



The Baker's Dozen

THE TOP 13 PROVIDERS OF END-TO-END RPO. BY DENISE DOIG

Welcome to our fourth annual listing of the top recruitment process outsourcing providers. Each year, more companies turn to RPO providers to fulfill their hiring needs. As the market continues to grow, we have seen an influx of self-professed RPO providers. Some new faces have moved from the staffing side and expanded on their service offerings to include RPO. Others recently branded their solutions under the RPO umbrella. Needless to say, 2005 was a very big year for recruitment.

HRO Today defines recruitment process outsourcing services to include: sourcing; screening; testing; interviewing; background checks and drug

testing; hiring; coordinating the offer letter; onboarding; maintaining applicant tracking logs, requisition, and candidate files; reporting; and training. Full-service RPO runs the gamut—from finding the candidate to hiring a new employee and almost everything in between.

Of 26 full-service RPO providers polled, we halved the list to 13. We asked all the important questions: how many employees were placed using RPO, who are your biggest competitors, how do your competitors fall in relation to market size, who are your brand name clients, and what services do you offer? We got the answers and then went back to ask more.

This year we listed the final 13 providers alphabetically and included their estimates of the number of employees placed with end-to-end RPO. Not only are there three new additions to the list this year, but what is most interesting are the numbers. Every provider here has stepped it up a notch and placed more employees than the year before.

Also included in this year's section is more interesting buyer feedback, a boatload of case studies, a look at what to expect for the future of RPO, a day in the life of an RPO on-site provider, and tips on managing the cost of RPO. We hope this helps you better understand outsourced recruitment programs.

Methodology: This list was developed by contacting 26 of the largest RPO providers and requesting the following information: number of full-service RPO placements executed in 2005, estimates on the number of placements their top 10 to 15 competitors executed in 2005, and a ranking of their top 10 to 15 competitors by number of placements.

The final listing was compiled by averaging the number of placements submitted by the RPO provider with the overall average of their competitors' estimates of its number (industry average) to determine a final number.

Because of the amorphous definition for full-service RPO, we felt a ranking would be a disservice to our readers. Instead, the 13 providers are listed in alphabetical order with a description of services they offer. Also, almost half of those listed could provide us with accurate audits of their 2005 recruitments (required for publicly traded companies under Sarbanes-Oxley). A ranking without audits of all 13 would have been unfair. Providers with a Buyer's Choice designation indicates key service elements praised by HRO buyers surveyed by HRO Today.

*Number provided by the vendor.

| Company | * Employees Placed Through RPO (2005) | URL |
|---|---------------------------------------|--|
| ADECCO Providing outsourced recruiting services as well as customized HR solutions from both a temporary and permanent perspective is at the core of what Adecco offers a wide array of clients. Registered in Switzerland, Adecco has more than 6,600 offices in more than 70 countries and territories and approximately 33,000 colleagues, including a multinational senior management team with expertise in markets spanning the globe. Up to 150,000 clients depend on Adecco to recruit the most qualified candidates to meet diverse and/or global needs through its vast network of locations. Today, Adecco brings consultative HR and outsourcing solutions to companies of all sizes. The Adecco Group worldwide is composed of eight integrated business lines providing services through multi-process recruiting outsourcing solutions and staffing. RPO Client(s): Confidential Services: Talent strategy consulting, employer branding, talent research, passive and active recruiting, applicant tracking and requisition workflow, onboarding, talent management including leadership development, workforce restructuring services, executive search services and non-executive permanent hiring services, temporary and contingent staffing services, hiring process | 19,500 | www.adecco.com |

| Company | *Employees Placed Through RPO (2005) | URL |
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support and automation services (i.e., prescreening, testing, assessment, background checks services), outplacement, customized reporting and analytics

Most Common Metrics: Time to respond to open requisitions, number of candidates submitted per open requisition, conversion ratios of candidates presented for consideration versus hires, time to fill a requisition, time to onboard candidate, adherence to customer diversity initiatives or collective bargaining agreements, candidate source analysis (e.g. external sources versus internal sources), percentage increase in customer talent pool (e.g., customer database growth), benchmarking recruiting efficiency, and cost-per-hire.

AON CONSULTING WORLDWIDE

19,500

www.aon.com/rpo

Aon Consulting's RPO is available as an end-to-end solution or as a specific recruiting service, such as job requisition management, candidate sourcing and intake, applicant tracking, screening and assessing, scheduling, offer management, background and substance coordination, and reporting. Aon offers a centralized, on-site or hybrid outsourcing solution designed to help companies hire qualified employees, effectively and efficiently. Its global staffing experts use a methodology that combines technology, people, and process to optimize recruitment functions across the enterprise. Aon Consulting is among the top global human resources consulting firms, with 2005 revenues of \$1.26 billion and 7,000 professionals in 120 offices throughout the world.

RPO Client(s): Verizon, DaimlerChrysler, AT&T, CSC, Wyeth, Pfizer, GE

Services: Candidate sourcing, talent acquisition strategy and review, requisition management, hourly contract recruiters, applicant tracking management and support, resume processing and screening, candidate screening, validated job assessments, job role-plays or simulations, interview management and coordination, background and drug screen coordination, EEO and other compliance reporting, university recruiting, candidate call centers, call center performance and monitoring

Most Common Metrics: Candidate sourcing efficacy, cycle-time-to-hire, cost-per-hire, new-hire turnover, new-hire productivity, candidate-diversity reporting/EEO, candidate fall-out at hiring stages, hiring-manager and candidate satisfaction.

CRI, INC

8,500

www.crihire.com

CRI is a nationwide RPO service provider dedicated to helping *Fortune* 1000 companies build talent-driven organizations through identifying, hiring, and retaining the top talent in their industry. CRI successfully empowers companies to leverage their employer-of-choice brands by designing, implementing, and operating a proven new hiring process that integrates people, process, experience, and technology with existing recruiting functions. Offering a flexible, scalable alternative to traditional recruiting models, CRI's comprehensive and customized suite of recruiting and staffing solutions dramatically increases the quality of hires and seamlessly integrates with any HR function.

RPO Client(s): Edward Jones, General Dynamic, Genworth Financial, KB Homes, Nestle, USA, Red Bull North America, The Walt Disney Company, Xilinx

Services: Full-scale RPO engagements; recruitment assessment consulting; recruitment branding and advertising campaigns; services on demand; resume response; behavioral interviewing; job description charting; organization charting; candidate sourcing; candidate pre-screen; applicant tracking system; response management—review, screen, and assess large volumes of resumes based on specific hiring criteria; sourcing and recruiting certification (training and certification program to train client staff); interview training for managers (interviewing techniques training program); recruiting audits/process design strategy

Most Common Metrics: Standard metrics available online through a web-based applicant tracking system; candidates sourced (active/passive); source origination; screened candidates (approved/completed); and interviews completed (first/second/final offer and accept/decline). Ad hoc reporting metrics—time-to-fill, hiring efficiency, diversity, turnover, source effectiveness, geographic



Best 3 Services:

1. Recruiting administration
2. Effective and consistent quality hires
3. Discipline focused hiring teams

| Company | *Employees Placed Through RPO (2005) | URL |
|---|--------------------------------------|--|
| <p>trending, customer satisfaction, candidate per source, days to qualified submittal, hires-per-source ratios, efficiency, submittals to screens, screens to interview, interview to offer, offer to hire, and submittals to hire.</p> | | |
| HYRIAN | 12,000 | www.hyrian.com |
| <p>Hyrian is a full-service, high-volume RPO provider to the <i>Fortune</i> 500. Hyrian OnDemand cost-effectively delivers the power of a <i>Fortune</i> 500 recruitment department to businesses as small as 100 employees.</p> | | |
| <p>RPO Client(s): United Health Care, PacifiCare, Ameriprise Financial, Quantum Technologies, Ingenix, Exante Financial Services, Mamsi, Uniprise, i3 Research, ACN Group, Unimerica—Workplace Benefits, Optum, Oxford Health Plans</p> | | |
| <p>Services: Process mapping and design; recruitment marketing, advertising and events; custom technology design and implementation; candidate sourcing; in-depth candidate interviewing and evaluation; offer management; reference checking and background screening; onboarding; quality assurance and measurement</p> | | |
| <p>Most Common Metrics: Time-to-hire (typically 50 percent faster than national averages), presentation-to-interview ratios, interview-to-hire ratios, hiring manager satisfaction, frequency of client contact, and cost-per-hire (which averages one-fifth that of search firms).</p> | | |
| KELLY HRFIRST | 22,000 | www.kellyservices.com |
| <p>HRfirst is a business unit of Kelly Services that specializes in providing recruitment process outsourcing solutions and customized global hiring programs that integrate people, process, and technology to offer a comprehensive, enterprise-wide, direct-hire staffing solution for our clients. HRfirst has been in business for more than 11 years.</p> | | |
| <p>RPO Client(s): GE, Pepsi, American Express, State Street, Wyeth Pharmaceuticals, Rockwell Johnson & Johnson, and Kraft</p> | | |
| <p>Services: High-volume, direct-hiring projects (customized to clients direct-hire initiative to meet urgent staffing needs to recruit and hire multiple employees with similar skill sets within a defined time frame); recruitment process outsourcing programs (offers a comprehensive, enterprise-wide, direct-hire outsourced staffing solution); HR program management services management of the employee referral programs; college recruitment and student programs; supply-base management (manages external direct hire supplier networks to fulfill 100 percent of the client's requirements, including niche skill sets)</p> | | |
| <p>Most Common Metrics: Overall cycle time, sub-cycle time, customer satisfaction, source of hire, diversity cost per hire, and compliance.</p> | | |
| KENEXA | 34,800 | www.kenexa.com |
| <p>Kenexa provides outsourcing, employee research and software to help companies hire and retain a productive workforce.</p> | | |
| <p>RPO Client(s): Microsoft, Corning, Sun Microsystems, Schering Plough, Beckman Coulter</p> | | |
| <p>Services: Requisition development, sourcing, screening, process management, administration, skills testing, behavioral assessment, applicant tracking, employee referral program administration, employment advertising strategy, EEO program development and reporting, onboarding, ongoing retention programs</p> | | |
| <p>Most Common Metrics: Time-to-fill, cost-per-hire, diversity indices, source effectiveness, employee referral, funnel ratios, compensation metrics, and workforce planning metrics.</p> | | |

 Buyer's Choice
Best 3 Services:

1. Administration of candidate data
2. High-volume recruitment management
3. Analysis of recruitment efforts

 Buyer's Choice
Best 3 Services:

1. Quality candidate generation
2. Applicant tracking and sourcing
3. Cost savings

| Company | * Employees Placed Through RPO (2005) | URL |
|--|--|--|
| <p> Buyer's Choice</p> <p>Best 3 Services:</p> <ol style="list-style-type: none"> 1. Requisition management 2. Candidate screening 3. Direct-hire placement | <p>MOMENTUM (a Volt Information Sciences company)</p> <p>Momentum, a Volt Information Sciences company (VIS), is a Six Sigma organization and \$2.2-billion talent acquisition and technology leader. As a <i>Fortune</i> 1000 company, VIS is one of the largest workforce solution providers in the U.S. Its solutions are customer-centric, respond to the voice of the customer, and are executed by certified project managers. Momentum has been delivering RPO solutions under the VIS umbrella since 1997. Its RPO solutions provide a range of options, starting at the requisition process and extending throughout the hiring lifecycle, including onboarding. Momentum provides RPO solutions on three continents for customers in a variety of industries, including aerospace, manufacturing, pharmaceuticals, semi-conductor, technology and telecommunications.</p> <p>RPO Client(s): Current customers include many of the leading <i>Fortune</i> 500 organizations, such as, the world's largest aerospace manufacturer, the world's largest truck manufacturer, a world leader in the semi-conductor manufacturing industry, and a major midwestern pharmaceutical company.</p> <p>Services: Requisition management, sourcing, screening, candidate presentation, offer processing, onboarding, hiring, technology, recruiter support</p> <p>Most Common Metrics: Time-to-fill, aging requisitions, submittal-to-hire ratio, cancelled requisitions, customer satisfaction, cost-per-hire, diversity, sourcing effectiveness, internal candidates hired, offer-acceptance ratio, recruitment-efficiency ratio (RER), cost containment/reduction, and cost of vacancy. Momentum also provides Six Sigma benchmarking including breakout by division, business unit, or other differentiator; measures of spread, variability, or central tendency; correlation and capabilities analyses; and hypothesis testing.</p> | <p>28,116</p> <p>www.voltmomentum.com</p> |
| <p> Buyer's Choice</p> <p>Best 3 Services:</p> <ol style="list-style-type: none"> 1. Screening high-volume candidates, saving significant time 2. Ensuring quality candidates, increasing hiring ratios 3. Customer service—being responsive, professional, timely, thorough, and proactive | <p>PEOPLESCOUT</p> <p>PeopleScout has been involved in RPO since 1992. It developed proprietary software and proven revolutionary processes that simplified and standardized candidate sourcing, selection, hiring and retention. PeopleScout takes ownership for every aspect of the recruitment process that clients wish to outsource and takes full responsibility for improving the output. By helping clients implement an enterprise-wide or program-specific recruitment solution, PeopleScout decreases time to hire, improves fill rates, increases the quality of human capital, reduces early-stage turnover, and minimizes administrative effort.</p> <p>RPO Client(s): Some of the largest employers in telecommunications, banking, retail, transportation, utilities, hospitality, and customer service</p> <p>Services: Recruitment strategy design, job analysis and requisition management, sourcing, response management, screening and assessment, behavioral interviewing, interview schedule management, on-site contract recruiting, background checks, applicant tracking, hire administration, onboarding, new hire retention programs, exit interviews, system integration, reporting and analysis, EEOC and WOTC, contingent/temporary labor</p> <p>Most Common Metrics: Retention, cost-per-hire, cycle time, fill rates, candidate quality, hiring ratios, source effectiveness, candidate satisfaction, hiring manager satisfaction, candidate diversity per slate, and exit analysis.</p> | <p>8,180</p> <p>www.peoplescout.com</p> |
| <p> Buyer's Choice</p> <p>Best 3 Services:</p> <ol style="list-style-type: none"> 1. Candidate prescreening/qualification 2. Customer service 3. Applicant flow management | <p>THE RIGHTTHING, INC.</p> <p>The RightThing, Inc. focuses solely on recruitment process outsourcing to help companies assemble a winning workforce while reducing operating expenses. Led by a team with more than 15 years of RPO experience, The RightThing has provided customized solutions and instant scalability to hundreds of clients across many industries. This individual attention has enabled The RightThing to experience extraordinary client retention and satisfaction results and also provide a positive candidate experience.</p> <p>RPO Client(s): Merck & Company, Kellogg's, U.S. Steel, Cardinal Health, GE, Unisys, Novartis Pharmaceutical, ING, CVS Pharmacy</p> | <p>17,500</p> <p>www.rightthinginc.com</p> |

| Company | * Employees Placed Through RPO (2005) | URL |
|--|---------------------------------------|--|
| <p>Services: Staffing process consulting, recruitment and sourcing, candidate intake and prescreening, test and event administration, behavioral and technical-based interviewing, scheduling and process logistics, candidate onboarding, database management</p> <p>Most Common Metrics: Cost-per-hire, overall cycle time, diversity, interview-to-hire ratio, candidate satisfaction, and hiring manager satisfaction</p> | | |
| SPHERION CORPORATION | 25,500 | www.spherion.com |
| <p>Spherion fills more than 125,000 direct hires per year for its clients. In 2005, 20 percent of those positions were filled via an RPO solution. Spherion has more than 60 years of recruitment process management expertise and in-depth experience in sourcing for a wide range of skill sets. Candidates are sourced by a dedicated RPO recruiting team of more than 300 recruiters, 95 percent of whom have more than five years of professional recruiting experience. Spherion's RPO solutions source candidates for a broad range of skill sets, including IT, sales, marketing, administrative, engineering, and finance and accounting. Spherion also has a team of industrial psychologists who provide expertise, support, and best-in-class assessment tools for candidate selection. In 2005, Spherion processed more than one million prescreens and assessments. Spherion's RPO solutions are customized based on the unique needs of each client and range from off-site engagements with standardized workflows to on-site models with heavily customized hiring processes. Solution flexibility is further enhanced by the ability to work with multiple ATS technology environments, including Peopleclick, Taleo, Oracle, Brass Ring, etc.</p> | | |
| <p>RPO Client(s): Eastman Kodak, W. W. Grainger, Capital One, United Airlines, Zurich, Cisco, and others</p> | | |
| <p>Services: Solution process design and business case development consulting, implementation and change management service, scalable sourcing and pre-recruitment pipeline services, screening, assessment testing and behavioral interview service with IVR platform option, scheduling and interview administration, background investigation and diversity compliance management, offer-letter and onboarding management with orientation training, process and performance management with 24/7 report and analysis platform, applicant tracking system (ATS) technology integration support, account governance</p> | | |
| <p>Most Common Metrics: Predictive pipeline modeling, sourcing effectiveness, time-to-fill, interview-to-hire ratio, offer-acceptance rate, time-to-start, diversity, hiring manager and candidate satisfaction, slate quality, ease of doing business, and account management quarterly reviews, cost-containment and cost-reduction goals, pay rate and ongoing market-sourcing analysis, and annual recruitment process management improvement.</p> | | |
| STRAIGHTSOURCE | 7200 | www.straightsource.com |
| <p>Involved with RPO for more than 10 years, StraightSource is the 2006 HR Outsourcing Association RPO Provider of the Year. StraightSource uses proven talent, innovative tools, and a Six Sigma-based methodology to fortify the HR function with increased value, reduced costs, improved hires, and more control. With a service-delivery model that is designed to consistently execute a high-quality recruitment process, client organizations are synchronized to meet ever-changing recruitment and retention needs. StraightSource also provides a customizable scope of offerings that meets the needs of organizations large and small—as a complete service solution or as unbundled, stackable modules.</p> | | |
| <p>RPO Client(s): Confidential</p> | | |
| <p>Services: Recruitment strategy, job analysis, selection process design, selection process validation, candidate generation, applicant process/selection, search, recruitment management system (RMS), recruitment administration, background/drug screening, EEOC/DOL/OFCCP compliance and reporting, WOTC tax credit reporting, vendor management, metrics/analysis, referral program management, college recruiting</p> | | |
| <p>Most Common Metrics: Financial, employee retention, employee productivity, hire quality, fill rates, cycle time, and customer satisfaction.</p> | | |

**Best 3 Services:**

1. Sourcing of candidates
2. Screening candidates
3. Service centers

Company

* Employees Placed
Through RPO (2005)

URL



Buyer's Choice

Best 3 Services:

1. Candidate search/sourcing difficult positions
2. Total recruiting cost management
3. Recruitment process consulting (governance, weekly consulting calls, etc.)

TALENTTRACK

11,353

www.talenttrack.com

TalentTrack is a national provider of end-to-end recruitment process outsourcing solutions to fill a high volume of difficult-to-fill, permanent, full-time, part-time and per-diem positions quickly and cost effectively. With 60 percent of its business in the healthcare industry, TalentTrack is on pace to fill more than 8,000 clinical positions in 2006. Its approach is seamless, and TalentTrack can manage the entire recruitment process from planning to talent acquisition to onboarding of the new hire through talent assimilation and optimization initiatives. TalentTrack's talent management solutions are offered on a staff augmentation basis, event/pilot-based, or long-term agreements. There is a defined beginning and end to these projects. Often times, clients have a need to acquire a large amount of talent within a specified time period due to an expansion, a relocation of services, or a facility start-up. TalentTrack guarantees results for clients through the development and implementation of service and operating-level agreements that define the performance metrics for both parties. As a result, TalentTrack has met or exceeded every guarantee and has never paid a penalty. Its unique "true up" pricing model provides clients with the capability to "pay for performance" on a real-time basis.

RPO Client(s): Tenet Health, HCR Manor Care, Owens Corning, First Data Corporation, Royal Bank of Scotland, Foremost Insurance, Hudson Group, Baptist Health South Florida, Welcome Wagon, Dealer Tire, 5/3 Bank, Shands University of Florida Health System, TNS, Akron Children's Hospital, NurseFinders, Citizens Bank, Dublin Partners, Orica USA, Sourced Solutions Group, Rieter Automotive

Services: HR back-office and e-recruiting (offers an effective staff augmentation strategy placing highly skilled, certified talent management personnel at the client's site, offsite, or virtually to assist in delivering the staffing solution); event/pilot-based outsourcing (designed to work with the client's talent management team to develop and implement a solution that will meet the needs of the organization; this short term solution can lead to an on-going long term engagement); long term/ongoing outsourcing (both organizations operate a total talent solution that is best for all involved, meeting the short- and long-term goals of the organizations; ongoing outsourcing not only includes transition but transformation as well as access to best in class technology.

Most Common Metrics: Cost-per-hire, time-to-fill, numbers of candidate presentations to interviews, applicant sourcing reports, customer satisfaction, and new-hire and exit surveys

YOH HR SOLUTIONS

10,720

www.yoh.com

Yoh delivers talent and outsourcing services to customers in the U.S. and U.K. As one of the largest staffing services firms domestically—with more than \$365 million in total sales—Yoh operates from more than 80 locations and provides long- and short-term temporary and direct placement of technology and professional personnel, as well as managed staffing services for the information technology, scientific, engineering, healthcare, telecommunications, and industrial communities. Yoh is part of Yoh Services LLC, a Day & Zimmermann Company. Yoh has spent the past decade helping forward-thinking organizations avoid profit-draining practices of interviewing the wrong candidates and the effects of poor hiring decisions. The process is about the candidate and gaining the correct fit for them. This enhances the quality of candidates and hires for clients. It further increases value by longer-term retention due to fit achieved not only from skills but culture and other attributes related to a successful hire. Technology is an enabler and not the primary vehicle to communicate with candidates and clients. Yoh has deployed many tools that create efficiency where automation makes sense, leaving more personal attention to all the process stakeholders. Candidates provided are ready to hire, and all have been screened for technical competence, prerequisites, and cultural fit.

RPO Client(s): GE, Givaudan, SAP, Freddie Mac

Services: Talent forecasting, job requisition development, sourcing strategy, recruitment, program management, onboarding

Most Common Metrics: Yield statistics, success conversion, initial quality (–sourcing, quality of hire, cost-per-hire, and cycle time-to-hire). 

Recruitment Buyers Weigh In

WE SURVEYED 33 CLIENTS OF THE TOP RPO PROVIDERS FOR THEIR FIRST-HAND INSIGHT ON OUTSOURCING RECRUITMENT SERVICES. THE FOLLOWING ARE THEIR THOUGHTS ON RPO.

Most important qualities to look for in a full-service RPO provider?

1 Flexibility

2 Time to fill/speed

3 Experience/sourcing expertise

4 Quality of candidate

Other areas:

- Understanding of company culture
- Customer Service
- Low costs
- Trained and dedicated service team
- Understanding of business
- Scalability
- Responsiveness
- In-place technology

One thing HR departments most often overlook when recruiting potential employees

Just like last year, fit—motivational, organizational and cultural—was the preferred answer. Clients want candidates who have the right skills and who will also enjoy their experience at the company. However, many feel that quality is being overlooked for quantity. One respondent stated, “Right skills are only half the puzzle....Will they be happy and feel professionally rewarded because their values and plans matched that of the company?”

- Background/reference checks
- How to retain the candidates chosen
- HR departments often are more concerned with “filling seats” vs. making the right hires
- Time and effort involved in transitioning to a new employer
- Hiring based on talent
- Realistic career expectations
- Multi-channel recruiting strategies including research and candidate relationship management
- Documented historical performance is often overlooked—emphasis is on interview and technical skills
- Good job specs
- HR departments have a habit of wanting to do it all and not making as much progress with too much on their plate
- Often HR gets stuck in the busy work and doesn't move into strategic work when it comes to recruiting
- Career mobility
- Potential of candidates
- Forward planning/succession planning for candidates
- Consistency between hiring managers
- The skill set capabilities of candidates as they functionally relate to the specific skill-set requirements of the position
- Tools and resources to recruit the best candidates
- Not asking the correct questions to the applicants/candidates to discover their potential as a fit for other opportunities
- Positive team culture—how employees are treated, rewarded, and held accountable
- Executing on an approach that leaves a positive impression on the candidate regardless of whether they were offered a position
- Not considering recruitment as an investment
- Assessment of long-term potential vs. short-term contribution
- Setting up a recruiting environment and providing the organizational tools that allow for proactive recruiting vs. reactive. Often, recruiting can fall into the “who is available” mode vs. proactively looking for the best available.
- The importance of selling candidates on the company
- Level of interest in the company
- The candidate's perspective on the recruitment process

Top 3 trends in the recruitment market

1 Increased Outsourcing; specifically RPO (30%)

Although down a few points from last year, buyers still have positive predictions for outsourcing. As RPO continues to spread like wild fire, internal HR executives are looking to outsource transactional and up-front administrative work. Interestingly, a few mentioned offshoring as well.

2 Labor Shortages (27%)

As the labor pool continues to tighten, employers are concerned that finding highly qualified employees will become increasingly difficult. The scarcity of good employees will force employers to become more creative in their hiring approach such as passive sourcing.

3 Competition for Candidates (16%)

Finding quality candidates is extremely competitive. Everyone is looking for experienced candidates, especially technical and scientific staff. Because candidates have several options on the table during the interview process, its difficult to recruit for hard-to-fill positions.

Other trends include:

- High-volume/non-exempt recruiting is really moving to technology-based recruitment solutions.
- Global recruitment needs are growing rapidly, along with global mobility of bilingual/ multicultural candidates
- Customers no longer want sourcing done via online job posts; they want more interactive services.
- Applicants are much more prepared and savvy with the interview/recruitment process
- Addressing quality-of-life issues to adapt to the applicant's personal needs.
- Acceleration of the trend towards "knowledge-based workers" and closer evaluation of the value proposition between on-shore, near -shore, and offshore hiring options.
- Increased market demand for quality recruiters.

Biggest challenges associated with RPO:

- Overcoming internal resistance to get managers to buy in
- Communication between the company and the third-party vendor, and communication of company vision and growth path to prospective employees
- The company you outsource should understand what you do and what the "fit" is at your company
- Reporting and metrics
- Finding a partner with similar attributes/core values as you
- Change management and integration of the outsourcing provider and buyer
- The ability to stay on top/manage the process remotely
- Defining what is "in" and "out" of scope
- Response time and cycle times
- Communicating the ideal candidate profile
- Understanding of the company's needs/direction married with the recruitment strategy
- Having a good rapport with the RPO provider
- Loss of control of some processes
- Trusting the vendor to do what you want done and the way you want it done
- Training the outsourcing vendor to understand our company's processes and then devoting time to focus on follow-up training to ensure quality
- Getting the vendor to think like we do; to see applicants as we would see them; and to evaluate them as critically as we do
- Staying in sync with quality-of-hiring decisions
- Finding a partner who can truly deliver on what they have committed
- Technology: if the RPO vendor and the firm have different ATSs, there may be an issue with data integrity as files are transferred
- Ensuring that internal processes and policies are developed and consistently applied
- Balance of personal touch versus cost reduction HRO