



HFA MEMBERS - WHY USE US?

Most small to medium sized companies do not consider using a professional recruiting company. The main reasons? Cost, and unclear benefits.

So, we would like to summarize the benefits of using a recruiting company, put costs into perspective, and bring your attention to the hidden costs of hiring – and of hiring mistakes.

First of all, let's just state the **7 benefits of using a recruiting company - You get:**

1. An expert focus on hiring = A higher chance of a quality hire, faster performance ramp-ups, and reduced turnover
2. Faster hiring and a fixed cost for the project - enabling you to plan your organization and budget
3. Freed-up managers and staff – no longer bogged down administering recruiting
4. Accurate, defensible job descriptions and job postings/communications which attract the right people, tell them what's expected, and hold them accountable
5. The market pay information to need to attract (and retain) the right quality employees
6. Candidates who have been pre-selected and validated – better quality, fewer no-shows
7. Quality, currently employed candidates, who have been proactively **sought out** by the recruiter (not just people looking for a job on job boards), from multiple sources and recruiter networks

Costs of DIY Hiring

Indirect: While a company's attention to hiring is ABSOLUTELY time well spent, it is less so if it means owners, managers and employees are distracted from their main jobs including reviewing resumes and interviewing candidates who were never viable in the first place... burning time needed on sales and other duties.

Direct: Companies doing their own hiring have cash outlay for using job boards such as Indeed, Zip Recruiter, Monster etc. What many companies don't know is that "free" job posting boards require a payment for every application they receive – and "pay per click" can get expensive with a lot of tire-kickers on the job market. Companies are also paying already overloaded employees to do recruiting work, pulling them away from the duties they are paid to perform. Other costs include employee referral bonuses (which represent 25% of all hires made in companies fewer than 500 employees). Yet another cost is that the average vacancy takes 36 to 42 days to fill¹, and costs employers an average of \$4,129 over that time (depending on job type) due to overtime, temps, and other temporary fixes. **A solid recruiter will find their client their first candidates within 2 weeks**, and can facilitate an expedited hiring process time well below 43 days – if the client plays its part in terms of process and decision making!

¹ Zippia.com

Costs of a Bad Hire

Beyond a failed hire that can bring litigation expenses, a bad hire will be under-productive and is likely to have a disruptive influence on the rest of the team. *Just as importantly they can be the cause of lost customers, expensive errors and staff turnover.* “The United States Department of Labor says a bad hire can cost your business 30 percent of the employee’s first-year earnings. What’s worse, the monetary cost of a bad hire can skyrocket if the employee becomes disgruntled and engages in litigation. Then, your business would be on the hook for attorney fees and, potentially, financial damages”.²

Time to Hire:

For many positions we usually have the first candidates for clients to review **in the first week of the search**. Complete time to hire depends on your engagement and decision-making process. Our active search process (i.e. new candidates are searched for) in 2 week projects, but candidates submitted during that time frame are seen through to completion.

Conclusion

We hope this information clarifies the benefits of using an external recruiter shows that professional support not only increases the chances of hiring the right people – but can SAVE YOU MONEY - directly and indirectly.

HFA Member Benefits

Mosswood has a pricing structure developed **specifically** for HFA members and enables you to **choose if your want all or only some if the 7 benefits detailed above...** and with prices way well below typical recruiting companies and the risks/costs discussed above.

Check out our HFA [MEMBER RETAIL PRICE SHEET](#)

² Business.com