

Recruitment Process Outsourcing: How to Leverage Talent Outsourcing to Hire the Best Talent and Save Money



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A company's employees are arguably one of its most important and valuable resources. Without the right talent, even the most successful business will begin to flounder and lose its competitive edge. Keeping up with staffing demands can be very challenging even in the best of times.

The disruptions caused by COVID-19 and its aftermath have exacerbated this situation, making it extremely difficult to fill critical open positions. Complicating matters further, Forbes predicts that there will be over five million IT jobs added globally in the next five years. Therefore, companies searching the market for talented individuals are often turning to recruitment process outsourcing (RPO) to identify the right candidates.

What is recruitment process outsourcing?

Outsourcing talent acquisition, also known as recruitment process outsourcing, is a way for companies to concentrate on their business objective while working with a skilled third-party staffing organization. A reputable RPO partner contributes the expertise required to locate viable candidates and can save a company from the costs of making a poor staffing choice.

A dedicated RPO partner brings a wealth of knowledge, tactics, and technology to the process of identifying and ultimately hiring the right person for a given position. Working with the right RPO partner will alleviate pressure within the HR department, while simultaneously filling positions with well-qualified and vetted candidates.

The costs of bad staffing decisions

Bad staffing decisions can result in a company incurring significant and avoidable costs. It is a very expensive proposition to go through the training process with a new employee only to discover that they were never a good fit for the position in the first place. The following are some of the problems associated with making the wrong staffing decision.

- Companies face substantial monetary losses when making a wrong hire. The costs can range up to **30% of the employee's yearly earnings**. Factors that influence the exact financial hit include the employee's salary and their position within the company. Additional factors include the length of time the individual holds the job and the amount of training they received throughout their employment.
- Team motivation and productivity can be negatively impacted by ineffective staffing choices. Hiring an individual who is a bad fit for a specific role not only affects their ability to thrive but can also bring down the morale, motivation, and productivity of the entire team. A single poor hire can have a snowball effect that brings down the effectiveness of a whole department.
- A company's brand value is perhaps more important today than ever before. A strong employer brand reduces turnover by 28% and cost-per-hire by 50%, according to **research by LinkedIn**. A company's brand includes how they show up on their website and social media channels and in job search databases. Potential candidates obtain information on target companies before embarking on a job search and often provide feedback related to their employment experience. Bad

feedback from poorly selected past employees can hurt a company's online reputation and make it harder for them to attract and retain qualified individuals.

Using technology for enhanced talent recruitment

Advances in artificial intelligence (AI) and machine learning (ML) have provided recruiters and hiring managers with powerful tools with which to make their staffing decisions. These advanced technologies can be used to furnish talent intelligence (TI) to human resource staff and recruitment teams.

Most businesses cannot match the effectiveness and efficiency of an RPO with in-house resources. The use of TI-based tools and the expertise brought to the table by an RPO organization results in a powerful combination that can lead to better and more timely hiring decisions. Providing higher-level candidates and employees gives a business a competitive edge over its market rivals that is hard to match by most internal HR departments.

The benefits of recruitment process outsourcing

While there are millions of open jobs, there are fewer eligible candidates. According to a recent report by [Wall Street Journal](#), there is a gap of more than 1.6 million jobs.

Job seeking and hiring practices have changed in recent years and recruiters are putting more emphasis on improving the quality of hire, increasing retention rate, and improving time-to-hire, [according to Jobvite](#). Companies that engage an RPO partner employing TI tools stand to enjoy these benefits over organizations relying on traditional staffing methods.

Following are some of the advantages of working with a reliable RPO service.

- **Locating higher quality candidates:** TI tools use advanced models to identify the right candidates for positions. The analytics provided by these advanced models shorten the time to successfully find, hire, and onboard the right person for the job. HR departments can focus on internal affairs while allowing the RPO partner to provide a steady stream of eligible and qualified potential employees. Experienced RPO partners have updated and relevant database of qualified candidates, which is very helpful in closing positions for niche roles.

- **Increasing productivity:** Employee turnover is a very expensive proposition for any company. Bad staffing decisions are the root cause of many failed work relationships. Individuals who are not a good fit for a position will likely either leave on their own volition or be terminated in favor of someone with better qualifications. In both cases, team productivity will be impacted as new employees are brought on and projects are put on hold due to a lack of manpower. Using the services of an expert (an RPO partner) leads to reduced cost (compared to the cost of a bad hire). Additionally, RPO partners are obligated to replace the resource within a reasonable time at no to low cost.
- **Increasing company diversity:** Diversity in employees and corporate leadership are often hallmarks of successful companies. In fact, LinkedIn shows that **77% of talent professionals report that diversity will be a crucial factor in recruiting**. But staffing an organization with a diverse population of employees can be difficult when leveraging a traditional HR approach. The use of TI tools by a qualified RPO partner eliminates any potential unconscious bias in the employee search and screening process. Candidates are chosen based exclusively on their qualifications, providing employers with top-notch personnel to fill their open positions.
- **Accelerating the hiring process:** Hiring managers are tasked with making the final decision from among the qualified candidates presented to them. A manager working with a TI-friendly RPO is in a good position to quickly and effectively fill open roles within the company. A streamlined avenue of communication between recruiters and managers allows the most qualified candidates to be identified quickly, allowing companies to complete the hiring process and get on with their challenges of meeting business objectives. If a new hire does not work out, some RPO partners even replace resources in a reasonable time at little or no added cost.
- **Improving recruitment flexibility:** RPOs can help companies that have hiring needs that fluctuate throughout the year. A traditional HR department will not increase staffing just to address the company's need for additional employees. An RPO can dedicate the required resources to fill open positions without putting any undue stress on an organization's HR team.
- **Ensuring compliance with local regulations:** Hiring regulations can vary substantially based on the geographic location of potential employees. Today's globalized business environment often demands that companies hire personnel from many different locales. The extensive knowledge of a dedicated RPO partner will ensure that employers face minimal risks of non-compliance when hiring international or domestic employees.

Conclusion

In today's ultra-competitive business environment, any small advantage can be the difference between a rousing success and a dismal failure. Companies need to focus on their core objectives and cannot afford to waste time and money on an inefficient hiring process that delivers subpar results. Engaging a professional recruitment process outsourcing partner is an excellent way to minimize mistakes made in the hiring process.

The recruitment expertise of an RPO partner allows companies to successfully fill critical roles while concentrating on what makes their business run. Identifying and engaging the right recruitment process outsourcer will make your business stronger and able to address the evolving demands of the marketplace.



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