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Solutions
Recruitment Process Outsourcing

Recruitment Process Outsourcing:

What You Should Look for in an RPO Provider

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It used to be that companies looked exclusively at cost and process to identify the right Recruitment Process Outsourcing (RPO) provider. However, as global economic recovery has increased pressure on talent markets, employers are coming to understand that the right RPO relationship must go beyond the expectations set in traditional service level agreements. Forward-thinking businesses are looking for true strategic RPO partners who have insider knowledge of market needs, talent flows, new recruiting technologies and new ways of leveraging data to inform decision-making.

WHY OUTSOURCE?

As more organizations struggle to find needed talent in the face of growing skills shortages, many companies leverage the expertise of a third party Recruitment Process Outsourcing (RPO) provider to help identify and hire the right employees. Indeed, recent research projects that the global RPO market will grow by 12-17 percent in 2013.¹ Working as the organization's internal recruitment function, an RPO provider can leverage market knowledge, industry expertise and access to talent to improve quality of hire, speed of delivery and cost containment. These are aspects of the recruiting process that organizations often struggle with on their own, and rightly so, given that they are typically more focused of their own core business. By outsourcing the recruiting function, companies can dedicate more time and resources to their strategic initiatives, ensuring they can focus on key strategic initiatives.

As competition for qualified talent heats up, organizations will rely on their RPO providers

more than ever to supply them with the employees needed to meet organizational objectives.

The paradigm for what companies will need from their RPO provider will continue to change, and RPO providers will undoubtedly rush to keep up and deliver new services to improve their clients' ability to hire qualified talent. While many of these changes have already taken effect, it is clear that the RPO environment will continue to change dramatically in the coming years. The challenge for organizations, then, is to select an RPO provider that not just supplies talent, but can also meet the changing needs of the organization through innovative solutions to address their most complex recruitment needs. In today's business environment, the best RPO providers are delivering in three main ways. Specifically, they are: **1) Tapping into Big Data**, **2) Micro-targeting talent**, and **3) Acting as a test lab** for their clients' recruiting functions. [Figure 1].

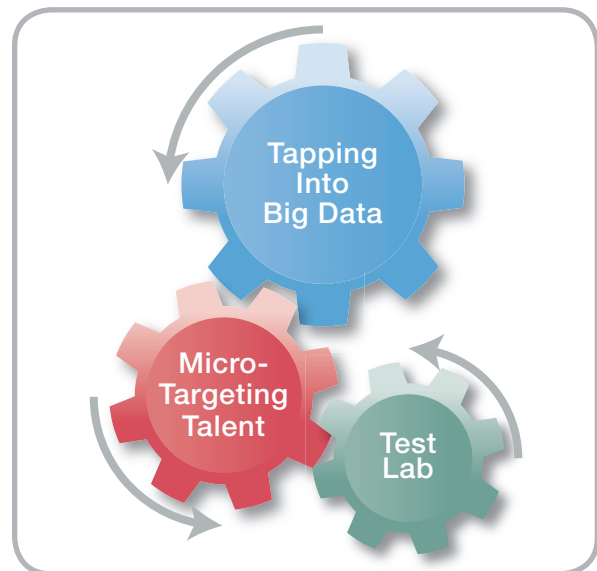


Figure 1



ManpowerGroup Solutions has been named Global RPO Leader by Everest Group

Growth of RPO

According to research from Everest Group, the RPO market grew by 12 percent in 2012, reaching \$1.5 billion in annualized spend and highlighting the growing role that RPO has taken as a key part of the hiring strategy.

Source: Everest Group, "Recruitment Process Outsourcing (RPO) – Service Provider Landscape with PEAK Matrix Assessment 2013," April 2013.

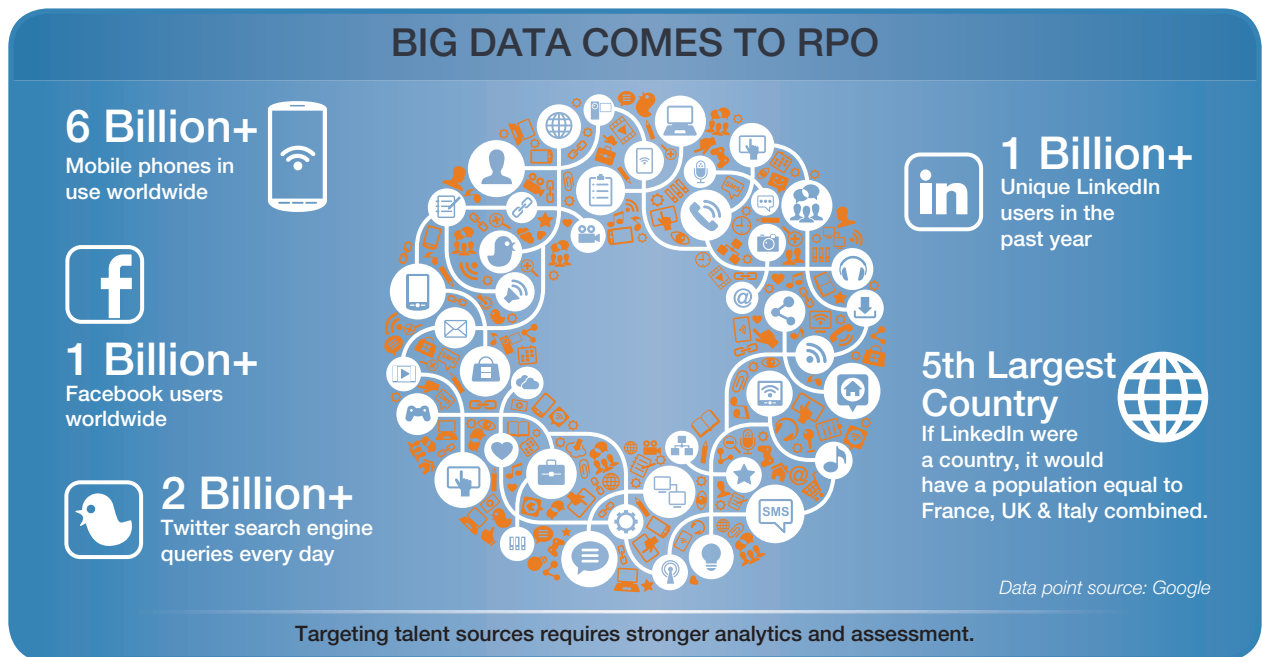


Figure 2

BIG DATA COMES TO RPO

Using Big Data [Figure 2] effectively isn't just a matter of managing applicant volume, although that's important. The most successful employers will find ways to make use of massive amounts of digital (e.g., social and mobile) and tracking data to source, attract, hire and retain the very best talent. The right RPO provider will have the capacity to deploy Big Data insights across the entire recruitment process.

With widely anticipated skills shortages, organizations are more hard pressed than ever to find the talent they need to achieve success and remain competitive. While an RPO provider can give them access to talent pools that may otherwise remain hidden, not all providers, and certainly not all potential employees, are equal. Therefore, the RPO provider must have a global capacity well beyond locating the best sources of talent; they should also understand what it takes to identify who that talent is and how they can be engaged.

According to the Manpower Group's 2013 Talent Shortage Survey, the three top challenges employers face in filling open positions are a lack of technical competencies or hard skills, a lack of workplace competencies or soft skills, and a lack of available candidates.² [Figure 3] However, the right provider should be able to overcome these difficulties by analyzing workforce data and demographics to determine which locations can offer the needed talent with the right qualifications, skills and experience and at what costs. They must also employ the latest best practices on how to engage with those candidates and ensure they are interested in working for the organization.

Top Challenges Employers Face in Filling Open Positions



Figure 3

At a time when specialized talent is scarce, and typical recruiting strategies and tactics are no longer enough to attract the world's best talent, the RPO provider should be able to analyze and act upon Big Data to determine the best markets from which to source talent, and understand their wants and needs that will draw them to the company. [Figure 4]

This is especially important as the ongoing war for talent heats up, with organizations around the world competing for a limited pool of qualified talent. Yet, the best provider should go beyond just supplying talent, working as a consulting partner to advise the company on how it can remain competitive and continually work to attract top talent. For instance, the RPO provider can offer guidance on the geographies where the organization should look to hire sales talent or advise on the best location to establish a new

contact center, office park or manufacturing facility. Moreover, the company can gain crucial insight into the various sources currently developing the talent they need to grow the business, whether that is schools, other industries or even their competitors.

Of course, finding talent is one the largest investments for any company. At a time when many organizations are forced to do more with less and validate the costs of their talent acquisition spend, the ability to gain more visibility and accurately forecast financial resources devoted to recruitment is essential. Analyzing hiring trends of the past few years, sales results and production volumes, the provider can create future case scenarios to determine the level of hiring it needs. Then, by integrating sourcing and talent market data into financial planning, the provider is able to give the organization crucial insight into the costs involved in getting the right people for the organization.

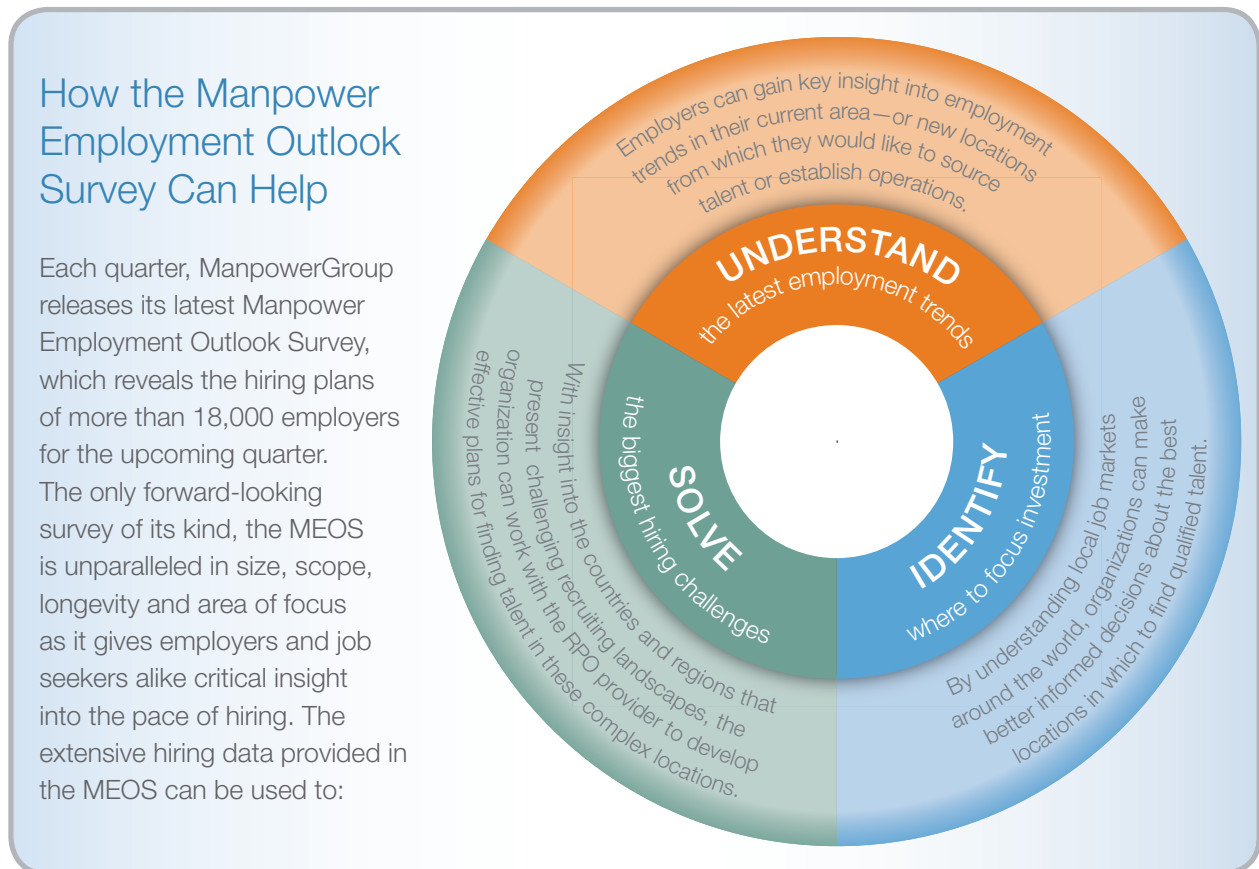


Figure 4

MICRO-TARGETING TALENT

The process of finding talent [Figure 5] was once limited to posting job ads and waiting to see who applied. However, today's RPO providers understand that to deliver qualified talent to their clients, they need to take a more proactive approach to truly connect and build relationships with individuals that have the necessary skills and experience to be successful. According to a recent survey, this is precisely the main reason organizations are drawn to RPO: to acquire high-skilled labor, retain best practice recruiting capabilities and to help with recruiting resource scalability.³ Yet, to meet these goals, the provider needs more than just knowledge about the individual talent market as a whole; they must also know how to find those people, and collect data on their work history, interests and motivations. It's this information that allows the recruiter to tailor their sales pitch in ways that will motivate the best individual candidates to act. [Figure 6]

As technology continues to evolve, RPO providers have a number of tools to ensure they micro-target

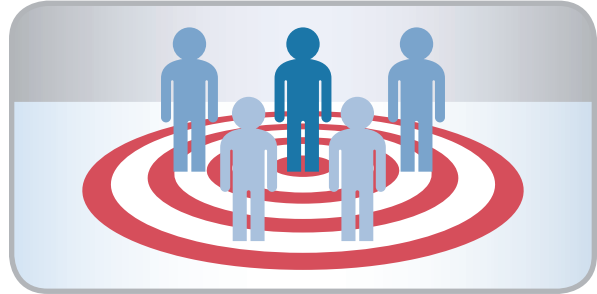


Figure 5

the right talent for their clients. For instance, they should have the technology to access their names, job history and contact information, as well as their skills and experience, of talent that might not always be available on LinkedIn or other social platforms. Moreover, the provider should know what it will take to get each person to accept a new position and potentially relocate. A key aspect in achieving this is to know who else that candidate is talking to, and ensure they can present a better case for why the individual should work with the organization.

In this sense, recruiting is often similar to a sales proposal, and the best recruiters are those who can take a sales approach to talent acquisition. By tailoring the pitch to each individual, based

TALENT SHORTAGES

According to ManpowerGroup's "2013 Talent Shortage Survey," 39 percent of U.S. employers experience difficulty filling mission-critical positions within their organizations. The top ten hardest jobs to fill in 2013 include:



Figure 6

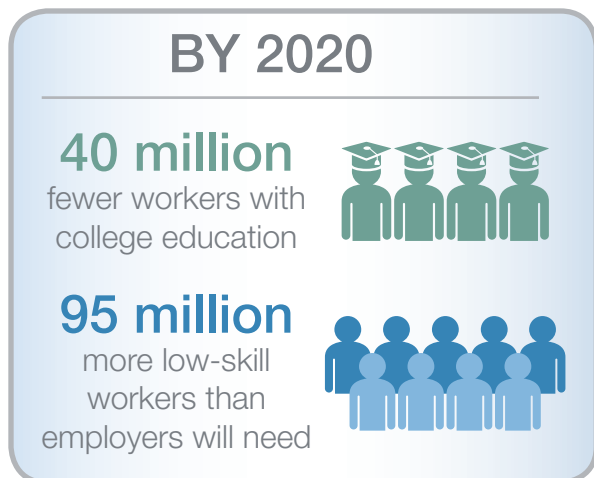


Figure 7

on research and due diligence performed prior to the interview, the recruiter can better sell the organization to the candidate than by traditional recruitment methods. There's no doubt that this is a more labor-intensive approach than the old wait-and-see model, but it's also infinitely more effective when it comes to attracting the right-fit candidates for hard-to-fill positions. [Figure 7]

Another way the RPO provider can help source hard-to-find talent in different locations is by getting to the source of new talent: education. With an understanding of the local schools that have the potential to develop talent with the skills the organization needs, the RPO provider can help groom and prepare the next generation of talent with the knowledge necessary for the company's positions. By providing real-time feedback to

students and faculty, and working to integrate proper coursework into the curricula, the provider ensures it actively helps to develop talent with the qualifications to drive results. In addition, by building relationships early on in the student experience, the company can build relationships with talent and engage them before the competition does.

RPO AS A TEST LAB

The best RPO providers will be able to integrate new recruiting methods into the RPO solution. For example, forward-thinking employers are leveraging RPO solutions to respond to talent shortages and create a more flexible workforce. One approach known as teachable fit focuses on a candidate's capacity for transferable skills such as problem-solving and complex thought, as well as his or her fit with company values and culture. The RPO provider can help companies analyze the true competencies required for a position, alongside the right screening and assessments to identify the most "teachable" candidates.

On the technology side, an RPO provider can roll out digital solutions that can truly transform the recruiting process. For example, imagine a career portal that acts as an interactive talent community through which candidates can network, upload video resumes, participate in video interviews, complete assessments, and even use gaming tools to help the company identify right-fit candidates. [Figure 8]

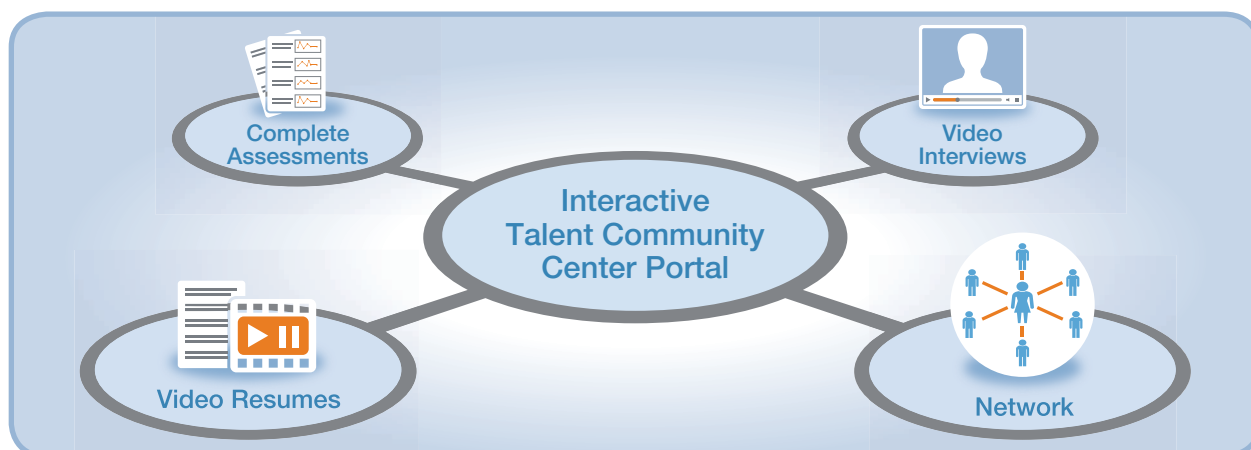


Figure 8

ACHIEVING RPO SUCCESS



With a willingness to take business risks and by holding itself accountable to ongoing improvement and innovation, ManpowerGroup Solutions delivers in a way no one else can.



We successfully meet agreed-upon recruitment numbers and employee retention targets, every time.



With an expansive global footprint, we are able to source talent across the rapidly emerging markets of the world, using all major recruitment software packages.



Clients benefit from detailed labor market insights and extensive research and databases.



We ensure access to better prepared employees, thanks in to the ManpowerGroup Training and Development Center, offering more than 2,000 online courses.

Figure 9

While these are intriguing, the reality is that most organizations simply don't have the time or resources to invest in new and different approaches and technologies, and try them out to see how they work on their own. This presents another area in which the relationship between a company and the RPO provider has evolved. The best providers are those that have an extensive research and development function to test the latest tools and techniques. By testing new recruiting solutions like video interviews and various sourcing and sales tools for micro-targeting talent, and developing comprehensive databases, employers can be assured they have access to the most effective recruiting solutions, without having to make the investments and conduct trials themselves.

Since hiring talent is an expensive undertaking, the RPO provider's ability to understand the capabilities and reach of the latest emerging tools can provide both significant costs savings and a competitive advantage. As organizations look to leverage their RPO providers' ability to provide them with the most effective and cutting edge systems and tools, they will achieve better alignment between RPO delivery and system functionality, as well as a reduction in system costs.

MANPOWERGROUP SOLUTIONS' LEADING RPO CAPABILITIES

Widely regarded as a thought leader and pacesetter in the global RPO arena, ManpowerGroup Solutions helps its global client base connect with the talent that can make a positive difference in their organizations. The company currently delivers its RPO services around the world and continues to expand its global reach through an extensive network of offices in 80 countries. With RPO programs designed to balance clients' internal and external talent resource supply chains and maximize momentum, the company is able to drive cost effectiveness and skills optimization throughout all of its RPO engagements. In addition, the recruitment solutions offered by ManpowerGroup Solutions are fully scalable and flexible and include all aspects of the recruitment continuum, from sourcing and selection to onboarding.

What do organizations gain by partnering with ManpowerGroup Solutions for recruitment process outsourcing? By working with the company, organizations benefit from its industry-leading depth and breadth of recruitment expertise and rigorous processes. With an efficient recruiting strategy and the ability to provide an enhanced candidate experience, clients can also realize greater predictability of costs and improve the quality of talent they attract. [Figure 9]

ACHIEVING RPO SUCCESS

In an increasingly demanding and complex hiring environment, organizations need any advantage they can get to ensure they recruit the best talent and attain a significant competitive advantage. As the needs of today's employers continue to change, RPO providers and the solutions they deliver must evolve as well to accommodate both the client and the candidates they seek to engage. A one-size-fits-all approach to finding talent is not a successful model to achieve positive recruiting results; organizations that accept this kind of strategy will not be able to access the talent needed to make their operations successful.

To ensure a competitive advantage and the ability to attract, engage and hire top candidates, the organization should demand more from its RPO provider. Rather than being just an extension of the HR department, the provider should serve as a strategic partner that works closely with the company, delivering the latest market insights and continuously supplying the right quantity of talent with the needed skills with the ability to scale recruitment operations as demand changes. Demanding that an RPO provider be able to leverage technology and massive amounts of information to ensure the best possible workforce is not too much to ask. In fact, in this era of certain uncertainty, it just might be the only thing that sets one company apart from the next.

REFERENCES

- ¹ Everest Group, "Recruitment Process Outsourcing Annual Report 2013: Dichotomy of Market Exuberance and Subdued Economy," March 2013.
- ² ManpowerGroup, "2013 Talent Shortage Survey," May 2013.
- ³ Staffing Industry Analysts, "Buyer Survey," May 2013.

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