

CONTINGENT SEARCH VERSUS RETAINED SEARCH

KEY DIFFERENCES

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Projects. Consulting. Outsourcing.

If you are finding yourself unsure of the difference between a retained search and a contingency search – you are not alone! At first glance, it appears to be a matter of how the recruiter gets paid. A retained search is paid in advance to conduct a search, where a contingency recruiter earns a fee only when the organization hires the candidate.

This difference however, when you think about it, is two very unique ways of searching for the person you need.

Below is a tool that is helpful in understanding the difference between these two types of searches:

Type of Position



Approach



Contingent Search

- Assist in finding mostly middle level professionals.
- Candidates have varied experience and backgrounds.
- Positions are widely advertised.

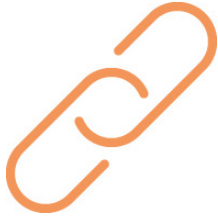
- Recruiting process is transactional and placement oriented.
- Typically uses database searching, internet job postings, advertising, etc. to discover candidates.

Retained Search

- Typically recruitment of senior level executives and professionals.
- Positions are seldom advertised.
- Retained Search candidates are not only experienced professionals but also have proven records of successful past-life careers.

- Recruiting process is consultative, research-based and solution oriented.
- A considerable amount of time is spent getting to know the client organization before initiating the search to ensure clients get the right fit based on position requirements and organization culture.
- Once the right person has been identified, their commitment is secured to ensure a seamless process from negotiation to the acceptance of the offer.
- The recruiter provides regular feedback to management on the market perception of their organization, on compensation levels and other issues that can affect their ability to recruit the best candidate.

Engagement Contract



Process



Contingent Search

- A contingency firm offers a service with no money up-front; they will often only work on those searches that can be executed quickly to ensure payments for their search.
- A less refined process is used during a contingency search which increases the client risk of making a costly hiring mistake and losing productivity.
- Fees are typically a percentage of compensation and are paid on the successful placement of the candidate.

- Larger volume of potential candidates to ensure a placement is made.
- Fast pace candidate selections before weighing all market options.
- Immediately present client with candidates to go through.
- The client is heavily involved in the application process.

Retained Search

- Conduct search assignments on an exclusive, retainer basis only.
- Fees are normally a percentage of compensation, or are fixed in advance and are paid in installments by the client during the search process.
- You are paying for the process, not a resume, with guaranteed delivery.
- Risk of hiring mistakes is greatly reduced.
- The time and resources burden is taken off of the client.

- Full client briefing to get to know the culture and needs of the position in question, including an initial target list.
- Once the client signs off on the search parameters and initial target list, the most qualified candidates are invited for the face-to-face interview.
- Weekly status updates between the executive search firm and the client to provide updates and gain feedback until an offer & acceptance is negotiated.
- This approach requires minimal time investment on behalf of the client until the face-to-face interview process begins.

Ethics: Guarantee, Confidentiality, Off-Limits, etc.



Contingent Search

- Contingency recruiting firms are under no contractual obligation to guarantee or produce results due to contingency fee arrangement (paid on placement only).
- Contingency search firms normally do not have off-limits constraints.
- Candidates can be simultaneously presented to multiple organizations.
- Confidentiality is guaranteed.

Retained Search

- Reputable firms offer a professional guarantee of Candidate success and are committed to thorough and ethical practices and results, including off-limits agreements with clients.
- The search firm helps close the placement with the chosen candidate who is exclusively presented to the client.
- Confidentiality is guaranteed.