

INTERVIEWING WITH THIRD PARTY RECRUITERS

by the NACE Principles for Ethical Professional Practice Committee

At times employers hire an external resource to assist them in identifying and hiring candidates. Such organizations are generally referred to as “third-party recruiters” or “staffing agencies.” Third-party organizations can be retained to conduct on-campus recruiting, represent their organization, and screen job candidates who apply online, or take part in other hiring activities.

The [National Association of Colleges and Employers \(NACE\)](#) defines third-party recruiters as “agencies, organizations, or individuals recruiting candidates for temporary, part-time, or full-time employment opportunities other than for their own needs.”

There are several different categories of third-party recruiters. Below is information about the following types:

Employment/staffing agencies

Search firms

Contract recruiters

Resume referral firms

Some college career centers allow third-party recruiters to engage students through their offices. Oftentimes these career centers have special policies regarding how, when, and where third-party recruiters can engage through their office and with students.

The determination whether such organizations are permitted to work through the college career center is made by each institution. You should be aware of issues that are pertinent to working with these organizations. In addition to this guide, NACE encourages you to contact your career center (ecrc-info@umich.edu) for university or college specific policies.

Third-party recruiters may also be hiring for their own organization, i.e., they may seek human resources majors for recruiting roles or students who are seeking part-time work as an assistant at the recruiter’s office.

EMPLOYMENT/STAFFING AGENCIES

Employment agencies list positions for a number of organizations and receive payment from the hiring organization when a referred candidate is hired. They often do not have an exclusive contract to place an individual in a role with a client organization.

Depending on the policies of each institution, campus and online job boards may include job postings from employment agencies or staffing firms. Career centers that choose to work with third-party recruiters do so because they have concluded that doing so is appropriate and advantageous for their students and alumni as some industries do the majority of their hiring through staffing agencies.

Business processes across employment agencies vary. Some staffing agencies do not disclose the name of the employer for the position they are listing. However, career centers typically require an employment agency to disclose this information in order to post a job listing through the campus job site. This requirement is intended to ensure transparency and proper disclosure. If you have questions about a specific employment/staffing agency, contact your career center for any additional information that will guide your engagement with the staffing agency.

Some staffing agencies may require the applicant to sign a broad “Right to Represent” agreement that gives the agency exclusive rights to represent you to an organization as a job candidate. It is recommended that any such agreement be reviewed by legal counsel or with career center staff, especially if it portends to be an “exclusive” agreement, which may prohibit a candidate from seeking alternatives services or charge a fee for placement. Be aware, however, that signing multiple “Right to Represent” agreements may affect your job search negatively. Many large companies do not like to receive the same resume for the same job from multiple agencies.

While there are differences between staffing agencies, many of these companies will hire candidates on a “temp-to-hire” or “contract-to-hire” basis. If you are hired under one of these conditions, it often means that your paychecks will come from the staffing agency for a set amount of time, after which the company you were hired to work for may have the option to bring you on as a permanent employee. It is important to understand the terms of any temp-to-hire/contract-to-hire position, including what (if any) benefits will be offered. Be prepared to discuss these details with the recruiter and make sure that the details regarding pay and benefits are included in your written job offer or contract. You should also be mindful that you may be required to adhere to the policies of both the staffing agency and the company you are working for. In these situations, there may be a “joint employment” arrangement which may impact your benefits.

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EXECUTIVE SEARCH FIRMS

A company hires an executive search firm to find and screen qualified candidates to fill specific positions. The company (the client in this case) pays a fee to the search firm in exchange for its services, and the search firm may have exclusive rights to recruit for the position. Search firms generally specialize in a particular industry and/or a specific geographic area (region or country).

Companies typically hire search firms to source candidates for senior, executive, or other highly specialized positions. Working with a search firm is usually more appropriate for candidates with an extensive or highly specialized employment history.

Companies may elect to use an outside executive search firm to preserve the privacy of the organization as well as that of the candidates. Sometimes companies may use a search firm because they lack the internal research resources, networks, or evaluative skills to recruit an adequate candidate pool. Search firms are unlikely to work with career centers to identify candidates, with the exception of conducting outreach to alumni. It is important to note that search firms work for companies and typically do not represent individual job candidates.

Unless the search is particularly sensitive in nature, search firm representatives will usually identify the company that they represent.

CONTRACT RECRUITERS

Companies hire contract recruiters to represent them in the recruiting and hiring functions. Contract recruitment representatives may act on behalf of an employer at recruiting events, on-campus information sessions, and interviews. They will often make no distinction that they are contracted HR representatives.

The company hires the contract recruiter for a fee. Generally speaking, you should never sign a contract in which you agree to pay for services of a contract recruiter or recruitment firm, at least until after it has been reviewed by legal counsel or the career center.

RESUME REFERRAL FIRMS

A resume referral firm collects information on job seekers—typically in the form of resumes or LinkedIn profiles—and forwards it to prospective employers. The company, job seeker, or both may pay fees for this service. If you are asked to enter into a contract, it is recommended that any such agreement be reviewed by legal counsel or with career center staff before you do so.

In order for the firm to pass your resume on to employers, the firm must have your written permission to do so. If you wish to give permission, your permission should include a statement that expressly states to whom and for what purpose the resume referral firm can use the information. You should request information on what companies your resume may or will be sent to as a result of the agreement.

In fact, your career center is a type of resume referral service that works directly with hiring employers. If you upload a resume that is part of a career center database, the career center staff may share it with employers authorized to access the career center site. Check with your career center for more information regarding its specific resume referral policies and the policies of any platforms used as part of the resume referral process. (Platforms used by many career centers, such as Symplicity and Handshake, enable students to complete a profile in the system, upload their resume, and make their profile public to be accessed by interested employers. Read their policies carefully.)

Many online job boards also function as a resume referral site. When you upload a resume to an online job board be sure to review the privacy statements and policies. You should consider limiting your personal contact information on any resume you provide and understand the implications of listing your personal information on a public forum. If you have any questions about privacy and job boards, talk with your career center.

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FAQ: EMPLOYMENT/STAFFING AGENCIES

1. Do I need to pay a fee to work with a staffing agency?

- No. A staffing agency is usually hired by a company to identify and hire candidates for the company. If you are asked to pay a fee as a job seeker, approach the situation with caution or reach out to your career center to discuss.

2. If I identify a position of interest, but I'm not familiar with this employment agency, should I provide a resume or application information?

- Inquire with your career center to see if there is an existing relationship with this employment agency, as third-party recruiters often provide information about their operations to career centers. If the career center is unfamiliar with the employment agency, you may be able to determine whether this employment agency is a reputable firm by asking for examples of recent placements in the industry, the positions being filled, the number of openings related to your career interest or the number of upcoming or recent graduates they placed in the previous year.

3. Is it appropriate for candidates to ask the employment agency about the number of job openings being filled?

- Yes, this is an important question because, in some instances, recruiters may not actually have the type or number of openings that they advertise. However, they may be interested in adding your name to their candidate pool as a means of attracting more employers or clients to hire their organization. Or they may be collecting resumes from students for potential future job opportunities.

IMPORTANT QUESTIONS FOR CONSIDERATION ABOUT ALL THIRD-PARTY RECRUITERS

A third-party recruiter may be helpful to you in your job search, but be a wise consumer. Read all materials carefully and ask questions—including those provided below.

1. How is this information being used?

- A third-party recruiter is allowed legally to share your resume with the contract employer for positions that you are actually seeking. You should require the recruiter to confirm, in writing, that your materials and information will not be shared outside the organization or used for any purpose other than with the company they represent at the time they interview you; and that they cannot sell your information to anyone else unless authorized to do so by you in writing. Additionally, personal information such as bank account and social security number should only be requested and provided as a part of the hiring and onboarding process.

2. Who pays the fee?

- Be aware of how the third-party organization is being paid for its services, and approach any situation where you are asked to pay a fee with caution. Before you accept a position or sign a contract, confirm how you will be paid (by the third party or by the employer) and be sure that the written offer/contract matches up with what you were told by the recruiter. Again, have any contract reviewed by legal counsel or the career center.

3. Are candidates treated equally and fairly?

- If you are qualified for the job opportunity, the third-party recruiter must pass your information to employers without regard to your race, color, national origin, religion, age, gender, sexual orientation, disability, veteran's status or any other classification protected by federal, state, or local law. (Note: Your state's laws may extend that protection to include other considerations.)
- In addition, you should be mindful of any preemployment screening that recruiters or referral firms request you to undertake prior to obtaining an offer. Any medical testing that includes, but is not limited to, taking a physical or undergoing certain psychological testing may only be conducted "post-offer"—that is, after you have been offered the job. If you are required to undergo such testing before the offer is extended, it may be in violation of the law.

4. If I am an international student, what should I be aware of?

- Be cautious. Check with your career center and office of international affairs first. Know your work authorization status, and be transparent when working with the employer in securing the needed documents in a timely manner.

For assistance with these questions or other related topics, contact ecrc-info@umich.edu

*Information is courtesy of the [National Association of Colleges and Employers](http://www.nacacnet.org)