

# Navigating Recruitment Outsourcing

IN A SEA OF PEOPLE, HOW CAN YOUR COMPANY FIND THE BEST JOB CANDIDATES AND EMPLOYEES? MANY FIND THAT OUTSOURCING THE RECRUITMENT FUNCTION REDUCES COMPANY TIME, EFFORT, AND COST AND ENDS IN BETTER RESULTS. IF YOU'RE TRYING TO DECIDE IF IT'S TIME FOR YOUR COMPANY TO FISH OR CUT BAIT, READ ON... **BY MARGO ALDERTON**

One of this summer's popular human interest stories had to do with a Great White shark that jumped over a seven-foot electrified fence into an Australian tuna farm. Scientists spent several days discussing how to lure out the animal, which they noted seemed "quite happy and content" where it was. I wouldn't think it would take a scientist to figure out why. Like employers in the current economy, where qualified workers float like chum on online job boards, the shark had a ready supply of fattened candidates awaiting its consumption. It's a good time to be a shark... or a company looking to fill jobs.

## A SOLUTION FOR FAMINE

But sooner or later, that feeding pool will become exhausted. And while it's hard to imagine, with the economy in the doldrums and companies flooded with qualified and overqualified workers looking for jobs, the numbers speak for themselves: Over the next decade, the largest group of workers (baby boomers) will be retiring (although some who

invested in dot-coms and Enron may retire quite a few years later than others) while at the same time the economy is expected to climb out of the recession and the need for workers will grow. As if that weren't enough, while some potential candidates are retiring, another portion of the workforce is considering migrating. According to a recent survey by Electronic Recruiting News, another 40 percent of employees are planning to change jobs once the economy rights itself. Who and how will companies replace them?

The answer to a growing number of firms lies in recruitment process outsourcing (or RPO.) Barry Siegel, President of Recruitment Enhancement Services (RES), a unit of Bernard HODES Group points out that "recruitment" can entail a number of individual functions (and companies that serve those functions.) Examples include search firms; employment agencies; advertising venues like job boards, newspaper and trade publications, and recruitment ad agencies; temporary, contract and staff-leasing firms;

applicant tracking systems; background investigation organizations; assessment and testing firms; and recruitment consultant and research firms, to name a few.

But it can also include a more sophisticated, one-stop solution that RES refers to as Total Outsourced Talent Solutions or "TOTS." This, according to Siegel, is used "when a client company decides to outsource every step in the hiring process, from requisition preparation to hire, including management of any vendors in addition to the outsourcing partner. TOTS provides the people, process, tools and technology in four components: full-service recruiting, staffing technology, hiring process re-engineering and staffing technology."

## ...AND A SOLUTION FOR FEAST

If outsourcing when the economy bounces back makes sense, but planning for a projected labor shortage when your inbox is jammed with candidate resumes seems unappealing, recruitment process outsourcing may



still be a solution to your short-term needs. Outsourcing companies often have more streamlined processes and better technology to sort through candidates (and track the sorting process), producing the best catches for companies at lower costs.

According to Randall Mehl, Managing Director at Robert W. Baird who has been studying the RPO market, the benefits of outsourcing recruiting can be summed up as the following: “Cost per hire and cost of compliance. These are the secular drivers. There are much higher costs today than there have been historically in administering the hiring process due to the need to be compliant... There’s a lot of regulation and a trail of paperwork that needs to be kept. Having the right technology should help.”

Joyce Maroney, Vice President of Product Management and Technical Services for BrassRing, a recruitment technology and consulting firm that has recently expanded its services to offer more complete recruitment process outsourcing says the benefits vary

depending upon the organization but include efficiency, quality, cost savings, and compliance with government standards. As Maroney notes, “Many companies have recruiting staff, but those recruiters tend to have other responsibilities... We are really focused on recruiting. We do nothing but recruiting and no generalist work. By having that function performed by experts who are doing nothing else, you have to find improved efficiency.”

Diane Shelgren, Senior Vice President of the outsourcing group at staffing giant Spherion, agrees: “Our clients are focused on delivering value to their organizations, which is often mutually exclusive with the interests of an in-house recruiting function.” The outsourcer’s ability to focus on one specific function reduces time to hire and cost to hire.

Although cost metrics are difficult to find due to a variety of factors, studies from Staffing.org estimate that companies that recruit internally spend approximately 20

percent of a person’s yearly salary on recruitment while companies that outsource the function average 13.6 percent.

Outsourcing can also be a solution to the natural tides of recruiting. “Peak load is a big issue,” says Maroney. “Even when companies have full-time professional recruiting staff, they get peaks (like the need to expand sales forces for product launches, or opening of new factories or offices) and are suddenly overwhelmed. Outsourcing services give companies the ability to respond to ebbs and flows of demand without carrying additional overhead.”

Outsourcing of recruiting is increasingly appealing to many HR decision makers. According to a recent study by Accenture, recruitment outsourcing is one of the most popular HR functions to outsource, accounting for almost 40 percent of all HRO deals. And according to Gartner’s July 2003 report, more and more companies are going to be choosing to outsource HR functions—an estimated 85 percent by the year 2005.

IF YOU'RE READY TO CONSIDER OUTSOURCING SOME OR ALL OF YOUR RECRUITMENT PROCESS, BUT AREN'T SURE WHERE TO DROP LINE AND SINKER, HERE ARE SOME RESOURCES TO GET YOU STARTED.

## The 'Big Fish' of Recruitment Process Outsourcing

### TIER 1 AND TIER 2 PROVIDER COMPANIES THAT HANDLE MULTIPLE RECRUITMENT OUTSOURCING FUNCTIONS

ACCENTURE HR SERVICES	<a href="http://www.accenture.com/hrservices">www.accenture.com/hrservices</a>	Recruitment services include: resource planning; vendor management; job requisitions; applicant screening and interview management; candidate logistics; references, background checks and referrals; scheduling, deployment and integration; workforce strategy.
ADECCO	<a href="http://www.adeco.com">www.adeco.com</a>	Recruitment and staffing services include: staffing solutions, recruitment, motivation and training, and retention.
AON CONSULTING	<a href="http://www.aon.com">www.aon.com</a>	Recruitment services include: background verifications, recruitment and intake (including hiring process management, resume management, sourcing, recruiting and applicant tracking systems), candidate selection tools (including test administration, assessments, pre-employment screening and interviewing), and staffing components (hiring process assessment and design, and data services.)
ARINSO INTERNATIONAL	<a href="http://www.arinso.com">www.arinso.com</a>	Recruitment services include: workforce planning and modeling, strategy and policy development, sourcing, selection and assessment, and information and vendor management. Focuses on multi-national employers.
BRASSRING	<a href="http://www.brassring.com">www.brassring.com</a>	Recruitment services include: recruitment software solutions, talent consulting (recruitment strategy and best practices), and recruitment process management (sourcing and screening services.)
EXULT	<a href="http://www.exult.net">www.exult.net</a>	Recruitment services include: needs identification, candidate sourcing, screening, interviewing, assessment, and offer and hire administration.
KELLY HR FIRST	<a href="http://www.kellyhrfirst.com">www.kellyhrfirst.com</a>	Recruitment services include: employment consulting, recruitment marketing, recruitment and online technology, staffing expertise, talent acquisition, staffing solutions and metrics, and strategic alliances.
KENEXA	<a href="http://www.kenexa.com">www.kenexa.com</a>	Recruitment and staffing services include: project staffing, strategic staffing, executive search, applicant tracking, skills assessment, behavioral profiling, screening and interviewing.
MANPOWER	<a href="http://www.manpower.com">www.manpower.com</a>	Recruitment and staffing services include: workforce solutions and management, staffing, assessment and testing, and vendor management.
RECRUITMENT ENHANCEMENT SERVICES (RES)	<a href="http://www.resjobs.com">www.resjobs.com</a>	Recruitment services include: business process evaluation, process engineering, administrative and on-site recruitment support, exempt and non-exempt recruiting, internet research, web-based applicant response system, recruitment marketing, vendor selection and management, and employee retention tools.
SPHERION	<a href="http://www.spherion.com">www.spherion.com</a>	Recruitment services include: workforce planning and design, sourcing, assessment and screening, recruitment, and training and development.

**WHAT TO LOOK FOR**

Just as the benefits of outsourcing recruitment vary from company to company, so do the qualifications necessary for finding a provider that's right for your company. But there are some basics that any firm should offer.

Mehl suggests you look for at least three main things in an RPO provider: "(1) Expertise and experience in recruitment. (2) A system that fits your current processes so that you don't have to change the way your entire company works, and/or a company that is willing to suit their technology solutions to your current process. (3) A company that has relationships with best of breed ven-

dors (such as sourcing, assessment, and pre-employment screening.)"

Both Maroney and Siegel agree. Siegel cautions that 'off-the-shelf' remedies don't always work because no two companies are the same: "Your outsourcing partner must have the ability, creativity, and flexibility to 'customize' their tools and processes to what would be best for your organization."

Many consider recruiting to be a very 'personal' function, but Siegel believes that "It is a great deal easier to learn an organization's culture than to become a world class recruiter, marketer, internet researcher, staffing technologist, or recruitment marketing professional." Maroney has a similar philosophy:

"The recruiting function has less to do with the industry and more to do with how we [the outsourcer] do recruiting... Look for a company that has a real process orientation, repeatable procedures, advanced technology, and can demonstrate that they'll evolve rapidly to keep up with the market."

Expect outsourcing partners to produce results at lower costs, however do not choose an outsourcer based on cost alone. Look for organizations that will provide the best return on investment. Also look for proven results and talk to current and past clients, company executives, and staff who would be working on your account. Be sure to discuss failures as well as successes. [HRO](#)

**The 'Tropical Exotics'**

**TIER 3 PROVIDER COMPANIES THAT SPECIALIZE IN CERTAIN AREAS OF RECRUITMENT**

**E-RECRUITING**

CareerBuilder.com	www.careerbuilder.com
Dice.com	www.dice.com
EmploymentGuide.com	www.employmentguide.com
Execunet.com	www.execunet.com
Healthcareerweb.com	www.healthcareerweb.com
Hire.com	www.hire.com
HotJobs.com/Yahoo!	www.hotjobs.com
Kforce.com	www.kforce.com
Monster.com	www.monster.com

**EXECUTIVE RECRUITMENT COMPANIES**

Custer Group	www.custergroup.com
Heidrick & Struggles	www.heidrick.com
Korn/Ferry International	www.kornferry.com
Management Recruiters International (MRI)	www.mrinet.com
MRI Franktown	www.jobs-search.com
Russell Reynolds Associates	www.russreyn.com
Spencer Stuart Talent Network	www.spencerstuart.com

**TECHNOLOGY SOLUTIONS**

Alexus	www.alexus.com
Deploy Solutions	www.deploy.com
Development Dimensions International (DDI)	www.ddiworld.com
ERC Dataplus	www.ercdataplus.com
HireCheck	www.hirecheck.com
PeopleSoft	www.peoplesoft.com
Pilat HR Solutions	www.360-pulse.com
Pyramid Screening Technology	www.pyramidst.com
Recruitmax	www.recruitmax.com
Recruitsoft	www.recruitsoft.com
StaffingSoft	www.staffingsoft.com
Webhire	www.webhire.com
Workstream	www.workstreaminc.com

**STAFFING (SPECIALTIES)**

Accountemps (Accounting)	www.accountemps.com
Advantage HR	www.advhr.com
AMN Healthcare Services (Healthcare)	www.americanmobile.com
Analysts International (IT)	www.analysts.com
CDI Corporation (IT, Tech, Legal, Executive)	www.cdicorp.com
Comforce Corporation (Healthcare, Tech)	www.comforce.com
Computer Horizons (IT)	www.computerhorizons.com
Comsys (IT)	www.comsys.com
Cross Country (Healthcare)	www.crosscountry.com
CTG (IT)	www.ctg.com
Express Personnel	www.expresspersonnel.com
Hall Kinion (IT)	www.hallkinion.com
Joule (Tech)	www.jouleinc.com
Kelly Services	www.kellyservices.com
MPS Group	www.mpsgroup.com
OnAssignment (Healthcare, Science)	www.onassignment.com
Randstad	www.randstad.com
Robert Half	www.rhii.com
Snelling & Snelling	www.snelling.com
Vedior	www.vedior.com