Recruitment Process Outsourcing Buyer's Guide

Everything You Need to Know About RPO

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CREATIVE RPO

RPO is Rising to Today's Talent Challenges

The rise of digital transformation, globalisation and AI over the past decade have forever changed the way we work. Many organisations have struggled to evolve their talent acquisition strategies to meet these challenges. Shrinking talent pools, growing skills gaps and shifting demographics are driving companies across industries to a recruitment process outsourcing (RPO) model for cost-effective and scalable talent solutions that boost their ability to acquire the talent they urgently need to stay competitive.

As the economy fluctuates, organisations increasingly look to RPO to maximise their ability to flex and scale, hire talent faster, manage their employer brand, and streamline their candidate experience. In today's complex talent market, RPO partners are constantly developing innovative recruitment techniques and technologies to drive results for a variety of clients.

In this guide, we'll walk through the power of RPO, the benefits it offers and what you can expect from a PeopleScout RPO partnership.

What is RPO?

Recruitment process outsourcing, abbreviated as RPO, is a type of business process outsourcing in which an employer transfers delivery of some or all portions of the recruitment process to an external service provider. These facets may include job postings, sourcing, screening, candidate assessments, recruitment technology, offer management, background verifications, onboarding and more.

In the early 2000s, RPO began as a way to support organisations with high volume, low complexity recruitment in a time- and cost-efficient manner. However, RPO offerings have evolved, and many engagements involve niche hiring with technology and talent advisory consulting – including employer branding – added on.

Your RPO team will embed into your organisation and embody your culture, employer brand and values in all their activities on behalf of your recruitment programme. They may sit onsite, work remotely, work offshore or a combination, and they'll usually take on your company name and email domain in their communications.

What RPO is not

An RPO provider is distinct from a staffing agency or headhunter. Staffing agencies identify candidates, obtain their résumés or CVs and submit them to the client.

An RPO partnership brings a higher level of engagement. Your RPO provider will do a deep dive into your talent acquisition goals and challenges and then create and execute a customised recruitment programme – and report back on the results. An RPO is a trusted advisor who can help you gain agility and future-proof your business.

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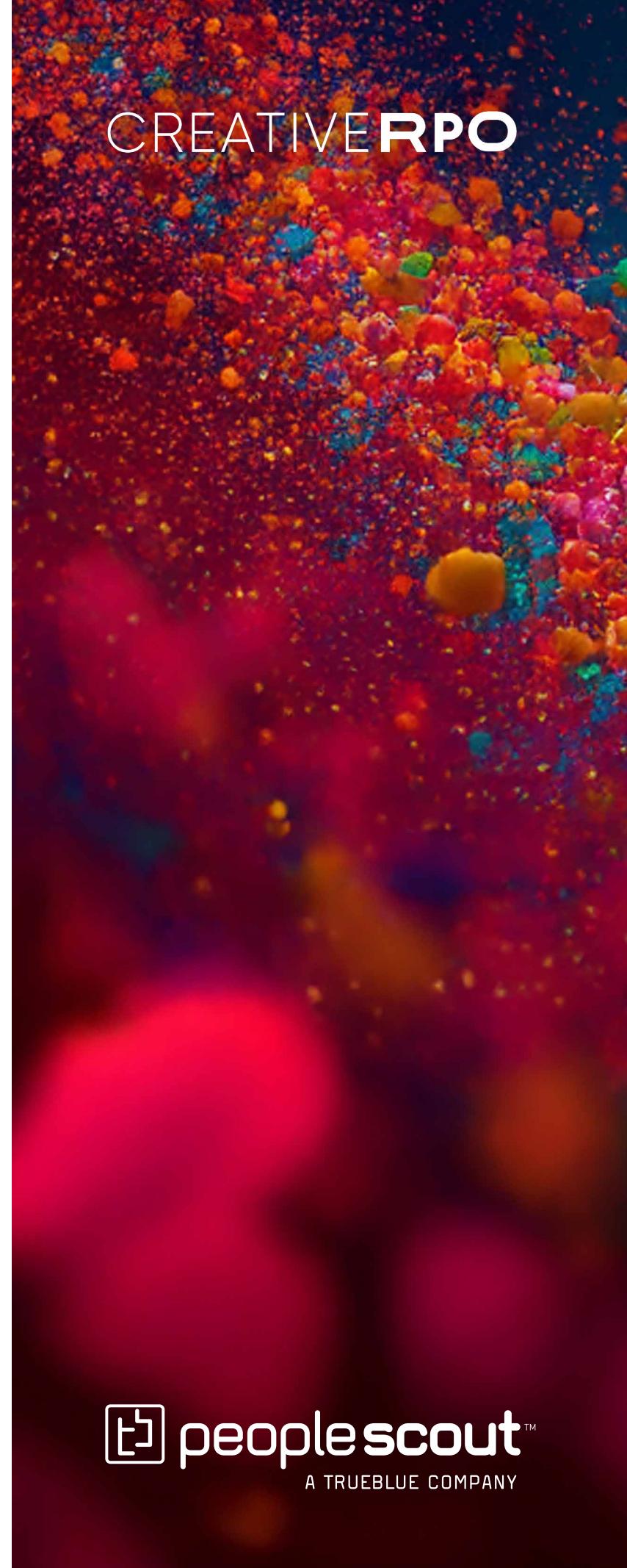
The PeopleScout Partnership Promise

The difference between being a provider and a true partner lies in the whole approach to service. For over 30 years, PeopleScout has built our services on integrity.

Too often we hear from clients about experiences they've had with other RPOs in which one thing was said during the sales pitch only to have the stakes change once the ink is dry. Or times they've been forced into cookie-cutter processes that don't support their unique needs.

That's why at PeopleScout we strive to do the opposite. We believe in keeping promises. We believe that listening creates a better experience and leads to better outcomes. We're not perfect, but if we mess up, we make it right.

We're proud and humbled to say that this philosophy has led to some of the most enduring client relationships in the RPO space.

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Types of RPO

Designed for flexibility, RPO engagements typically fall within the following categories – and everywhere in between.

FULL-CYCLE RPO	PARTIAL-CYCLE RPO	PROJECT RPO	MODULAR RPO
The RPO partner owns the entire recruitment cycle from opening requisitions all the way to presenting and negotiating the job offer – and all activities in between.	The RPO partner covers certain parts of the recruitment process to supplement internal recruitment resources – sometimes referred to as "source, screen, present" or SSP in some regions. For example, the RPO partner might source and screen candidates and then hand them over to the in-house recruitment team to schedule interviews and manage offers.	These RPO engagements typically use fixed-term contracts meant to address specific recruitment challenges such as seasonal hiring peaks, hard-to-fill positions, compressed timeframes and more. The RPO provider is there to augment the in-house team, often due to rapid growth. These engagements kick off quickly, and the required positions are usually filled within a few months.	Modular RPO is a strategic approach to managing the recruitment process in an ultra-focused manner. It involves outsourcing specific components of a talent acquisition programme, or as a supplement to an existing outsourced recruitment engagement, providing quick access to targeted and customised support. With a modular or à la carte approach, you choose from a range of services based on your need in a low-risk way.

Not sure which RPO model is right for you? Speak to one of our experts to learn more.

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Fully outsourcing recruitment may not make sense for all organisations. But that doesn't mean RPO won't provide value if you're not ready to go all in. RPO teams are often used alongside existing in-house recruitment teams. The RPO can complement your current recruitment programme by handling recruiting for specific job groups, locations or business units.

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What Does RPO Include?

RPO is not a one-size-fits-all solution. A leading RPO partner will customise its service to match your challenges and budget, which could include any or all of the following talent acquisition activities:

SCOPING & INTELLIGENCE	ATTRACTION & SOURCING	SCREENINGS, INTERVIEWS & ASSESSMENTS	PRE-EMPLOYMENT & ONBOARDING
• Labour market insights and talent mapping • Technology evaluation and implementation • Process audit and recommendations • Defining SLAs, reporting and analytics • Workforce planning consulting	• Employer branding and employer value proposition (EVP) development • Requisition management • Recruitment marketing and social media • Diversity, equity and inclusion (DE&I) strategies • Engagement with active and passive candidates • Talent pooling	• Candidate journey and experience design • Candidate communications • Pre-screening • Assessment design and delivery • Scheduling and conducting interviews • Hiring manager engagement • Providing feedback to candidates	• Offer management • Reference checks • Pre-employment vetting • Candidate admin and query management • Onboarding activities

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Scoping & Intelligence

Your RPO partner will work closely with you to understand your business needs and challenges. They'll work with hiring managers to understand the core skills and attributes needed for each role and develop an ideal candidate profile. Then they'll analyse the labour markets in which you're hiring to understand the available talent pool as well as any other organisations who employ your ideal candidates. From these insights, they'll develop a recruitment strategy to attract active candidates (who are currently seeking a new job) and engage with passive candidates (who are not currently looking to change jobs).

They'll look at your current recruitment processes, identify efficiencies and make recommendations based on best practice. This evaluation includes your talent technology and assessing for any gaps, making recommendations for new solutions and supporting the implementation process.

At this stage, you'll work with your RPO team to define initial SLAs and KPIs. To start, these are based on benchmark data and are typically confirmed following the first quarter of the contract and reported quarterly. Diversity, equity and inclusion (DE&I) initiatives should also be discussed, so your RPO team can support these goals.

Attraction & Sourcing

Your dedicated recruitment team will manage your requisitions and plan and execute recruitment marketing campaigns through channels that are appropriate for each target audience.

Your RPO team will embody your employer brand in everything they do, and align all recruitment marketing efforts. They should also make recommendations at this stage on how to optimise your employer brand to stand out in the market whether through refreshed creative, social media or even live events.

Once candidates have been identified, your RPO team will start engaging with them and populating your talent pipeline, a database of potential candidates for each role type, to ensure you can fill roles now and as future positions open up. Your dedicated recruiters will leverage career site content, social media, phone, text/SMS, email, live web chat and other means to keep candidates interested and moving through the recruitment stages.

Screenings, Interviews & Assessments

Your RPO team performs a CV screening and will then complete an initial phone, text or video screening or first round interview. By handling these steps, your RPO team saves a substantial amount of time and administrative effort for hiring managers, ensuring they only speak to the best candidates.

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Your RPO provider may also help develop focused assessments to ensure you identify high-performing candidates with the right skills and experience for the role. In addition to designing them, they can help to administer these assessments in a bias-free way, so the best candidates pass to the interview stage.

Throughout the interview process, the recruiter keeps in close contact with the hiring manager to ensure they're prepared for each interview as well as to gather and offer feedback. At the same time, the recruiter also engages the candidate to obtain and give feedback at every stage to ensure their experience is positive regardless of the outcome.

Pre-Employment & Onboarding

Once your hiring managers have made their selection, the RPO team will extend offers to candidates and handle any negotiations or questions. They ensure a smooth and positive pre-employment experience, including speaking to references, handling background checks, evaluating right-to-work documentation and even scheduling drug testing, if required – or working with external vendors to ensure these steps get completed.

Your RPO team will stay in touch with candidates as they transition from their old job to their new position, answering questions along the way and minimising early-stage turnover.

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Is RPO Right for You?

How do you know if RPO is right for your business? Here are some questions to ask yourself:

- Is your talent acquisition approach slow and clunky, so it's not meeting your organisation's talent needs?

- Do you lack the ability to scale your recruitment efforts up or down quickly as your business needs change?

- Are you seeing high dropout rates among candidates or low offer acceptance rates, which could indicate a bad candidate experience?

- Are low conversion rates more pronounced for candidates from diverse backgrounds?

- Are you hearing complaints from hiring managers about the quality of candidates?

- Are new employees leaving your organisation less than a year after joining?

- Do your assessments and other selection tools need to be updated?

- Do your in-house teams lack the cultural literacy to support recruitment in all regions?

- Are your hiring costs going up?

- Is your time-to-fill getting longer?

- Is your usage of talent acquisition technology immature or out-of-date?

- Do you lack access to the right data to make workforce planning decisions?

If you answered "yes" to even a few of these questions, RPO is for you.

PeopleScout POV

Not ready to make a big commitment? We get it. That's why we created Amplifiers™, a curated suite of agile recruitment solutions to meet your short-term talent needs. You get fast results and lasting business impact – without the long contract. If you need a little support – whether it's to augment your internal recruitment team or boost your existing outsourced recruitment provider – PeopleScout has a modular RPO solution that can help you scale up – however it works best for you.

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What are the Benefits of RPO?

Partnering with an experienced RPO gives you access to extensive recruitment knowledge across industries, roles and regions. RPOs have managed every type of hiring campaign imaginable. Whether you need help with one function or end-to-end recruiting, RPO offers advantages including:

Benefits of RPO

Cost Efficiencies:

In the face of rising costs, companies are searching for ways to optimise budgets. RPO providers can help create recruitment cost efficiencies by leveraging offshore and nearshore delivery centres and by integrating technology into the recruitment process to automate certain tasks.

Agility & Scalability:

A leading RPO provider should flex to meet your requirements. Your organisation can scale the amount of work your RPO provider performs to better manage your recruitment cost-per-hire goals and recruiting budget. When you have an increased demand for talent, an RPO provider can promptly scale up your team of dedicated recruiters to keep on top of your increased demands. This works the other way around as well: when there is less demand, we can scale down, saving you recruitment spend. Plus, you avoid layoffs in your talent acquisition team during low demand periods.

Improved Candidate Quality:

As skills shortages and talent scarcity become more challenging, having an RPO team digging into passive sourcing to access niche skills will boost time-to-hire and improve quality-of-hire. RPO providers leverage their comprehensive talent networks and effective screening and assessment tools to produce stronger candidates and more diverse talent pools. This keeps hiring managers happy and helps your organisation achieve its goals.

Better Candidate Experience:

You want your recruitment process to leave every applicant, regardless of whether they get the job, with a positive experience. Your RPO partner can advise on ways to improve the candidate experience, including career site audits, job application recommendations and how to leverage technology to speed up the process and reduce friction.

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Improved Hiring Manager Experience:

Your RPO team reduces the administrative burden on your hiring managers by taking over résumé or CV screening, assessment administration, initial interview steps, candidate communication and feedback tasks. The RPO should take care to prepare hiring managers for interviews, provide them with feedback and identify any candidates at risk of dropping from the process so managers can make informed decisions.

Reduced Time-to-Fill:

The longer a position goes unfilled, the more likely your business is to experience productivity loss – and loss of revenue. RPO teams can find candidates and fill roles faster through talent pipelining. By streamlining and optimising recruitment processes, improving time-to-hire and retention rates, RPO providers can increase your recruiting return on investment and deliver savings to your bottom line.

Technology Consulting:

One of the biggest value-adds that RPO brings is experience with the latest talent technology innovations. An RPO partner can help you identify and implement technology solutions to improve candidate engagement as well as attract better candidates through targeted talent attraction campaigns.

Labour Market Intelligence:

RPO partners have developed a depth and breadth of experience from working across many clients, industries, job types and regions. This expertise can be used to provide labour market analytics and benchmarking data. With access to these insights, you have the data you need to support your workforce strategy as well as tactical business decisions like geographical expansion, new product offerings and salary bands.

Workforce and Talent Acquisition Analytics:

Your RPO partner can provide regular reports to help you understand and optimise your current workforce and talent pipeline as well as offer more in-depth analytics. Forward-thinking RPO providers leverage tech-enabled dashboards that show open requisitions, time-to-fill, time-in-step metrics and more. Plus, these interactive reports let you slice and dice the data by recruiter, location, role, candidate NPS, etc. You can also break down your DE&I metrics to understand more about your candidates and those who receive offers.

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Diversity, Equity and Inclusion:

RPO partners can improve your workforce diversity in a number of ways. RPO teams can advise on how to enhance your employer brand to appeal to a wider audience and then act as brand ambassadors. Through experience collected over many client engagements, RPO teams are knowledgeable about different talent attraction options and can help you expand to new job boards, social media groups, online forums and events to engage more diverse candidates. Plus, RPOs understand the regional nuances of DE&I issues. For example, in Poland, it is not legal to ask candidates their ethnicity, gender, etc.

Global Reach:

Leading organisations are beginning to take a much more holistic view of the talent landscape and are looking for ways to standardise across regions. Working with a fully aligned single partner for multi-country RPO eliminates the need for multiple relationships and saves time and money – while raising the quality of your hires. An RPO provider can be your most valuable partner in global expansion, because they bring a wealth of knowledge and experience gained through working with clients in different industries around the world.

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Launching an RPO Programme

Change can be hard for any business, so it's important to consider the various factors involved in this transition to prepare for the different stages of implementation. The infographic below details PeopleScout's customisable methodology.

NEEDS ANALYSIS	ENGAGE & EVALUATE	EXECUTE	TRANSFORM
• Review existing recruitment processes • Evaluate business goals and objectives – overall and by region • Identify priority job roles and timelines • Define KPIs and SLAs including DE&I measurements for reporting • Assess current technology and identify gaps and opportunities	• Identify key stakeholders across all regions • Understand challenges, expectations and communication preferences • Perform a deep dive into company culture by region (including aspirations vs. reality) • Review and embed into your employer brand and ensure it translates across regions • Evaluate skill sets, job titles, locations and volumes needed • Conduct labour market analysis • Document legislative or regulatory requirements in each country	• Make process recommendations based on our assessment of your requirements • Implement technology and integrate systems • Present standardised process (adjusted as needed for regional and cultural nuances) and obtain sign-off • Launch candidate sourcing and recruitment marketing campaigns (go-live) • Engage hiring managers and other stakeholders throughout	• Provide regular reports and analytics • Update on progress towards agreed SLAs and KPIs • Gather feedback and optimise processes • Present additional opportunities for improvements like employer branding, assessments and candidate communications

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Where Talent Meets Tech: Building Your Talent Acquisition Tech Stack

Digital transformation has hit HR and recruitment, and there's been an influx of new solutions entering the market that offer a range of benefits. You most likely have an applicant tracking system (ATS) in place, but there are many ways to up-level your talent acquisition performance by investing in technology. RPO partners increasingly offer tech consulting and can show you how technologies like artificial intelligence (AI), machine learning and predictive analytics can boost your ability to attract top talent.

PeopleScout POV

Look for an RPO partner that wants to complement your existing systems, so you can continue to maximise your current tech investments. Your RPO partner should help your tech capabilities grow as your needs change.

Just because new functionality is getting a lot of buzz (hello, Generative AI!) doesn't mean it's right for you. Make sure the RPO partner you choose has thoroughly vetted new technology to ensure it's going to create the right experience – both for your candidates and your hiring managers.

Also, your RPO partner should be compliance minded. Any technology you add to your talent ecosystem must comply with data privacy regulations in all regions where you're

recruiting. Pay attention to any rules about where data can be stored, like those stipulated by the GDPR. Look for tools that are ISO/IEC 27001:2022, which shows the provider maintains a high level of information security.

To build out your ideal talent tech stack, you might consider:

Applicant Tracking System (ATS)

An ATS is the foundation upon which you will build your tech stack. This platform acts as the system of record for your talent acquisition programme. As a repository for applicants, it helps you manage the hiring process for all your requisitions and satisfies compliance requirements for record keeping.

Look for a platform that lets you put the candidate in the driver's seat by letting them self-progress through the process with a mobile-optimised, digital experience. A system with configurable workflows will let you streamline everything from candidate screening, scoring, assessments, reference and background checks, interview scheduling and sending SMS and email communications. Not only does this boost recruitment speed for the candidate, but it also reduces the workload for hiring managers.

AI Sourcing & Matching

AI-powered sourcing tools review, sort and rank talent on the open web using sourcing criteria you've previously specified like current or past job titles, previous employers, diversity attributes, industry experience and more. Algorithms crawl résumés and CVs, social media profiles and other sources of data to find a pool of candidates that match your job requirements, help you find and engage candidates faster for lower cost-to-hire.

For example, PeopleScout's proprietary talent suite, Affinix®, boasts AI sourcing which accesses over 1.3 billion public profiles across 23 of the top global job sites within seconds of a requisition opening. It then matches skills based on your job requirements to surface a pool of the best candidates. It will also pull in passive talent from external databases or from your existing talent database to support direct sourcing, internal mobility and redeployment.

Candidate Relationship Management (CRM) Software

A CRM helps you to nurture candidates through automated SMS/text and email campaigns and more – whether to keep them informed during an active application process or to keep them warm until a suitable position opens up. Create talent pools based on geographies, job type, skills and more and personalise communication to the candidate for a more engaging experience.

Leading CRM platforms can supercharge your talent pipeline by creating a multi-channel approach to finding talent. For example, Affinix CRM includes a drag-and-drop career site builder for both external and internal career sites and employee referral portals. In addition, it has built-in integrations with all major job boards, including LinkedIn and Indeed, as well as a job feed gateway to support connections with niche sites.

Recruiting Chatbot

Powered by natural language processing (NLP) and large language models (LLMs), chatbots are a conversational interface that can help candidates through the recruitment journey. Unlike recruiters, chatbots are available 24/7 to provide real-time responses to candidate inquiries, help with the application process, complete initial screening steps and schedule interviews. This reduces the burden on recruiters and hiring managers by taking on some frequently asked questions from candidates about your employer brand, culture and diversity and inclusion.

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Digital Interview Management System

Modern candidates expect the hiring experience to be personal, quick and convenient. A dedicated digital interview solution can help you quickly hire the essential talent you need, no matter where they live or how the demand for remote working changes. Rather than just leveraging video meeting tools, a dedicated digital interview tool offers multiple options for virtual interviews, including text/SMS screening, recorded video interviews or live interviews. Self-scheduling tools and automated candidate advancement tools help streamline the candidates experience, dramatically boosting retention and connection.

Assessment Tool

Digital assessment solutions examine the candidate's writing samples and skills test responses to measure aptitude, personality and skills ensuring you hire the highest quality talent. Platforms may let you create a custom assessment or let you choose from a suite of pre-built skills assessments. Assessments range from code evaluations for software development roles to language aptitude tests – on-demand or live. Make sure you look at the assessment experience from both the candidate and hiring manager experience before committing to a tool.

Integration is important for assessment solutions as it facilitates automated workflows, so candidates get notified of next steps via email or text based on their results.

Recruitment Analytics

With data flowing across your integrated systems, a recruitment analytics platform offers you a single source of truth for understanding your end-to-end recruitment process. Whether you're hoping to track time-to-fill, DE&I efforts or overall talent acquisition performance, these tools will satisfy your C-suite's hunger for insights into your recruitment programme.

Look for a tool with interactive dashboards that make it easy to visually monitor trends and slice and dice the data to identify areas of opportunity – and gain the full value of your recruitment data. Leading analytics tools connect recruitment analytics and talent market intelligence while pulling in business intelligence from across your business to elevate your talent strategy measure talent acquisition performance against organisational goals.

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Onboarding Software

The new hire onboarding process is an essential element of creating a positive employee experience. Not only should it get new employees up-to-speed at your company and in their role, there's also crucial paperwork steps for payroll, taxes, benefits and more.

Digital onboarding software automates and supports the onboarding process – especially important for remote workers. For example, Affinix lets candidates view, digitally sign and accept their offers quickly from a personalised online portal. Hiring managers can craft and customise digital offer letters, ensuring that offers are fast, compliant and aligned with company policies.

For your HR staff, this reduces administrative effort by automating repetitive onboarding tasks like sending new hire reminders, tracking document completion and updating systems. Make sure you consider integration with your HRIS and payroll systems to eliminate manual data entry and reduce errors.

Conclusion

As the world of work continues to change, RPO will also adapt. Forward-thinking organisations will benefit from this evolution and the innovations RPO partners bring to the table. Indeed, the RPO market continues to grow at top speed, providing companies across sectors with pioneering talent acquisition solutions.

Your PeopleScout RPO team will stay on top of the ever-changing talent landscape while you enjoy the competitive advantage of hiring top talent faster.

Ready to learn more about how RPO can help you?

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