



Corporate
Recruiting
Reports

Strategic
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Staffing.org



Corporate Recruiting Reports

Strategic Outsourcing



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1 – Introduction

Outsourcing is the second in our new series of Corporate Staffing Reports. This series is both a direct evolution from our 13-year-old series of annual reports that began in 1998 as the *Recruiting Metrics & Performance Benchmark Report*, and something quite new. This evolution reflects the dramatically increased complexity of corporate staffing over that time, the promise of equally dramatic changes in the decade ahead, and consequently the increasing difficulty of becoming a leader in talent acquisition and management.

Corporate staffing has been evolving rapidly since the late 1990s, beginning with the appearance of Internet job boards. During that time it has also been whipsawed in and out of two recessions. It is no overstatement to say that the profession has changed more in the last decade than in the previous five, and those changes have been significant enough to require a new operating model to achieve best practice.

Our clients' interests over the past year have generally fallen into two categories:

1. Moving current operational metrics toward best in class performance
2. Innovating in ways that enhance strategic partnership with the business

Achieving both goals requires:

- Understanding how the staffing environment has evolved in recent years
- Understanding the forces that are driving that evolution, and where they are taking us
- Understanding the adaptations to staffing practice that will be required to operate successfully in a rapidly changing environment

Using This Report

Each of these reports examines a topic that is critical to 21st century staffing excellence. *Outsourcing* examines a function that is regularly practiced by the great majority of companies but almost always in the context of tactical decision making. By far the most common uses are to meet peak seasonal staffing needs and to

provide replacements for employees on temporary leave for reasons such as illness or vacation.

In *Outsourcing*, we offer a different perspective on this traditional function, one that potentially reshapes its structure and focus to provide better overall staffing efficiency and effectiveness, competitive advantage and bottom line corporate benefit. Although some of the ideas we discuss may seem radical or far fetched, they are well known to a small group staffing leaders, who are already applying them successfully in the talent marketplace.

Note – Throughout this report we use recruitment outsourcing in the broadest possible sense with no distinction between executive search, temporary services, contract recruiting and RPO. For our purposes, they are all ways of securing talent through the help of a third party specialist. Egon Zehnder and Kelly Services may have made their reputations opposite ends of the staffing spectrum, but they perform the same basic function.

We have five objectives:

- To explain the concept of strategic outsourcing
- To review changes in the staffing environment (ecosystem) and why these have made strategic outsourcing more significant
- To illustrate how strategic outsourcing can allow a staffing department to transition to activities that have greater impacts on corporate performance
- To help staffing managers decide whether strategic outsourcing makes sense for their organizations and where to place it on their project priority list
- To provide some guidelines from experienced clients, consultants, and vendors about how to approach the process and make it successful.

We publish this report at this particular moment because:

- Our research over the past two years has revealed which things will make the greatest difference between best practices and lagging practices as the 21st century staffing model takes hold. Outsourcing is high on that list.
- Clients have had other priorities these past two years but now are exiting the recession with the desire and ability to think differently about their objectives and game plans.