

Choosing A Recruitment Process Outsourcing Partner

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Once you've decided that recruitment process outsourcing is the right move for your organisation, how do you pick the right agency? Ross Bentley explains the art of choosing and using an RPO partner.

Leigh Hunt is an advocate of recruitment process outsourcing (RPO). As group head of resourcing at UK technology firm [Kingston Communications](#), she has seen the benefits it can bring.

Since hiring RPO providers [Independent RPO](#) last August to manage the bulk of the company's recruitment, Hunt says the time to hire candidates has been reduced from 30 days to 20, and the cost per hire has been trimmed by around £1,000 – mainly down to using recruitment agencies less often.

Hunt says she looked into RPO because she found herself in a situation that many HR professionals will be familiar with.

“We were on a recruitment drive but lacked the expertise to run it efficiently in-house, and were therefore spending a great deal on recruitment agencies,” she explains.

But it was a chance meeting at an industry event with Independent RPO's chief executive Phil Clarke that convinced Hunt she had found the right recruitment partner for her company.

Targeting talent

Before setting up on his own, Clarke had worked as head of recruitment for Marconi and Nortel – both technology companies operating in similar areas to Kingston – and so understood what it took to attract quality candidates in that market.

“During that time, I worked with many recruitment agencies that were good at selling me CVs, but no-one was asking me the question I wanted to hear – how would I like to run my recruitment better,” says Clarke.

Spotting a gap in the market, Clarke created his own RPO outfit to join a growing number of service providers in this area.

He says he is particularly targeting companies that employ anywhere between 2,000 and 10,000 staff. “There is a lot of recruitment going on in these organisations, but many won't have adequate sourcing expertise in-house,” he says.

In the case of Kingston Communications, four consultants employed by Independent RPO work permanently on the site at Kingston Communications offices in Wakefield and Hemel Hempstead.

They are responsible for the end-to-end delivery of the recruitment process: liaising with hiring managers to decide what candidates are required, deciding on and developing the best routes to attracting these candidates, and setting up and facilitating interviews.

Often companies do not hand over the recruitment process in its entirety, tending to use RPO only for high-volume, generalist job roles.

At Kingston Communications, Hunt says the recruitment of board members is kept in-house, as these appointments are of critical importance to the company.

And while fund managers [M&G Investments](#) have been using an RPO partner – [Origin HR](#) – for the bulk of its recruitment for more than a year, HR business partner Seema Vadera still looks to niche recruitment agencies for some of the senior and specialist roles.

“We feel they are better managed by specialist headhunters that have worked with M&G for years,” she says.

Long-term view

While reducing costs and driving efficiencies is a major reason why companies turn to RPO, it should never be the only consideration. Good corporate recruitment today, stresses Mark Lee, a director of outsourcing services at RPO provider [Reed Managed Services](#), is about taking a long-term approach and creating an attractive, well-thought-out process for candidates.

When choosing an RPO partner, you must ask yourself what you want to achieve, and whether a particular RPO provider can help you get there. Has it got experience in recruiting in your particular sector? Does it have access to the

communities that you want to target?

HR heads thinking of going down the RPO route would be wise to contact a number of providers for comparison and ask to speak with their clients to get an insider's view. A number of RPO firms also provide ancillary services, such as assessor and interviewer training, which may be attractive.

You may be after the flexibility some RPO arrangements offer by allowing clients to bring in more experts at certain times of the year to help organisations cope with the peaks and troughs of their recruitment cycles.

Lee says his clients have access to a network of 15 occupational psychologists and more than 500 HR professionals who can be brought in on short contracts to run assessment centres.

"No internal sourcing department has access to this level of expertise," he says.

Candidate supply

RPO providers also stress their ability to broaden an organisation's source of candidate supply. Central to a lot of RPO contracts is a commitment to move away from simply using recruitment agencies and to look at other ways of tapping into and attracting talent.

Origin HR's director Katherine Hogbin says this is achieved by building and marketing the brand of the client company so that people will approach it directly. The creation of online micro-sites and jobs boards and the strategic use of banner advertising on the web can help.

"We also have a corporate communications team who help clients build their presence with their target audience," said Hogbin. "This may include organising road shows, getting the company involved in community events, and working with schools to develop work experience schemes," she adds.

RPO providers will also still deal with recruitment agencies when necessary as their presence on the high street means they will always be a rich source of candidates.

But Clarke at Independent RPO says companies should be aware of RPO providers that have a recruitment agency arm, as they may just end up passing CVs from one part of their company to the other.

This, says Paul Mallinson, managing director at [Hays Resource Management](#), can be easily avoided by drawing up a preferred supplier list of recruitment agencies with your RPO supplier.

It is also important to clarify other measures in any RPO deal such as cost per hire, time to hire, quality of candidates and retention levels. At Ford UK, learning and development manager Michelle Ravden says her contract with [The Outsourced Training Company \(TOTC\)](#), which manages the car manufacturer's apprentice recruitment process, details a number of key performance indicators.

But like all good relationships, it seems the RPO arrangements that flourish are the ones that have developed over time. Ravden says companies must be prepared to enter into it for the long-term.

"We have worked with TOTC for four years and they are now fully integrated into our culture and the way we work," she adds. "The relationship has got better the longer we have worked with each other."

Case study: M&G Investments

One of the largest investment management companies in the UK, M&G Investments outsourced the running of the majority of its recruitment to Origin HR more than a year ago.

Recruiting for roles right across the business – from front, middle and back office – Origin consultants are responsible for the entire recruitment process from the point where they receive the brief to when an offer is made to a candidate.

"This involves understanding the role, finding candidates either directly or through agencies, liaising with line managers to set up interviews and booking interview rooms," says M&G's HR business partner Seema Vadera.

Vadera says the decision to go down the RPO route was made as the arrangement would free herself and her team of HR generalists to concentrate on areas where they can add more value. It was also done to reduce recruitment costs, especially the expenditure on agency fees. It was a move backed fully by the board.

"Recruitment activities can be very labour intensive. Now we have more time to help take the business forward," she says.

The current arrangement with Origin sees its three consultants working out of M&G's City offices. "Although they are technically employed by Origin, they feel part of our company," adds Vadera. "Everything they do is in the name of M&G; they take part in team meetings and even join us on away days."

Case study Ford

The ability of RPO provider [The Outsourced Training Company \(TOTC\)](#) to tap into Ford UK's target market for recruits was a main driver behind the car manufacturer's decision to outsource the management of its apprenticeship recruitment programme four years ago.

Within the UK, the Ford Motor Company takes on around 40 apprentices a year, who go on to learn trades in areas such as mechanical and electrical engineering and toolmaking.

According to learning and development manager Michelle Ravden, TOTC was brought in for a number of reasons. Cost was one motive, as was the belief that outsourcing apprenticeship recruitment would free up HR's time to add value elsewhere.

There was also the rationale that TOTC was based near Ford's Dagenham HQ in Rainham, Essex, at the [Centre for Engineering and Manufacturing Excellence \(CEME\)](#). The centre houses a range of consultancies, educational establishments and business development agencies, all working towards the aim of improving skills and employability within the engineering and manufacturing sector in the area.

"Through its involvement with CEME and other national projects promoting skills development, TOTC already had an established network of local community and education contacts," says Ravden. "It was ideally placed to reach people we were looking to attract."

Top tips for a successful RPO partnership

- When choosing an RPO provider, don't base the decision solely on cost. Understand what you need in line with your HR strategy. The answer may not be outsourcing at all.
- Ask to speak to clients of the provider, who should be able to offer an insider's view on whether the company is suitable.
- Build a number of key performance indicators into the contracts so the RPO provider has targets and you can track the improvements.
- Consider keeping some recruitment activities in-house, for example, for specialist and senior roles.
- If your recruitment outsourcing partners are based at your offices, it enables you to manage them better, and helps them gain an enhanced understanding of your workplace culture.