

# Recruitment Process Outsourcing Model- Next Level Solution for Recruitment Challenges with Specific Reference to Pharmaceutical Industry

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## Abstract

Since the days of Industrial Revolution, companies have always struggled to increase their market share and profits above their market competitors. Talent Management is must to achieve a niche in such dynamic global environment for business to earn such growth and profits. Recruitment and its challenges form a major part of talent management process. Many times company does not have resources to increase their scalability to adapt with ad hoc large volumes of recruitment or to address serious issues like attrition, effective profile mapping, compensation management, cost cutting etc which makes the task of recruitment function further more difficult. Therefore all such challenges needs an effective recruitment model where the quality of recruitment function improves with an impact on recruitment metrics of an organization. Recruitment Process Outsourcing (RPO) Model is one such effective recruitment model which reduces employers' recruitment costs with a flexible "pay-forperformance" facility that deploys recruitment more efficiently when undertaking volume recruitment project or when an organization wants to control attrition and retain talent in cost effective manner. RPO Model offers the entire gamut of tasks performed under recruitment function from finding the candidate to hiring a new employee, which includes sourcing; screening; testing; interviewing; background checks and drug testing; hiring; coordinating the offer letter; on- boarding; maintaining applicant tracking logs, requisition, and candidate files; reporting; and training etc to its client In this direction, this paper is an effort to highlight the recruitment challenges faced by HR professionals especially in pharmaceutical industry. Further it has showcased how Recruitment Process Outsourcing Model is an effective solution for the recruitment challenges in the said industry.

**Keywords:** Recruitment Challenges, Human Resource Outsourcing, Talent Management, Attrition, Pharmaceutical Industry

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## INTRODUCTION

Under the umbrella of Outsourcing, Recruitment Process Outsourcing (RPO) is one the major service offered by HRO firms to its clients. Human Resource Outsourcing (HRO) is a process where a company outsources some or all of its HR activities to an external service provider". Some of the major HRO services are Recruitment Process Outsourcing (RPO), payroll and benefits, HRIS, Compensation, Performance

Management, Mentoring and Coaching. Outsourcing as a concept emerged in 1970's but RPO as concept was emerged in early 1990's. RPO is a typical derivative of Business Process Outsourcing (BPO) industry. BPO is divisible in several categories like Knowledge Process Outsourcing (KPO), Legal Process Outsourcing (LPO) and Recruitment Process Outsourcing (RPO). In RPO setup, an employer transfers all or a part of its recruitment activities to an external third party entity. This entity performs the vital tasks on behalf of the recruiter in terms of carrying out the entire recruitment or hiring process. In this, the strategic framework for recruitment policy will be developed and remain in-house and only the implementation of these policies will be transferred to the RPO provider. The demand of organizations for candidates with higher quality and increased efficiency has grown manifold in recent years and they spend lot of resources and money for talent hunting. RPO service helps the companies to reduce the cost and bridge the gap between demand and supply of talents in the market. RPO adopted companies recognize the strategic importance of talent management once they start reaping the large rewards in terms of business growth, expansion and brand promotion. An organization under talent management process needs to address four main pressure elements under its recruitment function throughout the year:

- New hire retention rate (12 months from start date).
- Year over Year increase in customer satisfaction.
- Year over Year improvement in hiring manager satisfaction.
- Year over Year reduction in time to fill job vacancies.

RPO model leverages the combination of strategy, technology, resources and vendor management to improve the recruitment process. It works closely with the client to improve the recruitment efficiencies of quality of hire, speed of delivery and cost containment. Improvements measured and monitored

through real-time metrics are then tied to strict service level agreements.

**RPO Model is mainly adopted under the following business situations in an organization:**

- Expansion in Pipeline/Large Scale Hiring.
- Demands for Niche Skills.
- A movement for organizations to outsource the entire recruiting functions.
- Implementation of centralized hubs to drive optimal performance.

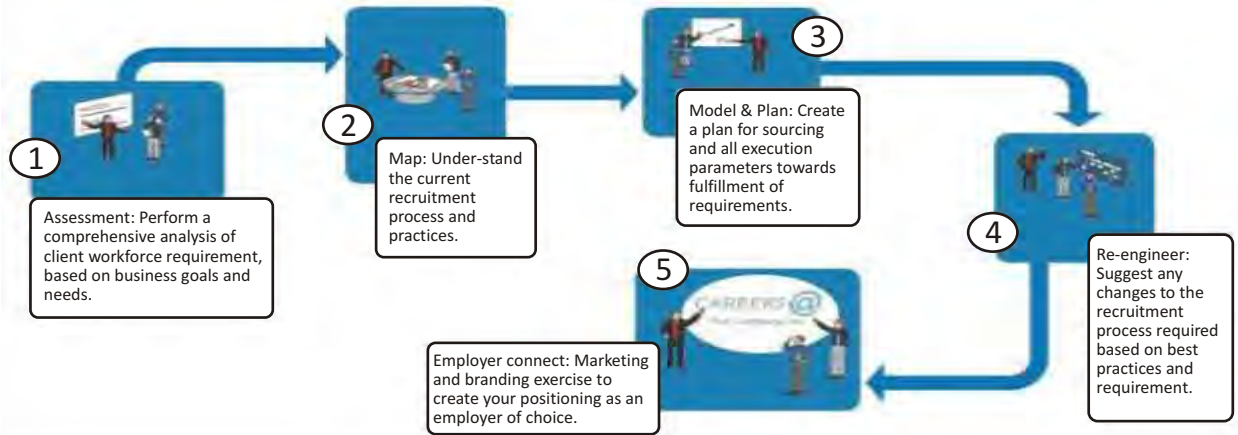
**Major Services Offered under Recruitment Process Outsourcing Model are:**

- Strategic Consulting
- 'Vacancy Gap Identification in Various Organizational Departments.
- Formation of Job Description/Job role.
- Sourcing
- Applicant Tracking Platform.
- Pre Hire Assessments.
- Recruitment Process set up: Employment Verification, Phone Screens and Interviewing.
- Employee data management and Build talent communities.
- Social Media Networking.
- Offer Salary Negotiation/Compensation/Reward Planning
- Analysis of partnership of RPO vendor with the client to monitor performance.

RPO firms only enters in an agreement with the organization when at least two of the above mentioned main services under recruitment process outsourcing model are adopted by an organization to improve its recruitment quality.

**Recruitment Process Outsourcing Model has the following three main stages:**

**Stage One. Discovery of Requirement:** The objective of this phase is to understand the client needs better and map a process that helps RPO to hire "on time, every time for either one hire or more at a time.

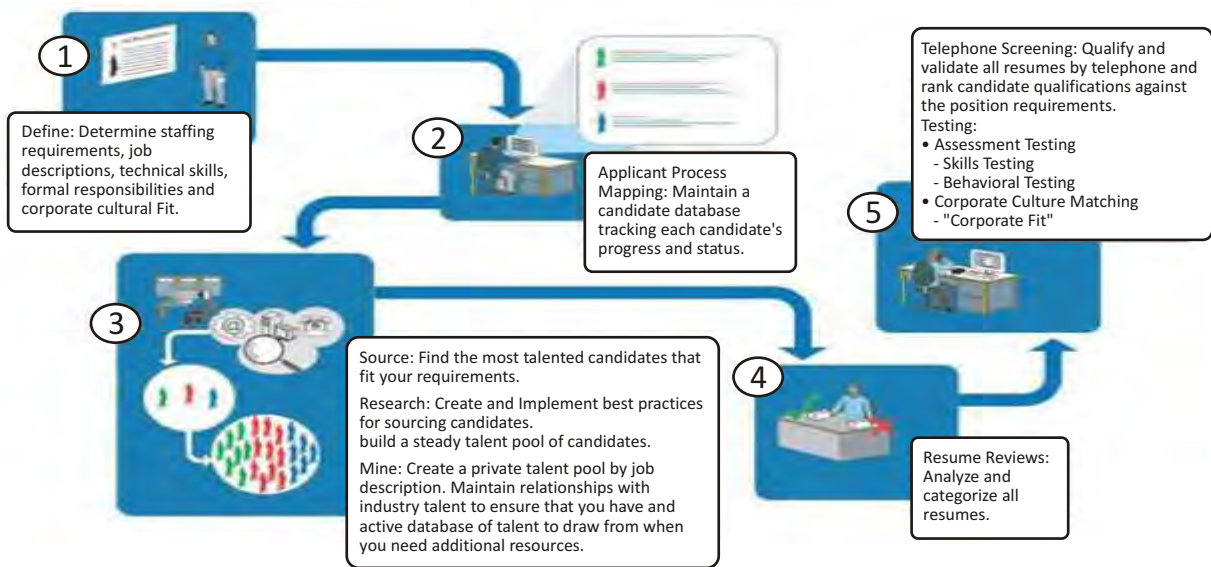


**Figure 1: showcases the designing of stage one**

Source: [www.vbeyond.com/RPO\\_usa.php](http://www.vbeyond.com/RPO_usa.php)

**Stage Two. Engagement with the Client:** The objective of this phase is to engage with the client and the candidates to attract and hire the most apt resources for the client. RPO vendor source candidates via databases of prospective job seekers. The recruiter makes relevant combination of telephonic research, data mining and many other techniques to source relevant talent. These are then carefully evaluated in a

multi-step process that includes telephonic interviews, background screening, assessments of skills and fit with the corporate culture. The said process take other recruiting support services into consideration like job posting, search candidates on job boards, search passive candidates on internet, resume screening from internal database etc.

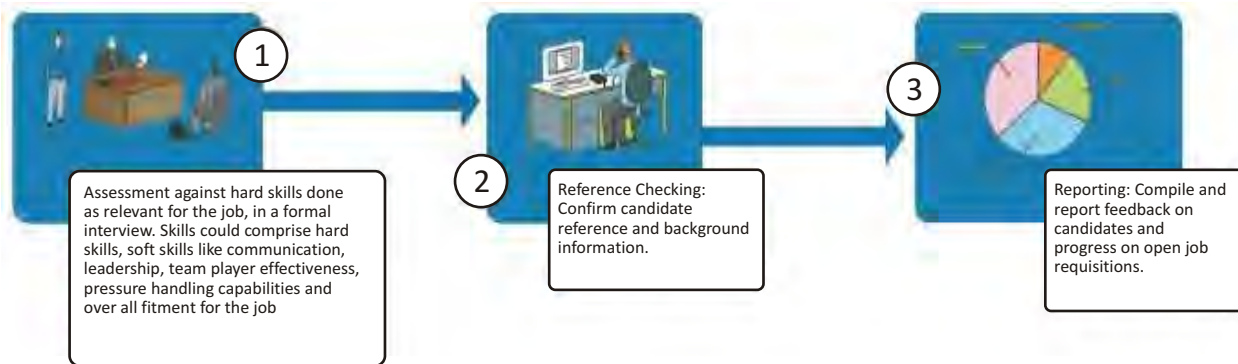


**Figure 2: showcases the designing of stage two**

Source: [www.vbeyond.com/RPO\\_usa.php](http://www.vbeyond.com/RPO_usa.php)

**Stage Three. Delivery of Services:** This phase is the culmination of the search process. Suitable candidates are interviewed in depth, evaluating not just technical but soft skills as well like leadership capabilities, personal demeanor and other contributors to effective performance. References and other background information

are thoroughly checked. At times, RPO vendor also assist its clients in creating and executing detailed, customized on-boarding. This can further include reference check, routine procedural paperwork, ID cards, e-mail and other systems, to familiarization with the corporate culture, and induction training.



**Figure 3: showcases the designing of stage three**

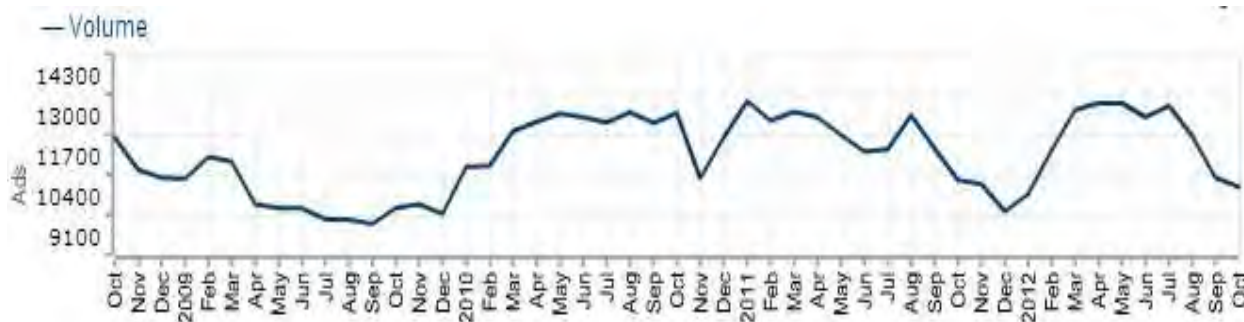
Source: [www.vbeyond.com/RPO\\_usa.php](http://www.vbeyond.com/RPO_usa.php)

**RPO Concept with Specific Reference to Pharmaceutical Industry.**

In India, the trend of outsourcing recruitment is catching up fast in many industries such as in service industry Vodafone outsource its recruitment activities to Alexander Mann Solutions (RPO service provider), IT giant Wipro has outsourced its recruitment process to MeritTrac, in banking industry Yes bank is also known to outsource 50 per cent of its recruitment processes. But the Pharmaceutical Industry is indeed maximizing their outsourcing potential. Initially the Pharmaceutical Industry was known for outsourcing their R&D functions. But from past a decade, the said industry had ventured on outsourcing its recruitment activities as well. However the priority for such outsourcing for the said industry again holds the same focus to hire "qualified and skilled" workers for their company in the cost effective manner. Terry

Terhark, president of the Right Thing RPO service provider stated that: "Most pharmaceutical companies don't have the resources to increase their scalability to adapt with ad hoc large volumes of recruitment." Therefore such large volume of work needs effective recruitment cycle, which further makes RPO association must for the Pharmaceutical industry.

The pharmaceutical industry has long been considered one of the largest, most enduring and knowledge-intensive sectors in the global economy. Indian market is the fastest growing market for Pharmaceutical Industry in the world. The pharmaceutical market in India was worth US\$13 billion in the year 2012. This gives an all together a great opportunity for RPO industry to grow in such industry.



**Figure 4: Pharmaceutical Industry Hiring Demand Growth Chart**

*WANTED Analytics- Insight-By Ashley Rowe on November 8, 2012*

In pharmaceutical industry attrition rate is always high and has been affected by the global economic crisis. The recruitment strategies have to be intact to remain competitive. In addition to cost reduction this industry professional are keen to focus on employee retention strategies as well. RPO is one such model which works primarily on employee retention services, workforce analytics and supply planning, talent acquisition designing, applicant tracking system (ATS), employee performance management,

compensation solutions etc. RPO provides a global solution to optimize candidate quality, control costs, and deliver measurable results in performance and business impact. Instant scalability, speed, quality results, technology and precise hiring processes are the benefits to a pharmaceutical company engaged in RPO solution. The pharmaceutical company must research and choose a RPO provider that matches with the company’s culture and has the experience to back up its claims.

**Table 1: highlight some of the world’s top RPO provider with a pharmaceutical company as a client**

S.No	RPO Vendor	Pharmaceutical Client
1	The Rightthing, Inc	Merck & Co. Inc CVC Pharmacy
2	Hudson RPO	Johnson and Johnson Sanofi Aventis
3	Alexander Mann Solutions	Novartis International AG
4	Futurestep-A korn/ferry company	Takeda Pharmaceutical Company Limited
5	Kelly Outsourcing & Consulting Company	Wyeth Pharmaceuticals
6	Kenexa	Eli Lilly and Company Ltd. Schering Plough
7	AON Consulting	Pfizer.Inc
8	MOMENTUM (a Volt Information Sciences company)	major Midwestern pharmaceutical company (client name not shared by RPO firm)

*Source: Author’s Analysis*

(Hudson RPO, April 17, 2013) “As the war for talent in the Pharmaceutical industry continues, it is critical for organizations to invest in

employee development and retention”. It was stated that the notorious war for talent in the pharmaceutical industry is at its peak. With the

lack of highly skilled talent, market rates are soaring in niche areas. Nevertheless, this reactive approach is not guaranteed to secure skilled employees as pharmaceutical companies expand globally so do opportunities abroad. Fortunately, even cost-conscious procurement teams have recognized the implication of severe cost cutting and look to RPO providers who can provide assurance in representing and protecting their brand alongside finding and sourcing top talent for their business. Outsourcing the recruitment processes for an industry like pharmaceutical, which faces an attrition of almost 50-60 per cent, can help the companies in this industry to save costs tremendously and focus on other issues like retention. The job seekers are also availing the services of the third parties (consultants) for accessing the latest job opportunities. This gives the mutual benefit to both the parties. Therefore it becomes further more important that the recruiters needs to rethink on recruitment strategies and adopt recruitment models like RPO to be competitive in talent hiring and retention process in such challenging global environment.

## LITERATURE REVIEW

Recruitment Process Outsourcing as a concept was first realized in 1970's in US with the demand of technical skills going up with high tech companies, mainly information technology and manufacturing firms. Hiring cost was growing up in terms of tracking external experts and that time RPO service was only used to add more value to the technical jobs Later in 1980's and 1990's companies started realizing the fact of reducing the fixed cost of HR, which was primarily related to recruitments. James Caan from U.K was the first person to develop RPO in the 1990s. The earliest academic articles concerning it are from around the mid-2000s. Due to its short history, recruitment process outsourcing has not been extensively researched. Therefore the literature provides a great deal of process-related perceptions and general discussion and applicable data from topics such as human resources outsourcing, but lacks a basic rationale for the process itself.

Breaugh and Starke (2000) provide a good starting point by going through some of the existing theories related to recruitment, as well as pointing out their limitations. The study stated the fundamental goal for any recruitment outsourcing process, is to attain the best possible candidates for the right positions and as efficiently as possible.

Early 2000 registered a major change in RPO scenario. With the introduction of HRO today magazine - "The Baker's Dozen Survey of top RPO vendors in the world" in the year 2002, RPO became a big time business solution to talent management. In the year 2005, in order to streamline the functions and credibility of RPO industry an association by the name of Recruitment Process Outsourcing Association (RPOA) was formed by John Younger, Kevin Wheeler, Jimmy Taylor and Mike Mayeux. RPOA is a nonprofit 501(c)(3) organization serving the RPO industry. RPOA recognizes that RPO is a unique industry requiring a common set of requirements and standards. Its membership is comprised of RPO service providers committed to educating the marketing about RPO, promoting its benefits, incorporating common metrics and comparative information, and developing and enforcing certifications. Member companies benefit by better understanding the benefits and risks of recruitment process outsourcing, having access to a variety of tools to support the decision to consider RPO, access to certified service providers through an organized RPO process, and direct connection to other members to learn from their experiences. These members serve employers by becoming an integral part of their internal recruiting function, lowering recruiting costs, reducing time to hire, and improving hiring results. By providing a full service outsourced recruitment process, member companies turn a job requisition into a desired, measurable outcome. Further in the year 2008 a merger also took place between Recruitment Process Outsourcing Association (RPOA) and Recruitment Process Outsourcing Alliance (a special interest group of the HROA). However the merger ended up in the span of two years

time in the year 2010, as RPOA Board agreed unanimously to end all merger activities and rather focus all their efforts and resources back on the members.

Another prominent study was conducted by FutureStep( RPO Service Provider) in the year 2005. It was stated that those recruitment models which just focus on cost-reduction and process have failed to integrate talent acquisition and management with the strategic imperatives for talent demanded by the business. It was further stated that while cost and process efficiencies are still a priority, organizations should realize that leveraging talent as a competitive advantage is paramount. HR functions in partnership with their service provider must be more outwardly oriented - i.e., in closely managing and evaluating the various human capital vendors and partners with whom they work and through innovative strategies and tactics that create value while simultaneously driving down cost. The report suggested that an effective RPO Model will work in collaboration to set the talent agenda and then execute by integrating people, process and technology to drive competitive advantage through the appropriate talent solutions. This further will bring a new dimension and a fresh perspective.

The major Growth in RPO Model and its impact on the business management can be addressed by following studies which shows the overall growth in RPO industry as a whole.

A study by the Yankee Group shows that the worldwide HRO market went up to \$80 billion in 2008, at a compounded annual growth rate of 12 percent. "High quality, cost-saving HRO services have paved the way for businesses to increase their use of recruitment process outsourcing. It was stated that, "RPO can provide companies with cost savings, increased candidate quality, effective screening processes/tools, metrics, and new technology without major capital investments. By transitioning the hiring program to an experienced service partner, the companies can focus their internal HR resources on the strategic core business of the company." It was

further stated that due to RPO Model flexibility, innovative recruitment strategies and technologies, its end-to-end hiring programs, and dedicated program teams the companies are able to achieve its strategic target well on time in comparison to their competitors, by concentrating on their core business commitment and value-added services in their specific industry. The overall implementation of RPO service proved as big boost revenues for those companies and they further realized a significant savings as well, and the companies were able to deliver more complete services than traditional competitors."

In a study, RPO in 2009, it was revealed that 62% of organizations that fully or partially outsourced recruitment was able to reduce cost per hire and organization are yielding significant performance gains across the board. In the same report Martin Hewitt, Corporate Resource Manager, Sun Gard Public Sector, UK, stated that " Adopting RPO Model continues to demonstrate cost savings, in addition, the quality of service has been absolutely first class". The findings also introduced key performances areas of RPO such as time to fill positions, hiring manager satisfaction, new hire retentions.

Aberdeen Group research study 2010 was able to build a long time waited business case for RPO. It was stated in the report that "If an organization is challenged by uncertainty, legacy processes, and resource constraints, RPO can provide the flexibility it needs to compete for key talent by innovating its processes and allowing resources to focus on core business competencies. Rather, organizations must identify the major holes and work with the provider to plug them. It was stated that when implemented successfully, RPO Model can yield great gains in business outcomes and other metrics. Not surprisingly, 77% of organizations in RPO engagements recommend it to peers compared to just 9% that do not. They key to unlocking effective RPO programs lies in gaining hiring manager buy-in and clearly defining, measuring, and reporting on metrics to track RPO performance.

Whelan & Carcary (2011) in their study stated Recruitment, whether outsourced or not, deals directly with talent management. The acquirement of talent is linked with the firm's core functions and understanding the impact that talent management may have on RPO is extremely important. Also knowledge management plays a role to some extent and especially when combined with talent management.

## **OBJECTIVES OF THE STUDY**

The research paper was undertaken with the following objectives:

- To analyze the recruitment challenges faced by an organizations in the pharmaceutical industry.
- To study the impact of recruitment gaps on the business growth and survival in the pharmaceutical industry.
- To analyze the effectiveness of RPO MODEL adoption in overcoming recruitment challenges in the pharmaceutical industry.

## **RESEARCH METHODOLOGY**

To study the above mentioned objectives qualitative type of research is taken into consideration. The research design used is Descriptive Research. The sampling technique used is Convenience Sampling. Both primary and secondary data is being taken for the research work. The method used for primary data collection is Personal Interview. 30 pharmaceutical HR professionals were interviewed. The subjects were General Managers, Heads, and Senior Manager with minimum ten years of relevant experience. The responses of subjects were analyzed in this study to understand the effectiveness of RPO in overcoming recruitment challenges in the said industry. The secondary data is collected from various business reports and magazines.

## **SCOPE AND LIMITATIONS**

The scope of the study is applicable to the stakeholders in the pharmaceutical industry where the organisations are facing talent management challenges specifically in recruitment function" attrition" and "retention" being the major concern and where the top management want the internal HR professionals to primarily contribute to the core business line of the organisation. The major limitation faced during the research work was that there exist very few senior manager professionals in every company.

## **FINDINGS**

### **Recruitment Challenges in Pharmaceutical Industry.**

On the basis of responses given by the respondents during the interview it was found it is extremely important for the organization to have an intense understanding of the recruitment pattern going on in its specific business line and how the profiles of key positions holders are moving, in the job market. Though organizations are spending huge capital investments on its recruitment process in terms of vacant job profile promotions and candidate screening with special emphasis on benefits, compensation etc still the situation is little more critical in Pharmaceuticals since this industry require a scientific background along with the lack in existing recruitment methods and technology in talent management, The front liners popularly known as medical representatives, line managers, area managers, regional managers, product heads needs the understanding of products in detail. Maximum companies in the said industry offer product training to existing and new employees on regular basis in order to understand the customer needs and the product. Another main segment in pharmaceuticals is Research and Development (R & D) which also require only science background candidates. Therefore such unique feature makes the recruitment process more rigid and tough.

## Attrition

It was shared by the respondents that the attrition rate is quite high in the pharmaceutical industry. Similar results have been reposted by other studies as well. A survey conducted by **Team Lease Services Private Ltd** (The Hindu, Business Line September 4, 2012) showed that the attrition rate in Information technology, the pharmaceuticals industry is grappling with the highest level of attrition rate of 30 to 35 per cent. According to **Interlink Marketing Consultancy Survey** of Indian pharmaceutical companies, Interlink surveyed a sample of 15 companies in the small, medium and large segments in the Indian pharmaceutical sector. The survey points out that the sector's high churn other than the natural rate of attrition is mainly due to poaching, burnout, high stress at work and inadequate payment. Globally, the rate of attrition in pharmaceutical is only 10 to 12 per cent, says the IBS report. Such report reveal that the pharmaceutical industry annually experience an employee turnover of 30 to 40 per cent at the field level and 8 to 10 per cent at the managerial level. It was suggested that this attrition can be reduced by providing a positive atmosphere to its employees in terms of supportive culture, training programmes, a policy in place for conflict management and adequate 'rewards and recognition' programme is crucial to employee retention, which in turn, contributes to the company's growth. However it was reported, that the salary hike is one of the highest in the Indian pharma industry in the year 2012, with a projection of 13.3 per cent hike, still the attrition is also the second highest due to sales pressure.

## Different League of Candidate

Pharmaceutical Industry needs altogether a different league of candidates in their major departments, like research and development and production. Even the employees working for this industry has a different approach while choosing any job offer. Candidates in this industry hold a scientific mindset. Their priority lies in making new drug composition. They prefer organizations which offer better facilities and flexibility to perform such task. At times it is

difficult for them to leave a company; since they have spent huge amount of time in developing a specific drug in a company and to wish to see the successful launch of that drug. Therefore understanding the mindset of such category employees is difficult for HR professional quite often. Candidates are judged by publications, scientific discoveries, or expertise in clinical trials. A candidate who has worked on a drug that has been approved by the FDA is especially worthy. A recruiter in this niche has to understand the drug discovery world in order to find the most qualified candidates. In order to employ such candidates the technicality of the job needs to be understood in much detail.

## Comparatively Low Pay Package

It was found during the interview that along with other industries like information technology, BPO etc, Pharmaceutical industry also offers maximum job opportunities at the fresher level. However the salary slab offered mainly at this level is pretty low as compared to other industries. Below figure showcase the response of satisfaction of employees in various salary brackets in the pharmaceutical industry.



Figure 5: Salary Range

Source: *Pharmaceutical Salary Survey 2012/2013-[www.clinicalprofessionals.co.uk](http://www.clinicalprofessionals.co.uk)*

## Delays in various components of CTC packages

In the pharmaceutical industry, especially in the sales and marketing department, the CTC of an employee is divided in three main components apart from other benefits: fixed salary, variable salary (commonly the incentive part as per target completion) and the actual expenses. During

personal interaction with employees in this department, it was found that the third component of CTC that is an actual expense is paid with high delays from the company side. The time gap ranges from three to six months. This hampers the cash flow in the hands of an employee up to a great extent and encourages them to move to different industry altogether with more of fixed salary in hand as the major part or as a whole.

#### **Extensive travelling of the candidate**

In the said industry, specifically in sales and marketing department an employee is given various locations to achieve the sales target. The movement can be inter- intra state both. Work life balance becomes the major challenge for employees working for this department. Such profession cannot be continued for a long period of time.

#### **Better career growth in other related industries**

Experts in pharmaceutical industry still feel that there is growth ahead of Pharmaceuticals in mature and fast-growing markets such as value innovation, OTC and health nutrition, generics, diagnostics, animal health, vaccines, orphan drugs and new drugs. In pharmaceuticals entry level medical representative, a team handling area manager and a region handling regional manager can be seen performing the same job of selling the company products. Therefore talented employee gets attracted to some of these markets due to better career opportunity, benefits and growth.

#### **Recruitment Gaps: Impact on Business Growth and Survival in the Pharmaceutical Industry.**

- **Higher training budgets.**

It was found during the personal interview that the training budget goes up if the required skills to perform the job are lacking. (Chemical Industries Association) 69% of companies feel that they are training their staff in skills that should have been learned in the education system at school, college or university. The same is reflected while delivering the required performance at all levels.

- **Loss of Job opportunities for one country becomes the gain for other.**

In a country like U.K, since the availability of science graduates are pretty low in comparison to other countries. So 60% of companies are recruiting graduates from overseas, mostly Europe but also India and China (Chemical Industries Association).

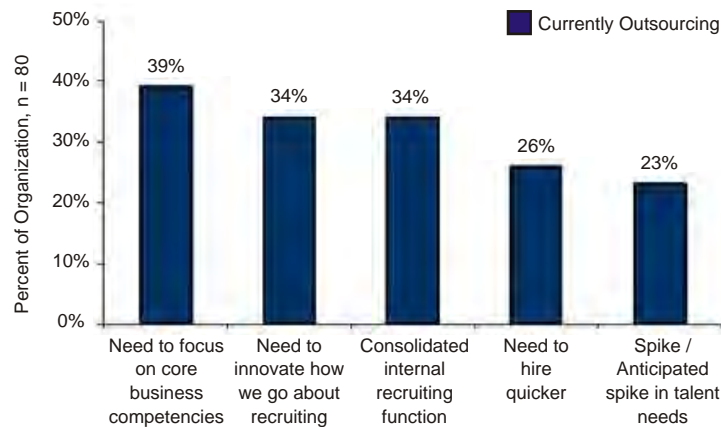
- **Loss of Competitive Edge and brand image in the market.**

Talent is counted as premium for any business in the growth market. HR due to shortage of supply of skills not able to employ skilled people which in turns loses the competitive edge in the market and even reputation of science many times (Chemical Industries Association). Since high science literacy rate is must for this industry.

#### **RPO MODEL Effectiveness in Overcoming Recruitment Challenges in the Pharmaceutical Industry.**

The workers dynamics have changed today. People want work life balance, flexible working hours, attractive benefits and incentives but even after getting all this the loyalty towards company have changed, there is an increase in hands-on attitude about their careers and expectations are far more ahead of reality. RPO Model is an answer to all such aspects of employee expectation. Working with the RPO provider can foster the innovation needed in legacy sourcing and hiring processes to fill requisitions with top quality hires. Below survey report by Aberdeen Group, November 2010 showcase drivers behind RPO Model, which makes it must for an organization for RPO adoption for a successful talent management strategy.. The survey was conducted for nearly 200 organizations to determine the viability of RPO Model. Out of which 80 organizations were taken into consideration that were using fully or partially RPO services.

## Drivers behind RPO



Respondents were asked to select top two in both surveys

Source: Aberdeen Group, November 2010

### Figure 6: RPO Drivers

RPO is rapidly moving through mature and non mature markets globally as cost reduction, scalability continues to be the major agenda of the organizations. The drives continue for hiring manager satisfaction strategies, and broader workforce talent management agenda's. The model is the fastest growing HRO segment in the world today and is in much demand due to lack of in house talented and skilled expertise and to keep pace with talent demand emerging economies and finally due to continued war for talent in specialized skills. The benefits of RPO Model adoption makes it extremely important in overcoming recruitment challenges faced by organizations in pharmaceuticals and thus helping in global survival, growth and expansion of an organization.

### Operational Benefits of RPO Model

- **Reduced costs:** Often recruitment process carried out by in-house HR management involves a lot of expenses which includes the cost of in-house recruiters, job portal access fee, consultation fee and other maintenance fee. RPO service provider helps the companies to cut these costs by managing their end-to-end recruitment process and will be responsible for managing the recruitment budget.

- **Enhance core competencies:** By outsourcing the process, the internal HR management of the company can focus on other core HR strategies.
- **Highly skilled, culturally aligned recruiters:** RPO providers are experts in talent acquisition within the client's industry and are well versed with the organizational culture. They will further bring the know how to ensure the talent acquisition process is targeted and streamlined for both one off search led programmes to high volume recruitment campaigns.
- **Quality pool of candidate engagement:** RPO maintains a pool of relevant profiles for all key positions of an organization. RPO provide a highly responsive, direct point of contact for all candidates, ensuring best career opportunities are identified for the most suitable candidates, managing business and candidate expectations carefully.
- **Better support for hiring managers:** RPO provides the highest level of expert and factual advice to Line Management, saving them time and enabling them to structure and resource their business successfully.
- **Turnaround time:** Time to close any open roles is reduced by putting in place the people, processes and technology correctly. Reduced till to fill vacancies can be achieved with RPO adoption.

- **Clear accountability for recruitment:** Once RPO is adopted, it takes over the overall responsibilities of recruitment activities with clear state of outcome expected.
- **Proactive and creative sourcing:** Well planned and structured proactive approach towards the recruitment strategies makes RPO a successful model for talent hiring, management and retention.

### Strategic Benefits of RPO

- **Brand awareness:** partnering with your HR and marketing teams and external brand specialists to identify your employee value proposition by key talent segment. We ensure your EVP is communicated consistently and accurately to your target market across all candidate touch points, dramatically improving candidate awareness of who you are and what you do.
- **Improve resource planning:** RPO helps in understanding short, mid and long term business strategies to facilitate quality based talent pools in line with current and future demands.
- **Develop Hiring Manager Skills:** Continuous interview coaching and training is provided to line Management on both a structured and ad hoc basis to improve interview, selection and recruitment success as well as dramatically enhancing candidate engagement.
- **Employee engagement:** RPO continuously hire managers to identify high performing and high potential internal talent and ensure they are considered for open roles, positively impacting employee engagement in the process.

According to Everest Research Group report 2012, the cost cutting factor remains the main catalyst driving the RPO market and companies which has adopted RPO model are capable to save at least 40% to 45% of recruitment cost for their organization. Further, internal HR gets an opportunity to involve themselves with core HR strategic issues. Although costs can be significantly reduced, but RPO's contribution lies with the fact that it emphasize more on

improving an organization's resource planning, lifting employee engagement and time to fill and, most importantly, by increasing the quality of hiring. Attrition being one of the major concerns for pharmaceutical industry is also well taken into consideration by RPO "Applicant Tracking System". In this, an absolute track record of the candidate's movement between the jobs and otherwise is being maintained with required confidentiality. The model includes all those additional processes and systems to hire only stringent and need base employees for their clients. With the adoption of RPO, especially in this industry, attrition rates have dropped to single digits. If that's the improvement the organization with effective business management skills will be able to deliver good growth and expansion figures in comparison to their competitors. Also employees have become extremely cautious before making any job move from the existing position in their respective organization in RPO adopted organization.

### CONCLUSION

As an organization strives to meet its business goals, it must make sure that it has a continuous and integrated process for recruiting, training, managing, supporting, and compensating talent. Today, talent management challenges require new processes and systems. According to HRO today magazine, December 2013 Recruitment Process Outsourcing (RPO) Model is one of the single hottest growing HRO process in the world today to address such challenges. Everest Group reports 2013 has projected the global RPO market to increase between 12 and 17 percent. It is stated that the growth may be driven by more than 500 existing deals that will be coming up for renewal in the next three years. Further, Seven Step RPO has reported that "2014 should see a solidification of this strategy across all industries and company sizes." RPO is the best solution to keep a track on active and passive candidates as well as being able to accelerate a new hire's time to performance (Andrew Goldschmidt, global offering leader for RPO). The solution also focus on talent communities, social media, creative sourcing and use technology to reach the

youngest audience (Futurestep RPO) which must to keep hold on business when the candidate market is getting tougher day by day. RPO-Client relationship success lies in its combination of processes, performance management and organizational capabilities. However it is still constantly challenged by the average cost per hire. Based on market research, RPO growth is most likely to benefit countries namely UK, Germany, India, Malaysia and Russia. In India, since the country has the availability of large pool of talent that too at a very low cost, it makes the country as one of the most promising hub for RPO. Transitioning of the hiring program or the overall HR process by an organization to an experienced RPO service partner helps an organization to focus on its strategic core business. RPO hiring most immediate advantage is of cost savings of between 25- 35 percent of resources. The process generates a large, better and related pool of candidate database in short span of time, which ultimately results in stronger hires and improved productivity.

## RECOMMENDATIONS

In the view of above study it is highly recommended that an organization before moving into an RPO association must look for following feasibility checks in order to avoid any business loss or over functioning of the recruitment cycle within an organization.

- Is the organization looking for major business expansion and want to control attrition in parallel?
- Is an organization capable of choosing a right and culture fit RPO service provider for an association?
- Whether partial or full Client – RPO association is required as per the growth chart of the organization?
- Is the organization capable enough to measure RPO performance as committed during an agreement?

An organization must work in detail beforehand keeping in view the above mentioned recommendations.

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