



Human Resources

**SEARCH FIRM GUIDE**  
**TIPS AND TECHNIQUES FOR USING SEARCH FIRMS**

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**INTRODUCTION**

In today's tight labor market, organizations such as Ohio University are reaching out to search firms to assist them with their hiring needs. While the office of University Human Resources (UHR) encourages departments/colleges/units to be creative with their search process and to use the services UHR can provide them, we also encourage them to make the best hiring decision in the quickest time frame. A tight and competitive market does not allow the luxury of a lengthy hiring process. There are times when a department/college/unit will need to rely on the services of a search firm to assist with unique and difficult-to-fill positions.

Search firms work with employers like Ohio University to identify and recruit candidates for a variety of positions, particularly those with unique knowledge, skills, or abilities. They are equipped to provide employers with "best practices" for conducting searches. Search firms also have the flexibility to explore new recruiting methods to meet the needs of employers.

The following guide was developed to assist you in working with search firms. It includes the university's standards regarding the selection of a search firm, suggestions for developing an effective and professional relationship with a search firm, and Affirmative Action reporting requirements. The office of University Human Resources (UHR) can provide additional assistance to you. For questions, please contact Staffing and Records Services at 740-593-1226.

### SELECTING AN APPROPRIATE SEARCH FIRM

There are many important items to consider when choosing a search firm. A strong professional search firm can make the difference between hiring an acceptable candidate and hiring the best candidate. A good firm should be able to quickly assess and understand your needs, culture, environment, and structure and deliver a significant number of highly qualified candidates in an acceptable timeframe. It should be able, and willing, to take a consultative approach; providing you with market analysis, competition information, and recruitment process enhancements.

Most search firms regardless of size or specialty follow a similar process when representing an employer. The difference in search firms lies in their respective personalities, their styles, their attention to detail, and commitment to quality. A successful search is partially based on the relationship developed between the search firm and the employer. Therefore, interviewing a search firm prior to making your decision is essential.

When choosing a search firm, there are critical procedures that must be followed in order to meet the hiring standards set by Ohio University. If you are certain that the total expenses incurred using a search firm will exceed \$49,950, then you will need to follow the steps listed below to ensure an effective process.

- ◆ Obtain a statement of prior approval from the appropriate Planning Unit Head (Dean, Vice President, department Chair, and Vice-Provost) to begin the search for a firm.
- ◆ Contact the Purchasing department (593-1969) for guidelines to begin the bid process from external companies who are registered with Purchasing. In selecting a search firm, consider the following criteria;
  - ❑ Evidence of past experience in professional recruiting relevant to this position;
  - ❑ Evidence of past search experience with major land grant research universities;
  - ❑ Evidence of extensive national search capabilities;
  - ❑ Evidence of candidate pool reflecting commitment to diversity including affirmative action standards. Specifically, a demonstrated record of obtaining qualified women and minority candidates who evolve as successful candidates appointed to the position;
  - ❑ A list of academic institutions that have retained the firm within the past 24 months, including a description of the position and the result of the search;
  - ❑ An overview of the background and qualifications of those who will be involved in this project, including the team leader;
  - ❑ A statement of the number and type of ongoing searches the team is involved with and a description of the current status of these searches;
  - ❑ A statement of the firm's professional fee arrangements.
- ◆ Submit a job description to the university Purchasing Department for the position vacancy.
- ◆ Receive bid proposals from Purchasing.

- ◆ Review proposals and conduct “informational interviews” with prospective firms.
- ◆ Submit a written justification of the choice of external search firm to Purchasing for approval.

If you are planning on using a search firm and you know the **total expenses** incurred will not exceed \$49,950, you will need to contact the purchasing department for a purchase order number. You will not need to go through the formal bidding process, although you will certainly want to interview a number of search firms prior to making your decision.

### TYPES OF FEES

There are typically two types of fees paid by search firms; a retainer fee or a contingency fee. An executive search firm usually specializes in senior-level placements on a retained basis. By definition, a retainer is “a fee paid to a professional adviser for advice or services in case of need” (*Webster’s Ninth New Collegiate Dictionary*.) A retained search typically requires payment of a percentage of the hire’s annual compensation, usually in three equal installments. This fee is paid regardless of whether or not a hire is made. Also, on a retained search, many firms will set a minimum fee which, again, must be paid regardless of hire. The majority of university searches which use a search firm are for executive-level placement, and are done on a retained basis.

A search based on a contingency fee is one in which no payment is made until a successful hire has occurred. This fee structure can happen one of two ways: a fixed fee can be negotiated or the fee can be a percentage of the hire’s annual compensation. Many entry-level searches are conducted on a contingency fee basis.

Regardless of the payment method, retainer or contingency, fees should be negotiated upfront with all proposed cost estimates revealed. Listed below are some questions to ask:

- What is your fee structure – is it paid at the end of the search or throughout the process?
- Is the fee based upon annual salary or upon annual salary plus bonus?
- Are there additional fees for administrative processes (faxing, copying, etc.?)
- What type of guarantee is provided (i.e. – if a candidate you sourced is hired and then leaves within 12 months – will you perform another search at no cost to Ohio University? What if no suitable candidate is identified by the search firm?)
- Who places advertisements and who is responsible for the payment?

### PREPARATION

Once a search firm is selected, the firm and the search committee chair should meet to discuss the selection criteria. At the initial meeting, discuss the following items in great detail:

- Position responsibilities/job requirements
- Expectations/objectives (of both Ohio University and the search firm)
- Timetable
- Ohio University mission/goals/values
- Environment/structure of department

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- Need to comply with the University's Diversity Initiative and federal affirmative action requirements.
- Competition/market analysis
- Communication channels/key contacts
- Compensation
- Benefits
- Need for and process of data reporting and management reporting (Appendix B ).

Following the initial meeting, the search firm should prepare a detailed position description for approval. This position description is important for several reasons. It represents the search firm's understanding of the position and the type of candidate Ohio University is looking for. It provides a framework to guide the search process. And, it is used as a marketing tool.

Ohio University should provide the search firm with a list of institutions, firms, or industries to be prospected (or avoided.) A timeline, search strategy, and/or action plan should be developed. Specific target dates and deadlines should be mutually agreed upon and interview dates should be secured.

### **ENSURING BEST RESULTS**

Search firms can bring experience, objectivity, and sensitivity to their assignments. They come to institutions like Ohio University to enhance and expedite the work of the search committee and to work as a partner to find the best candidate. Yet at times, working with a search firm can be a challenging experience. In order to develop a mutually beneficial relationship, you need to know and understand the importance of managing both the search firm and the process.

One of the most appreciated contributions of a search firm is relieving search committee members of the burden of "administrivia." Nonetheless, it remains essential that all search committee members are adequately trained as a search committee member. Training is available by contacting University Human Resources. A successful organization of a search should enable committee members to be involved actively without hampering their ability to fulfill their normal responsibilities.

Search firms expect to have one single point of contact that they can funnel information through. The search committee chair should serve as, or appoint, one person in the department to be the contact person. This person will provide the firm with any necessary information or feedback throughout the entire search process.

Search firms move quickly. Once they have an understanding of the culture and the position, they will begin sourcing candidates. As you begin to receive "qualified" resumes from the search firm, respond quickly to provide direct and immediate feedback. Let them know at once if the candidates they have sourced have the background, skills, and experience required of the position. If the candidates do not meet the criteria you discussed, provide the firm with specific reasons and work with the firm to hone in on the skills and/or background that are important for your position. Develop similar checkpoints throughout the process to ensure your expectations are being met.

Competition for the "best" talent is fierce and timing is everything. Quite often search firms are working with candidates who are entertaining multiple offers. If you do not expedite the search process, you will lose viable candidates. Before you engage a search firm, make sure the entire search committee is prepared to develop a swift timeline and to follow it!

Search firms recognize that each institution (or client) has a distinct organizational culture and a particular set of needs determined by its heritage, traditions, and governance. Finding that one person who stands out from the rest, whose unique skills and qualifications set him or her apart, is an art. Search firms will work hard to earn your trust and respect by conducting their searches with sensitivity, confidentiality and integrity.

### **INTERVIEWING**

The search firm is responsible for providing backgrounds of interested candidates who have superior qualifications and diverse backgrounds and experiences. As the search firm moves into the development of the candidate pool, it is responsible for marketing the positions, screening candidates, and keeping detailed, accurate status reports on each candidate.<sup>1</sup> Candidates selected for preliminary interviews (approximately 8 – 10 candidates) will be evaluated on the basis of the selection criteria (education, experience, accomplishments, etc.) The search firm should provide a candidate's resume and background prior to scheduling a preliminary interview. Once the resume is received, Ohio University must respond back to the search firm with feedback within 24 hours unless a different timeframe is agreed upon. Preliminary interviews are then confirmed and can be conducted either by phone or face-to-face. The goal of a preliminary interview is to screen out those individuals who do not have the basic skills and experience necessary to successfully perform the job.

Following the preliminary interviews, the candidate pool is further narrowed to approximately 3 – 5 candidates. The search firm should conduct background checks at this time. Final interviews should occur within two weeks of the preliminary interviews. Depending on the search, Ohio University *may* pay the candidate's travel expenses. Search committees should be mindful of this as they select their final candidates. Typically, search firms are working with more than one employer at a time and if Ohio University doesn't respond and act quickly, it may lose top candidates. An interview and selection process which lasts for more than a few weeks is likely to frustrate the candidate and the search firm team members. Quickly identify, contact, and schedule those individuals you would like to interview. Determine the interview format. Decide in advance how many people will be involved in the interview and what each interviewer will seek to accomplish – each interviewer should cover a specific required skill. Remember that final decisions need to be made in a timely manner.

### **EVALUATION**

The search firm will contact you within 48 hours of the candidate's final interview to provide you with feedback from the candidate (reactions and expectations.) At this point, you should be ready to communicate your decision. Feedback sessions should occur immediately following each interview. At the close of the last interview, the final decision should be made. The speed and efficiency of your recruitment process will result in the hire of the most qualified candidate.

Prior to extending an offer, the online Recruitment Report must be completed, submitted to, and approved by the Office for Institutional Equity (Appendix B). Failure to comply with this requirement could result in Ohio University losing federal funding (i.e. financial aid, federal research grant moneys, etc.).

**THE OFFER**

Search firms are typically available to help you negotiate the terms and conditions of the offer. While the search firm can act as an intermediary in the sensitive negotiating phase and should take into account the interests of both Ohio University and the candidate, their priority might simply be to “close the deal.” Therefore, many departments/colleges/units prefer to negotiate directly with the candidate while keeping the search firm apprised of the situation.

**SUMMARY**

Ohio University is equipped to provide colleges/units/departments with excellent service, creative hiring solutions, and talented applicants. However, even the human resource experts at the university may need to engage the resources and time of a search firm to assist in hiring processes.

Most search firms utilize the power of a vast network of office, industry specialization, and customized services to deliver results. Talented recruiters are able to effectively screen applicants and minimize the risks involved in the hiring process. Keep in mind that a successful search will depend upon the relationship you develop with the search firm and the standards, processes, and guidelines you enforce.

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<b>Name</b>	<b>Specialty</b>	<b>Fee Structure*</b>	<b>Pro's/Con's</b>
<b>Management Recruiters of Columbus - Downtown</b>	Mid-level Management	1/3 of Total Compensation but should be negotiable	+ National firm; based in Columbus + Understands Columbus market + ConferView – ability to conduct face-to-face interviews with long distance candidates through video-conferencing – Although a national firm, 85% of searches have been for local organizations
<b>AT Kearney</b>	HR/Professional Practice Education Practice	1/3 of Total Compensation with a minimum fee of 50k	+ Strong national presence + Has separate Education practice which focuses on Higher Education – Minimum fee is 50k – Contact is out of Cleveland, OH
<b>TMP Worldwide (formerly Lemming/LeVan)</b>	HR	1/3 of Total Compensation with a minimum fee of 50k	+ Focuses on executive-level HR searches + Facilitated a number of Central Ohio executive HR searches ± One of the largest search firms in the world; executive search is part of their corporate umbrella – Typically works with salary levels of 110k-150K – Minimum fee is 50k – Contact is out Atlanta, GA
<b>EMN/Witt Kieffer</b>	Education	1/3 of Total Compensation with a minimum fee of 35k and a minimum office fee of \$4,500	± Specializes in Education – Minimum fee is 35k plus an additional minimum fee of \$4,500 for office fees (faxing, mailing, etc.) – Contact is out of Chicago, IL
<b>Hudepohl and Associates</b>	Executive Searches	IUC negotiated rates	+ cost + understands Ohio – Does not specialize in higher education
<b>William Funk &amp; Associates</b>	High profile academic searches (mostly President & Provost)		Specializes in higher education
<b>Baker &amp; Associates</b>	Academic searches		Specializes in higher education
<b>George Ayers &amp; Associates</b>	Executive searches; strong commitment to diversity		Specializes in higher education & philanthropy Commitment to diversity aligns with institutional goals

\*The search firms listed above are search firms who work on a retained basis. At this level of hire, most search firms will only work on a retained basis where there is no guarantee of hire.

<b>Name</b>	<b>Address</b>	<b>Specialty</b>	<b>Comments</b>
<b>Career Connections</b>	35 Elliott Street Athens, OH 45701 (740) 594-4941	Office Support, Information Technology, Accounting/Finance	

\*The search firms listed above are search firms who work on contingency basis. Most entry-level searches are contingency which means that no money is paid unless there is a successful hire.

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### Search Firm Procedure

Regardless of the level of position or the method of recruitment and selection, Ohio University remains obligated to collect, maintain and report applicant and search related data, and does so through the on-line posting process. It is strongly recommended that if utilizing the services of a search firm, departments also work closely with University Human Resources to implement efficient procedures that will result in seamless search reporting and facilitate search approvals. **All procedures should be clearly identified to the search firm when discussing terms of the agreement.** The following procedures are recommended:

- Follow all position approval requirements in place at the time of implementation including any position review procedures in place and posting procedures.
  - Information for Search Committee training is available at: <http://www.ohio.edu/hr/tools/index.cfm>
  - Ensure that application procedures include an online submission to Ohio University’s application system.
    - In some cases, search firms may wish to collect all applicant materials initially and direct only qualified and considered individuals to submit an online application.
    - University Human Resources can create a unique link that the search firm can selectively give to only those qualified applicants to allow application submission.
  - Give applicant tracking system access to the search firm representative assigned to the search. Direct them to [www.ohiouniversityjobs.com/hr](http://www.ohiouniversityjobs.com/hr) and ask them to Create a User Account. Alert University Human Resources to approve that individual for only the designated search.
  - Giving the search firm representative access to the online search allows the search firm to:
    - Ensure that the applicant list is complete,
    - Manage the status changes of each applicant,
    - Report all efforts of recruitment activity,
    - Report the process used to determine who would be interviewed.
  - Prior to bringing candidates on campus for interviews, either the Hiring Manager or the search firm representative must contact the Office for Institutional Equity at 740-593-2620 to assess that the University’s Diversity Initiative is being met. **The pool of candidates being brought on-campus for interviews must include at least one qualified woman and/or person of color.**
  - Prior to extending an offer of employment, the university hiring manager must ensure that:
    - all candidates have been given either a “Not Hired,” or a “Potential Offeree” applicant status with appropriate reason codes,
    - all recruitment information has been documented in the Recruitment Plan section of the online requisition
    - the Faculty/Admin Recruitment Report Form has been thoroughly completed
    - the completed requisition with all above data has been submitted to and approved by the Office for Institutional Equity.
  - Upon employment offer acceptance, the university hiring manager must complete the on-line Appointment form, which initiates the process for the newly hired person to be added to the human resource and payroll system. No paper appointment form is necessary.
- Any deviation from this process needs prior approval through University Human Resources.**