

Why Retained vs. Contingency Search

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Retained Search Overview

Retained search firm agreements operate on an exclusive, client-centered basis and work on a limited number of assignments at one time and are engaged in all aspects of the process, from defining the search through candidate integration. They charge a consulting fee (retainer) for the assignment, typically 1/3 of the total fee to be consistent with their in-depth advisory work. Executive search consultants deliver high-quality service, an exclusive slate of highly qualified candidates, and develop long-term relationships built on trust.

Contingent Search Overview

Clients that need to fill mid-level to lower-level positions often choose to hire one or multiple contingency search firms to fill the role. As the name suggests, a contingency firm only gets compensated once a candidate is placed (success fee). By virtue of the payment upon placement nature of this business model, contingent recruiters are motivated to get many resumes in front of many clients, as quickly as possible.

But that only sounds good on paper. When contingency recruiters know they are competing against their client and potentially several other agencies, they will put forth the least amount of effort for the best possible result. Their focus is on quickly providing resumes and hoping that their candidate is selected. The emphasis is geared towards filling the job quickly. There can be a lot of issues at the offer stage. This largely stems from the lack of diligence completed at the beginning of a search. Ultimately, businesses get inconsistent results and oftentimes poor return on their recruiting investment.

Benefits of Each Model

If you are looking to hire a lower-level employee, there are benefits to choosing a contingency search route, such as deferring cost to the time of placement. The truth is, though there are many more *perceived* than actual benefits from a contingency search approach. If you want to ensure you get the very best hire, and not just an immediately available hire for your key position, then read further about our unique approach.

Retained search firms are paid to ensure the very best candidate is hired and that their recruiter is working for the company, not themselves. They will spend time conducting the proper diligence up front to identify not just the technical skills, but also the cultural aspects of your organization. They will also spend time conducting research on competitors, and related industries and trends. Candidates then undergo an extensive vetting process involving technical screening, behavioral assessments, and may also include various performance assessments, all prior to obtaining meaningful references.

Every organization has unique vision, mission, values, culture, and hiring needs, so it's important to find a retained search firm that is positioned to access the right talent. Executive-level employees are key decision-makers who directly influence the culture and bottom line of the organization, which should make long-term success the imperative, not just filling the job quickly.

RETAINED vs. CONTINGENCY SEARCH

We have done the research behind both models internally and externally and here are some key differences.

Feature Description	Contingency	Retained
Experienced Recruiter	Sometimes	✓
Exclusive Recruiter	✗	✓
Focused on Long-Term Success	Sometimes	✓
Resume Screening	✓	✓
Focus on Sourcing Passive Talent	Sometimes	✓
Development of Job Scope	✗	✓
Behavioral Interviewing/Assessment Testing	Sometimes	✓
Focus wanes over Time	✓	✗
UpFront Fee	✗	✓
Industry Expert	Sometimes	✓
Total Cost/Spend Not Typically More	✓	✗

True North's Unique Approach

We asked, and you answered. The feedback we gained from those we surveyed said that they were exhausted by the inconsistency of the quality from contingency recruiters. They added that cost was a concern, but when we clarified we learned that their concern wasn't cost but value. They want their recruiter to work for them, not the candidate and not themselves, but they were concerned about paying an up-front retainer for fear that this would be a disincentive for an agency to perform. To answer each our client's concerns without sacrificing alignment to long-term success (i.e. "Value"), True North has put together a risk-free model that addresses the best of both retained search and contingency.

Interested in learning more about Risk-Free Recruiting? [Get in touch!](#)

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