

## Concept of Recruitment Process Outsourcing in the context of IT Industry

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### Abstract

Outsourcing is the act of assigning specific company tasks to outside providers, allowing firms to concentrate on essential activities that generate income while reducing expenses related to upkeep. The objective of this study is to investigate the importance of outsourcing processes, namely Recruitment Process Outsourcing (RPO), and do a comprehensive analysis of RPO in the Information Technology (IT) sector. A literature review was performed to get insight into the function of Recruitment Process Outsourcing (RPO) in the IT industry and the changing requirements of firms in their hiring procedures. The recruiting Process Outsourcing (RPO) has become a crucial element of companies' talent acquisition strategy, particularly in the IT industry, because it may enhance recruiting operations, save costs, and effectively adapt to dynamic market conditions. Recruitment Process Outsourcing (RPO) has become a crucial tactic for IT organizations to effectively meet their staffing needs in the face of fierce market rivalry. The growing implementation of RPO highlights its significance in contemporary company activities, especially in tackling shortages of trained personnel and optimizing recruitment processes.

**Keywords:** Outsourcing, Recruitment Process Outsourcing (RPO), Information Technology (IT)

### Introduction

The outsourcing process encompasses the traditional management selection procedure, which involves the planning, selection, and management of providers. Organizations utilize a management strategy that focuses on allocating their expertise and resources towards core company processes that create revenue, while minimizing expenditures related to maintenance and support (Gaspareniene & Vasauskaite, 2014).

Outsourcing provides a significant advantage in terms of sharing risks. Organizations can delegate certain business activities to external suppliers, giving them full responsibility for carrying out these functions. Moreover, the process of outsourcing provides organizations with the benefit of adapting to changing business circumstances without incurring significant increases in administrative costs (Isaksson & Lantz, 2015).

In addition, outsourcing endeavors may face significant challenges such as cultural barriers, negative public opinion, labour conflicts, legal compliance and security concerns, downsizing of the workforce, and political instability. Organizations must do a comprehensive evaluation of these limits and establish effective strategies to mitigate any potential risks (Jepkogei, 2017).

Recruitment Process Outsourcing (RPO) refers to the practice of a company entrusting its recruitment procedures, either partially or completely, to an external service provider. RPO functions often encompass several stages of the recruitment lifecycle, beginning with initial hiring requests and extending to post-hire operations (Khadija & Omar, 2019).

The functions and delivery options for RPO are:

- **Client Hiring Request:** This is the first stage in which the client informs the RPO provider about their requirements for hiring. It encompasses the definition of job positions, necessary credentials, required experience, and any other pertinent information.
- **Sourcing:** Upon receipt of the hiring requirements, the RPO provider initiates the process of identifying and attracting potential applicants. This entails doing a thorough search for prospective individuals across several channels, including job boards, social media platforms, professional networks, and databases.
- **Screening:** Once viable candidates have been identified, the RPO provider evaluates them according to specific criteria established by the customer. Screening typically entails the evaluation of resumes, the performance of initial interviews, and the assessment of candidates' qualifications and appropriateness for the post.
- **Interviewing:** Candidates who meet the necessary qualifications are then arranged for interviews. Based on the agreement with the customer, the Recruitment Process Outsourcing (RPO) provider may carry out initial interviews to assess candidates' abilities, experience, and compatibility with the organization's culture.
- **The RPO provider assists in issuing job offers to qualified candidates on behalf of the customer once appropriate candidates have been found and chosen. This include the process of discussing and finalizing the conditions of employment, as well as assuring adherence to applicable regulations.**
- **Onboarding:** Once candidates have accepted job offers, the RPO provider aids in facilitating the onboarding process. This entails the completion of essential documentation, the facilitation of orientation sessions, and the guarantee of a seamless integration of new employees into the organization.

The delivery choices accessible for RPO (Recruitment Process Outsourcing) services (Kutlu, 2012):

**a. On-Site Delivery:** This option involves the RPO provider's workers working directly at the client's premises. They collaborate closely with the client's internal hiring team and are seamlessly included into the client's recruitment procedures. This configuration facilitates immediate communication and enhances synchronization with the client's organizational culture and objectives.

**b. Virtual:** In a virtual delivery model, the RPO provider operates remotely from their own office or hub. They utilize several technologies, including email, telephone, video conferencing, and applicant tracking systems, to provide recruitment services to its clients. Despite the physical separation between the RPO provider and the customer, efficient communication and technology provide smooth collaboration and punctual execution of services.

**c. Supported:** This delivery option provides the client with freedom in terms of their interaction with the RPO provider. Supported RPO services are modular, unlike dedicated RPO arrangements that solely serve one customer. The client has the ability to include or exclude services according to their particular needs and specifications. This enables the capacity to easily adjust and expand operations while maintaining efficiency and minimizing expenses, particularly for companies that experience varying staffing needs (Siew-Chen & Vinayan, 2016).

#### **Literature Review**

The Information Technology (IT) industry, being the second largest sector to delegate its recruitment efforts, is a significant consumer of Recruitment Process Outsourcing (RPO) services, particularly in India. Due to the IT sector's substantial contribution to employment in the country, creating a large number of jobs annually, and with projections indicating a major increase in job opportunities by 2020, there remains a strong demand for skilled personnel. RPO service providers are readying themselves to fulfill the increasing requirements of IT firms by adjusting their services to align with the evolving needs and expectations of the industry (Tank, 2015). This response is prompted by the rapidly evolving IT industry and the increasing gap between individuals seeking employment and the companies looking to hire. Due to intense market rivalry, frequent job changes by employees, and the presence of numerous skilled but jobless candidates, IT firms are using RPO services as a strategic method to efficiently fulfill their staffing needs. Recent reports indicate a significant surge in the adoption of Recruitment Process Outsourcing (RPO) by IT organizations (Nadda et al., 2017).

#### **Objective of the Study**

1. To examine the significance of outsourcing processes, particularly Recruitment Process Outsourcing (RPO).
2. To conduct a thorough analysis of the idea of Recruitment Process Outsourcing (RPO) in the Information Technology (IT) industry.

#### **Discussion and Conclusion**

The discourse on outsourcing and Recruitment Process Outsourcing (RPO) elucidates crucial aspects. Outsourcing allows firms to concentrate on their main activities while reducing expenses and distributing risks. Recruitment Process Outsourcing (RPO) entails the outsourcing of recruitment tasks to external providers. These providers offer customizable delivery choices that are designed to meet the specific demands of clients. Recruitment Process Outsourcing (RPO) is especially vital in the IT business because of the scarcity of skilled workers. It enables organizations to successfully fulfill their employment requirements in the face of intense market rivalry. As the IT sector undergoes changes, RPO (Recruitment Process Outsourcing) adjusts accordingly, resulting in a higher rate of its adoption. To summarize, outsourcing and Recruitment Process Outsourcing (RPO) provide strategic advantages, but the effective management of cultural differences and adherence to legal regulations necessitate cautious attention. The increasing popularity of RPO highlights its significance in handling personnel requirements in modern corporate operations.

Therefore, Recruitment Process Outsourcing (RPO) has become an essential component of firms' talent acquisition strategy, especially in the Information Technology (IT) sector. By harnessing the knowledge and skills of external service providers, firms can optimize their recruitment procedures, lower expenses, and better respond to changing market conditions. RPO companies offer a range of delivery solutions that specifically address the distinct requirements of IT firms. This allows them to expand their recruitment efforts while still ensuring effectiveness and adaptability. The increasing implementation of recruiting Process Outsourcing (RPO) by IT companies highlights its importance in streamlining recruiting procedures and enhancing organizational achievements in the rapidly evolving digital environment.

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