

HR Technology & Services

Evolution of RPO: Meeting Hiring Needs for the Workplace of the 2020s

Report Abstract

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By Nikki Edwards

Principal Research Analyst

NelsonHall

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Who is This Market Analysis For?

NelsonHall's RPO report is a comprehensive market assessment report designed for:

- Sourcing managers investigating sourcing developments within the recruitment process outsourcing (RPO) market
- Vendor marketing, sales, and business managers developing strategies to target RPO services
- Financial analysts and investors specializing in the RPO services sector.

Key Findings & Highlights

NelsonHall's market analysis of the RPO services market consists of 129 pages. The report focuses on developments made over 2020 and strategy for 2021.

The impact of COVID-19 will endure into 2021. However, for 2020, the market will shrink by 8.3% overall. Longer-term, the global RPO market will grow at 4.0% per annum, to reach ~\$7.4bn in 2024.

Key PESTLE factors impacting the RPO space in 2020, and for the foreseeable future, include economic (worsening global skills shortage and declining revenues/reduced budgetary spend due to COVID-19). Also, social (a digitally native workforce, remote workers), technological (the rapid pivot to embrace technology for remote working, ongoing personalization/consumerization of tech), and environmental (the health pandemic, reduction in environmental pollution).

RPO solutions are modular in structure, giving organizations the flexibility to blend models, services, technology, and delivery, to meet their changing needs. 2020 saw further flexibility introduced as vendors pivoted to meet the work-life changes brought about by COVID-19: adapting existing services and introducing new services to support their clients.

There is continued focus on delivering a great candidate experience (with RPO vendors being more joined up on the relationship between services, technology, and delivery). Technologies/tools (with time-saving/volume handling automation) offering something unique to enhance the candidate experience have appeared during 2020, with robust roadmaps continuing for 2021. An influx of job-seekers to the market (due to the COVID-19 lockdown) accentuates the importance of delivering a good candidate experience using technology (speed of the process, candidate communications). It should not be used as an excuse for organizations to provide a poor TA service (as bad reputations for service linger long, thanks to social media).

Tech and tools focus on high-volume mobile platforms, with increased automation requiring minimal human touch and improving speed-to-hire. Also, AI algorithms for CV parsing and candidate matching, the user experience, appification, more data points, and predictive analytics. Voice-activated search and apply is potentially game-changing for TA.

The emerging RPO patterns seen before 2020 were likely to take ten years to embed themselves. COVID-19 changed the situation, with RPO deals likely to see the most change in 2021-2022. Vendors will have to establish their comfort zones in this new era, but the outlook offers RPO vendors much opportunity to expand their offerings.

Scope of the Report

The report analyzes the worldwide market for RPO and addresses the following questions:

- What is the market size and projected growth for the RPO services market by geography?
- What is the profile of activity in the global RPO market by industry sector?
- What are the top drivers for the adoption of RPO services?
- What are the benefits currently achieved by users of RPO services?
- What factors are inhibiting user adoption of RPO services?
- Who are the leading RPO services vendors globally and by geography?
- What combination of services is typically provided within RPO services contracts, and what new services are being added?
- What is the current pattern of delivery location used for RPO services, and how is this changing?
- What are the challenges and success factors within RPO services?

RPO Vendor Assessments Available for:

ADP

Alexander Mann Solutions

Avencia

Cielo

IBM TAO

KellyOCG

Korn Ferry

Lorien

Mindfield Group

NXTThing RPO

PeopleScout

Pontoon Solutions

Resource Solutions

Sevenstep

Taggd (by PeopleStrong)

talentCRU

WilsonHCG

About The Author

Nikki is a Principal Research Analyst at NelsonHall, with shared responsibility for HRO research globally. Nikki is responsible for HRO research in the areas of Recruitment Process Outsourcing (RPO), Managed Service Program (MSP)/Contingent Workforce Services (CWS), and Learning. Nikki has a wealth of operational experience across the entire HR function, including talent acquisition, talent development, employee engagement, employee relations, compensation, benefits, payroll, employment law, and HR systems. She also has significant experience in leading and managing business transformation/integration and cultural change projects, including outsourcing key business functions, accelerated growth via TUPE transfers, organization and process redesign, and M&A initiatives (including due diligence, rebranding, cultural realignment, and compensation and benefits changes).



Nikki can be contacted at:

- Email: nikki.edwards@nelson-hall.com
- Twitter: @NikkiE_NH

About NelsonHall

NelsonHall is the leading global analyst firm dedicated to helping organizations understand the ‘art of the possible’ in digital operations transformation. With analysts in the U.S., U.K., and Continental Europe, NelsonHall provides buy-side organizations with detailed, critical information on markets and vendors (including NEAT assessments) that helps them make fast and highly informed sourcing decisions. And for vendors, NelsonHall provides deep knowledge of market dynamics and user requirements to help them hone their go-to-market strategies. NelsonHall’s research is based on rigorous, primary research, and is widely respected for the quality, depth and insight of its analysis.

We would be pleased to discuss how we can bring benefit to your organization. You can contact us via the following relationship manager: Guy Saunders at guy.saunders@nelson-hall.com

Boston

Riverside Center, 275 Grove Street, Suite 2-400, Newton Massachusetts 02466
Phone: +1 857 207 3887

London

Unit 6, Millars Brook, Molly Millars Lane, Wokingham, RG41 2AD
Phone: + 44(0) 203 514 7522

Paris

4 place Louis Armand, Tour de l'Horloge, 75012 Paris
Phone: + 33 1 86266 766

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