

Businesses Trending Towards Niche Staffing Firms

There's a growing trend in the business world that's really beginning to gather steam. And that trend is employers are increasingly turning to niche-based executive search/staffing firms to fill their key positions. And it's a trend I see continuing, because in the end, I feel it's good for everyone involved – the employers who need skilled talent, the job seeker, and the staffing firms themselves.

To start, let's define what a niche staffing firm is. A [niche staffing firm](#) is a firm that specializes in locating highly-skilled individuals across a few (or even just one) industry or job type. To give an example, you may have a niche firm that specializes in placing all manner of skilled IT professionals; another that focuses on engineers, and still another that focuses on graphic artists and copywriters. Other firms may specialize in geographic areas or similar. These specializations can be mixed and matched to a degree as well.

The movement to this point has been gradual, but consistent. The internet is largely to blame (or thank, depending on who you are). True, there was a time when there were a few giant “all-encompassing” job/search supersites, but as the internet grew, it became apparent that these megasites – ones that offered to place everyone from a pet groomer to a web developer to a VP of Sales – were almost akin to a phone book. In short, *everyone* was on these sites. Which makes finding the right people hard. Companies started to get dissatisfied with the results of megasites, and so did job seekers. Staffing firms that specialized in “everything” didn't perform much better, since, again, the internet made it so “everyone” is right there. And in this day and age, you can't specialize in *everything*.

Enter niche staffing firms, which give employers a clear advantage in finding skilled talent. Let's explore a few of these advantages:

A Niche Staffing Firm has marked experience placing individuals within their particular job function (or vertical market) on a regular basis.

Significance to [Employer](#): Niche firm recruiters are more knowledgeable in what traits an “ideal candidate” must possess for the job vacancy. In short, he or she knows what questions to ask (questions pertaining to the niche industry) in order to get objective information, and uncover the best candidate. It's unlikely that someone who is working on a certain type of assignment for the first time would know what questions to ask, there is a learning curve that they have yet to go through.

Niche Firms often have exclusive referral contacts, which are impossible for All-In-One shops to establish and/or maintain.

Significance to Employer: The Niche Firm is already submerged in an industry/skill set, and will have a firm network of professional contacts. An All-In-One Staffing Firm typically cannot keep all of those contacts fresh. For example, they may not need, say, an experienced [IT Business Solutions Sales Manager](#) for years – thus, those contacts will dry up. Plus, if an industry is not their “bread and butter”, they will be unfamiliar with the methods of effective networking and will be trying to piece together a puzzle that a niche firm has already pieced together.

Quality applicants are more likely to apply to a niche firm that has experience dealing with their area of expertise. Passive candidates are more willing to reach out to niche firms and trust them with their career search as opposed to a firm with no specific specialty.

Significance to Employer: This is huge, because passive candidates (individuals that are currently employed and performing well, but are willing to explore other opportunities if the right job and recruiter seeks them out) are highly desirable. These people do not search on their own, hence the term “passive candidate”.

So why are passive candidates so desirable? Because “Active Candidates” (ones that seek out and respond to job board posts, classified ads, etc.) have a lot of questions that need answering: Why is this person “Active”? Were they fired, “laid off”, or did they resign? Has he/she been unemployed for a long period of time? If so, why? How many interviews have they been on? How many job offers did they receive? Why did they turn those job offers down or why did none of them result in job offers?

Really, the list of questions is endless. Hence, passive candidates are desirable because the number of variables to consider is significantly less. Niche firms have greater access to these passive individuals.

Niche recruiters understand the needs of candidates within their niche better.

Significance to Employer: Better candidates.

This is why niche firms get the passive candidates. Because a niche firm speaks their language, and deals with companies that would like to hire them. Really – look at this from a candidate’s point of view: “*How helpful can the all-in-one recruiter be to someone if they do not have any “connections” in my industry? Why would I work with this recruiter if he/she is completely unfamiliar with my job or my industry?*”

Professional insight and expert input.

Significance to Employers: Again, better candidates, and less wasted time

In 2008 alone, total annual Staffing Industry sales amounted to over 86 billion dollars. Employers decided to delegate a large amount of their recruitment efforts to thousands of niche staffing firms for a variety of reasons. One major reason: expert input (which are essentially the advantages I listed above). A niche firm can offer valuable input in their particular niche, input that an Employer most likely will not think of on their own. The result is a better candidate all around.

Not everyone is an expert in the [recruiting](#) and hiring process, and having a specialist on your side when making hiring decisions is extremely important, and can be the determining factor between hiring your next all star, or your next potential ex-employee.

[David Lee](#) is the Director of Business Development at [Personnel Options](#). To learn more about our services visit the Personnel Options [About Us](#) page or email us at info@nationalsalescareers.com / 212-710-3585