

RUNNING AFTER THE TOP 5% OF TALENT

HOW OFFSHORE RPO

— can help you win the race —





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The Context: Trend in RPO and Talent Recruitment

In a recent talent shortage study, it is revealed that the overall difficulty in filling jobs due to lack of available talent worldwide is increasing since 2009. This trend, in turn, brings about increasing business opportunities for the staffing and recruitment process outsourcing (RPO) industry.

PART 2

The Challenge: Staying On Top Of The Game

The ever growing demand for talents means more business opportunities for staffing and RPO firms. With more business opportunities coming in, staffing firms and RPO providers are faced with a number of challenges such as (1) increased administrative burden, (2) shortage of talent and (3) of skilled recruiters, (4) increasing expenses, and in good times, (5) the difficulties of going global.

PART 3

The Ideal Solution Asking for Help

A partnership with an offshore RPO support provider can successfully transform a staffing/RPO firm's approach to talent acquisition – towards a more efficient, high-quality, and cost-effective talent acquisition gameplay.



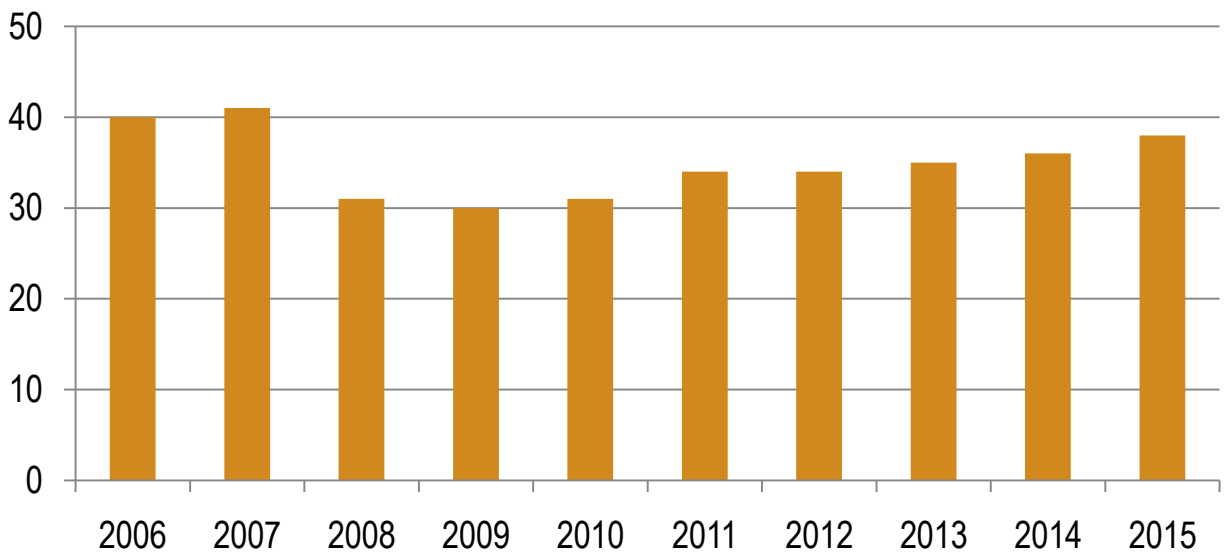
PART 1: The Context

Trend in RPO and TALENT RECRUITMENT



The talent acquisition arena is traversing an equally interesting and challenging path. In a recent [talent shortage study](#), it is revealed that the overall difficulty in filling jobs due to lack of available talent worldwide is increasing since 2009. More and more companies are having a hard time meeting their staffing needs.

GLOBAL: % HAVING DIFFICULTY FILLING JOBS



Source: Manpower Group

The study also reveals that difficulty of filling vacant positions have certain degree of impact on companies' ability of meeting their or their clients' needs.

More than half of those employers who are facing a talent shortage say it is having a **medium to high impact** on their ability to meet client needs. Only around one in five feel that talent shortages are not having any impact on client-facing activity.

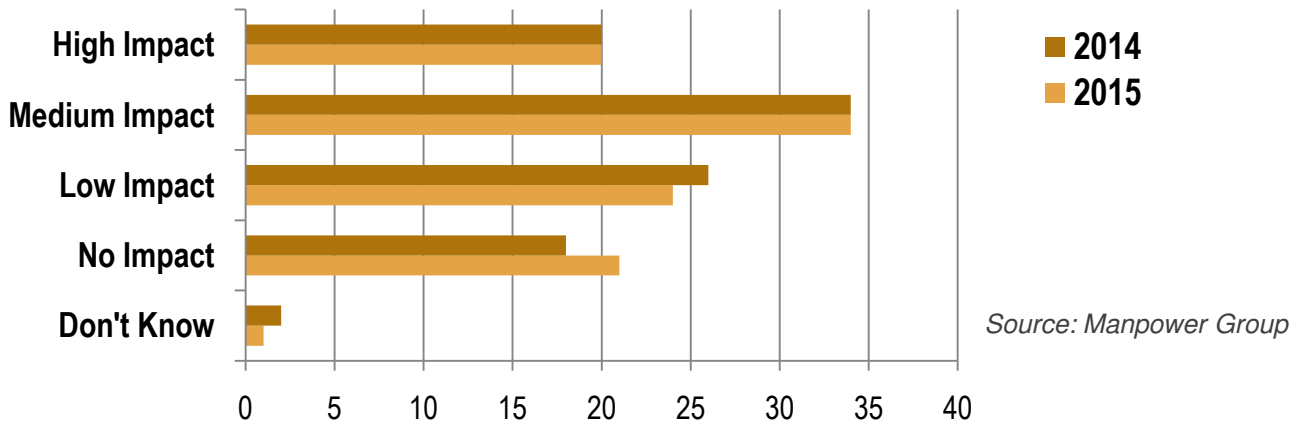
HARDEST JOBS TO FILL

For the fourth consecutive year, **SKILLED TRADES** vacancies are the hardest jobs to fill globally. **SALES REPRESENTATIVES** are in second place, followed by **ENGINEERS, TECHNICIANS AND DRIVERS**.

- 1 ▶  **Skilled Trade Workers** (especially chefs/bakers/butchers, mechanics and electricians)
- 2 ▲  **Sales Representative**
- 3 ▼  **Engineers** (especially mechanical, electrical and civil engineers)
- 4 ▼  **Technicians**
- 5 ▲  **Drivers** (especially truck/lorry/heavy goods drivers, delivery/courier drivers, heavy equipment/construction drivers)
- 6 ▶  **Management/Executives**
- 7 ▼  **Accounting & Finance Staff** (especially book keepers, certified accountants and financial analysts)
- 8 ▲  **Office Support Staff**
- 9 ▼  **IT Staff** (especially developers and programmers, database administrators, and IT leaders and managers)
- 10 ▲  **Production/Machine Operations**

Source: Manpower Group

GLOBAL: IMPACT ON ABILITY TO SERVE CLIENTS (IN %)

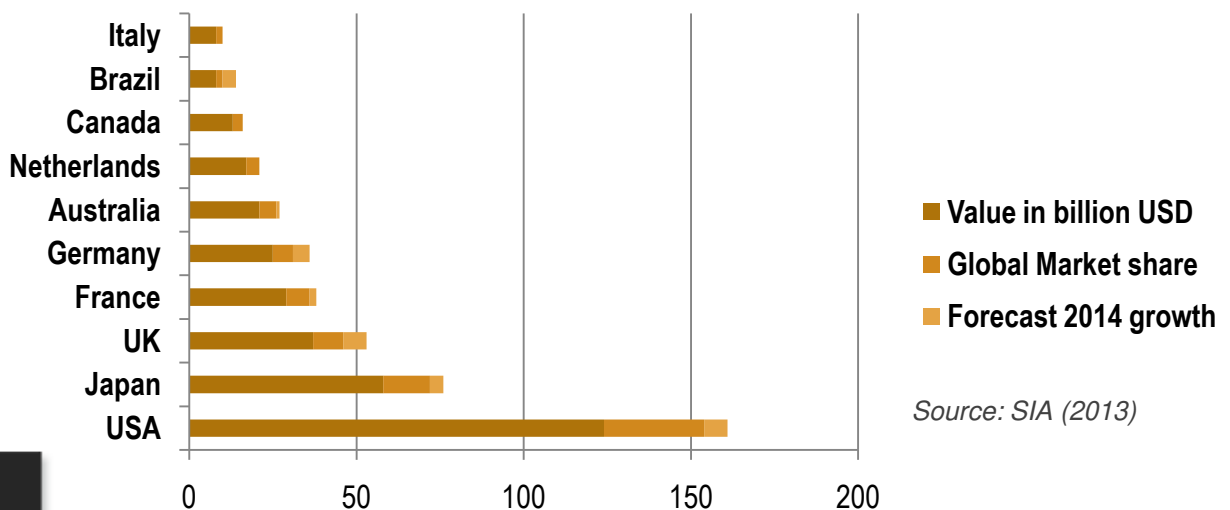


This means greater opportunity for staffing and recruitment process outsourcing providers to seize the opportunity.

In fact, according to Staffing Industry Analysts (SIA), the global recruitment process outsourcing (RPO) industry generated a total of approximately \$3.44 billion dollars in revenue in 2013. The global staffing market, on the other hand, generated an estimated combined-worth of \$416 billion dollars in terms of sales.

Moreover, according to SIA, 75% of European and 62% of North American businesses either “have RPO arrangements in place today or are likely to ‘seriously explore’” investing in RPO over the next 2 years – globally, making RPO a “very big deal.”

COUNTRY CONTRIBUTION BREAKDOWN (IN BILLION USD)



RPO on the rise makes sense, as many companies are burying archaic definitions on “recruitment outsourcing” and recognizing what RPO truly means: **partnering with an expert to design and execute a customized process and working together collaboratively and seamlessly to transform organizations’ approaches to talent acquisition and talent management.**

The challenge for an RPO provider or staffing firm, however, remains:

HOW do you **outgrow** your **competition** amidst the **ever growing demand** for **increasingly scarce talents** ?



PART 2: The Challenge



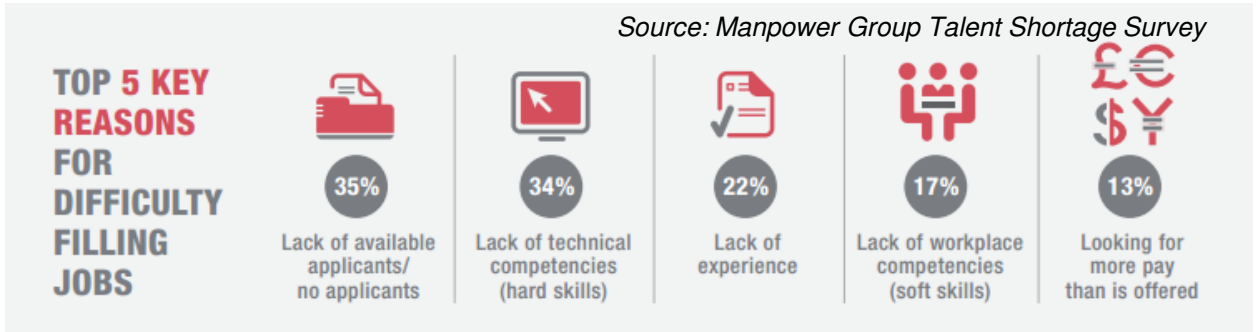
STAYING on **TOP** of the **GAME**

For staffing firms, the global recruitment trend could both be good news and bad news. Staffing firms and RPO providers, especially generalist firms, can experience more difficulty meeting their clients' needs as compared to staffing firms servicing specific industries, or as compared to **firms which outsource a segment of their recruitment process**.

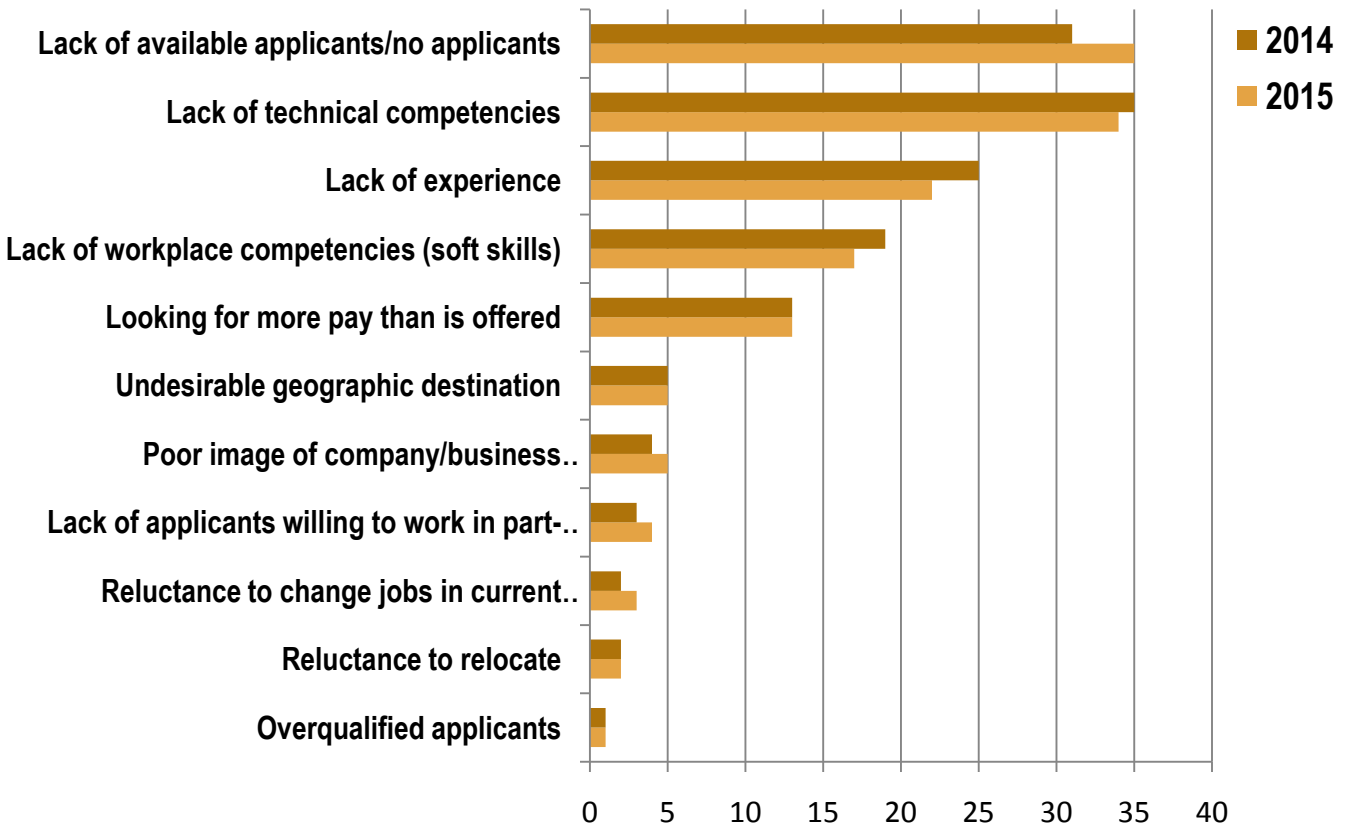
From a business perspective, the *ever growing demand for talents means more business opportunities, it means more **job orders***, and from the talent acquisition perspective, this means increased difficulty of finding the top talents (e.g. increased competition). This isn't a new problem, but solving it can be an enigma.

CHALLENGE: Lack Of Candidates And Of Skills

All companies are going after the same top 5% of talent. Unfortunately, there are certain talents that are not keeping up with the demand. In a recent [Talent Shortage Survey](#) by a leading workforce solutions provider, the world is experiencing an increasing difficulty in filling jobs since 2009. The study also laid out the jobs employers are having difficulty filling.



And the number one reason employers find difficulty filling jobs is **lack of candidates or applicants**. Coming at number two is the **lack of 'qualified' candidates** due to lack of hard skills necessary for the open positions.



Source: Manpower Group



CHALLENGE: Shortage Of Top Recruiters

Over [60% of US CEOs reported difficulty recruiting staff](#), and 87% of the 60% of US CEOs experiencing difficulty with recruitment blamed a shortage of **skilled recruiting staff** in the roles required. There are specific professions that require deeper understanding of what the job entails. For example, technology recruitment proves to be amongst the toughest industries for recruiters as technology recruitment would require technology know-how and holistic industry knowledge.

Top recruiting talent may have been a challenge for some organizations, but this challenge is only going to get worse and affect more organizations.

CHALLENGE: Cutting Costs

It's to every firm's best interest that they cut cost while sustaining a competitive advantage (Heikkonen, 2012). Bain & Company [research](#) indicates top-performing companies achieve about half of their total profit improvement directly from cost reduction.



With more business opportunities coming in for staffing and RPO providers ([SIA](#), 2014), an increase in business process costs is expected (e.g. additional overhead expenses). The challenge becomes: **How do you maintain a sustainable competitive advantage through cost-reduction?**

CHALLENGE: Going Global

Zhang Kehui, the chief financial officer of China Shenhua Energy Company, China's largest coal-based integrated energy enterprise, says that one of the major challenges in going global is their '**inability to gather the right kind of knowledge** to make faster and more informed decisions' owing to **inadequate means (e.g. human resource) to assess prospective projects overseas**.



Organizations that are going global need their recruitment to go global as well. Companies operating globally need the right local talent to help them succeed. However, multi-regional recruiting presents **obstacles** including **distance, culture, and language**.

CHALLENGE: Added Administrative Burden

Not enough job orders? Turning the high demand for talent into actual job orders is a primary business goal for every staffing firm. Finding your niche in the staffing game is the number one business challenge. But how do you do that?

Too many job orders? When high demand for talent eventually turn into actual job orders, the next problem becomes: working on the job orders and meeting your clients needs. However, recent studies show that for certain industries or professions, and talents are becoming increasingly scarce.

Hurdling these two challenges can prove to be a tedious and challenging when you are **trying to do everything yourself**: performing account management and recruiting at the same time.

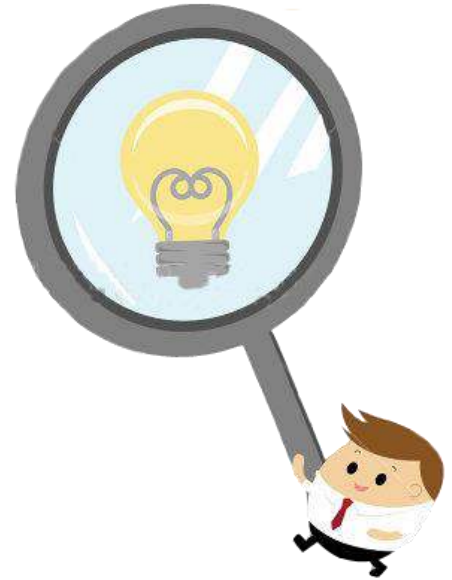
Or, **when competition is tough**. Recruiting, in and of itself, is only going to get more competitive as firms poach from each other and begin to bid over the best recruiters.

Or, when the need for **more placements at lesser costs** is pressing so as to outgrow your competition in the long run.

So, how do you keep up?



ASKING FOR HELP



From goods to services, everything has gone global. Comparative advantage propels firms around the world to seek cheaper but quality services and goods from other parts of the planet (Heikkonen, 2012).

The ever growing demand for talents means more business opportunities for staffing and RPO firms. With more business opportunities coming in, staffing firms and RPO providers are faced with a number of challenges such as (1) **increased administrative burden**, (2) **shortage of talent** and (3) **of skilled recruiters**, (4) **increasing expenses**, and (5) the **difficulties of going global**.

Facing these challenges requires a no-brainer solution: **Asking for help**. A partnership with an outside expert can successfully transform a staffing and RPO firm's approach to talent acquisition – **towards a more efficient, high-quality, and cost-effective talent acquisition gameplay**.



Towards Cost Efficiency

Giustiniano's *The Impact of Outsourcing on Business Performance: An Empirical Analysis* (2013) finds that outsourcing could contribute to giving companies **a sustainable competitive advantage primarily due to added cost efficiency**. This finding is also supported by Bain & Company's research showing that top-performing companies acquired almost half of their profit improvement from cost-reduction.

Short-term cost containment measures that are common during economic slowdowns include capital expense elimination, and project deferral. However, for companies thinking beyond short-term cost containment, measures ensuring **structural cost advantages** such as **outsourcing and offshoring business processes** are more favored. This is the rationale behind the boom of business process outsourcing and offshoring (Giustiniano, 2013). Empirically, more and more companies are turning to Asia, particularly in India, Malaysia, and the Philippines, in outsourcing certain business processes.

Cost efficiency through business process outsourcing is created from savings on manpower costs, ownership costs of computer hardware and software, and other related overhead expenses.

A word to the wise: Multi-regional recruiting presents **obstacles** including **distance, culture, and language**. When considering offshoring RPO support, it is important to put into consideration cultural affinity and familiarity, and that language would not be a hindrance.

Reducing Administrative Burden

Resume spamming is not new to us, as with every open position posted, tons of resumes from people who are unqualified for the position are submitted. Resumes could pile up, and going through them all takes time.

Seeking an offshore RPO support providers' help can effectively ease up a staffing firm's administrative load, allowing it to focus on its core functions. Offshore RPO support providers are **smart sourcers and recruiters**. Through sourcing smarter (e.g. mobile recruiting, employee referrals, social media recruiting, etc.) the amount of quality resume increases, and that means lesser administrative burden on the part of the employer or a staffing/RPO firm.



Ready Access to Groomed Database

Improved Quality of Talent. Sourcing services allow staffing organizations to outsource the tedious task of resume gathering and review to external RPO/staffing support providers, thus giving them more time to deal with qualified candidates.

Reduced Time to Fill and Increased Availability of Talent. Among the benefits of engaging an offshore RPO support provider is access to its specialized groomed database of talents. Offshore RPO support providers have a pipeline high-quality candidates. This groomed database and ensured pipeline enables offshore RPO support providers to quickly scale up according to a client's needs.

Taking Advantage of Their Specialism, Reach, and Industry Knowledge

There are offshore RPO support providers which are subsidiary of staffing firms which focus on certain fields like IT, engineering, and design. Tapping these kind of offshore RPO support providers also gives a staffing firm or an RPO provider the benefit of tapping into their rich background in a certain field.

Industry Knowledge. External recruiters specializing in a particular field or industry have a long-term experience of working within a particular sector. They have a stronger understanding of what separates one firm from another, and how closely suited a candidate is to a particular firm over another. They know the latest updates, and the trends in their industry. Lastly, they have all the experience and know-how in recruiting in their industry of expertise.

Specialism. Specialized staffing and recruitment firms have extensive networks to call upon and are able to quickly identify the top candidates. For example, IT staffing firms have the top technical recruiters dedicated to clients' hiring needs, whereas it is unlikely an internal team (company) or a generalist RPO provider could afford that level of specialism, except perhaps at the largest organizations..



Reach. Identifying a strong list of candidates for any given role is only half of the battle. The other half of it is reaching out to those top 10% of senior level executives. Will they be willing to listen to an offer from an in-house recruiter calling them out of the blue to discuss a position? External recruiters tend to have more genuine relationship with candidates, so they can approach them and discuss roles with the authority of a trusted advisor.

Engaging an offshore RPO support provider gives staffing firms **immediate access to experienced people** who know best practices and have institutional knowledge that can be incorporated into staffing and RPO firms' talent acquisition strategies. This can improve the quality of the hiring process, reduces risk, enhances retention and, ultimately, gives a staffing and RPO firm a competitive advantage.



Conclusion

The *ever growing demand for talents means more business opportunities* for staffing and RPO firms. With more business opportunities coming in, staffing firms and RPO providers are faced with a number of challenges such as (1) increased administrative burden, (2) shortage of talent, (3) lack of skilled recruiters, (4) increasing costs, and (5) the difficulties of going global.

However, a partnership with an outside expert can successfully transform a staffing/RPO firm's approach to talent acquisition and deliver measurable business results faster.

Tapping specialized offshore RPO support providers prove to be strategically beneficial in the following ways:

- They are cost-effective.
- They can reduce a firm's administrative burden, because they are smart sourcers.
- They have a groomed database and an extensive network of the best talents staffing firms and RPO providers can tap.
- They are specialized (focused to only one industry) and they know the updates, trends, and best-practices in their industry.

Talent acquisition is a tough game. And it's getting tougher. But as Ringo Starr puts it: **"We'll get by with a little help from our friends."**



About Sysgen RPO

Sysgen RPO is one of the leading Recruitment Process Outsourcing providers in the Philippines. We provide **offshore sourcing and offshore recruiting services** from Makati, the Philippines' premier business district.

We are a member of the Sysgen Group - a mutually reinforcing group of companies founded in 1991 to provide IT Consulting, IT Staffing, and IT-enabled services such as Cad Outsourcing.

Our mission is to provide staffing organizations with **quality offshore RPO services** making use of experienced and well trained recruiters from the Philippines. Through true commercial partnership we become allies in achieving cost savings, process improvement, and greater time for your core business - generating revenues.

Sysgen RPO works directly with staffing organizations all over the world by providing **offshore sourcing and offshore recruiting services**. We currently support customers in the US and the UK that use Sysgen RPO for recruiting efficiency and cost efficiency.