



**KEYS TO SELECTING A**

# **RECRUITMENT PROCESS OUTSOURCING (RPO) PROVIDER**

*a Whitepaper from Yoh*





# INTRODUCTION

Choosing the right Recruitment Process Outsourcing (RPO) provider is critical to the success of an outsourced recruiting or sourcing program. Whether you are looking to improve your recruiting processes, efficiency or enhance your employment brand, developing a partnership with a RPO provider begins with the selection process.

In the following brief whitepaper, we will discuss:

- **What is RPO?**
- **Why choose a RPO solution?**
- **Keys to the selection process – five areas to consider**
  - **Understand your process today**
  - **Understand your reasons for choosing RPO**
  - **Ask specific questions**
  - **Commit to a strategic relationship**
  - **Plan for change**

If you are just starting the process or have some experience selecting a RPO provider, this whitepaper will help you better understand RPO and the business drivers behind outsourcing these functions. In addition, we will provide some crucial tips and critical evaluation factors to help you with the selection process.

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## **WHAT IS RPO?**

Recruitment Process Outsourcing (RPO) refers to the process by which a company outsources part or all of its recruitment functions. This can include job postings, sourcing, screening, interview scheduling and logistics, offer execution, system compliance, and HRIS (human resources information systems) data entry.

It is important to note the distinction between RPO and HRO, or Human Resources Outsourcing. While both fall under the Business Process Outsourcing (BPO) umbrella,





HRO refers to the outsourcing of certain HR functions such as HR system input, paperwork processing, benefits management, compensation, and performance management.

RPO, on the other hand, is much more concerned with the processes around attracting and acquiring talent for your organization. It includes all the complex sourcing strategies necessary to attract candidates to your job openings, the process of recruiting such as assessments, testing, interviews and offers, through the actual hiring and on-boarding processes.

RPO can be enterprise-wide with a provider handling some or all sourcing and recruiting aspects for the entire company, or project-based, for specific businesses within

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a company, departments or hiring efforts (such as a new sales force, a product line, expansion, or project team). Rather than simply a retained or contingent search, the RPO engagement typically has a defined number of hires or a defined rate of hires (or applicants/candidates) and key performance indicators that define successful delivery of the RPO service.

### **Business Drivers for RPO**

RPO is a viable option for companies that are short on internal recruiting resources, as seen in many organizations that have downsized as a result of the recession. Similarly, by outsourcing recruitment the company can refocus HR managers and other internal HR staff members on other initiatives.



Cost is another driving factor of RPO adoption. In many cases, RPO partners can leverage economies of scale to reduce cost per hire. Plus, they can utilize large contracts with job boards that individual companies often cannot afford. RPO also shifts from a fixed to variable cost model



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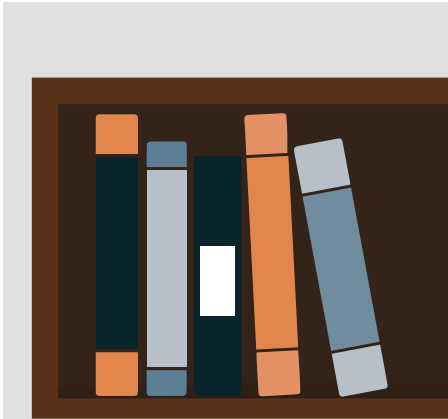
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and frequently has a pay for performance component.

**Other business drivers include:**

- **Quality and Speed of Delivery.** Utilizing a team of experienced, professional recruiters can increase the quality of hire and the speed with which you fill open positions.
- **Anticipated or Unanticipated High Volume Staffing Needs.** A RPO partner can help satisfy seasonal or cyclical hiring needs, and ramp your staff up or down at a fair cost.
- **Consistent Tracking and Compliance.** A RPO partner can handle and assure adherence to all necessary compliance measures within the sourcing, recruiting, and hiring process.
- **Employment Brand.** A candidate's experience applying and interviewing for a job at your organization

has a direct impact on its employment brand. Your internal HR department is likely being pulled in many directions at any given time. A dedicated RPO partner, however, can focus on ensuring a positive, measurable experience for candidates.



### **A Word of Caution**

Just one warning: if your company's internal recruiting strategy is failing, it can't be assumed that outsourcing the function will resolve the issues. The mindset cannot be that a RPO partner will "do your mess for less."

To be successful, the RPO relationship must be a partnership in every sense of the word. All of a company's key stakeholders need to be brought and bought into the arrangement and work together to accomplish the organization's recruitment goals.

In the end, recruiting is about people, and your entire organization is involved. A good RPO solution can



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help make sourcing and recruiting more efficient and successful, but it cannot be done in a vacuum. It requires the willingness to partner and, if necessary, change things in order to maximize the benefit of a RPO solution.

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## WHY CHOOSE AN RPO SOLUTION?

Organizations with limited staff or unpredictable and cyclical hiring may suddenly find themselves faced with the need for qualified staff, so how do you quickly ramp up? Some of the most successful companies do a limited amount of their own hiring, and instead, partner with a vendor to outsource their recruitment function.

Recruitment Process Outsourcing can mean different things and take many forms. Often mislabeled at times as requiring a company to turn over very high volumes of hires in order to be considered a good fit for an outsourced partnership, RPO also works well on a much smaller scale and is often project-based in nature.

### Other Factors

Here are a few factors that often drive organizations to seek a RPO solution:

- **Compete more effectively for critical talent**
- **Lack of internal recruiting infrastructure**
- **Dependence on agencies**





- **Seasonal or cyclical hiring needs**
- **Heavy internal recruiting structure that is costly and/or ineffective**
- **Lack of consistency or compliance among departments or businesses**
- **Changes in HR infrastructure**

Knowing that you are faced with any or all of these challenges is one more reason to avoid the risks associated with hiring your own recruiters. These circumstances can be a perfect fit for a RPO partnership as these types of providers already have a bench of recruiters and specialized staff ready to work on these types of engagements.

In addition, a successfully executed RPO program can aid with retention efforts, employment branding compliance and engagement.



# FIVE KEYS TO SELECTING A RPO PROVIDER

Whether you have a formal selection process through a RFP, or if you are talking to providers on an ad-hoc basis, there are some critical areas to consider when selecting a RPO provider.



Recruiting combines HR processes, methods, people, and technology. Selecting the right provider means finding a partner with the right combination of fit, execution, change management methodology and program management. Excellence in program management capabilities is rapidly becoming a key success factor in long term RPO engagements.

The following areas of focus are also a simple way to qualify potential RPO providers. If they cannot address these areas to your satisfaction, it may be an indication that they are not ready for a true RPO partnership with mutual benefit to both organizations.



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## UNDERSTAND YOUR PROCESS TODAY

Since this type of engagement deals directly with your current processes and how you desire your processes to be, it's important to start with where you are today. This is also critical for your provider, because in order for them to accurately bid on and understand the scope, you need to provide a good framework for your organization, your processes, compliance needs, in-house



### **Since this type of engagement**

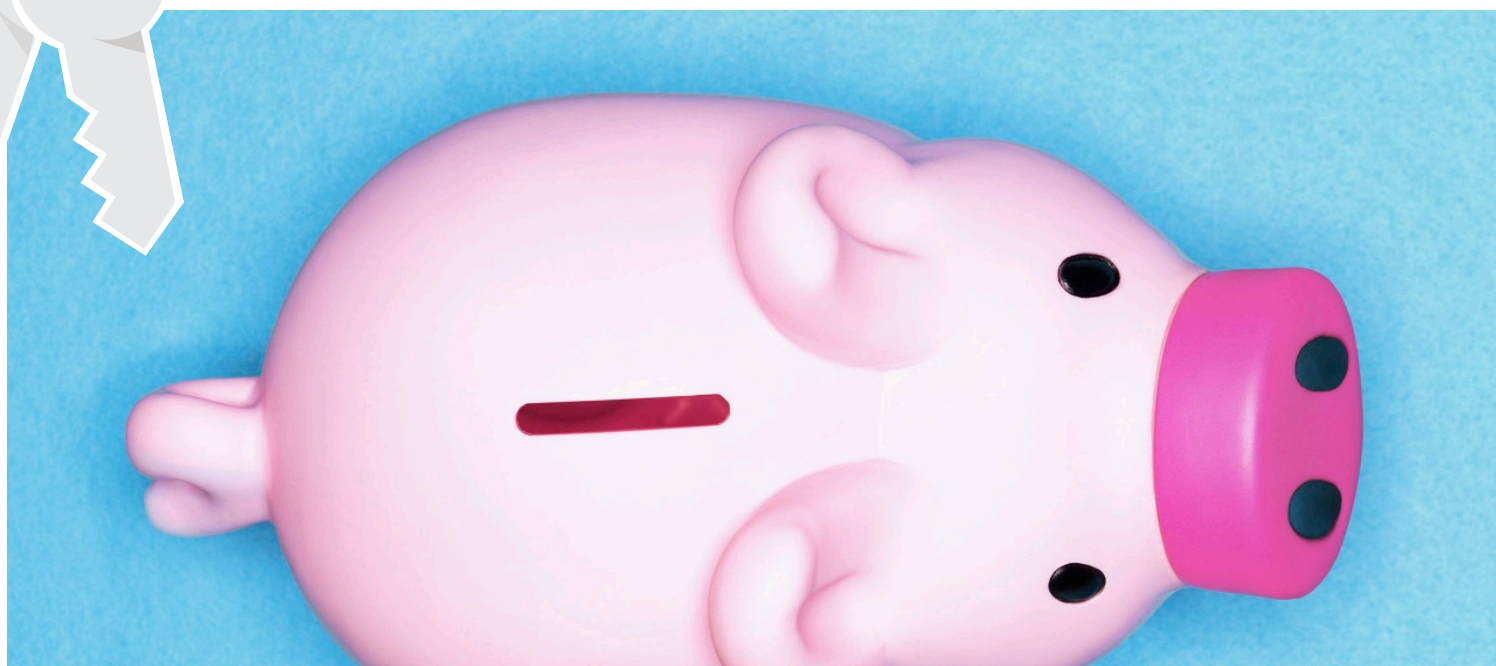
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resources and stakeholders. In addition, this will help with change management issues. Having this type of process map and understanding provides the basis for discussions with stakeholders, potential providers and management.

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## 2 UNDERSTAND YOUR REASONS FOR CHOOSING RPO

The first caution here: if saving money is the main reason for considering a RPO solution, then you might want to think twice or at least temper your expectations. While cost is certainly a common factor



and a viable reason for outsourcing, sourcing and recruiting affect the very core of your workforce – your talent. Having an efficient process that brings in the best people, reduces turnover and assists with your employment brand pays dividends in the long run, in ways that can't always be immediately measured. Determining your reasons and motivations for choosing a recruitment solution should be clear for all the stakeholders and shared with potential partners. This will also help develop the scope and any key performance indicators or metrics that the provider must achieve.



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## ASK SPECIFIC QUESTIONS

When developing a RFP and talking to potential providers, most companies require the provider to respond to very vague questions regarding their capabilities, geographic coverage, or past engagements and successes. While these are important (along with their overall financial stability and position in the marketplace), it is also important to ask very specific, tactical questions regarding how they will accomplish the goals you



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have in mind. Whenever possible, force them to respond in terms that can be easily ranked. Questions like: “Vendor can provide an Applicant Tracking System (yes/no)”; “Provider has more than five years of experience providing this service/process (yes/no).” You should also prioritize your requirements beforehand. In this way, you can decide between the “nice-to have” elements and the “must-have” elements and rank your potential service providers accordingly.

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## COMMIT TO A STRATEGIC RELATIONSHIP

As noted above, the RPO relationship should be more than just about saving money. Sourcing, screening, recruiting and onboarding talent is at the root of your greatest resource: people. While your

RPO provider may in fact be performing several tactical processes, there is great strategic value in sourcing and bringing on the right person who will be successful in their role. Reduced turnover, greater employee satisfaction, improved employee engagement and ultimately, business growth, are all the result of having the right person in the right seat. This requires collaboration and a seamless process that starts with a strategic relationship with your RPO provider. If you can't commit to this type of relationship, or if key stakeholders are not bought in, the results of a RPO engagement may fall short of your expectations.



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## PLAN FOR CHANGE

Understand exactly what is changing and why it will help with accomplishing your goals. As important as mapping out the current state, it's important to make sure key stakeholders and everyone involved understands the "to-be" state and how it will affect them. This may include difficult decisions and changes in roles; however, these should all be easily related to the strategic goals of the engagement. If



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they can't be, then it's possible they may not be the right goals, or all parties may not be bought into the process. Another caution is to be wary of starting too quickly, in some cases even before the contract or key performance indicators (KPIs) can be worked out. In desperate times of need, the knee-jerk reaction may be to open the flood gates before all processes, people and metrics are in place, however, this can lead to early dissatisfaction among stakeholders, as well as workarounds and behaviors that are not easily changed later.







# CONCLUSION

Selecting a RPO provider can be the best thing you can do to ensure quality talent for your organization. However, it takes patience and vigilance to find a partner and create a program to meet your recruiting goals.

The first step is to understand RPO and the specific goals you have for its implementation. From there, as you look to select a RPO provider, there are a few things to keep in mind:

- **Understand your process today**
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A well-managed and efficient RPO program can give you a strategic advantage, improve turnover, reduce burden and improve the quality of your company's hires. It starts with selecting a RPO partner with the best process for your requirements and the right fit for your needs.

### **About Yoh**

Yoh has been providing workforce solutions for more than two decades. Through our RPO services, we help companies develop, implement and optimize recruitment processes and recruitment strategies. A Yoh RPO program can help you source, recruit and onboard talent to achieve significant strategic advantage and cost savings with sustainable results.

### **For more information, go to:**

<http://www.yoh.com/staffing-solutions/rpo>

