Why should clients do this? Because if suppliers don't have similar views and ideals on “what looks good around here”, they'll probably be wrong for the organisation's culture.

2. Select the right consultancies

When recruiting staff, most would agree that identifying the best person for the job is vital for any organisation. Well, clients should apply the same principle to choosing suppliers. Just as they ensure their person specifications and job descriptions are up to date and include relevant competency requirements, they should do the same for their recruitment consultancies. Even if theirs is a small organisation, they should document their exact needs for recruitment services, then draw up a list of specifications and specific competency requirements. For example, they may need the consultancy to visit them for each brief, so they will need to ensure the consultancy can do this within agreed timescales.

Similarly, just as they would use criteria-based interviewing techniques for potential employees, the same should be applied to potential suppliers. This will help them to obtain evidence that the consultancy has the right qualities and that it matches their pre-defined criteria. And they should always ask for a list of clients to call for references – this is a great way to demonstrate how good your service is and to confirm that you work as you described.

Why should clients use these methods? Because if they do not know what they are looking for, chances are they'll probably find something else.

3. Negotiate to motivate!

It goes without saying that clients want the best deal for their organisation – similarly any recruitment consultancy owner will want the best for theirs. Like all business, recruiters have to cover the direct costs of providing the recruitment service, overhead and a contribution to profit. And contrary to popular belief amongst HR, the provision of professional recruitment services is not easy nor is it possible to provide the best quality recruitment service at knock down prices; to put it bluntly, you need to ensure they realise that they will get what they pay for. Having said that, depending on the volume of business and nature of the working relationship, there might be room for negotiation and the best outcome has to be fair to all parties.

HR professionals have told me they often feel uncomfortable in negotiation situations – but then, so can recruiters. For example, agreeing immediately to a request to negotiate on price could lead the client to question the quality of service and the rates initially quoted. If you negotiate too low, you might have to compromise your service levels and, if your staff then struggle to earn the same income levels, they might turn their attention to other, more profitable clients. And if you negotiate with one client but not another of equal value, how will you justify this when news gets out?

In my experience, the key to successful negotiation lies in the understanding that there is no benefit to be had by agreeing a deal that makes either party resentful or compromises service. If you could explain this to your clients and ensure that any fee reduction is balanced by a sufficient amount of increased business and other benefits, then the win-win balance will be achieved.

Why should clients negotiate fairly? Because they are unlikely to benefit in full if either party is unhappy.

4. Invest in the relationship

I fundamentally believe that, if clients regard their chosen suppliers as an extension of their HR department, they will reap the rewards. When I was running my recruitment consultancy, I worked so closely with some of my best clients, getting to know them as well as my own company and dealing directly with the line managers, so that our team understood their needs to the nth degree. This type of working relationship needs absolute trust and strong communication channels but a seamless and highly effective recruitment process is the result. I see it in my clients' results: those that work in this way invariably fill 80 – 90% of their vacancies, which is clearly good for the clients, as well as the recruiters.

So if I would recommend that clients:

- 'induct' recruitment consultants into the organisation;
- allow them access to line managers – within agreed boundaries and timeframes; and
- encourage them to be in site as often as they need to be.

Why do this? Because without some investment into the relationship by the client, you are unlikely to be able to work to full capacity for them.

5. Measure and monitor

I have always found that regular reviews, with input from key staff, are important to maintain the working relationship and to ensure that objectives remain mutual. Just as a staff appraisal system helps to motivate and address needs, regular reviews, on at least an annual basis, will help each party to keep on track.

Why do this? Because without it, all the work you and the client have invested up front could be wasted.

In conclusion, my last point is this: for clients, the trick to maximising the value of a working relationship with a recruitment consultancy is like any other human relationship – to work well, this clearly requires an investment of effort from both parties - it cannot be one-sided and it won't happen on its own.

I truly believe that by educating clients into working as partners, you will have a much better chance of creating a fantastic working relationship with them, saving each of you inordinate amounts of time, effort and stress. Good luck!

About Denise Walker FREC

Denise Walker owns and runs Absolutely Business, a specialist management consultancy, designed exclusively for the recruitment industry, delivering **business consultancy**, **interim management** and **training services**.

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