

Understanding recruitment agencies and consultants

Introduction

This article is part of our [sales guide for contractors](#). In this article we describe how recruitment agencies work from a sales perspective.

The Role of Recruitment Agencies

There are many [advantages to using recruitment agencies to find contracts](#), and most UK contractors will use agents to find work. Using agencies will determine:

- o Where you ultimately work
- o Which positions you apply for
- o The rate you will be paid

Can you think of three more critical aspects of your career?

As with any kind of commercial meeting or negotiation, you can not expect to make the best use of any consultant or agency unless you understand their objectives and processes.

How Agencies Work

First and foremost, let's be clear on one point – a recruitment agency is a 'sales brokerage'. This means that agencies are run by sales people who are aiming to make a margin on the work you are contracted to do. Whatever you are paid, the agencies are [applying a margin](#) on top of this, which is their profit and the *reason they are in business!*

This should not be perceived as negative towards agencies, everyone is in business to make money. However, do bear in mind that:

1. agencies are not necessarily here to advance your career
2. they may not be interested in you growing as an individual
3. they do not have to have your best interests at heart

Contractors that fail to understand agencies and sales are often left feeling cheated, used and abused by agencies for this very reason.

The Agency's Customers

Recruitment agencies have two customers:

1. their client (the employer)
2. the candidate (the contractor)

Which of the two do you think is more important?

Well, the answer to this can vary according to market conditions. If good contractors in a particular sector are in short supply, the contractor's value increases. Of course, this also works in reverse where there are too many contractors in a particular field for not enough jobs. Typically however, the most important customer for the agency is their client or the 'employer' and this is critical to how recruitment agencies operate.

Selecting and Placing Contractors

Most recruitment agencies want to place contractors into positions where they are already qualified to meet the requirements of the job and can provide evidence of experience in the chosen field.

This of course is fine, providing you are looking for a position that is practically identical to the one that you already have or have just left. But what happens when you explain to your recruitment consultant that you are interested in a new field? – are they keen to help you – probably not!

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experience

”

Their role is not to better your career, but to find you, place you quickly, at a profit and to keep your new employer happy. This may be over generalised, but be sure to keep this in mind when positions are being presented to you.

Whilst gaining additional real world experience during a contract is possible on occasions, some contractors attempt to also further their contracting career by being colourful with the truth regarding the experience described on their CVs. This can sometimes work depending on how far the truth is stretched. It can also backfire horribly and make you and the agent look bad to their client. It is common practice and something that agents often complain about.

Typically, recruitment agencies will have a number of clients on their books. As each candidate contractor comes through to the agency, the recruitment consultant will attempt to place you into a position with one of these clients. What they are less likely to do is look at your skills and then proactively contact the kind of employers you would like to work for. This takes much more time and is not as cost effective. This all means that you may well be *'limited to only the clients on a recruitment agencies books at that particular time'*.

How Your Rate is Determined

How is your rate of pay determined? Well, this is typically negotiated by the recruitment consultant. Their aim is to make you (the contractor) and the client (the employer) happy, as well as making a profit.

Do not deny the consultant making a profit, as previously stated – this is why they are in business. Do however be aware that the negotiation of rate is more complex than it first appears. Sometimes placements are made at virtually no profit to the agency, they may wish simply to keep their client happy as they already have 10 contractors working through them and they are keen to maintain their relationship. Alternatively, the margin could be massive because they have sold you in for a far higher rate than they are paying you.

The point being made is not to take what your recruitment consultant says about your rate on trust. Ask fellow contractors about the rates they are paid and take a balanced view. You are not being mistrustful here – you are being wise and commercially aware.

This topic is discussed in more detail in the section [Negotiation For Contractors](#).

Summary

In summary, recruitment agencies and consultants are not the 'necessary evil' they are sometimes perceived to be. Neither are they working specifically with your best interests in mind. They are a business. As with any other business, if they lie and cheat they will be exposed as doing so at some stage by the contractor and employer alike. If they are reputable and well established, the chances are they will have some interesting opportunities for you.

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