

# Principles for Third-Party Recruiters

**Preface:** The NACE Principles provides definitions and guidelines for third parties and contractual/staffing services. It is our hope that career services will use this information to make appropriate decisions about the use of third-party, contractual, and staffing services in their operations, including career fairs. These standards are also designed to provide guidance to third-party recruiters who recruit college graduates through the college recruitment process. These standards are not to be construed as requiring or encouraging, or prohibiting or discouraging, use of third-party recruiters by college or employer professionals.

## 1. Definition of third-party recruiter:

- a. Third-party recruiters are agencies, organizations, or individuals recruiting candidates for temporary, part-time, or full-time employment opportunities other than for their own needs. This includes entities that refer or recruit for profit or not for profit, and it includes agencies that collect student information to be disclosed to employers for purposes of recruitment and employment;
- b. Third-party recruiting organizations charge for services using one of the following fee structures:
  - i. Applicant paid fee -The applicant pays the third-party recruiter a flat fee for services rendered or a fee based upon the applicant's starting salary once the applicant is placed with an employer.

## 2. Employer paid fee

- a. Retainer -The employer pays a flat fee to the third-party recruiter for services performed in the recruiting of individuals to work for the employer.
- b. Contingency fee -The employer pays to the third-party recruiter a percentage of the applicant's starting salary once the applicant is hired by the employer.
- c. Fee for service -The employer pays a fee for specific services, e.g. job postings, access to resumes, booth space at a job fair, etc.
- d. The above definition includes, but is not limited to, the following entities regardless of the fee structure used by the entity to charge for services:
  - i. Employment Agencies—Organizations that list positions for a number of client organizations and receive payment when a referred candidate is hired. The fee for listing a position is paid either by the firm listing the opening (fee paid) or by the candidate who is hired.
  - ii. Search Firms—Organizations that contract with clients to find and screen qualified persons to fill specific positions. The fees for this service are paid by the clients.
  - iii. Contract Recruiter—Organizations that contract with an employer to act as the employer's agent in the recruiting and employment function.
  - iv. Online Job Posting or Resume Referral Services—For-profit or commercial organizations that collect data on job seekers and display job opportunities to which job seekers may apply. The data collected on job seekers are sent to prospective employers. Fees for using the services may exist for the employer, school, or job seeker.
- e. Temporary Agencies or Staffing Services—Temporary agencies or staffing services are employers, not third-party recruiters, and will be expected to comply with the professional practice principles set forth for employer professionals. These are organizations that contract to provide individuals qualified to perform specific tasks or complete specific projects for a client organization. Individuals perform work at the client organization, but are employed and paid by the agency.
- f. Outsourcing Contractors or Leasing Agencies—Outsourcing contractors or leasing agencies are employers, not third-party recruiters, and will be expected to comply with the professional practice principles set forth for employer professionals. These are organizations that contract with client organizations to provide a specific functional area that the organization no longer desires to perform, such as accounting, technology services, human resources, cafeteria

services, etc. Individuals hired by the outsourcing or leasing firm are paid and supervised by the firm, even though they work on the client organization's premises.

- g. In most cases temporary agencies, staffing services, outsourcing contractors, or leasing firms will be treated as employers. However, should these firms actually recruit individuals to be employees of another organization, then the third-party professional practice principles shall apply.
3. Third-party recruiters will be versed in the recruitment field and work within a framework of professionally accepted recruiting, interviewing, and selection techniques.
4. Third-party recruiters will follow EEO standards in recruiting activities in a manner that includes the following:
  - a. Referring qualified students to employers without regard to the student's race, color, national origin, religion, age, gender, sexual orientation, or disability;
  - b. Reviewing selection criteria for adverse impact and screening students based upon job-related criteria only, not based upon the student's race, color, national origin, religion, age, gender, sexual orientation, or disability;
  - c. Refusing, in the case of resume referral entities, to permit employers to screen and select resumes based upon the student's race, color, national origin, religion, age, gender, sexual orientation, or disability;
  - d. Avoiding use of inquiries that are considered unacceptable by EEO standards during the recruiting process;
  - e. Affirming an awareness of, and sensitivity to, cultural differences and the diversity of the work force;
  - f. Investigating complaints forwarded by the career services office or the employer client regarding EEO noncompliance and seeking resolution of such complaints.
5. Career centers may choose to advise students to approach with caution third-party recruiters who charge a fee. Members are encouraged to make available to students the NACE publication, "A Student's Guide to Interviewing with Third-Party Recruiters."
6. Third-party recruiters will disclose information as follows:
  - a. Third-party recruiters will disclose to students the name(s) of the client, or clients, that the third-party recruiter is representing and to whom the students' credentials will be disclosed.
  - b. When deemed necessary, third-party recruiters will disclose information upon request to career services that would enable career services to verify that it is recruiting for a bona fide job opportunity. Information should include contact information for the organization for which the third party is providing recruiting services. Career services must respect the confidentiality of this information and may not publish it in any manner.
7. Third-party recruiters will not disclose to any employer, including the client-employer, any student information without obtaining prior written consent from the student. Under no circumstances can student information be disclosed for other than the original recruiting purposes nor can it be sold or provided to other entities. Online job posting and resume referral services must prominently display their privacy policies on their web sites, specifying who will have access to student information.
8. Third-party recruiters attending career fairs will represent employers who have authorized them and will disclose to career services the names of the represented employers.