



How to select your recruitment service provider

Everything you need to consider when picking your next recruitment partner

Whitepaper

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Knowing your business objectives

In the first part of this series, we looked at the different kinds of recruitment service options available. We explored the distinctions between them as well as the importance of ensuring that the service you pick is suited to your overall staffing and business strategy. With that decision made, it is time to start evaluating individual service providers.

The recruitment services market is a crowded one and there are lots of potential providers for you to choose from. This decision needs to be considered carefully, even if you are working within a tight timeframe. Cost is not the only thing to consider; in this guide, we will look at all the factors that you need to take into account when making your final decision.

Tying your objectives to your selection and evaluation criteria

The selection and evaluation criteria you use will depend predominantly on what sector you operate in. For construction and logistics businesses with seasonal peaks, speed may be the most crucial factor or the agility to scale-up and down resources in line with changing demand. On the other hand, for businesses looking to scale their web design or sales teams, ensuring the right skillset is likely to be the key definition of success. It's also important to picture your future business. As you grow, will you need specialist hires to lead new divisions?

Economic impact planning is another key consideration. The last few years have shown that future proofing your business means putting in place measures that enable agile responses to unexpected and large-scale disruptions like Brexit and the Covid pandemic. Sudden changes to the market environment will not only impact the availability of talent but also the profitability and ability of your suppliers to operate.

Here are some examples of how your objectives impact your selection and evaluation criteria:

- ▲ **Timeframes** - Do you require the ability to quickly scale-up and down depending on seasonal demand or is it mission-critical that you are able to start filling vacancies quickly?
- ▲ **Growth ambitions** - Are you planning on expanding into new locations or do you need to quickly onboard new skills into your team?
- ▲ **Business type** - Are you recruiting on a project or on-demand basis?
- ▲ **How internal resources can be dedicated to the process** - Are you looking to be very involved in the recruitment process or do you need to outsource most of it?
- ▲ **Culture** - Is it important that potential hires understand and embody the workplace culture of your organisation?

Once you know what criteria you will be using, make sure to use them to guide the conversations you have with potential recruitment providers. As well as discussing the level of support they can provide now, also ask them how they plan to evolve their delivery if the scope of work changes. Once you find a good provider, you'll want them to be able to support you as you grow your business and your recruitment needs.

Your service requirements

What are the basic services you will need from your provider? These are the minimum requirements that you will use to evaluate potential partners. You are likely going to be considering a lot of information from various providers, so keeping these requirements in mind throughout every conversation is essential.

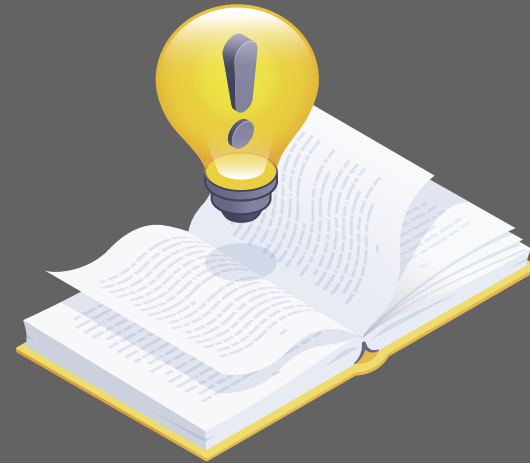
Again, your basic service requirements are going to differ depending on what sector you work in. But there are some common factors you need to be sure of in choosing any recruitment service.

Firstly, you need to be confident that potential service providers have the **capability** to meet your requirements. There are some practical considerations here, like the locations the provider covers as well as their experience in your sector with businesses of a similar size to yours. But what about high-volume recruitment needs? If your business relies on seasonal peaks in demand and bringing in a high number of contingent workers, can a provider offer a 'volume fill' solution that can ensure you have 50 new people starting next week? You may also need specialist or niche skills, like the ability to programme in particular coding languages for example, so your chosen provider will need to know what to look for in order to source high-quality candidates.

Secondly, the **technology infrastructure** they use will have a big impact on what they are able to do. Many agencies have created their own solutions to optimise the efficiency and accuracy of their service delivery. Service providers need to be able to integrate effectively with your existing infrastructure to avoid unnecessary disruption.

Thirdly, what kind of **team structure** does the provider have in place. Are you going to have a dedicated team or a single account manager? Having a single point of contact can make your life easier, but it also means that your service could be disrupted if that person becomes unavailable or leaves the agency.

A dedicated team, on the other hand, could be based in one location and work collaboratively, or could even work on your business premises. You also need to know whether the resources dedicated to your business can be scaled up and down according to your needs. You don't want to have your ability to grow hampered by a service provider that can't match it.



Finally, you want to work with a provider that can demonstrate expertise and **market insight**. They need to have a good view of the size and quality of a talent pool in order to understand how to provide you with the best possible candidates. Without this data, it is also nearly impossible to conduct benchmarking in the market to identify trends and opportunities.

Delivery

How do you want the relationship to work on a regular basis? It is important to set your expectations at the start of the process. Otherwise, you may end up with a workflow that is slow, costly and simply not producing the results you need.

When it comes to service delivery, the use of RPOs and outsourced programmes is **automating** key parts of the recruitment process for added speed and accuracy as well as a reducing the workload for you. There are many specialist staffing agencies that now automate a lot of the application management in volume recruitment through to screening. The days of sending lots of emails to book in interviews and chase documentation are over.

The **communication framework** you will be using is also important. Setting the service level agreement (SLA) helps you know exactly what you can expect in terms of response times or compliance procedures.

In an increasingly data-driven and digital world, how your provider will **measure and report** their performance has become a key differentiator between companies. There are a range of metrics that can be used to report on recruitment process performance or feed into KPIs going forward. This ranges from cost-per-hire and time-to-hire to how many candidates are applying for specific positions. Crucially, the metrics your partner uses should align with your objectives.

The UK market, like labour markets across the globe, has experienced significant talent shortages for many years, particularly for high-volume temporary staffing. For managed service programmes, your provider should be looking to actively identify underlying pockets of long-term staff shortage or gaps in your workforce planning activity. With this in mind, you may want your partners to provide clear insight on **rates of absenteeism**. Being able to see recurring patterns of sickness and absenteeism will help your provider work with you to create a more productive workplace. It could also be beneficial to have a view of why contingent workers are leaving so that you can put in place measures to counter it.



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Convenience and simplicity



First and foremost, you need to be confident that your provider can get the basics right. That's providing you with the right people at the right time. On top of this, your provider will also need to complement your business processes in a way that enhances your recruitment or commercial processes rather than disrupting or slowing them down.

No business engages with a recruitment service to increase their workload, so it is important to make sure you are compatible with potential providers.

Technology and digitalisation are reshaping perceptions and expectations around recruitment, for both businesses and candidates. Both want to have instant access to the information they need, and recruitment service providers are increasingly offering solutions like self-service portals to accommodate this.

The self-service trend is driven primarily by millennial candidates who expect their job searches to work in a similar way to online banking, but also by companies looking to boost efficiency, visibility and speed. Client portals like the one offered by Blue Arrow give businesses instant oversight of things like shift-fill status, demand and spend patterns, as well as providing a central place for documentation or processes like timesheet approval.

Of course, when outsourcing your recruitment services, you will likely be offered a range of support options. Your provider can source candidates only, or they may be able to perform additional services such as onboarding your selected applicants too. This will further reduce the workload of your teams and may speed the process up, but you may also lose a degree of oversight as a result.

Risk management

Engaging with any new service provider introduces your business to new risks. You will need to seek assurances that they have the processes and policies in place (as well as the capability and experience) to actively manage and minimise that risk.

Risk management is an essential part of running a successful business. You need to be able to spot potential issues as well as put in place measures to protect you as much as possible from unexpected disruptions. When it comes to evaluating potential new recruitment service providers there are a number of important risk factors to consider.

The first thing to look at is the size, **experience and reputation** of the provider's business. If the company is still relatively young, it may not have a huge amount of experience with clients with similar needs to yours. It also may not have yet developed a team with deep sector knowledge or expertise. A long-established agency with an extensive list of varied clients, however, may not be able to provide the dedicated level of service you are looking for.

You should also ask whether the company is a member of any relevant trade associations or regulatory bodies such as REC, SIA, APSCo and ALP. Membership to such bodies means they align with accepted industry guidelines and share best practices in a given sector as championed by that sector's trade body. Procurement framework awards also help you to identify providers that have achieved a demonstrable level of competence in all critical areas of competence to supply a specific service type to a given sector.

You may also want to know about your provider's ability to handle any situations that require public relations or **crisis management**. These scenarios pose a major risk to both your reputation and that of your provider, especially in highly regulated sectors like healthcare. You need an agency that can work with you and provide the right level of assurances and robust controls to eradicate or minimise risk.



Finally, what **disaster recovery** plan is in place? For any business that deals primarily in data and personal information, like your service provider, suffering a data loss or breach can have huge consequences, and your provider should be prepared to deal with any problems.

Quality and safety

The recruitment sector is heavily regulated and there is a large body of law in place to ensure that the right protections are in place for businesses, candidates as well as consumers and customers. If a potential recruitment provider can't guarantee safety and quality, it is simply not worth the risk to take the relationship any further.

When recruiting staff, employers should understand and keep up to date with their legal obligations, making sure their recruitment and selection procedures comply with the law. Things like ensuring candidates have the right to work in the UK and have undergone criminal records checks are basic requirements under UK law, and the penalties for not doing so can be severe. Not complying with legal obligations could also put people at significant risk.

You need to be confident that you and any potential providers can safely recruit within the law. This means knowing what systems are in place to protect candidates, what actions you and the provider need to perform as well as what the warning signs and red flags of non-compliance might be. These will vary significantly depending on the sector you operate in and the kind of candidates you are looking to source. There are, however, some universal things that should always be looked at:

- ▲ Right to work.
- ▲ Criminal records checks.
- ▲ Medical checks.
- ▲ Previous employment references.

If you are looking to outsource part or all of your recruitment process, your provider may be pre-screening potential candidates as well. If this is the case, it is essential to verify what processes they are using and what information they are obtaining. It is your business reputation on the line if something goes wrong. The checks that are necessary should be outlined in your supply agreement along with a clear delineation of which party is responsible for which parts of the process.

Data protection is another key concern when it comes to ensuring safety. GDPR places strict guidelines on the ways that an organisation can collect, store and share personal and business data. In particular, recruiters will need to get consent from individuals to process their data, even if this is just a prospective CV. Make sure to ask potential providers about their data protection policies as failure to comply can result in heavy fines.

Here are some other factors to consider:

- ▲ Quality systems - ISO 9001 is an internationally recognised standard of quality and gaining a qualification demonstrates that potential providers have been independently verified by a third party.
- ▲ Compliance and governance standards and systems such as the Quoted Companies Alliance (QCA) or Corporate Governance Code (known as the 'the Code') which encompass lots of different elements - including background and reference checking, psychometric testing, data privacy and security, employment law, transparency, safety, ethical recruitment, payment process, professional practice, diversity and inclusion and quality management.
- ▲ You may be able to better gauge a potential supplier's reputation by seeking out customer references and reviews.

Agility

While your ultimate business strategy may stay the same over the long term, your short-term needs and challenges are likely to change significantly. You need a partner that can work flexibly to match your evolving needs rather than one that limits your ability to manoeuvre.

The digitalisation of business processes and services is also helping companies work in a more agile way. If your individual HR, finance and product teams are not connected and operate as silos, getting information from one to the other can take a long time. For recruitment this can mean a slow hiring process, but it can also mean your organisation as a whole is too slow to react to changes in the market. You don't want your recruitment service provider to be another silo; you want them to be a responsive, proactive and engaged part of your team.

Recruitment agility means being able to respond instantly to short-term changes in your team, market trends and technological innovation. This is where features like automation and client portals are useful. They facilitate the speedy diffusion of information, inform your decision-making and help you act faster.



But agility isn't just about technology. It is also about the way that you and your partner work together to drive continuous improvements in programme performance. The most valuable partners will be those that can adapt their offering to support your strategic objectives, whether that's through technological advancements or implementing more efficient processes. Some providers also have improvement teams that will work closely with you to explore new ways to deliver on your objectives.

Cost

For it to be judged a success, your recruitment and staffing strategies need to create value for your company. Controlling costs throughout the process is essential and your ability to do this will depend on the recruitment provider you choose.

There are a number of ways that you and your provider can work together effectively to ensure that costs remain manageable. Firstly, **benchmarking costs** against the rest of the market is an essential measure of the competitiveness of each provider. As you talk to multiple providers you will begin to build up a picture of the different ways they try to differentiate their services. Cost might be one but be careful of providers whose prices seem to vary too widely from the rest of the industry. Often, cheap models compromise on the quality of the service you receive. You could miss out on the strategic support needed for a future-proof recruitment solution or, worse, less resource than you need.

Another thing to consider is planning for **changing demand and supply** scenarios. When it comes to quickly scaling up your recruitment provision, you need to know how this will affect the costs you pay. Potential providers should be able to give you an indication of the costs associated with scaling up and down their service to you.

Social responsibility

Social responsibility and sustainability are increasingly important parts of brand identity and customer and candidate expectations. Whether as part of your regulatory obligations or your environmental, social and governance (ESG) strategy, it is important that your service providers align with your values.

Businesses are increasingly concerned with - and questioned on - the ethics and values that drive their activities. This means critically evaluating the impacts that your company has on society, the environment as well as the wider economy. This change is being driven by a number of factors.

Increasingly, consumers and candidates want to know about the culture and values of the companies they interact with. Governments and regulators are also introducing a range of measures to incentivise businesses to lower their emissions and make their workforces more reflective of the communities they live and work in. As a supplier to your business, your recruitment service provider is representing you and therefore needs to be the right fit in terms of social responsibility.

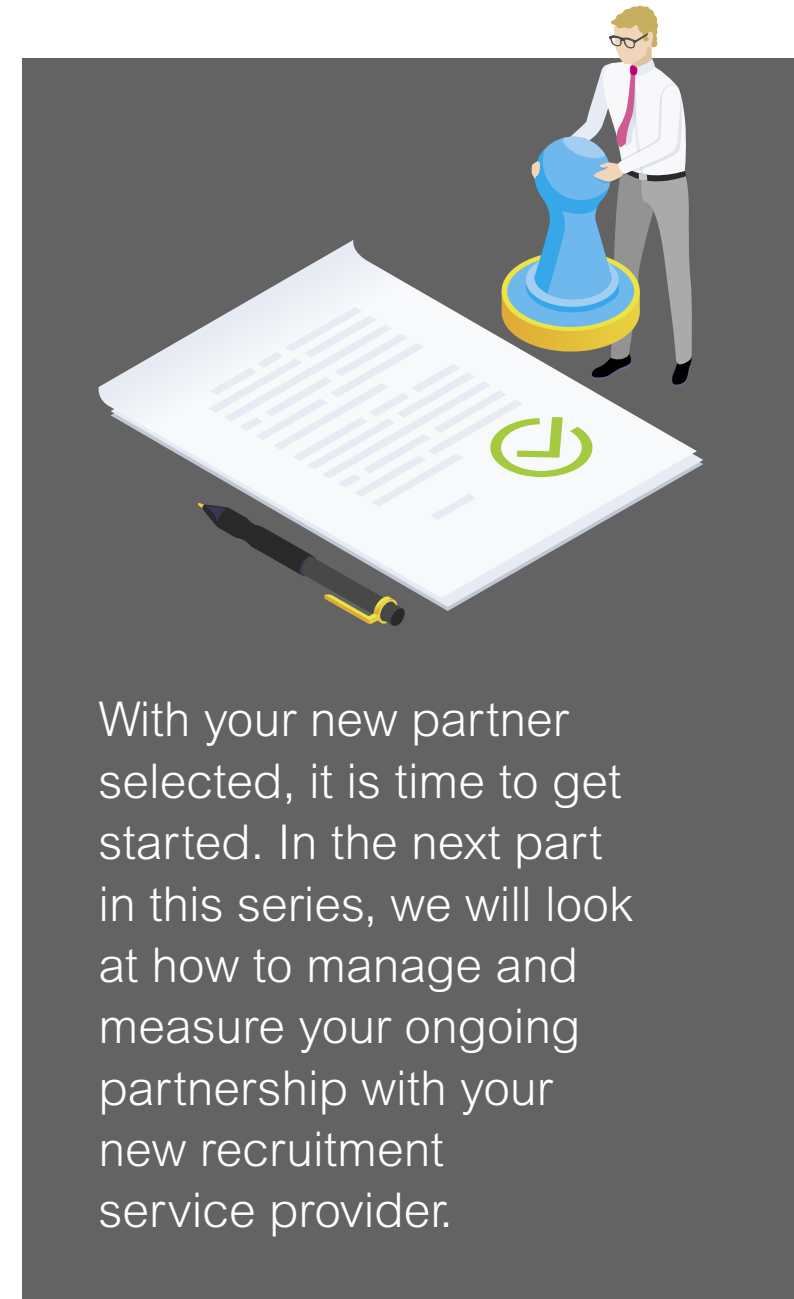
A minimum requirement is that your provider is in alignment with your policies, goals and reporting requirements. Other things to consider would be the provider's own social initiatives. Look out for any charity or local community work that not only reflects your values, but also provides an opportunity your company can actively get involved in as well.

Before the work starts

The relationship you have with a new supplier is likely to have big implications for your business.

Hopefully it is clear that this decision is not something to be rushed in terms of specific service features, but the way you and your recruitment service provider work together is important too. If you have the opportunity, it is important to ask them about the following:

- ▲ **Quality and reliability** - What measures do they have in place to ensure that the right level of service is always provided, such as having a dedicated team for your business?
- ▲ **Speed and flexibility** - How do you envisage adapting to our needs as they change? Who would we be working with and what is their experience/expertise?
- ▲ **Strong KPIs** - How will they be measuring the success of the partnership (such as time-to-hire or cost-per-hire) and how will they share this data and insight with you?
- ▲ **Clear communication** - What is the availability of the service provider team likely to be and will you be able to contact them and expect a prompt reply?
- ▲ **Trust** - What is your preferred way of working? How will you deal with any issues if they crop-up? In what ways do you think you can help our business reach our strategic goals?



With your new partner selected, it is time to get started. In the next part in this series, we will look at how to manage and measure your ongoing partnership with your new recruitment service provider.

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