

PERSPECTIVE

Evolving Dynamics of Talent Acquisition and Recruitment Process Outsourcing



- Ruchi Dubey

Abstract

Talent acquisition is evolving as the key reference point for employer pulse. Perception of the employer in the market is defined by the way recruitment is conducted. Increasingly, talent acquisition is also under business scanner for the costs involved, ROI, and business impact. Organizations are looking to reduce cost of hiring, while increasing the value provided to business.

Therefore, “hiring right” at lower costs within a market where the “war for talent” is on, calls for new strategies. As a response to this challenge, the Recruitment Process Outsourcing (RPO) has emerged, and gradually we have seen willingness to outsource the talent acquisition function by organizations. Today, services providers are consolidating their offerings to consistently deliver best of talent in a cost-effective manner. This paper addresses the evolving face of talent acquisition and the emergence of RPO.

Introduction

RPO as a service offering is an important solution to any organization that intends to become competitive in the market place, expand globally, become cost effective and increase efficiency of the process or simply trying to focus on core competence areas through outsourcing. The CxOs and HR heads are actively turning to RPO to fulfill the strategic requirements of their hiring and recruitment needs.

Market Needs

The outlook towards talent acquisition is changing. What was once called 'workforce' evolved into 'human capital' and is now known as 'talent' – a more comprehensive description of individuals with attributes they possess. These attributes include skills, experience and aptitude, competence and organizational cultural fit.

It is not about just hiring bodies anymore! It is the complete packaging.

The journey of talent acquisition from traditional hiring at the gates of a factory to today's sophisticated recruitment has been slow yet steady. Today, recruitment has become a snazzy, strategic and competence-driven business function.

Challenges

The 'war for talent' is on; and various phenomena across the globe are only making it difficult to acquire the 'right' talent:

1. Globalization, heightened competition and an excessively mobile talent pool



2. Technological evolution and constant innovation - personnel now exhibit diverse skills. This makes replacement for outgoing employees even more difficult
3. Emerging markets
4. Demographic changes - the Baby Boomers of the 60s are retiring; the inventors and creative geniuses of 70s and 80s are already at the pinnacle of their careers. According to a study,

employees eligible for retirement in the U.S. are outnumbering their teenage counterparts for the first time in more than 60 years¹

With the shrinking of available talent pool, acquiring and retaining high quality talent has become critical to an organization's success. The resourcing team is under mounting pressure to identify, attract and onboard best suited candidates.

¹ <http://magazine.amstat.org/blog/2012/03/01/navigating-work-force-trends/>

How is talent acquisition meeting these challenges?

Talent acquisition has evolved into a more holistic process and has touch points across planning, budgeting, employer branding, staffing, on-boarding and market intelligence where staffing becomes the core function. This also means many more stakeholders and a larger financial impact. Therefore, new strategies are being adopted in staffing which are described below:

1. Sourcing creatively

- **Online recruiting (job boards/ advertisements)** – Focusing on internet based recruitment to reduce costs
- **Passive versus active candidates** - It is said that 75% of the population is looking out for a job, yet the organizations want that elusive 25%. Networking, coaching and constant dialogue with target candidates are the main focus for recruiters to build a strong pipeline
- **Overlooked and underused talent pools** - Such as veterans, women only organizations
- **Professional associations and organizations** - Collaborate with associations, colleges, and local governments to reach out to local talent
- **Global market** – Willingness to migrate talented professionals across locations and countries has opened up newer career paths for those who are keen to explore

2. Leveraging the internal workforce smartly

The existing workforce is more ambitious than ever and is willing to take risks, to relocate or to take up new challenges. They are aware of the external job market as well as recruitment happening within the organization. Employers want to leverage investment on the workforce and retain high performing employees. Consequently strong focus is on internal promotions and growth for existing employees.

3. Employees as Ambassadors

Employees are brand ambassadors to the external world. A positive and encouraging feedback by a current employee is a powerful mechanism of advertising and attracting. Therefore,

employee referral has always been an effective medium of sourcing. Internal branding has become the keystone of all employer initiatives. Especially in a recession hit world, a good word spoken by an employee through a socially connected network holds far more power than multiple PR activities.

4. Social Media

Social networking has stretched boundaries and brought people closer than the physical world. Social media is a powerful advertising medium where a message can instantly reach millions. In a world where revolutions are being conducted via social networks, it is hard to ignore the power and reach of social media. Gone are the days when newspaper and TV advertising was the sacrosanct word. Today, a candidate is more aware as he consumes all resources – Facebook, LinkedIn to name a few – before considering a position with an organization. This trend is here to stay and certain to evolve further. So, it is very important for an organization to build its overall branding strategy around social media in order to reach the right audience.

5. Providing for great candidate experience

To entice a candidate into a role, it is imperative that s/he walks away feeling exciting about the organization. The entire application process is extremely influential in swinging applicant's decision one way or the other.

6. Leveraging technology to manage costs and enhance candidate experience

With the hiring teams and the candidates located in different continents, the cost of a face to face interview is prohibitive. Phone based interviews do not still offer a complete experience. Recruiters are leveraging

technology successfully to solve the interview experience.

Technology platforms like "Hirevue", "gotomeeting" and "meetingplace" are popular. Being closest to in-person talk, video interviewing is more widely accepted and is helping reduce costs. Although chances of impersonation are reduced, risks around prompting or unfair assistance may still need to be considered.

The interview itself is no more subjective. Hiring managers are trained to evaluate candidate in accordance with skills and competencies that are appropriate for the role.

7. Engaging the candidate post hire

In the earlier era, a recruiter's responsibility ceased once an offer was made. But that has changed. To ensure that the ultimate result is achieved, recruiters go that extra mile by following up with candidates after the offer letter has been provided, guiding them through pre-joining formalities right through to the on-boarding process.

8. Adoption of RPO

Adoption of RPO is a very effective way for organizations to manage all the challenges discussed within a single point of ownership. RPO has been adopted as a global strategy to help drive globalisation and transformation within the whole HR organization. The complete life cycle RPO model is gaining credence, since it not only helps to control costs but also helps in harmonizing and centralizing recruitment processes, thereby providing effective returns to business. According to Everest Group, recruitment process outsourcing is one of the fastest growing Single Process HRO markets with a growth rate of over 25% to reach US\$1.4 billion in annualized spend.²

² Recruitment Process Outsourcing (RPO) Annual Report 2012 - Raising the Bar to Sustain Momentum February 2012 Shruti Agrawal, Arkadev Basak, Rajesh Ranjan



The way forward

RPO providers have moved beyond the back office. They are now expected to guide the client in selecting the right talent through sophisticated methods like benchmarking, best practices, and process improvements.

Today, they have evolved from providing standardized services to offering tailor made solutions for clients. This can include counselling clients on the legislative changes impacting recruitment, understanding demographic changes; provide competitive intelligence, network on behalf of the client to build social networks of passive / potential candidates,

and report on the effectiveness of recruitment processes.

RPO help businesses to rapidly acquire high performing staff, optimize their workforce, and reduce operational costs / risks. Another advantage is that RPO can mobilise its workforce to manage seasonal spikes in hiring, thus saving fixed costs. And the fact that RPO is driven by an engine of talented “talent hunters” brings in the exclusive business expertise required to succeed.

Outsourcing some or all of the recruitment processes augments the capacity of the

existing staff and provides them additional expertise for better performance. The internal staff can in turn focus on internal and external employer branding and retention activities.

Cost saving is always the desire (especially in today’s recessionary market) and therefore it makes great strategic sense to utilize the services of an RPO – it helps you acquire the right talent, at optimized costs and delivers great candidate experience. A good RPO provider delivers savings; however, a great RPO partner is one that provides cost savings and acts as the strategic partner for the client.

About the Author

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Ruchi is a senior consultant for global recruitment process outsourcing and manages designing and deployment of outsourced recruitment solutions for new clients across Infosys BPO’s global client base. In her previous roles, she has been part of and led diverse talent acquisition functions at various organizations for more than 11 years.

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