



Workforce Solutions

HELPING PEOPLE SUCCEED.



The Complete Guide to Recruitment Process Outsourcing

The Recruitment Process Outsourcing Association (RPOA) defines RPO as “a form of business process outsourcing (BPO) where an employer transfers all or part of its recruitment processes to an external provider, essentially serving as an extension of the company’s human resources department.”¹

Why you need RPO.



Today's recruiting marketplace is complex. Finding, hiring, and keeping top talent can be a real challenge. High employment rates continue to shrink the pool of qualified candidates. The widespread dependence on technology and business-altering innovations such as artificial intelligence and 5G wireless networks mean more companies are competing for specific, and often scarce, skillsets.

The labor pool for digital and tech talent is particularly shallow. And, given current graduation rates, it's not getting deeper anytime soon.

In retail, the competition for customers is fierce; the same is true for qualified workers. With seasonal ebbs and flows and the demands of new store openings, brick and mortar stores have fluctuating needs; they often must scale up staffing quickly. This puts intense pressure on HR.



Then there's the retirement wave. As baby boomers age, they are leaving the job market in record numbers.

The stakes have rarely been higher. Companies large and small now consider highly skilled workers to be key differentiators, critical not only to operations but to their brands.

For a growing number of companies, the solution is an external provider to help manage recruiting operations. And the demand is driving the growth of an innovative, customizable form of recruitment process outsourcing (RPO) that creates a centralized talent pipeline and boosts branding efforts while meeting hiring needs.²³

Why RPO is more than “hiring.”

An RPO company works as a partner in recruitment, providing outside expertise that can:

- Reduce the time (on average, more than two years) it takes to earn back the cost of hiring each employee.
- Find the best place for each employee in the organization.
- Consider organizational goals in each hire.
- Dramatically increase the return on investment in each employee.

¹ <https://www.rpoassociation.org>

² Ibid

³ WHAT THE BLEEP IS RECRUITMENT PROCESS OUTSOURCING? All You Need to Know About RPO for the Smaller Organization, published by the Recruitment Process Outsourcing Association

The advantages of RPO.

When you hire an RPO firm, your organization gets highly qualified, experienced subject matter experts (SMEs) to handle any, even every aspect of your recruitment process. Your agreement with an RPO can run the gamut of recruiting services: from hiring, onboarding, and headcount planning, to training, ATS, and labor market mapping.

Your RPO partner brings both scalability and flexibility to the process. You can structure (and price) the relationship to suit your current needs, and then work with the provider to rethink and rework the relationship as recruitment requirements change.

An RPO provider brings long-term expertise to critical but time-consuming recruitment needs. That provider goes far beyond simply bringing people into your organization. It looks at how employees fit, at your overall strategic goals, and the long-term plans for each hire.

Research and industry data support this fact: RPO outperforms all other recruitment strategies. That's because RPO companies don't simply consider your current needs; they think long-term. They make hires and decisions that deliver value over several years.





RPO is about transforming your operation, breaking down talent-acquisition and performance silos, managing compliance issues, boosting efficiencies, and reducing hiring costs.

Whether onsite or offsite, an RPO team expands, maintains, and monitors the available talent pool, so you have access to more, high-caliber candidates when you need them. And it keeps you in the loop, regularly giving you critical, up-to-date information on the state of the market.

During a surge, when you need to scale up quickly, an RPO partner helps reduce the risk of hiring unsuitable candidates. RPO specialists blend market intelligence with your business strategy and their consistent, proven recruitment process. All so you get the right people, fast.

By ensuring you get highly-qualified people who closely match your culture, values, and overall workforce needs, RPO helps reduce turnover, boost retention, and increase tenure. Innovation rates rise, as do teamwork and engagement. Your company develops an experienced, dedicated workforce that keeps you competitive.

What RPO delivers.

An RPO company works as a partner in recruitment, providing outside expertise that can:

- Quality: A disciplined approach to attracting, interviewing and hiring great talent.
- Speed: Reduced hiring time, thanks to a more efficient process, better use of technology, and the creation of talent pools in advance of needs.
- Scale: The agility you need to scale up with qualified candidates for hiring surges.⁴

⁴A COMMON SENSE GUIDE TO RPO FOR MANUFACTURERS, Proven Strategies for Adopting Recruitment Process Outsourcing, published by TalentRISE.

Different types of RPO.



One of the great things about RPO is that it's customizable. You can go big or go small. You can ask for specialized help over the long term or take a quick, focused seasonal approach.

Here's a brief overview of some of the options.

Enterprise Recruitment Process Outsourcing

This is company-wide outsourcing of all or most recruiting functions. There are two types:

Long-term, company-wide RPO: You turn over to your RPO provider the responsibility and accountability for all elements of the operation, based on that provider's custom plan. Of course, accountability is critical. You agree to the plan upfront. And your RPO provider must manage resources and meet metrics defined for, and with, your own personnel. As part of its work, the provider works to build your employer brand in the marketplace.

Job/Location Specific: You turn over recruiting to the provider for certain job functions or for a certain location, such as a call center or a corporate headquarters. The RPO provider maintains ownership of the process and the results for the specified areas.



Contingency/On-Demand RPO:

This puts a pool of workers at your disposal when you need them. If you think you may want to make a few dozen hires per-month, but you'll only need them when things get busy, this is the right approach. It allows you to quickly ramp up in a specific area when there's a well-defined need.

Branded/White Label RPO:

This is RPO with your name on it. Representatives from your provider go to the marketplace as if they're part of your company. They still can provide services that go beyond recruiting, but to the marketplace, they are your employees.

Co-sourcing RPO:

In this approach, you hire multiple RPO providers. You may want one for high-volume recruiting and another for filling specific, tough-to-fill positions. It offers efficiencies and allows you to focus on areas of specialization.

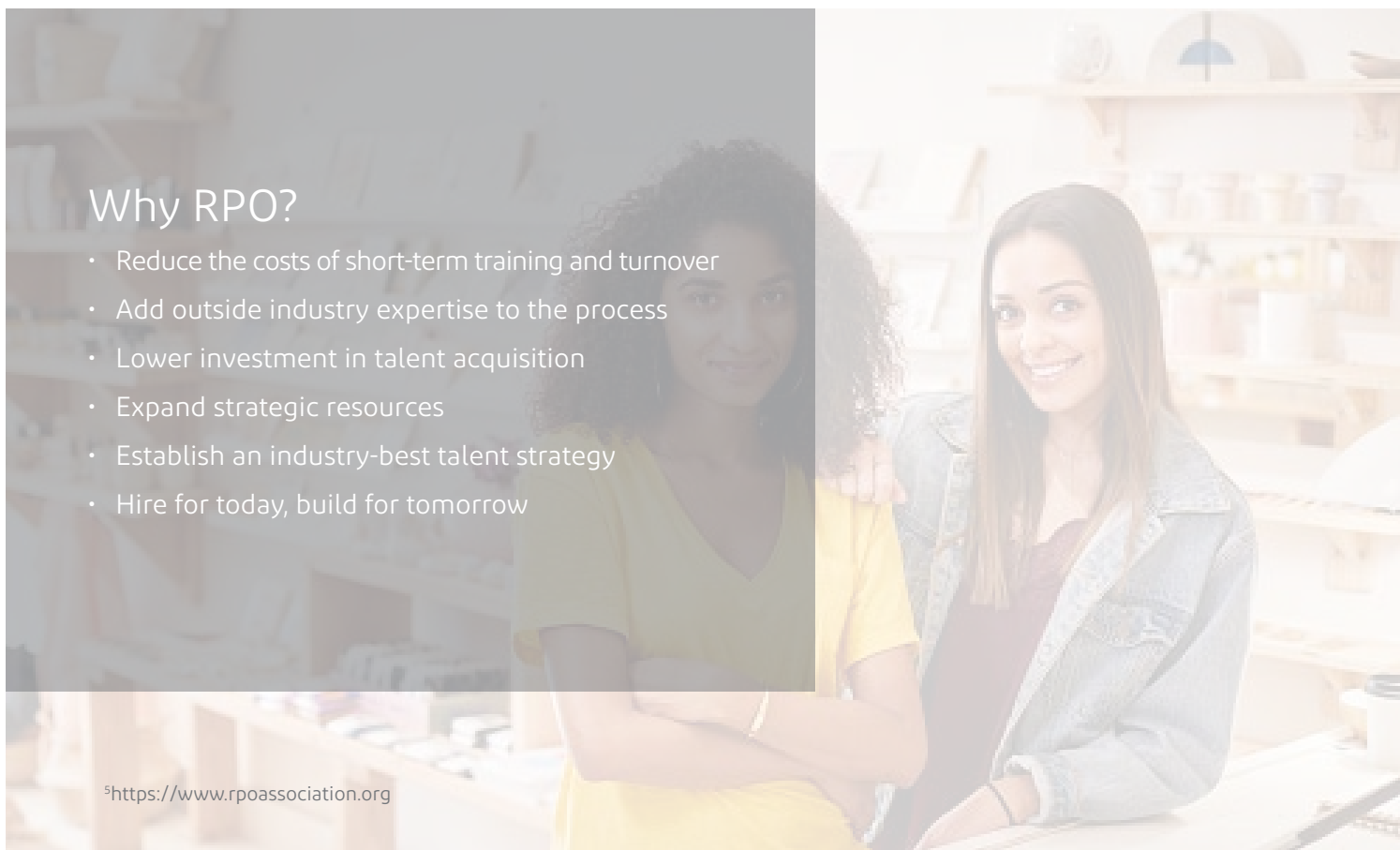
Of course, you can also choose how you want your RPO partner to deliver services. Options include:

- Recruiters on-site in your facility.
- Remote recruiters who are dedicated to you, but who work off-site.
- On-demand service in which recruiters work whenever and wherever you choose.
- Supported RPO that gives you access to your provider's recruiters when you need them and allows you to scale up or scale down as needed.⁵

Why RPO?

- Reduce the costs of short-term training and turnover
- Add outside industry expertise to the process
- Lower investment in talent acquisition
- Expand strategic resources
- Establish an industry-best talent strategy
- Hire for today, build for tomorrow

⁵<https://www.rpoassociation.org>



RPO by the numbers.

RPO is setting a new standard for long-term workforce value. But the trend toward RPO is not without its challenges. Here's a look at some of the influential trends and details to watch, from Aberdeen Research:

29%

of best-in-class companies have found that they are losing track of what defines their talent markets.

26%

find that they are unable to construct and sustain talent pipelines.

For every one-percent increase in the likelihood that companies will expand their RPO spend, those companies increase the likelihood of reducing employee turnover by

47%

For traditional recruiting and staffing, the increase is just 28%.

59%

of the best-in-class companies say they're unable to recruit top-quality talent, and they still don't know why.

Organizations using RPO are

20%

more likely to drive higher average tenure among incoming employees.



The high-end average retention for companies not using RPO is around four years.
For RPO users, the low-end average is between

**four years
and eight years.**

Best-in-class companies are more than

four times

more likely than all other companies to see increases in revenue per FTE over a 12-month period.

Companies using RPO partner services are about

40%

more likely to establish an effective talent pipeline for their open positions.

RPO customers are

17%

more likely than non-RPO customers to end up with a top-quality workforce.⁶



Let's dispel some myths.

As with any trend, there are myths about RPO. Here's an overview, and a little analysis and perspective.

Myth: Too expensive.

The data shows RPO reduces overall recruitment costs by an average of 15 percent to 40 percent.

Myth: I'll lose control of recruiting.

Thanks to extensive reporting, clearly defined processes, and agreed-upon metrics, most RPO users feel they actually have greater control.

Myth: It's just not right for me.

For more than ten years, RPO has proven to be right for companies large and small, in a wide range of markets. There's a customized plan that fits any organization.

Myth: The supplier wins; I lose.

RPO has proven to be a win-win for companies and their outsourcing partners, driving productivity, efficiency and cost savings.

Myth: I lose my recruitment team.

With RPO, you can keep any current employees you wish to keep. You can even transition some or all of them to the RPO provider, to ensure continuity.

Myth: The transition will take forever.

With good upfront planning, RPO solutions can be up and running in as little as four weeks.

Myth: This can only go through HR.

Many RPO partnerships are initiated through other departments, such as finance.

Myth: This is going to be a complicated contract.

Your RPO agreement can be as simple or as complicated as you want it to be. It's customizable to a short-term need or to a long-term relationship.⁷

⁷<https://www.people-science.com/great-myths-of-rpo/>

Before you commit, some things to consider.

Talent acquisition and management have become specialized. The process, protocols, data, and technology are increasingly sophisticated. To meet the challenge of this job market, you need a highly qualified RPO partner. You'll want to find a company with a track record, one that's willing to understand your company, its growth trajectory, and your long-term needs.

Keep in mind that recruitment process outsourcing is highly customizable. So, before you start your search, you'll need to ask yourself and your team some questions. Here are a few of the important ones:

Why do we need help? Talk to your team. If possible, use baseline performance metrics to assess key services. Get specific. What are your time-to-fill numbers? What's your cost-per-hire? What kind of feedback do you get from managers and workers? What's driving the need to get help?





Where do we need help? Decide what you want this new partner to do. Do you want to fix an overall weakness or a specific one? Are you opening a new retail store and need staffing? Is your call center ramping up for a holiday push? Do you need RPO for managing process flow or the candidate experience? Discuss it internally prior to making your calls, and then find a partner that can create a customized solution.

How long do we have to transition? In a world that moves at warp speed, schedules are everything. But be realistic. It can take a few months to get an RPO team up to speed and ready to work smoothly with you. So, plan ahead.⁸

Typical elements of RPO.

RPO is, by nature, customizable. But here are some of the typical services and support most RPO firms handle:

- Job marketing. RPO providers post your jobs on job boards, social media sites, and your branded sites.
- Talent pool expansion. RPO providers don't simply find top talent. They work to boost the visibility of your employer brand, engage candidates through talent communities and pipelines, and connect with candidates you may need in the future.
- Candidate assessment. RPO providers guide candidates through the early stages of the recruitment process, making sure they have the core skills, competencies, and motivation to do the job.
- Candidate care and management. During the interviewing, decision-making, and hiring process, your RPO provider will take care of candidates and their needs.⁹

⁸WHAT THE BLEEP IS RECRUITMENT PROCESS OUTSOURCING? All You Need to Know About RPO for the Smaller Organization, published by the Recruitment Process Outsourcing Association

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Making the case for RPO.



Once you decide which recruitment process outsourcing is right for your organization, you will need to bring your organization's leadership onboard.

The first step in that process will involve detailing the challenges you're facing in today's job market as well as any other internal issues you're planning to resolve through outsourcing.

But it's also important to cite the expertise and innovation RPO offers. RPO firms are staffed by flexible, highly skilled talent acquisition specialists who've been vetted, trained, and tested. They take no cookie-cutter approaches; every service can be customized to fit exactly what you need.



In a complex industry, RPO personnel are agile, responsive, efficient staffing experts who know all of the best practices, all of the ideas and innovations that enable companies to source exactly the right talent for the right position. They have access to the latest recruiting software and tools, so you don't have to directly invest the time and resources to stay ahead of technology. They give you critical, outside strategic perspective on what today's employees want. And they connect your company's strategic plan with candidates' personal goals.

While the initial rationale for RPO is usually tied to reducing hiring costs and the fact that RPO delivers considerably greater value for the money, most companies quickly learn the true value extends far beyond that. In a time of heated competition for qualified candidates, RPO puts the right people in the right roles, optimizing your spend rather than reducing it. It reduces time-to-hire, enabling you to quickly address new opportunities and deliver innovations. All while they add value to recruitment marketing, building an employer value proposition that can have a significant impact on the employer brand in the job marketplace.



How to get started with RPO.

RPO is a commitment. Once you and your RPO firm make that commitment, bring your team, and the RPO team together.

At that kickoff meeting, make sure everyone—every key stakeholder—is present. Determine or reaffirm what you need from the partnership. Set the foundation and align the teams. Make sure everyone knows the day-to-day contacts for both partners. Make sure both sides are transparent: talk about your business strategy, current hiring practices, and any critical recruiting issues. Share your vision for the future, give insight into your culture. Talk about your HR policies, procedures, and any onsite technology.





How to get the most out of RPO.

As you move forward, stay engaged and stay familiar with who does what. Of course, you'll want to establish a process for oversight and accountability. And make sure your internal client manager has the power and authority to navigate the landscape, remove roadblocks, identify blind spots, guide and nudge team members, and maximize the value you get from RPO.

It's important that all involved remain honest and aboveboard about expectations and any metrics that must be met. Don't shy away from discussing deadlines or goals but be realistic. System-wide RPO solutions take time to get running and generating significant ROI.

The time and resources you invest in RPO are critical in generating that ROI. So, as your project or longer-term RPO relationship continues, stay involved. And keep others engaged and aware of the value you're getting from RPO.

Stay flexible, too. Things change. Work with your RPO partners to stay ahead of shifting trends and needs. In fact, you should rely on them for insight and research; that's what they're there for.

EG RPO.

With 7 offices, 75 employees, and several decades of experience, it should be no surprise that EG is a leader in all facets of workforce solutions. Our RPO clients see us as partners, an extension of their teams and brands. We've developed and service a broad range of RPO plans across a varied list of markets. To us, RPO begins and ends with your goals, your people, and your needs. To talk further about RPO, or if you simply need to chat about your organization's workforce needs, contact (NAME) at (NUMBER) or (EMAIL).