Summary of Temp-to-Hire Conversion and Direct Hire Fees

Staffing Industry Analysts, 2016 Staffing Company Survey - North America

The median temp-to-hire conversion fee for commercial staffing placements is 10% of salary.

Of 100 commercial staffing firms responding to the question, “How do you calculate temp-to-hire conversion fees:”

- 42% use “a sliding scale based upon discount applied after they work a certain period of time”
- 24% use a fixed percent of salary.
- 23% set fees on a case-by-case basis (depending on client, position, skill, market, contract, etc.)
- 5% use a fixed dollar fee
- 5% use a sliding fee scale based upon higher percentage at higher levels of salary.

Of 100 commercial staffing firms responding to question, “At what assignment length do fees no longer apply:”

- 53% no conversion fee after 3 months
- 8% no conversion fee after 4 months
- 12% no conversion fee after 6 months
- 1% no conversion fee after 12 months
- 20% determine conversion fee on a case-by-case basis
- 5% always charge for conversions regardless of time worked
- 1% never charge a conversion fee

Staffing Industry Analysts, 2014 Staffing Company Survey - North America

Composition of Direct Hire Market:

25% - IT
19% - Engineering
14% - Finance/accounting
**11% - Office/clerical**
9% - Clinical/scientific
9% - Health care
**5% - Industrial**
5% - Legal
3% - Other
Billing Policy:

- Staffing firms reported the median percent of salary charged for a direct hire to be 20%.
- Staffing Industry Analysts looked for differences in direct hire fee charged by primary segment offered, primary industry served, and firm size, but were unable to find any conclusive differences.

Fill Rates and Time-to-Fill (Median Performance):

**Direct hire order fill rates**

- Industrial Staffing – 60%
- Office Clerical Staffing – 52%

**Direct hire time-to-fill**

- Industrial Staffing – 20 days
- Office/Clerical Staffing – 20 days

**Temporary staffing order fill rates**

- Industrial Staffing – 90%
- Office/Clerical Staffing – 80%

**Temporary staffing time-to-fill**

- Industrial Staffing – 2 days
- Office/Clerical Staffing – 4 days