

Checklist for Recruitment Process Outsourcing

- The process

1. Assessing Current Operations

Before launching outsourcing, it's essential to assess current operations. This involves identifying areas where outsourcing can add the most value and understanding the current challenges and inefficiencies.

1.1 Internal Audit:

- Conduct an audit of current recruitment processes:
 - Process chart of recruitment process
 - Centralised or decentralised; HR vs line management
 - Competence framework in use
 - Data of traits that correlate with success in specific roles
 - Structured interview framework in use
 - Identify Pain Points: Highlight areas with inefficiencies, high costs, or compliance risks.
- Conduct an audit of platforms:
 - Assessment provider fees and subscription model (including renewal terms)
 - Recruitment system/ATS provider fees and subscription model (including renewal terms)
 - Job and marketing platform fees and agreements (end/renewal periods)
 - Identify Pain Points: Highlight areas with inefficiencies, high costs, or compliance risks.
- Conduct an audit of service providers:
 - Recruitment, staffing and pay-rolling partner fees and agreements (renewal and notice periods)
 - Identify Pain Points: Highlight areas with inefficiencies, high costs, or compliance risks.
- Conduct an audit of inhouse talent acquisition team:
 - Head count and responsibilities
 - Direct costs (salary costs etc)

- Indirect costs (Costs which are allocated to the recruitment operations, e.g. office space, platforms, management resources which are needed by the internal recruiters)
- ❑ Determine recruitment KPIs:
 - Applications, sourced candidates, candidate presentation and interview volumes
 - Time-to-hire
 - Fill-rates
 - Employee churn rate
 - Candidate satisfaction
 - Line manager satisfaction
- ❑ Defining cost KPIs
 - Total fixed recruitment costs
 - Total variable recruitment costs
 - Variable and total recruitment cost divided per hire

1.2 Building a Business Case and setting Objectives

A compelling business case is crucial for alignment and to gain buy-in from stakeholders and secure the necessary resources for outsourcing.

Setting Objectives:

- ❑ Cost-Benefit Analysis: Compare the costs of current recruitment operations with the projected costs of outsourcing with alternative solutions, partners and providers.
- ❑ Setting Quality metrics: We monitor sourced candidates, number of interviews, presented candidates, fill-rates per business area, time-to-hire, and most importantly, retention and performance. This includes performance reviews, productivity levels, and feedback from managers and colleagues.
- ❑ ROI Projections: Estimate the return on investment by considering cost savings, efficiency gains, and strategic benefits.
- ❑ Risk Assessment: Identify potential risks and develop mitigation strategies.
- ❑ Deciding on white label approach: A white label approach is a business practice where we operate under our customer's name.
- ❑ Define Objectives: Clearly define what we aim to achieve with outsourcing (e.g., cost reduction, improved compliance, enhanced employee experience).

1.3 Selecting the Right Partners and Platforms

Choosing the right partners and platforms is critical to the success of the initiative. Clevry will always benchmark its own platform and services against suitable alternatives:

Research and selection of platform and service providers:

- Vendor Research: Conduct thorough research to identify potential platform partners and service providers.
- RFP Process: Issue a Request for Proposal (RFP) to gather detailed information from vendors.
- Evaluation Criteria: Establish criteria for evaluating proposals, including expertise, cost, service offerings, and cultural fit.
- Vendor Selection: Select a vendor based on their ability to meet our needs and deliver value.

2. Developing an Implementation Plan

2.1 Creating a Project Team

Assembling a dedicated project team is essential for managing the transition to outsourcing.

- Appoint Lead Recruitment Manager at Clevry: Appoint a manager to oversee the outsourcing implementation and partnership.
- Appoint Project Manager at client: Appoint a manager to oversee the outsourcing implementation at the client.
- Cross-Functional Team: Include representatives from HR, finance, IT, and legal to ensure comprehensive planning and execution.

2.2 Detailed Project Plan

Develop a detailed project plan that outlines the key milestones, timelines, and responsibilities.

- Timeline: Establish a realistic timeline for each phase of the project.
- Milestones: Define critical milestones such as contract signing, system integration, and go-live dates.

- ❑ Responsibilities: Clearly assign responsibilities to team members and the outsourcing provider.

2.3 Communication Strategy

Effective communication is crucial for managing expectations and ensuring a smooth transition.

- ❑ Stakeholder Communication: Develop a communication plan to keep stakeholders informed about the project's progress.
- ❑ Employee Communication: Communicate the benefits of outsourcing to employees and address any concerns they may have.
- ❑ Regular Updates: Provide regular updates to C-level management on the status of the implementation and partnership.

3. Executing the Outsourcing Plan

3.1 Transition Phase

The transition phase involves transferring operations from the internal team to the outsourcing provider.

- ❑ Knowledge Transfer: Ensure a smooth transfer of knowledge and documentation to the outsourcing partner.
- ❑ System Integration: Integrate the outsourcing provider's systems with our existing technology infrastructure.
- ❑ Pilot Testing: Conduct pilot tests to identify and resolve any issues before full implementation.

3.2 Full Implementation

Once the transition is complete, proceed with full implementation of HR outsourcing.

- ❑ Go-Live: Officially launch the outsourced recruitment services.
- ❑ Training: Provide training to internal teams and employees on new processes and systems.
- ❑ Support and Monitoring: Establish a support structure to address any issues and monitor the performance of the outsourcing provider.

3.3 Continuous Improvement

Continuous improvement is key to maximizing the benefits of recruitment and HR outsourcing.

- ❑ Performance Metrics: Define and track key performance indicators (KPIs) to measure the effectiveness of outsourced HR services.
 - Cost-reductions: Compare the costs of current recruitment operations with the projected costs of outsourcing.
 - Quality metrics: Sourced candidates, number of interviews, presented candidates, fill-rates per business area, and most importantly, retention and performance. This includes performance reviews, productivity levels, and feedback from managers and colleagues.
- ❑ Feedback Loop: Create a feedback loop to gather input from employees and stakeholders.
- ❑ Regular Reviews: Conduct regular reviews with the outsourcing provider to identify areas for improvement and address any issues.