

RECRUITMENT PROCESS OUTSOURCING LATEST TRENDS AND PRACTICES: CORPORATE CASES.

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Abstract: The paper attempts to explore the latest trends and practices of Recruitment Process Outsourcing (RPO) companies in India. It will talk about the different types of RPO's present in India along with the services offered by them to the Indian corporate. Reason why Indian organizations are opting for RPO's services. Challenges faced by RPO's in India along with the opportunities in Indian market. The paper will present the relevant literature review on RPO along with the success stories of Indian organization using RPO services in form of short case studies.

Key Words: Outsourcing, Human Resource Outsourcing, Recruitment Process Outsourcing, Information Technology, Talent Acquisition.

I. INTRODUCTION

Manpower is the most valuable resource for any organization. Recruiting a right person on the board is crucial for success of any organization. With growing diversity in business organizations the role of Human Resource department has been extended to strategic decision making in organization. Managing diversified human capital is a core consideration for human resource management, because human resources are the most important asset for any enterprise and the optimum utilization of this tool helps to achieve individual, corporate and societal goals. This concern has bought the need of the agencies which specialize in providing right people for the right job, at the right time and in right number. Such agencies are called as Recruitment Process Outsourcing agencies, with whose help organizations get the right type of people to work in their organization and they can focus more on their core activities.

Recruitment Process Outsourcing (*RPO Services*) is a form of outsourcing of business process where an organization / employer outsources all or some of the recruitment activities to an external service provider – to help them attract and retain the best talent. RPO providers may offer services that comprise sourcing, job posting, screening, staff on boarding, research, recruitment and other administrative technologies as well. According to the Recruitment Process Association an RPO provider can provide its own or can adopt the company's staff, technology, methodologies and reporting mechanism. An RPO provider may work as a company's internal recruitment function for a portion or all of its jobs. RPO function can differ from project to project for some organization they can be full recruitment department and for some they can render their services to meet specific hiring objectives like providing the pool of right candidates, hiring for particular location for specific department or for particular segment of employment.

An effectively managed RPO can reduce the recruitment time for an organization, provides quality applicant pool, and gives practical metrics, reduces the costs and adhere to regulatory enforcement with all relevant statutory requirements.

II. LITERATURE REVIEW

In Business Process Outsourcing (BPO) a company outsources a whole business process, which another company will run and manage (Mahmoodzadeh, Jalalinia & Nekui Yazdi, 2009; Kim & Won, 2007; Grefen, Ludwug, Dan & Angelov, 2006; Fernandes, Mills & Fleury, 2005). The HR process is facing rapid changes in terms of technology which had opened the gate of Outsourcing industry. There is a constant need of innovation in the Business process of HR in the organizations so that both the parties can have the maximum benefits from each other. (Conklin, 2005). The major reason that has accelerated the growth of outsourcing in the HR division is the companies aim to reduce the costs. (Delmotte & Sels, 2007; Lievens & De Corte, 2008; Abdul-Halim, Che-Ha & Geare, 2009).

Although the RPO is considered as the part of the HR industry only, but in the last few years it has grown as the dominant industry of the HR creating lots of opportunities for the HR professional. RPO can be defined as the use of the external party to manage some or all the part of recruitment and selection process could be for permanent or temporary employees. To have clear idea about the RPO one should understand the recruitment first. The organizations in order to increase their forces uses different methods to get the optimum result, they first need to form the organization and then reform its understanding the each other's requirement. (Lee, 1994). In maximum industries the higher authorities and the positioned HR faces the task of recruitment where in with changing time they are more required in the organizations for retaining and engaging the employees. (Mazur & Kleiner, 2002) The organization are changing their thinking and are more focused on the HR within the organization rather roaming around the globe and selecting candidates (Lee, 1994). With increasing attrition rates in all the industry the demand of HR within the organizations are growing so that they can help the employees in terms of their grievances, dissatisfaction and other issues in the organization which can enhance the performance of individual employee and ultimately helps the organization to attend their goals. And this scenario RPO is the best available options for the organizations.

III. OBJECTIVE

The major objective is to study the different types of RPO's present in India along with the services offered by them to the Indian corporate. Reason why Indian organizations are opting for RPO's services.

IV. RESEARCH METHODOLOGY

It is an exploratory study, and the data is collected from the secondary resources. In order to get the deeper understanding on the scope & challenges of RPO in India various literatures & reports web resources, journals, news articles and the research papers on Outsourcing was reviewed categorically published during the year 2010 to 2020.

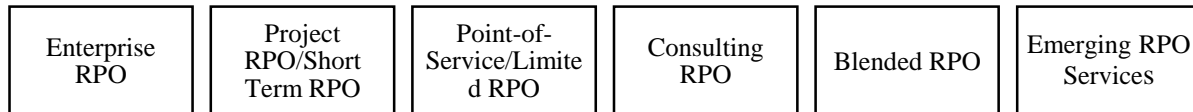
V. TYPES OF RPO AND DEPTH OF ENGAGEMENT

An RPO can assist the organizations for entire recruitment process or part of the recruitment. Few key players in India are Randstad Holding, TeamLease Services Ltd. Quess Corp, ABC Consultants, Manpower Group, Kelly Services, Adecco, Accenture, HirePro Consulting, Innovosource, Mancor Consulting, People Strong and Acculogix.

Depending upon to the extent of service outsourcing and services they offers RPO's can be broadly categorized into six categories:

Fig: Type of RPO's in India.

- a) **Enterprise RPO : Commonly known as** full-service RPO or fully outsourced RPO. These types of RPO caters end to end recruitment process of the client. They took the full accountability of recruitment process as per the requirement of the clients. For example ABC consultants has a RPO division named **FlexAbility**



which has been delivering customized end to end RPO and Resource Augmentation solutions to large Multinational and Indian corporate for the past 8 years in India. FlexAbility has a strategic alliance with Global Talent Acquisition and Management Services provider, **Alexander Mann Solutions**. They have the expertise in this area and had taken care of end to end recruitment process of Global electronics and Healthcare clients across different business segments, levels and locations in India.

Enterprise RPO can be further divided into two categories.

- i. **Long term, Company Wide : Here the service provider** handles the entire recruitment process, everything from the process to technology and the results.
 - ii. **Job/Location Specific :** This is similar to the long-term arrangement, except that it's just for a certain job function or for a certain location i.e. could be for regional hiring's, sales team or for a call center. **Randstad India** has the specialty in this type of hirings. They have the **Executive Search Program** exclusively designed for hiring the higher level managers categorically for leadership roles.
- b) **Project RPO/Short Term RPO :** Here the RPO render it service to share the process of recruitment. They helps in identifying the candidates or they do the initial screenings for the clients or they represent them at different locations. For example **Hindustan Unilever** has its regional partners in different locations for initial screening of the candidates for management roles but the final process is done by the Core HR team in headquarters only.
- c) **Point-of-Service/Limited RPO:** Point-of-service RPO, better known as limited RPO or selective RPO in the industry, means that the RPO provider is taking responsibility for one or more components of the recruiting process. It's very similar to project RPO, but point of service RPO is an ongoing service as it involves a much more sustained effort and then a handoff to HR. Examples of point of service RPO include applicant intake, applicant screening, social media outsourcing/recruiting, or putting this data into the applicant tracking system.
- d) **Consulting RPO :** In this case, an RPO provider may offer advice on how to improve their processes, on what tools should be used, on how to do social media recruiting etc. for example HDFC Asset management taken the help of Randstand India in designing their recruitment process.
- e) **Blended RPO :** Due to changing business scenario organizations needs temporary hires or contract hires for specific period of time along with that they need a permanent hires for the same function also. Usually organizations hire the contract worker form Managed Service provide and Permanent workers from RPO's. Blended RPO is the solution to integrate both the facilities. For example Ikaya Human Capital Solutions offers their services to one of the leading telecom company in India to hire off role sales executive and latter they transfer the same employees on companies' role based on their performances. In this way Ikaya takes care of both the permanent and temporary hiring for the organization.
- f) **Emerging RPO Services:** The RPO industry is still evolving in India. So the RPO service providers are still finding new ways to fulfill client needs. The other reason is changing technology and its impact on recruitment always triggers the RPO industry to change their delivery process.

Following three categories are the emerging services which has not been offered by all the RPO service Providers.

- **Contingency/On demand RPO:** This type of service is an agreement between the two parties that the RPO service provider will offer the agreed services whenever the client needs. For example the RPO India is an offshore recruitment process outsourcing firm based in India which does the contingency staffing for US based clients. Here the client may hire 30 employees in a month or more but the number and time of hiring is not fixed.
- **Branded/White Labeled RPO :** This RPO services involves outsourcing the recruiters, but these recruiters are going to the marketplace on behalf of your company and as if they are part of your company for temporary and permanent hires. This type of service is more than just outsourcing recruiting, but is done in a way that makes it look like the recruiting is being done internally and not through a provider, to create an overall talent community for the client.
- **CO-Sourcing:** Engaging Multiple RPO's to serve different areas. For example the client may hire a Service provider to conduct the initial screening test and further process is conducted by other partners. This is an evolving model which is liked by various corporate houses. For example HDFC bank has the association with Aspiring Minds to conduct the initial screening test and the further process is either taken care by internal HR or by external partners.

The RPO service provider can engage themselves for a part of Recruitment process, or up to a certain stage or for all the steps in recruitment. Starting with posting a job to identification of candidates to on boarding the candidates post hiring.

Preliminaries	Sourcing Candidates	Recruit Candidates	Hire Employees	On Board Employees
<ul style="list-style-type: none"> • Understanding Client needs • Sample profiling • Devising Search Strategy • Draw up list of target companies and other Sources. 	<ul style="list-style-type: none"> • Market Research • career Portal • Applicant Intake • Resume Intake • Shortlisting or Preparing list of candidates. 	<ul style="list-style-type: none"> • Pre Screening • Screening • Assesment tests • Interview/Interview Cordination • Shortlisting of Candidates. 	<ul style="list-style-type: none"> • Presenting Shortlisting to clients • Final Interview mangement • Offer mangement • Negotiations • Reference Checks 	<ul style="list-style-type: none"> • Background Check • Managing Candidate Expierence till joining • Employee Records verification and Documentation. • On boarding.

Fig: Depth of Engagement (Source: Teamlease White Papers on RPO)

The Depth of Engagement can also be defined by how and where these services are rendered. There are three delivery options available:

- On-Site** – Recruiters are at the client's location, sitting at a desk and recruiting directly.
- Virtual** – Provider has a hub or off-site location for the recruiters, but they are dedicated to the client. Recruiters are not on site.
- Supported** – This means that the recruiters are not dedicated to one client, but this delivery option is designed for scalability. More recruiters can be added, or taken away, when needed.

VI. RPO'S IN INDIA.

The global recruitment market is of \$ 4 billion and is expected to grow to \$12 billion by 2022. The same growth has been witnessed in Asia Pacific market. According to Everest group research reports India has one of the fastest growing RPO markets and its net value is somewhere around US\$660-700 million and is expected to grow at the cumulative annual growth rate of 24 to 26% by 2020.

The RPO market in India is changing at a fast pace and the service providers are designing more holistic solutions with more involvement in Applicant Tracking System(ATS) decision making , Utilizing plenty of add on recruitment tools and leveraging advanced analytics. There is more focus on value added services and the result is usually outcome based pricing.

As per the Financial Express report 75% of the RPOs are 'on demand' models, where some parts of the recruitment process are outsourced. This model offers the clients the flexibility to manage its recruitment needs. An additional 25% are end-to-end RPOs, aimed at long-term benefits

In India broadly five Industry verticals has been dominated by the RPO usage :

- BFSI
- IT & Telecom
- Manufacturing
- ITES & BPO
- Healthcare



Of these, IT & telecommunications contributes 25% of the share. The size of the employment market in India is around Rs 7,000 crore, of which only Rs 250 crore occurs via RPO contracts, which is just 3.5 per cent. Other than this Rs 7,000 crore, recruitment is done by in-house teams and is estimated to have a potential of about Rs.5000 crore.

The RPO industry of India can be easily divided into two groups the one handling the staffing and other recruitment activities at national level and the second group handling the same on global levels. **Accenture , ABC Consultants Mafoi Randstad ,Iplace, Ikaya Global** are the few names which leads the Indian RPO Industry handling end to end recruitment process globally. The RPO service provider claims to reduce the cost because of economies of scale, with a focus team recruiters, candidate database and the supporting technology for the same. They also reduces the cost and the fixed expenses of the client by reducing need of infrastructure and manpower needed for the recruitment process. Majority of the RPO's in India have captive sourcing centers, which enables them to be cost efficient in order to maintain the competitive advantage and differentiate themselves in the competitive market.

VII. ORGANIZATION'S & THEIR RPO JOURNEY.

Case 1 : Unilever

Unilever wanted to improve its global presences without compromising its brands value among its stakeholders and to do the so they wanted to develop a new talent acquisition model for attracting the best talent available in the market. Accenture helped the organization build and introduce a new talent management model for non-managerial positions. The four main pillars of models are **Attracting, Searching, Nurturing and Hiring** the talent. Accenture is not only going to hire the candidates but will provide the training programs to the new hires in three geographic regions of Unilever covering Europe America & Asia. Accenture will provide the services to nearly 2lakhs employee in 20 different languages. The reason for hiring Accenture was not to reduce the cost but to transform their HR roles.

Result: Through Outsourcing its recruitment process organization has been able to reduce its total average sourcing cost by 51%, 47% in agency expenses and more than 40% decrease in time to fill the vacancies. It has also enhanced the overall experience of hiring managers and candidates.

Case: 2 : Century Ply

In the case of **Century Ply** when they planned to expand the business and turn their family run business into corporate identity, they find it very difficult to recruit all around the country and in the same time managing their existing staff keep them motivated during a down economy and then they finally decided to outsource the recruitment process.

They decided that the Outside agency will handle the whole process of identifying the candidates and shortlisting them but the final decision will be taken by the In house team they will negotiate the salary and will take the candidates on the board.

Result: By outsourcing their recruitment process organization was able to achieve their hiring targets within the 6 month of partnership and were able to reduce their recruitment cost by 20%.

Case 3: HCL Technologies

Attrition is the biggest problem in all the IT Industry and was the biggest threat to the **HCL technologies**, in the year 2014 when the company was performing good in terms of sales they were facing talent leakage at the entry level and the middle level, They tried to manage the recruitment through their Referral Programs .But expert

believe to meet the shortage they require the robust recruitment system and then they finally decided to Outsource their recruitment process.

Result : As explained by **Thiagarajan Suryanarayanan**, (*Ex Global head, talent supply chain, HCL Technologies*). In of the articles in business standard that by outsourcing their recruitment process company was able to save the cost, their renegade employee rate came down with good numbers and their overall recruitment experience was fantastic.

Case 4: Citi Group

Citi group's on-site and off shore program yearly receives thirty five thousand application from 40 different countries, churning them and selecting a right candidate for different profile is tedious and time consuming process so they wanted a strategic partner who can offload the HR team burden.

They relied on Alexander Mann Solutions for maintaining the recruitment cycle of Analyst and associate profile. They developed central candidate management ATS(Application Tracking System). They were solely responsible for the hiring and training of candidates for the first year and in this way they deliver them fully trained candidates on the role of Citi. Simultaneously they used to trained and deliver rotational development programs to the permanent Analyst and Associates in the organization. Thus the internal team got ample of time to focus on other important aspects of employee development.

Result: By relying on outsourcing the organization was able to reduce the recruitment cost by 40% and curtail the time to hire by two months compared to previous trend. They conducted training programs for almost 230 full time analyst, 70 associates and over 250 interns in both the role.

VIII. WHY RPO'S

The early adopters in India of the RPO models were the bigger player in the IT and Banking and financial Services Sector. The big names which boosted the Indian RPO markets are Infosys, Wipro, TCS, IBM, HP Accenture, HSBC and Deutsche bank. The growing infrastructure and the IT industry not only stimulated the growth of RPO users in the country but also the RPO players. The RPO market is expected to grown by 20 to 30 % in coming years. Experts sums the following drivers to be the main reasons why company chooses RPO as their recruiting Partners:

- **To cut down the Overall Cost Per recruitment**

Rajiv Menon Head Innovations and New product development **MeritTrac** says conducting the in house recruitment add 20 to 35 percent in the HR bill and the RPO saves the same amount. In case of the bulk hiring or entry level hiring RPO saves up to 40 percent cost of recruitment process.

- **To focus more on the core business**

HR experts believe that 70 percent of the work involved in the recruitment process is non-core business activities. Hence shifting the burden to the expert is always the right choice. As quoted by **Ravindranath Vadde Lead HR of S&P capital IQ Hyderabad**, from 2015 onwards they had started outsourcing their campus recruitment process to First Naukri.com and the reason for the same was to cut down the expenses on traveling and save the times of their experts.

- **To build a competitive edge**

Corporations looking to build large talent pools in a short period of time may not have the bandwidth to select the right talent by tapping 'passive' candidates. RPOs can help given their network. **Mind Shift Interactive a**

digital Outreach Company partners the RPO for hiring the Midlevel employees because they believe that entry level candidates are much tech savy so finding them is an easy task but when it goes to the age group between 40 to 50 it is difficult task and to be in the competition your middle level management has to be very strong that is why the Opted RPO to trace the talented pool.

Rajiv Burman Managing Partner of Light House partners (executive search firm)the more and more Indian corporate are partnering the RPO because they had subsequently reduced their fees in past five years due to slowdown in the market.

The customer focused approach of RPO's will further widen the growth in near future and more companies will outsource its HR areas. Another result for **KeneXa, an IBM Company** which recruits especially for call centers using its leverage technology and sourcing techniques to uncover hidden talent of the people projected an increase in focus on project – based recruitment in 2015 for its major clients.

S.No	Organization	Reason behind opting RPO Services.
1.	Tata Motors.	Gajendra Chandel (Chief Human Resource Officer) says they opted for RPO because they wanted the internal HR team to focus on Recruitment strategy and Branding. The partners are responsible for bringing the candidates.
2.	Citi South Asia	Anuranjita Kumar (Chief Human Resource Officer) said they have gone for rpo “ to address the hiring volume for complex skills sets (like big data , micro strategy etc) in fixed time period.
3.	Mahindra Rise.	Rajeshwar Tripathi (Chief People Officer Mahindra AFS) he says automobile industry runs on cyclical process and it is important for the HR team to keep pace with up and downs of the business. And joining hand with specialized partners helps them to focus on business.
4.	HDFC Life.	Rajendra Ghag (Executive Vice President) says they are outsourcing the recruitment process to improve the efficiency of various HR process and thus empower the internal HR team.
5.	Merck Group.	Rahul Maitra (Head HR India) he says joining hands with RPO has helped them in establishing a regular hiring process, supports in applicant tracking system, and has improved the quality of hiring. It has reduced the cost of recruitment. And improved the quality of talent pool.

There is no doubt that recruitment outsourcing has become a new trend for the companies. The brand building of the RPO will further boost its growth and more companies are likely to use RPO services in coming years.

A survey says with the aim of cost cutting, corporate giants of United States and the UK are leveraging their recruitment process outsourcing services from emerging market locations like India. According to global

consulting and research firm **Everest Group**, increasing cost pressures in the current economic environment has led North American and UK buyers to start receiving the back-office RPO services from offshore location such as India. **Gaurav Gupta Country head of the Everest group** says that "The value proposition of RPO is still resonate with buyers that are looking for a cost-effective option to withstand the current turmoil and at the same time create an efficient talent acquisition process that can be scaled up quickly when business environment improves," **Infosys, Wipro , People Strong, IPlace ,Mercer and caliber point** are the few Indian players who had tapped the coming market while Western suppliers such as Momentum and PeopleScout are also leveraging India for delivering RPO services.

IX. FUTURE TRENDS IN RPO'S

Let's have a look on certain future trends into recruitment for 2018 and contribution of RPO service providers towards those trends:

- **Data Analytics:** Data Analytics is now considered a future trend into recruitment. Due to RPO companies, recruitment professionals have changed from intuition based to data oriented decisions. In Indian context, almost 55% accounts for analytics usage and this will increase considering the entry of analytics in workforce planning and utilization. RPO helps in efficient data management for talent acquisition.
- **Candidate experience:** Through using (Recruitment Process Outsourcing) RPO service, companies are portraying respectful image in order to develop candidate experience. Top and deserving candidates are now willing to join companies that regulate proper recruitment processes for better candidate experience. Recruitment Process Outsourcing thus helps in attracting the best talent for your organization.
- **Outsourcing:** RPO consultants are now using social media tools and analytics for outsourcing candidates. More than 90% resources use social media as recruitment tool and this figure is expected to grow. Job and candidate matchmaking is now possible with technology oriented RPO service providers.
- **Employer branding:** The concept of employer branding is emerging. Many employers are taking the marketing perspective in order to meet the recruitment needs. They are using social media channels, video marketing and making their employment provision a brand. This being an upcoming trend, RPO consultants are into employee branding and against the traditional methods.

For RPO consultants, the above future recruitment trends are expected to change recruitment scenario. Recruitment process outsourcing will help to deal effectively and contribute positively to recruiters with these trends.

X. CONCLUSION

Recruitment process outsourcing is one of the best strategy adopted by the organizations globally which helps them to save the cost, time and improves the quality of recruitment. The human side of the organization has suffered from along with the profitability because the recruitment partners are sometime unaware the structure, culture, values and system of the organization and therefore fail to nurture commitment and loyalty among employees. Despite of all this the RPO is going to gain its momentum because in the last couple of years Indian companies have really understood the benefits of the RPO and the number of companies availing this service is increased. In India RPO is not only going to be the solution for their clients but it is going to provide the huge opportunities to the HR Professionals and the IT experts to make their career in the HR Industry.

Thus, Recruitment Process Outsourcing is both a tool and a rescuer used by the organizations to fill the talent leakage by providing right people at right time at the right price benefiting the candidate client and the company.

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