

# HR Zone Feature: 24<sup>th</sup> January 2008

## Outsourcing your HR: The benefits

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Recruitment process outsourcing (RPO) can provide companies with a flexible, scalable solution to the kind of business problems that HR professionals are increasingly being asked to deal with, says Nick Boothroyd.



Finding and recruiting (not to mention keeping) good people has always been an interesting challenge for HR departments. But when the board wants an organisation to change quickly, by launching a new division perhaps or opening another office, the demands of such a high-volume recruitment requirement can be just too much for an in-house team - which is where outsourcing comes in.

Although a relatively new concept, outsourcing is a route which is increasingly being used by companies to complement their HR departments. RPO (Recruitment Process Outsourcing) can be a useful tool for HR professionals to call upon, as it means that you can 'switch on' a whole raft of services to meet a short term demand – although some companies use RPO on a long-term basis and scale the service up and down as their requirements change. The benefits of using RPO, as companies are discovering, is that it can save both time and money, and provide a level of flexibility that is simply not possible to achieve with an in-house team.

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So how does it work in practice? What happens when your organisation is about to undergo rapid change and growth, and you know that you need extra help to make it happen in the timescale available? RPO is definitely an option to look at, and it is important to remember that you are not outsourcing the responsibility for delivering services to your company, you are simply outsourcing the capability to deliver.

HR departments are encouraged to retain control and to be involved as much as they want to. There is sometimes a perception that HR people would see RPO companies as a threat, whereas we find that as it becomes a more accepted service in the industry, they see it as getting a third party to deal with, what is often a problematic part of their departmental role.

As the client, you can choose a range of elements which can provide an overall solution for your particular project. In essence, what you need your RPO to achieve for you is: securing the best talent, optimising cost and process efficiencies, managing and promoting the employer brand, securing better supplier value, reducing time to hire and improving retention of current and future employees.

### Custom designed service

One of the main attractions of RPO is that the service can be custom designed to suit the task at hand - in every area the choice is yours as to how you design your outsourcing. So for example, your RPO company could be responsible for the recruitment process, either as a sole agency, or as one of a number of agencies. They can also be responsible for your recruitment advertising which in turn can be used as a means of increasing or changing your company's profile in the market. Assistance can be also be given with areas like interview training, candidate engagement, and competency-based interviewing.

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If there are multiple agencies employed to recruit staff for several different disciplines within the organisation (IT, marketing, sales etc) all of the agency activity can be routed through the RPO

company. Standard terms and conditions can be negotiated for all the third parties and official contracts and NDAs issued. All of these things add up to the project involving a lot less hassle for the client and the hiring managers being saved a lot of time.

When you are looking to take on numerous extra staff in a short period of time, all of these individual elements can be overwhelming for an in-house team. Using outsourcing, help can be given in all sorts of ways – even something like booking rooms for interviews can be handled – this is one of those things that you don't tend to think about when all is going well, but can be a nightmare if it's not handled properly. And if an interview is delayed because of a room not being available, it can be really disruptive.

So, in all of these areas, saving time and money are common themes, but that doesn't mean that quality needs to suffer. In fact, on the contrary, in my experience, improving quality control is an important factor in the RPO service. A recent survey concluded that a significant proportion of HR bosses thought that interview techniques were poor in their organisation. This meant that sometimes the selection of candidates was not all that it could be, and that it gave a bad impression of the company (not to mention wasting that all important time and money.)

As recruitment specialists, an RPO company will be able to train your staff in appropriate techniques which will greatly assist in the success of the project. In our experience, this can result in a number of tangible benefits for the client, not least of which of which is the improved retention rate due to improved selection.

Obviously at the outset of any project, objectives, targets and deliverables should be discussed and agreed upon. Although speed and flexibility is a major attraction of RPO, you should be looking at a whole range of areas where the success of the project will be judged. These will include factors such as time to hire, cost of hire, quality of hire and retention.

In essence, if you plan your outsourcing well, you will end up with the right people, at the right time, at the right price. 2008 is predicted to be the year when RPO gains widespread acceptance by the HR community and that it will enjoy a surge in popularity. With users of RPO reporting double digit cost savings and improved quality, it's hard to argue against it.

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