The in-house recruiter only pays off above five to seven placements

Hiring a corporate recruiter looks cheaper than paying agency fees. It only works if the recruiter actually fills the roles.

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Summary

A Dutch recruitment agency typically charges 22 to 32% of gross annual salary per placement on a contingency basis; retained search runs at 20 to 30%, with part of the fee paid up front. On a €55,000 salary at a 25% fee that is €13,750. An in-house corporate recruiter costs €65,000 to €80,000 a year, built from an average salary of roughly €41,000 to €55,000 (consulted August 2026), about 30% in employer charges, and several thousand euros in systems and job boards. That fixed cost only pays for itself from about five to seven placements a year that would otherwise have gone through an agency. Above that volume the in-house recruiter wins comfortably: the most recent Dutch benchmark (measured in 2020) put corporate cost per hire at €3,818, with recruiters carrying an average portfolio of 20 vacancies. Below that volume, a company pays more for its own recruiter than it would have paid in fees. And for scarce technical profiles the most expensive outcome looms: months of internal effort first, then the agency fee anyway.

The arithmetic

The choice between an in-house recruiter and an external agency is a sum of fixed against variable cost. In the most common model, an agency only costs money when it places someone. A recruiter on the payroll costs money every month, whether or not there is anything to recruit.

The variable side comes in two models. On a contingency basis (no cure, no pay), Dutch recruitment agencies typically charge 22 to 32% of the placed candidate's gross annual salary, paid on placement. Retained search runs at 20 to 30%, with the client paying part of the fee up front, for instance at the start of the mandate and at shortlist (agency fee schedules and stated rates, consulted August 2026). On a €55,000 salary at a 25% fee, the client pays €13,750 per placement.

What a recruiter costs

The fixed side starts with salary. Salary platform Glassdoor lists an average of around €41,000 a year for a corporate recruiter in the Netherlands, in a range of €32,000 to €59,000 (consulted August 2026). For a mid-level to senior profile, €45,000 to €55,000 is a reasonable working value.

It does not stop there. Employer charges (pension and social premiums, holiday pay where not included) add roughly 30% on top of gross salary in the Netherlands. And a recruiter without tools does not recruit: an applicant tracking system, a job board budget, and a sourcing platform licence quickly add several thousand euros a year. All in, an in-house recruiter costs an organisation €65,000 to €80,000 a year. That is a model estimate; the assumptions are printed in the method section.

The break-even point

Divide the fixed cost by the fee and the threshold appears. At €75,000 in annual cost and €13,750 per agency placement, break-even sits at five to six placements a year. At the bottom of the fee range (22%, €12,100 per placement) it is six to seven, at the top (32%, €17,600) four to five. Only placements that would otherwise have gone through an agency count: a vacancy that would have filled itself through the company's own network saves no fee.

Above that volume, the in-house recruiter is by far the cheaper route. The most recent broad Dutch benchmark (Intelligence Group, Compagnon, and Werf&, measured in 2020, around 200 organisations) put corporate cost per hire at €3,818, down from €4,088 a year earlier. A corporate recruiter then carried an average portfolio of 20 vacancies and filled 87% of them. At that volume, internal recruitment costs less than a third of an average agency fee.

Where the sum tips over

Below the threshold, the ratio inverts. An organisation that hires three people a year and keeps a recruiter on the payroll for it pays the equivalent of €25,000 per hire in fixed recruitment cost, nearly double a typical agency fee.

The second tipping point is more insidious: paying twice. For scarce technical profiles, 87% of employers with recruitment problems report too few applications, and 62% point to the specialist nature of the work (UWV, autumn 2025). An in-house recruiter changes little about a candidate who does not exist. If the vacancy goes to an agency anyway after months of internal effort, the organisation pays the full recruiter salary and the full fee. Retained search adds the advance: part of the fee is owed even if the mandate never leads to a placement. In the benchmark, agencies filled 59% of their vacancies against 87% at corporates (measured in 2020). That gap is not proof that agencies recruit worse: agencies tend to receive the vacancies the market has already rejected, and often work alongside other channels on the same mandate.

The complication

The benchmark figures were measured in 2019 and 2020, before the wage growth of the years that followed, and come from a self-selected sample. Actual amounts are higher today; an earlier study by the same parties measured an average of €4,494 per hire over 2019. The direction of the arithmetic does not change, the precise threshold does. Anyone calculating today should fill in their own numbers.

The sum also measures placements only. A good recruiter builds a candidate pool, an employer brand, and selection quality, value that does not fit in a cost per hire. The sum above is a floor for the decision, not a full verdict on the role.

What this means in practice

- Before hiring a recruiter, calculate how many placements a year are realistic. Below five to seven, the fixed cost exceeds the fees saved.
- Above ten to fifteen placements a year, the in-house recruiter nearly always wins on cost per hire.
- Hybrid forms (an interim recruiter, recruitment process outsourcing) turn the fixed cost variable and move the break-even point down.
- For scarce technical profiles, the odds are real that the vacancy goes external anyway: budget for both channels rather than treating them as alternatives.

Method and sources

The model assumptions in one place: recruiter gross annual salary €45,000 to €55,000 (Glassdoor lists an average of about €41,000 with a range up to €59,000, consulted August 2026), employer charges 30%, systems and advertising €5,000 a year, agency fee 25% on a €55,000 annual salary, the middle of the 22 to

32% contingency range. Retained search charges 20 to 30% with part of the fee up front; that shifts cash flow and risk, not the order of magnitude of the sum. Different inputs give a different threshold; the formula is fixed annual cost divided by fee saved per placement.

Cost per hire (€3,818, measured 2020; €4,088, measured 2019; €4,494 average, measured 2019 in an earlier wave), the 20-vacancy portfolio, and the fill rates come from the Recruitment Kengetallen Onderzoek by Intelligence Group, Compagnon, and Werf& (around 200 organisations, about a quarter of them agencies, self-selected). The two 2019 measurements contradict each other (€4,088 at corporates against €4,494 on average); both are printed here because the populations differ. The UWV figures on causes of recruitment problems come from the employer survey of autumn 2025 (February 2026, 3,551 establishments).

No official Dutch statistic measures recruitment costs or agency fees. Every cost figure in this paper comes from market research, published fee schedules, and rates stated by agencies, none under an open licence, cited with date. That is the main limitation of this analysis.

Recruitment, Salary, Agencies, All markets

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