



Do You RPO?

Recruitment Process Outsourcing (RPO) is a form of business process outsourcing (BPO) where an employer outsources or transfers all or part of its recruiting, selection & on-boarding activities to an external service provider. We have all seen the sweep of the human resources outsourcing craze (HRO) and how it has led the way for many companies to stay focused on their core competencies and not worry about the things they never meant to worry about in the first place; like payroll, benefits, compensation succession planning, performance programs, etc. The BPO movement has greatly impacted the staffing, search and recruiting industry as we know it today.

As companies strive to stay competitive they are exploring ways to create efficiencies in their operation and BPO, HRO and RPO are ways to narrow their focus, play to their strengths and leverage their power.

The concept of an employer outsourcing the management and ownership of part, or all of their recruiting process, wasn't first realized during the late 1990s. However, it is literally permeating through Corporate America like the smell of freshly baked apple pie. It is claimed that the cause for RPO was a shortage of skilled labor created by the late 90's dotcom boom coupled with the Y2K crisis. RPO was created to fill the gap.

Cutting costs is often cited as the main reason for other forms of business process outsourcing and this may also be the case for RPO. However, in most instances when organizations consider RPO it is not necessarily to cut costs, but rather to make their recruitment costs more variable and more closely aligned to organizational business cycle dynamics.

The use of RPO is also said be influenced by labor force trends. Workers change employers more often than previous generations which were often employed by the same organization for their entire working life. The clear impact of having less people in the skilled labor workforce, the increase of international presence and overseas work assignments as well as the effect of de-regulated labor markets have all led to the shift towards contract and part-time labor and shorter work tenures. These trends increase recruitment activity and may encourage the use of RPO. While there is certainly a need for temporary staffing, executive search and contingency recruiting, where RPO dominates is in the area of multiple hires for a similar or a group of similar roles.



Resources for People in the People Business

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The biggest distinction between RPO and other types of staffing is process. In RPO the service provider assumes ownership of the process, while in other types of staffing the service provider is part of a process controlled by the organization buying their services.

A main point to consider is that once the RPO masters their clients staffing requirements and creates efficiencies in the recruitment process it could very easily come to fruition that they become the single source provider for a company's hiring needs. With the mass access to off-shore, virtual and contract recruiters what is to say that a great RPO cannot master every level of the client's hiring needs; including the executive level.

The Benefits of RPO

RPO's promoters claim that the solution offers improvement in quality, cost, service and speed. RPO providers claim that economies of scale enable them to offer recruitment processes at lower costs while economies of scope allows them to operate as high-quality specialists. Economies of scale and scope are said to arise from a larger staff of recruiters focusing on individual clients rather than jumping from one assignment to the next; a continuous population of a customized databases of candidate resumes, investment in peer to peer networks, associations and educational affiliations, capital investments in sourcing tools, as well as high volume buying power of hiring and selection tools.

RPO solutions are also claimed to have changed fixed investment costs into variable costs that vary with fluctuation in recruitment activity. Companies may pay by transaction rather than by staff member, thus avoiding under-utilization or sacking recruitment staff when activity is low.

Potential Concerns with RPO

Outsourcing of company recruitment processes may fail if not implemented correctly and with the right mindset. An improperly implemented RPO could reduce the effectiveness of recruitment. Additionally, the costs charged for recruitment transactions may total more than the cost of the internal recruitment staff, if the internal staff is now using agencies and tools that increase their overhead. Additionally, an RPO solution may not work if the service provider has inadequate recruitment processes or procedures to work with the client.



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RPO may not resolve difficulties that organizations have hiring staff when they are perceived negatively by potential employees. This instead requires improved branding and an adjustment of image.

Organizations with efficient hiring processes that are viewed as employers-of-choice by potential staff may stand to gain negligible benefits from RPO.

Keenhire™ RPO Process for the Recruitment Industry

The Keenhire™ recruitment and selection system offers Alliance HR Networks' RPO clients the opportunity to take their recruitment activities virtual. Beginning with concrete job/role analysis and benchmarking through sourcing, assessment and selection, as well as customized retention, on boarding & employee development programs, the Keenhire™ 'A-Z process' provides a complete package of skills, tools, technologies, metrics and reporting activities that exponentially increase our ability to achieve Recruitment Process Outsourcing effectiveness. Whether you provide a complete soup to nuts approach or simply augment your current staffing services with segments of what the RPOs are offering, you will catapult your credibility with your clients when they are clear that you are well aware of what is happening in their world and you are armed and ready to contribute to their talent management program at the level they require.

Keenhire™ brings forth a customized approach to RPO and will improve your company's time to fill, increase the quality of the candidate pool, provide verifiable metrics, reduce cost and improve overall placement satisfaction.

You too can become a Keenhire™ certificated provider and offer your clients a customized approach to their HRO objectives. Competing in the HRO market allows you to leverage your economies of scale and scope while improving your efficiencies, making more placements, guaranteeing you a steady stream of direct placement income and grow your market share!

What are you waiting for?

Best in Success,

Margaret Graziano, CPC, CTS, CERS

Internet resources: Smart Manager, Google-Bakers Dozen RPO, Answers dot.com, RPOA



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