

Resourcing

March 2008

Finding the right formula

(Extract)

Recruitment process outsourcing can offer great advantages – but only if it's done correctly.

When recruitment has been burdening you for years, handing over the whole process for someone else to worry about seems ideal. Done correctly, recruitment process outsourcing (RPO) can offer advantages of recruiting an in-house team of dedicated recruitment professional without the commitment or the expense.

Done wrongly, however, and it will simply throw up a new set of headaches for resourcing departments to worry about.

There are a number of considerations when choosing a provider and putting together a contract, but the process should start with your own organisation. Before you can outsource the process you need an understanding of what you are currently doing in-house.

This information should be communicated with the organisation, and firm understanding of the benefits established.

This should ensure buy-in from the rest of the business, which is vital. Stewart Brooks, recruitment manager for Europe, the Middle East and Africa for internet security company McAfee, is in charge of the company's RPO contract with outsourcing firm Ochre House. He says: "Make sure you get business buy-in. If you have other departments supporting you, make sure they understand what the RPO is. A lot of people think it's an agency, and that will create problems."

The next step is identifying the service you need. Sue Brooks, director of Ochre House, says: "You need to understand what you're looking to achieve. Look at the capability you have, look at where you want to go, and look at what you need to build in, to enable you to get there."

You also need to consider the parts of the process you want to hand over, and the capabilities you want in a partner. Companies will take control of anything, from initial advertising, through sifting CVs, interviewing, testing, and on-boarding. McAfee wanted a fully integrated end-to-end solution. Stewart Brooks says: "Once they have an authorisation number for a vacancy they go through the life-cycle: advertising, selection, psychometrics, technical testing. And they work with us on the offer programme."

Employers also need to think about how they want services delivered, what technology they are looking for; and whether they want an on-site or off-site solution.

Implementation is usually in three stages. The first is to get the recruitment process working efficiently and effectively. The next step is making incremental changes to improve delivery, and beyond that, many providers offer transformational change.

Once you know the journey you are looking for, you can choose a partner who can take you through it. The offerings range from plug-and-play managed services to a bespoke solution, so it's worth weighing up the cost against benefits.

Jane Cassidy, head of HR services for supermarket chain Somerfield, which outsources to Ochre House, says: "As we met with potential suppliers, we realised how key it would be to select an organisation with a similar organisational personality, heavily focused on the customer, with a 'can do' attitude and a 'work hard but have fun doing it' approach. We built a detailed set of criteria in terms of the skill-sets we required from an RPO provider and measured each of the contenders against these throughout the tender process."

Once you have a provider, you are ready to draw up the contract. First should be the schedule of services – outlining the service you need. This should embrace both your short term needs and your long term transformational goals. However, Stewart Brooks suggests: "It should be flexible so you can make changes."

It does, however, need to be clear in terms of who does what. Stewart Brooks says: "You need to clarify ownership of the process. If ownership gets missed, neither partner considers it their responsibility, so the service will fall short."

It also needs to nail down operational details. This will include things such as a clear escalation process if things go wrong, and details of how the on-site team will work. Stewart Brooks suggests: "Get to know your on-site team. Be part of their selection process."

The second part of the agreement is the service level agreement (SLA) outlining key performance indicators (KPIs).

The final aspect is costs. Naturally the temptation will be to look for the lowest cost possible. However Stewart Brooks warns: "It's important to strike a balance between lowering cost and getting value from the service. Don't screw down cost so much it affects service."

Once you have your contract, you will also need to consider how often you will revisit it. Then it's a matter of keeping up commitment from the company to enable transformation to take place.

This is why buy-in from the business is so important from the outset, but it's just as important to keep the momentum going as the contract rolls on. So much as though you may like the idea of handing over the recruitment worries to someone else, it can never be entirely out of mind if you are going to manage your RPO relationship successfully.