

SUCCESS FROM THE START: WHAT YOU NEED TO KNOW PRIOR TO ENGAGING IN AN RPO RELATIONSHIP

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Given the current state of the economy, it's no surprise some organizations are downsizing the ranks of their own recruiters. However, just because the economy is in a slump doesn't mean organizations can afford to slack on their recruiting efforts. After all, while organizations are filling fewer jobs, they still need to recruit for hard-to-fill positions and build talent communities that ensure quick access to talent. This will be particularly evident when the economy begins to rebound and there is a resurgence in hiring.

As budgets tighten and the quest for qualified talent continues, more organizations are turning to Recruitment Process Outsourcing (RPO) to source, select and onboard employees. A cost-effective solution scales to the business need, provides access to expertise in filling hard-to-fill positions, responds to fluctuating hiring volumes and delivers a better candidate experience. Recruitment process outsourcing is a form of Business Process Outsourcing, where an employer elects to outsource all or part of its recruiting function. In a down economy, RPO might be thought of as a recession-proof solution. An organization might reduce recruiters and slow hiring to contain costs today, but might need the resources to fill a significant number of hires six months from now to meet new competitive demands. With RPO, recruiting is no longer a fixed cost, but a flexible operating expense that enables organizations to scale up or down as business needs dictate—making it an especially appealing solution during an economic downturn.

Over the last several years, RPO has gained momentum as organizations realize it can help them reduce hiring costs, improve recruiting processes and deliver a competitive edge. Yet, as with any recruitment program, organizations that fail to define their recruitment objectives and business priorities will never realize the full value an RPO solution can deliver. This article explores best practices talent managers should consider when outsourcing recruiting functions and the implications for their talent management operation.

BEYOND TRANSACTIONAL RECRUITING—RPO IS MORE THAN JUST A VENDOR

In recent years, one of the biggest changes in RPO is the movement away from transactional processing toward creation of strategic partnerships. Early RPO relationships focused on non-core recruiting functions, solving particular hiring challenges. Today, RPO is about the effective process management of a business function, not simply filling open positions with available candidates. An ongoing program is, in essence, building an organization's talent management function. For the best possible outcomes, an RPO provider should be integrated into the corporate culture as a valued partner.

To get the most out of an RPO relationship, organizations should establish rigorous metrics and reporting. Historically, organizations that create the best results have embraced their RPO provider as an extension of their own operation and culturally integrated them into the organization. One major pitfall for many organizations is not giving the RPO relationship the right attention it needs. For example, some organizations don't assign the RPO relationship strategically. Instead, they assign it to an influential "player," such as the vice president of HR or the head of talent acquisition. How the relationship is established and

governed is a precursor to success. RPO should have visibility at higher reaches of the organization because, when planned and executed correctly, it offers a serious competitive advantage. Organizations need to position the relationship where it has strategic influence and more visibility across the organization.

Also critical to success is the clear definition of business goals and recruitment objectives at the onset. Rather than offering a set of services and solutions, the RPO relationship should be defined by the organization based upon its business needs. While some organizations only want a recruitment technology or assessment and sourcing solution, others choose to outsource the entire end-to-end recruiting function. For example, do you need services to consult with you on workforce planning? Or, do you need resources to help with the entire process, from sourcing to screening to onboarding new hires? Whether it's an element of the recruiting process or a full-cycle, soup-to-nuts approach, be sure to examine the business needs and then build an appropriate support model.

RPO also offers a great opportunity to recalibrate the metrics important to an organization. Many organizations make the mistake of gathering huge amounts of data and then doing nothing productive with the information. Service level agreements (SLAs) are part of every RPO relationship to ensure the creation of critical metrics is productive. Choose two or three key metrics of value that will enable the organization to not only gather information, but also make business changes based on the information received. RPO is a good opportunity to move recruiting away from the transactional day-to-day focus on the number of requisitions filled to a more value-added role—such as being able to look at the quality of hires and make the correlation to the impact on customer service or sales. Work with your RPO partner to define and use better metrics that link to business outcomes.

GETTING IT TO ALL WORK TOGETHER

An RPO relationship that is properly managed and nurtured delivers a strategic component to the recruiting process. However, to achieve this strategic advantage, organizations need to engage the right partner—one that will do the necessary homework and make sure they have broad-scope knowledge of the entire recruiting process. RPO success depends on a partner who understands how everything works together.

Outsourcing to a single partner with depth and breadth of experience in integrated solutions can offer significant competitive advantages. For organizations that elect to outsource multiple areas of the recruiting process, having one partner enables the development of a deep relationship and eliminates the challenges and costs associated with managing multiple providers. Even if only one piece of the recruiting process is outsourced, an RPO partner should have expertise around other elements, such as the use of assessments or survey feedback, to produce a measurably higher quality of hire. A side benefit of working with a vendor whose core business is recruiting is that the organization will gain insight into best practices about other areas it did not elect to outsource.

For instance, the RPO provider probably has global survey data on why people join and leave organizations, and probably provides diversity consulting for other clients. Even though the organization does not purchase those solutions, the RPO partner has the knowledge and expertise to see where opportunities exist in recruiting processes, and to help the organization leverage existing resources to drive better outcomes. Tapping into the RPO partner's expertise across the recruiting cycle and obtaining access to industry research and trends can help organizations strengthen other areas of their processes and gain a strategic advantage.

The RPO relationship should be a conduit of ongoing learning for the organization, similar to what would be expected of an internal function. An RPO partner should ensure the organization is abreast of industry trends, and raise awareness of the newest solutions, best practices and process improvements that result in success. Knowledge transfer is a valuable component of the RPO relationship, to help internal HR professionals gain experience and information beyond their current scope.

Because RPO is predicated on good planning, it is important that organizations provide the proper time for implementation, communication and change management. RPO can be a complex solution, with many processes involved. Organizations often err in rushing the timeline. Recognize that the implementation period is critical for long-term success. To ensure positive outcomes are realized, be sure to support the project rollout sessions and communication from leadership to help staff understand why the decision was made to outsource.

Change management initiatives should begin early—before selecting an RPO provider—and are fundamental to a successful engagement. Organizations that fail to support RPO with communication to employees and senior leadership risk a potential communication breakdown and sabotage of their project. Change management begins with creating a business case, vetting decisions with senior leadership and establishing the financial structure that supports the buying decision. When beginning an RPO initiative, make sure to clearly define who owns the relationship and ensure strong linkages to business outcomes.

Embracing the RPO provider as a recruiting partner, not just a vendor, is critical. The best RPO relationship is one where the provider becomes an integral part of the organization and is closely integrated into the culture. When bringing on an RPO provider, expose it to new employee orientation and make sure the company has access to all the materials and information needed to be as effective as an internal business unit. Combining this approach with clearly defined ownership of the relationship eliminates finger pointing and ensures both parties are held mutually accountable for the outcomes of recruiting. Remember that RPO is similar to hiring a new department, and the RPO partner should be given the same access to information and resources, be accountable for outcomes at the same level and perform the same functions.

SUCCESS FROM THE START

Some organizations are hiring despite economic conditions. Others continue to practice recruiting excellence, so they are prepared for an improvement in the economy. For those organizations, engaging with an RPO provider can help them address scalability issues and improve talent management functions, from sourcing, selecting, interviewing, hiring and onboarding to fulfilling broad-based business needs.

RPO provides the expertise and resources to drive an organization's employment brand, attract quality candidates, and position HR as a valuable and strategic contributor to the organization's success. By investing time up-front to share information, manage business expectations, create the right metrics and establish the right management structure, you'll enjoy an RPO relationship set up for success from the beginning.

DO'S AND DON'TS FOR A SUCCESSFUL RPO RELATIONSHIP

RPO has been gaining momentum over the last several years, and its competitive advantage resonates clearly in today's economic climate. Several organizations have announced they are downsizing the number of recruiters they have on staff, which creates additional challenges—managing severance, knowledge loss, reputation risk, etc. Eventually, these organizations will need to ramp back up, leaving them with the challenge of figuring out how to staff the department appropriately.

RPO eliminates that challenge by delivering a scalable, cost effective solution, and at the same time offers improvements in quality of hire, service and speed. However, to get the most from an RPO relationship, it's important to set the stage for success from the start. To make sure your engagement with the RPO delivers its intended benefits, keep the following in mind:

Do:

- Be open-minded to solutions, including the potential for staying in-house. There can be many different aspects to an RPO relationship, and it should be defined based upon your business need.
- Enlist a strong project manager and core team. Your RPO partner can be only as good as the team it works with. Make sure you have someone dedicated to the project who is able to keep things moving and keep lines of communication open between the recruiting team, hiring managers and organizational leadership.
- Draft a change management plan. Effective communication helps change succeed. Be sure to begin early, and ensure you can count on a champion the relationship at the highest levels of the organization.
- Make stakeholders aware of critical issues and decisions. Ensure that communication and change management plans are comprehensive.
- Schedule regular face-to-face meetings, and culturally integrate your RPO partner into the organization.
- Be realistic. Obstacles are part of the process. Anticipate peaks and valleys along the way. Choose a strong leader who can sustain the vision of success.

Don't:

- Force the project timeline. Speed shouldn't be the enemy of positive accomplishments. Allocate the right number of resources at the right time, and clearly defines deliverables and milestones to minimize the variability in terms of the project timeline.
- Force the solution or vendor you want. Use data to drive your decisions.
- Assign resources who can't commit to the project. If people are wavering, it can destroy the project.
- Underestimate the value of a strong vendor relationship. Keep the lines of communication open and be sure to treat your RPO partner as a member of your organization.
- Think the sale is done just because you picked a vendor.

A successful RPO relationship depends on an effective partnership between client and provider. When evaluating a partner, look for someone with industry-specific experience and a proven track record for success. Working with a partner with relevant industry experience offers the benefit of someone who truly understands your business, is fluent in industry language and has the resources to solve critical issues. You will receive more value for your recruiting function by working closely with the provider and moving away from a transactional-based relationship. In today's knowledge-based economy, where people are an organization's greatest asset, RPO can deliver significant competitive advantages to impact bottom line results. ■

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Ryan Leary is an operations recruiter with Kenexa, an IBM Company, leveraging knowledge-based recruiting and advanced Web 2.0 technologies. Mr. Leary has been recognized for his expertise in developing priority talent pipelines, strategic tactical planning, competitive market intelligence and building passive talent relationships. His passion for social networking comes from his identification as a cyber-sleuthing devotee. He has recently been featured as "Ambassador of the Virtual Handshake" from the industry thought leader David Mendoza, and has been dubbed as an "Emergency Industry Leader" for his contributions to Recruitment 2.0. Mr. Leary's work is driven by a passion to overcome the status quo and to become a world class recruiter. In his current role as Kenexa operations recruiter, he also trains recruiters and sourcers on how to utilize Web 2.0 technologies, such as LinkedIn, advanced Google sourcing and Live, to build extensive, focused talent pipelines.