12/26/2018 Headhunter









**INVESTOPEDIA > SMALL BUSINESS** 

# Headhunter

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### What is a Headhunter

A headhunter is a company or individual that provides employment recruiting services. Headhunters are hired by firms to find talent and to locate individuals who meet specific job requirements. The term headhunter may also be referred to as an "executive recruiter" and the function they perform is often called "executive search." Headhunters may have a pool of candidates for specific positions or may act aggressively to find talent by looking at competitors' employees. Employers tend to enlist headhunters when they are unable to find the right person to fill a role on their own.

## **Breaking Down Headhunter**

Recruitment is often performed by hiring managers, <u>human resources</u> personnel or internal specialist recruiters, but in some cases employment agencies and executive search firms may be employed. Third parties working on behalf of a hiring company are colloquially referred to as "headhunters." A headhunter is retained to fill jobs that require specific or high-level skill or offer high pay. Headhunters working on behalf of a firm often scour international organizations for top talent. In addition, some individuals may contact a headhunter to provide a résumé or curriculum vitae (CV) or to apply for a position for which the headhunter is seeking talent. Headhunting is supported on many levels by internet technologies, including <u>social media</u> and online job boards.

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# Headhunters: How They Are Paid

Headhunters only make money when they are successful in placing a candidate in a job. Independent, third-party recruiters — ones who work independently from the employer as a separate entity — are paid on <u>contingency</u>, meaning they do not get paid unless their candidate is hired. The typical fee is 20% to 30% of a new hire's total first-year salary. As headhunters work for the employer, they have an incentive to please them rather than the candidate.

There is no licensing necessary to become a headhunter or recruiter, so anyone can become one. Less-reputable recruiters often compete with professional ones that possess large networks of clients and candidates. They may operate in a similar way, such as an unsolicited email, call or LinkedIn request.

# **Headhunter Tips**

If the quality and helpfulness of headhunters varies so much, what should you look for?

- A good headhunter will contact you knowing ahead of time that you are a good fit for a role based on your skills and experience.
- If they ask for your past or current salary, this is a red flag. Rather, they should tell you the salary range of the opportunity they are calling about and then ask you whether it is a good fit.
- An unprepared headhunter will not have done proper homework on your background and may try to interview you on the fly once you are on the phone.
- Quality headhunters are easy to reach and communicate with and conduct themselves professionally. It is a bad sign if they talk fast, are rude, make too many demands, are hard to reach or neglect answering messages.

### **Related Terms**

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