

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