

Understanding the Benefits of RPO and Developing a Successful Recruiting Partnership

The competition for talent is becoming greater, and recruiting the right employees for your organization in the midst of addressing your other goals and initiatives can be a huge challenge. You don't have to do it all yourself, however. Recruitment Process Outsourcing (RPO) is one of HR's hottest trends. Here's a brief overview of RPO and how you can benefit from it.

In essence, RPO involves a company outsourcing its recruiting function to a firm that specializes in recruiting. With RPO, the external firm forms a strategic long-term partnership with the company; it familiarizes itself and moves with the company as it changes and expands. Thus, the recruiting firm acts as an extension of the company; this differs from the role of a placement firm filling short-term hiring needs.

This strategic partnership could encompass the entire recruiting process or just some of the typical components: sourcing candidates, managing applications, screening and interviewing candidates, making offers, conducting background checks, and even coordinating orientation. In some cases the relationship between the company and the recruiting partner is so seamless and transparent that job candidates do not know that they are dealing with a third party; some external recruiters even work onsite. The outside firm might manage all the company's recruiting needs or recruit only for specific functions or positions. A company may also utilize a recruiting firm on an as-needed basis only—for example, during startup, when the company must hire a high volume of employees in a short period of time.

Companies are turning to RPO because it makes the recruiting process less expensive, more effective, and more efficient. Expert RPO providers have greater access to candidate pools and the capability to manage quick, cost-effective, focused searches and hires. In addition, RPO enables a company to hire fewer internal recruiters and frees its employees to focus on other initiatives. The client ultimately benefits from more highly qualified employees who are better suited for their positions, which can lead to reduced costs and greater opportunities for business growth.

The following are some ways you can facilitate and strengthen the partnership with your RPO provider:

- ▶ **Determine expectations up front.** Do you want to hire a particular number of employees in a specific amount of time? Lower your cost per hire? Increase the quality of your hires? Reduce the length of time to hire? Determine your objectives at the start of the initiative, and assess progress and provide feedback on an ongoing basis.
- ▶ **Manage strategically.** By using RPO, managing the provider becomes the focus, rather than conducting recruiting activities. This includes assessing your long-term staffing strategy rather than simply reacting to immediate needs. Your employees may have strong recruiting expertise but might not have the organizational, communication, and negotiation skills necessary to manage a vendor. Providing resources and training can address this issue.
- ▶ **Establish processes and communicate.** An RPO provider acts as an extension of a company. In some cases the relationship between the company and the recruiting partner is so seamless and transparent that job candidates do not know that they are dealing with a third party. To achieve this level of cooperation, determine with your RPO provider any recruiting processes to be followed or modified. It is crucial that your employees regularly communicate project updates, priorities, and expectations to the provider.

- » **Create tools.** Applicant tracking systems, calendars, schedules, and document-sharing tools can strengthen the seamlessness between your organization and your RPO provider.
- » **Test the waters.** Perhaps you have a particular staffing need in one area or department, or have a specific group of employees you need to hire. Before implementing RPO for the entire company's staffing needs, start with one department or initiative, then use lessons learned and best practices to expand to the rest of the company. Another way to start might be to outsource initial activities such as sourcing and screening, then increase the RPO provider's scope to include the rest of the recruiting process.

Entering into a relationship with an RPO provider will be an adjustment in the beginning, but if you manage the relationship effectively, it can prove to be extremely valuable for your organization, saving you resources, time, and money.

Adapted from Sara Enlow, "Managing Outsourcing Relationships—the Right Skills, the Right Tools," www.shrm.com, January 2006, and Steven Landberg, "Effectively Utilizing Recruitment Outsourcing: Lessons Learned from Early Users," www.shrm.com, August 2005.