



Are You Ready to Outsource Recruitment?

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March 2006 - Joyce Maroney

With the looming retirement wave set to break by 2011, many Fortune 500 and Global 2000 companies have begun to increase their investment in recruitment solutions and technology, recognizing that attracting and retaining quality talent is critical to their success. In fact, according to a 2004 report from SIIA and Spencer Stuart, 95 percent of organizations with more than \$500 million in revenue say that attracting new talent is one of the most important talent issues they face.

Many organizations find that a well-balanced and effective investment is to partner with a recruitment service provider that can manage part or all of their talent needs. But is outsourcing recruitment efforts the right move for your organization?

Before you answer that question, there are a few others you need to ask.

Does your organization have a successful history of outsourcing other HR functions?

Working with a recruitment service provider requires a strong commitment to make the relationship successful. If your organization has a reputation for wearing out other HR service providers, you must assess your organizational readiness to accept counsel and implement the best practices of a recruitment service provider. Talent recruitment touches every hiring manager and HR practitioner in your organization. If you're not prepared to work in partnership with a recruitment services vendor to manage your recruiting process, you might want to keep recruitment in-house until you can make this commitment.

Is recruitment a core competency of your organization?

If you answer "yes" to this question but are still interested in outsourcing recruitment efforts, you need to explore your motivations for seeking an outside provider. Is your current workload overwhelming? You might want to consider a limited, part-time engagement with a recruitment service provider during times of high candidate demand, versus a full-time, full-service provider.

Does your organization comply with a consistent process discipline?

One of the reasons organizations obtain an outsourced recruitment services provider is to gain the benefits of their experience developing recruiting processes that work efficiently and effectively. If you're unwilling to depart from or modify your current processes, outsourced recruitment might not be right for your organization.

Are HR generalists handling much of your recruitment workload?

If your answer is "yes" and you're dissatisfied with the results of your recruitment efforts, it might simply reflect that recruiting is not your team's core competency. An outsourced recruitment provider's focus on your organization's needs will deliver better-quality candidates more efficiently.

Does your organization use agencies or contract recruiters to handle more than 20 percent of your recruitment needs?

If more than 20 percent of your recruitment activities are handled by a variety of headhunters or recruitment agencies, hiring a full-time recruitment services provider might allow you to consolidate your external resources, improve consistency of candidate quality and gain cost savings that will benefit the bottom line.

Are you often surprised by hiring managers' need for recruitment assistance?

The job market is dynamic and continuously evolving. Using a third-party provider will allow you to expand or contract the manager's role and involvement as demands change. This will allow the manager to focus on other matters that need attention.

Does your organization plan to invest in vendor relationship(s) management?

The closer you work with a recruitment service provider, the more effective they will be in delivering a truly value-added service. Commitment to a relationship with an RSO provider will directly benefit hiring outcomes. Expect that the first six to 12 months will be a settling-in period during which you and the vendor might need to modify your processes and initial service level agreements as your mutual experience develops.

Has your organization defined its goals for outsourced recruitment?

If you are contemplating outsourced recruitment, the first step is to determine what problem (s) you are trying to solve by conducting a complete diagnostic assessment of your organization's current recruitment strategy. Many organizations don't think recruitment requires a systematic approach, so they do not always have a standard process in place. The key benefit of working with an external provider is to help identify the most efficient processes and methodologies to fit your organizational structure and deliver consistent results.

Taking these key concerns into consideration, you might find your organization is ready to outsource recruitment if:

- Recruitment is currently handled by HR generalists/field managers or in-house resources are otherwise limited.
- You extensively use multiple agencies and are spending large amounts of money on outside services.
- A new CEO, CFO or vice president of human relations is looking to restructure or otherwise improve your organization's recruitment results.
- Your current approach is not keeping pace with your hiring needs.
- Your current approach is not delivering qualified and talented candidates.
- You have had success in the past implementing other shared services.

As you can see, there is a lot to consider when deciding if an outsourced recruitment strategy is appropriate for your organization. Even if you are not ready now, chances are you will need to reevaluate your organization's hiring needs on a yearly basis as the talent pool continues to shrink, and you might find that outsourcing is the perfect strategy for minimizing your overall recruitment costs, improving the quality of job candidates and maximizing your return on investment.

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