

An RPO by Any Other Name

Continental Europe has its own ideas about recruitment outsourcing—as well it should.

BY JOEL PERRENOUD

It is often said that recruitment process outsourcing (RPO) is being largely embraced in the Anglo-Saxon countries, while companies in continental Europe, on the other hand, are still immature and far behind in the adoption curve. Really?

In practice, this view is not only inaccurate; at best it can be seen as naïve and at worst, insulting for decision makers on the continent. Why, then, is this view so common? How can we correct our focus, and what does it reveal about the evolving state of RPO in the region today? A great starting point is to look at language and what the term “RPO” really means in different countries.

Indeed, the classical perception of mature vs. immature RPO countries is very much linked to the acronym “RPO” itself, as well as its definition. Continental European companies have been partnering with HR companies to contract out all or parts of their recruitment process since the early '90s. It was simply never called RPO.

Terms such as “managed services” or “onsite” have been used for many years across Europe. In addition, each country has been using country-specific terms such as *Bewerbermanagementlösung* in Germany or *Implant* in France. As an illustration of that fact, an analysis of the search volume on Google for the acronym RPO yields no results for European countries except the UK and France, due to low volume of searches for that term.

OUTSOURCING: ASSOCIATED WITH “BAD VIBES”

Even today, the acronym RPO is rarely used to describe services covered by the commonly accepted definition of RPO: “The outsourcing of any or all permanent recruiting functions to a third-party provider, involving the transfer of recruitment capabilities and process accountability.” Why?

Pride in one’s own language and resistance to Anglo-Saxon words is certainly a factor, but just as important is the fact that the word “outsourcing” remains associated with negative implications. Indeed, outsourcing often has connotations of cost reduction, impersonal service delivery from off-shore locations, or job losses. This is often exacerbated by the fact that the primary selling axis for a number of RPO players is precisely around cost reduction.

The good news is that, along with some of the more tactical lower-quality players in the space, many organisations are driving a much more sophisticated and qualitative version of RPO. The new effort is

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focused on quality of hires, process excellence, and solution flexibility, rather than just cost reduction.

RPO: NOT ONLY FULL-LIFECYCLE RECRUITING

In addition to the quality factor, another misunderstanding about RPO is the idea that it only applies to full-lifecycle recruitment outsourcing. In reality, and as the definition outlines, RPO can cover the outsourcing of any or all recruitment functions. This is an important element in understanding the situation in continental Europe, since it is a fact that companies in this region tend to reject the boxed, full-lifecycle RPO product that is all too often proposed by traditional pure-play Anglo-Saxon RPO providers. And they are right to do so!

Every European country has its own cultural acceptance of outsourcing and its specific regulatory environment (think *Betriebsrat* in Germany or *Comité d'Entreprise* in France). Every company has its own management philosophy, its own HR organisational model and level of sophistication. If a company already has a great applicant tracking system, a mature selection framework and only wants help in certain aspects on the recruitment process such as proactive candidate sourcing and candidate pool management, then an RPO solution should be built to address those specific needs.



The business impact of successful RPO doesn't depend on the breadth of the services provided, but rather on the philosophy behind the solution. At Futurestep, for example, one simple conviction drives all aspects of our solutions: Talent drives business success. As such, every part of a recruitment process should be geared to attracting and hiring the best possible talent. Workforce planning should bridge the gap between business strategy and people strategy, and drive the proactive approach to recruiting. True multi-channel sourcing, including direct approach, should allow companies to tap into the entire talent pool as opposed to just the candidates looking for a job. Professional end-to-end candidate management should have a positive impact on the company's image and ultimately on the number of referrals and applicants it attracts. Selection processes should help distinguish the best from the crowd by leveraging cutting edge assessments, rather than being based solely on linear CV reviews. When that philosophy is embedded in a truly flexible and customised solution, no model is too "immature" to add value.

In continental Europe, there is often also a blurry line between RPO and project recruiting. The former is traditionally characterised by governance from a multi-year agreement, whereas the latter typically has a specific time frame that is linked to a punctual need. When the project encompasses hundreds of hires and spans more than 12 months, the distinction of what is—and

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what is not—an RPO becomes more difficult, doesn't it?

If one adopts a looser definition of RPO that covers various forms of managed recruitment solutions and a looser distinction between projects and RPO, the market size and maturity in continental Europe is suddenly very different from what is commonly assumed.

STRATEGIC RPO: FOCUSING ON BUSINESS IMPACT THROUGH TALENT

Looking forward, the acronym RPO will very likely make its way into common language across continental Europe as well, as witnessed by the recent re-branding of the service offering of some players in Germany. What is less likely to change, however, is the approach that continental European companies will take to RPO—namely, a much more customized, and a much more evolutionary, approach to any partnering on talent acquisition.

It wouldn't be surprising if some new RPO models emerge from Europe, models blending the best of the sophisticated RPO offerings from the Anglo-Saxon world with some old-continent innovation. In the end, will these potential new models—embedded in a slower, more incremental approach to RPO—prove to be an advantage for continental European companies? Or will the more determined and more radical RPO models that are often implemented in the Anglo-Saxon world leave them behind?

The future will tell.

In any case, by engaging with the right qualitative RPO provider, European business and HR leaders alike, regardless of their country, language, or culture, will find that beyond an acronym, RPO is in fact a flexible solution that can generate tremendous business impact when the focus is set on talent and talent acquisition. **HROE**

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