

RESOURCE SOLUTIONS

RECRUITMENT OUTSOURCING INSIGHTS

6 trends to watch in the recruitment space

RESOURCESOLUTIONS



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WELCOME

Resource Solutions manages over £2 billion of recruitment spend on behalf of some of the world's biggest businesses, covering a broad range of sectors and industries. Our 20-year record of delivering innovative and bespoke outsourced recruitment solutions for our clients speaks for itself. Placing upwards of 45,000 candidates for over 50 clients across more than 60 countries, our experience and expertise affords us a unique insight into the fast-evolving landscape of recruitment outsourcing.

If there's one cliché that remains as true now as it did 20 years ago, it's that change is a constant. Our dedicated Innovation team partners with our clients at the most senior level, helping them to stay one step ahead and navigate the changing recruitment landscape in real-time. We saw the changes in the recruitment world gathering pace in 2017, and we see them taking new directions as we enter 2018.

Those new directions are explored in this, our sixth annual Recruitment Outsourcing Insights report. We're pleased to share these insights with you, based on data collected from global HR professionals, and our first-hand experience of working with our valued clients – to whom I would like to extend my warmest thanks.

I hope this report serves to pique your interest, stimulate new thinking, and generate discussion on the trends emerging in the outsourced recruitment industry. I welcome your feedback, and look forward to discussing our findings with you.



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EXECUTIVE SUMMARY

The sixth Recruitment Outsourcing Insights report from Resource Solutions looks at the key transformations taking place in the RPO and MSP marketplace and provides an easily digestible overview of identified key trends.

New to the report this year is a global survey we conducted among more than 500 HR professionals regarding the recruitment processes at their business, and their initial reactions to the trends we see developing in this space.

This year's report highlights global impacts – from macroeconomic legislation and influential technology changing the way recruiters work, to the evolution of disruptive recruitment practices and talent acquisition models.

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TREND 1

COMMITTED TO GOING GLOBAL

2017 was a transformative year. As more RPO providers expand their services to offer truly global solutions, so businesses have more choice in an ever-crowded market. We identified an uptick in organisations moving from multiple RPO providers to one integrated provider with a global offering. The most adaptive RPO players are adopting an agile methodology to meet those demands.

And with both businesses and RPOs continuing to expand globally, so the trend is toward maximising operational efficiencies, improving resource allocation, and enabling the flexibility to move talent across geographies to fill their talent gaps.

GOING GLOBAL: 24/7 EXPECTATIONS

More organisations than ever before are looking to expand globally, whether operationally or as a strategy to drive down costs through off-shoring their support functions. As they enter new territories and new markets, ensuring they have a single global technology platform provides a common framework for HR standards, tools and efficiencies.

Time zone restrictions are removed as teams are based offsite in different geographies, right around the globe. The expectation is then that a global RPO provider can offer a 24-hour on-demand service, wherever the business operates.



“A global business needs a global partner, and one that can mirror the 24/7 nature of the business. That means having not just an account manager who knows your business inside-out, but a whole team who knows it inside-out and can provide the global 24/7 coverage you need. An RPO provides that in-house dedicated support and expertise, and when coupled with a network of Global Service Centres like that provided by Resource Solutions, you know that every base is covered and you’re in safe hands.”



Kelly Patterson, Executive Director, Human Resources at [Nomura Securities](#)

CASE STUDY: GOING GLOBAL WITH OUR CLIENT

Since 2011, Resource Solutions has been providing a full end-to-end RPO and MSP solution for a major global bank in the UK and Switzerland, with teams based in several locations across the UK and in Geneva.

In 2017, Resource Solutions was awarded a contract to provide a full end-to-end RPO solution and MSP Vendor Management solution for the client across the Middle East and North Africa (MENA), including Algeria, Bahrain, Egypt, Kuwait, Morocco, Qatar and Turkey.

Overview

Resource Solutions remotely supports recruitment for the client's MENA operations. This includes managing the end-to-end recruitment process for all permanent hiring, as well as temporary hiring via the client's existing third party recruitment agencies.

Our service model focuses on direct sourcing and internal mobility within the region, including a specific focus on graduate hires.

- Our account team of 20 includes eight people based in our Group Dubai office, who are mobile and work at our client's MENA head office in Dubai when required. A further 12 people in our Global Service Centre (GSC) in Johannesburg provide transactional support, reflecting the increasingly global nature of our client's needs. This includes adapting their working hours and patterns to reflect those of our client – for instance, working Sundays and during the Christmas holidays.

- We use our own award-winning and industry-leading recruitment technology, **talentsource** for all temporary recruitment tracking.

Results

Resource Solutions' new offsite teams in Dubai and Johannesburg support the MENA contract and bring the total global headcount for our client to over 165. The service is underpinned by **talentsource** for temporary recruitment, and Taleo for permanent recruitment.

In addition to hitting their recruitment targets, our account team achieved many successes during the implementation process:

- **Quick Work:** We worked closely and collaboratively with our client to execute a final contract, with the agreement in principle and a signed SLA completed within 48 hours of go-live.
- **Retaining Talent:** We recruited staff from the current incumbent, thereby retaining valuable knowledge and expertise within the team.
- **Effective Transfer of Knowledge:** We also successfully engaged with the current incumbent for detailed handover information, providing resources to validate the process and information in readiness for go-live.

RIGHT-SHORING TO MEDIUM-COST LOCATIONS

In our survey, of respondents who manage a global workforce:



"Right-shoring" is the name given to the process of discovering where the "right place" is for certain business functions. Businesses historically called this "off-shoring", moving roles to lower-cost locations, but some have created a methodology to assess attrition, productivity and overall experience, and have since moved these roles to different medium-cost locations, or back to their flagship market.

A global RPO is an attractive solution because of their ability to deliver and replicate services across several geographies. Clients want the best of both worlds: a streamlined global standard that can be locally tailored and is cost-effective and low-risk.

"In our experience, UK companies are becoming increasingly keen on overseas expansion as a means of diversifying income streams and reducing reliance on uncertain markets, not least since Britain's decision to leave the EU. However, identifying and securing the high-quality talent needed to staff international operations is a perpetual challenge for business leaders.

"It's impossible to micro-manage a new operation from afar so finding the right people to build the business is critical – and it's regularly where ventures fall down. It's often the best option to take your own DNA and seed it into the new project. However, as the business grows, it is wise to 'backfill' with local talent. Local businesses offering local services ultimately need the experience and insight of local people – you can never assume culture."



Ann Swain, Chief Executive of the [Association of Professional Staffing Companies \(APSCo\)](#)

TREND 2

ROBOTICS & AI IN THE HUMAN WORLD

With new and developing technology entering the market every day, the expectation for RPO providers to have their finger on the pulse of this changing landscape is greater than ever before.

The reality is that most organisations are already using robotics and AI in some shape or form. And that means that the role of the recruiter is evolving at hyper speed, and recruiters that are multi-skilled and tapped into technology will find themselves well-positioned for success in the coming years.

ROBOTICS IN THE WORKPLACE

It's no surprise that the unprecedented rise of technological tools has challenged recruiters to find new efficiencies for their clients.

How are AI and robotics affecting your job?

42% feel that automation and AI technologies **affect their current role** in a minor way, with only **5%** stating there's a **significant impact**

30% feel that automation and AI technologies will eventually have a **significant impact** on their current role

6% feel AI technology will have **no effect** on their jobs in the future



"There's a common misconception that AI isn't something that touches 'us' – that it happens to other people. But in fact there are very few areas in our everyday lives where there's no impact."



Janine Chidlow, Managing Director, EMEA & Americas, Resource Solutions.

AI already plays a big role in our everyday lives. Machine learning principles suggest training sessions to complement your skills; a Chatbot can handle online conversations; and Alexa or Google Home are being welcomed into our personal lives. Everywhere you look, the lines between the professional and personal are blurring.

PROCESS AUTOMATION

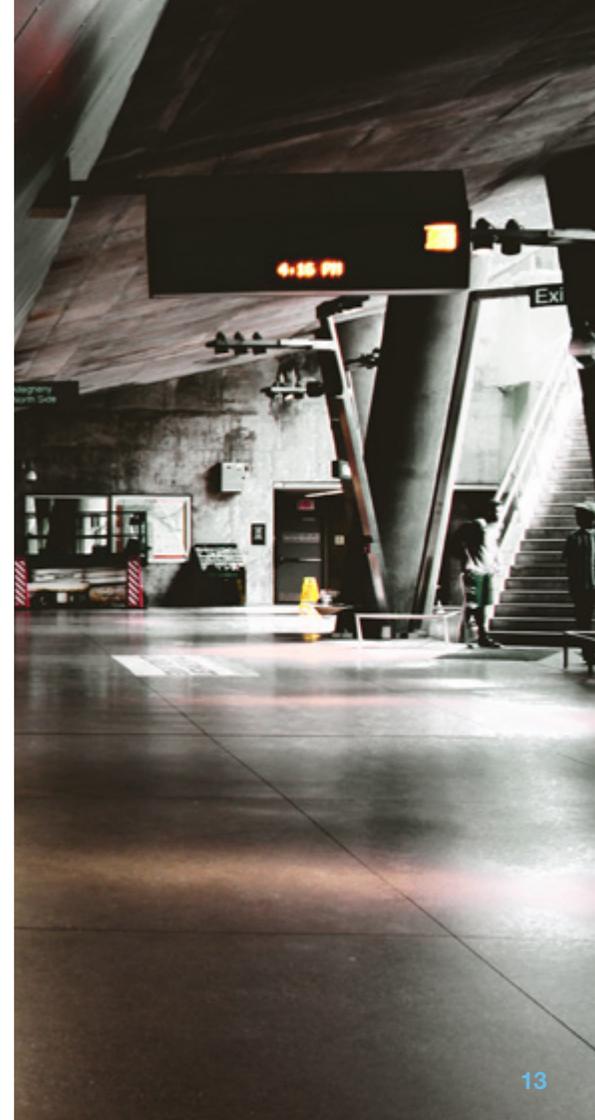
Where do you see AI and robotics having the biggest impact?



38% cite **process automation** as the most anticipated piece of artificial intelligence (for cost-savings and time-effective benefits)



56% and **54%** of HR professionals surveyed listed **candidate searching** and **candidate sourcing** respectively as the key areas of recruitment they see being impacted by AI



Recruitment is a high-touch service industry, but there are certain functions where repetitive and labour-intensive human activity does not add a lot of value. It is these areas that Tom Lakin, Innovation Manager at the Robert Walters Group, believes are ripe for greater AI assistance and augmentation:

“Historically, futurologists or innovation teams typically overstate the importance of a new innovation in the short term. But then, society overall often underestimates its impact in the long term – this is where we are today. Take the example of Palm Pilot, which was huge when it first appeared, became obsolete and disappeared, but some of whose functionality is now making a comeback.”

It comes as no surprise that HR professionals are excited for process automation to take care of the labour-intensive aspects of recruitment, such as candidate interview scheduling and social media screening. Resource Solutions has trialled a number of HR and recruitment technologies, and while some of the pilots of AI technology didn't provide immediate benefits to our recruiters, they did start to show that the longer you work with the tech, the more that tech learns. So, we're expecting to see improved results in our future trials.

“We still hire experienced recruiters who understand their market to accurately source candidates. Have we found the AI platform with the nuances that understand the markets like experienced recruiters? No. Think of AI as augmenting parts of the recruitment process, automation still requires a human touch.”



Tom Lakin, Innovation Manager,
Robert Walters Group

During 2017, Resource Solutions hosted a series of seminars in London, Manila, Hong Kong, Kuala Lumpur and Singapore, looking at innovation in recruitment. The sessions featured demonstrations from Arya, IBM Watson, HireVue, Debut, Entelo, and of course Pepper the Robot. We will be hosting events during 2018 to continue exploring the latest innovations.

PREDICTIVE ANALYTICS: BIG DATA, BIG FUTURE

How will you leverage big data?

31%

of respondents are eagerly anticipating the development of predictive analytics

Predictive analytics has the capacity to identify high-quality candidates through machine learning principles, big data and behavioural pattern recognition. Resource Solutions is using these tools now, and it's no surprise that the majority of HR practitioners want to build a talent pipeline.

As we become more regular and more comfortable consumers of AI, we're going to want more of it in both our personal and professional lives. The lines will blur – are we going to be job searching manually on the Internet? Or will we ask our Alexa and Google Home to do that for us? The AI with the best staying power is the kind you barely notice is there at all.

CASE STUDY: Predicting the future of recruitment with predictive analytics

What is Entelo?

In 2017, Resource Solutions and three clients started using [Entelo](#), a US-based talent aggregator with embedded predictive analytics and diversity search functionality. The Entelo platform combines machine learning, predictive analytics, behavioural listening and social signals to help recruiters identify, qualify and engage with talent. It's designed specifically to source talent within the technology community.

The benefits of using Entelo

- **Talent hunting:** Recruiters are able to source candidates using all available social networks and platforms, including LinkedIn, Facebook, Twitter and GitHub. This is particularly key in business areas such as technology and consulting where talent is increasingly reluctant to engage with just one platform. By collating data from across the social web, Entelo is able to source email addresses, increasing response ratios and making the process more personalised.
- **Competitive Edge:** Entelo's predictive analytics feature “More Likely to Move” claims to identify individuals who have a 30% chance of moving jobs in the next 90 days.

“I can't think of a single client who doesn't believe that the people agenda this coming year won't be led by data analysis and data analytics.”



Janine Chidlow, Managing Director,
EMEA & Americas, Resource Solutions

- **Diverse talent:** Entelo has a built-in diversity search feature which allows recruiters to source by gender, ethnicity and veteran status.

Case Study #1

Resource Solutions was tasked with identifying and pooling female talent (who were underrepresented) for a banking client based in Switzerland. Using the Entelo platform, we:

- Achieved a 60% response rate from female candidates, doubling our response rate.
- Identified 16 CVs and added them to the talent pool for future roles, and conducted eight interviews in only 10 days.

Case Study #2

Resource Solutions was tasked with identifying hard-to-find and in-demand senior tech talent in the UK for a Financial Services client – specifically, senior developers with Financial Services experience. Our pilot with Entelo enabled us to highly target our sourcing, resulting in a 33% conversion rate and five in-demand candidates being immediately progressed – a notable result given that only 13% of developers are actively looking for a new role. Overall, our pilot received positive feedback from the hiring community on the high quality of the talent we sourced.

TREND 3 DISRUPTION BY DESIGN

With new technology constantly disrupting our behaviour and expectations, recruitment methodologies have followed suit. We have identified a few trends that have challenged the traditional principles of recruitment.

Looking ahead in 2018, respondents to our survey prioritised the following when putting together a long-term hiring strategy:

68%

Talent attraction

47%

Staff retention

43%

Employer branding

This section includes case studies from clients who are benefiting from Resource Solutions' innovative approach to their HR priorities in 2018.

At a glance...

'Recruiting for Potential'
Hiring on tested ability and perceived potential rather than focusing on a candidate's previous experience.

MERITOCRATIC / SKILLS-BASED RECRUITMENT

How is your business building a talent pipeline?

43%

of respondents have applied the 'recruiting for potential' strategy in their business

26%

of respondents have plans to recruit for potential but have yet to apply this strategy

By prioritising recruitment that tests candidates through values and skills-based assessments and alternative evaluation methods, instead of a traditional CV, we're discovering candidates that further an organisation's social mobility and Diversity & Inclusion agenda. Organisations are opening up to the practice of 'recruiting for potential', which focuses on assessing potential employees on their tested ability and perceived potential, rather than on past experience alone.

"We're challenging the assumption that the best candidate has worked at a direct competitor doing the same job. We're using new technologies to hire the best person for the job, not the best CV."



Tom Lakin, Innovation Manager,
Robert Walters Group

'AGILE HIRING' DAYS

The path to a job isn't always a straight line. The modernisation of recruitment methods can include innovative strategies, some of which Resource Solutions has employed to great success with a number of international clients. One example is the 'Agile Hiring' approach that Resource Solutions has deployed with clients, the core elements of which include:

1. Cultivating buy-in at the client's executive level
2. Requiring candidates to complete an online skills-based assessment
3. Arranging an 'Agile Hiring' assessment day that brings together multiple potential candidates with Hiring Managers
4. Performing competency value-based assessments during the 'Agile Hiring' day
5. Getting Hiring Managers to commit to hiring the best person for the job based on the outcomes of the 'Agile Hiring' assessment, not just their CV
6. Extending an offer on the same day – moving quickly from assessment straight to an offer, hence 'Agile Hiring'

"Hiring managers are attending our 'Agile Hiring' days having seen neither the profiles nor the CVs of successful candidates... realising they likely wouldn't have gone through to assessment if they were evaluated only on their CV."



Janine Chidlow, Managing Director,
EMEA & Americas, Resource Solutions

CASE STUDY: Global banking client

Last year, one of our international banking clients shared their strategy to develop their on-shored IT service centre as an IT centre of excellence. To support this strategy, as their outsourced provider, we were given the initial target of recruiting approximately 1,000 employees during 2017. We launched a new attraction and selection strategy for a range of permanent hiring across technology and Chief Security Office (CSO) platforms.

In a market where demand for the best tech talent is highly competitive, we hosted seven 'Agile Hiring' days to approach the selection process strategically. We delivered a re-energised employment proposition to our target talent pool, whilst realising economies of scale through a quick and more efficient process.

The results speak for themselves: from seven events, of the 96 candidates who attended, 61 were hired as suitable against our client's competencies – a conversion rate of 68%. This methodology was applied until all of the target roles were filled – and all ahead of schedule.



THE IMPACT OF SOCIAL MOBILITY – THE “EXPECTATION ECONOMY”

With major RPO players now offering truly global services, there's an expectation that contractors can be deployed as quickly as possible wherever they are required. Much like consumers now expect next-day shipping, so businesses expect the same from their RPO providers. In summary, the on-demand marketplace is growing; and our work with a global professional services provider is an example of meeting expectations and surpassing them.

CASE STUDY: Global professional services provider

With more than 200,000 employees operating in over 150 countries, our professional services client wanted to embrace the emergence of the 'gig-economy' and rebalance its share of permanent to contractor employees. Looking to increase the proportion of contractors from 6% of their workforce now, to 30% by 2025, our client developed and worked with us to introduce an innovative online platform that allows them to post jobs, create a cross-referential list of people and skills, and invite people to join their business-wide talent pool. It has proved a real game-changer for our client, helping them move towards their target of re-shaping their business to adapt to the growth of the "gig-economy". (For more on this, see our final trend: "Tomorrow's Workplace".)



John Fallon, Account Director at Resource Solutions said about the project:

"We provided a level of agility that enables our client to adapt and respond to the increasingly complex and urgent requirements of their own client portfolio, creating a competitive market advantage and an attractive employment proposition for the wealth of talented individuals looking to operate within the gig-economy."

DIVERSITY & INCLUSION

Diversity & Inclusion (D&I) is no longer a token agenda topic – it's embedded at the Executive Committee level. Those organisations excelling in this area are those that are recognising the need for tangible diversity initiatives that create systemic change and deliver world-class working cultures. It's now standard practice for successful organisations to have D&I incorporated into the DNA of their culture and processes.

“What we're seeing is that where you don't put a CV in front of a Hiring Manager, but a skills-based assessment report, the likelihood of getting someone hired who is fully capable and probably brings some diversity into the role is more successful.”



James Haq-Myles, onsite Diversity Consultant at one of Resource Solutions' multinational banking clients



Organisations are looking for that extra edge with their candidates. Many vacancies today would not have existed five years ago, and with these roles constantly changing, candidates today are expected to be versatile and adaptive. These are traits that might not be apparent from a CV-based recruitment process; the evolution of the candidate experience approach allows more of these candidates to come to the fore.

“Businesses are coming under greater scrutiny than ever when it comes to equality and diversity – or the lack of it. To succeed in today's competitive and challenging world, businesses need to make diversity and inclusion a business priority, with cultures which value talent above anything else. I anticipate 2018 shining an even brighter spotlight on diverse hiring practices, with a big focus on diverse shortlists and equal pay.”



Suki Sandhu, Founder & CEO, [Audeliss](#), [OUTstanding](#), [EMpower](#) & [HERoes](#)

TREND 4

THE WINDS OF LEGISLATIVE CHANGE

While 2017 saw key markets growing, a number of major legislative changes began to take shape or loom large on the horizon. From Brexit to the General Data Protection Regulations, we've summarised a number of changes that will have significant business implications in 2018.

GENERAL DATA PROTECTION REGULATION (GDPR)

How much will the GDPR affect your business?

35%+

In our survey, a **majority of respondents (over 35% of businesses)** felt that the **GDPR deadline** in May 2018 will have the **greatest impact** on how they operate.

With the aim of harmonising data privacy laws across Europe, the GDPR deadline will see those that work with personal data needing to appoint a Data Protection Officer or a Data Controller to take charge of GDPR compliance. Organisations that do not comply with GDPR can see fines of up to 4% of annual global revenue, or €20 million, whichever is greater.

The trend for data protection is sweeping Asia as well. While not as robust as Europe, major markets like Hong Kong and Singapore have reformed their data legislation over the last two years, with other major businesses in the region looking to bring their legislation closer to European standards.

“With just a matter of months to go until GDPR lands, it is no surprise that a third of respondents believe the legislation will have the greatest impact on their business. However, I'd advise business leaders not to buy into the scare-mongering. These laws aren't about fines: they're designed to protect personal data – data that ethical companies hold for a legitimate reason. Take the introduction of GDPR as an opportunity to clarify internal data processes and build trust – and your brand – amongst target stakeholders.”



Ann Swain, Chief Executive of the Association of Professional Staffing Companies (APSCO)

GD-POWER SEMINAR: 5 THINGS TO REMEMBER

In November 2017, Resource Solutions hosted clients at a seminar called 'GD-PowerR: Everything you need to know about GDPR in recruitment'. The top five takeaways were:

1. GDPR applies to any personal data, regardless of whether it's public domain or not (like LinkedIn biographic info) that is collected or processed within the EU, or targets people in the EU from outside.

2. Consent is just one of the ways allowing the lawful processing of personal data. Other examples are "Contractual Necessity," regulatory requirement, and where the Controller has a "Legitimate Interest" which is balanced with the rights of the individual.

3. Documenting how a Controller or Processor makes decisions is vital if there is an inspection by a Supervisor Authority. As an RPO or MSP, Resource Solutions would continue to be a Processor for certain clients in respect of candidate or worker personal data.

4. Make sure you have a data breach response plan in place and ensure it is tested and works collaboratively with other departments and third-party suppliers.

5. Do not keep personal data longer than needed. Building a high degree of trust as to how a brand uses and stores Personal Data is critical.

Disclaimer
The above does not constitute legal advice. It is given purely as general information, does not take into account the specific needs of your organisation and does not replace the advice provided to you by your external legal advisors or in-house counsel.



"Another point to consider is that companies need to ensure their technology meets data protection and security criteria. This is specifically relevant in the case of automated search tools that find and potentially interact with candidates and their data without explicit consent. I expect these tools to come under increased scrutiny in the months ahead."



Ian Blake, Director of Business Applications, **talentsource**

BREXIT

Are you shrugging off Brexit concerns?

25%+

Over 25% of HR professionals believe that **Brexit implications** will have a **significant impact on their business**

The uncertainties surrounding the Brexit negotiations have already affected hiring activity as organisations await the final result. With Britain set to leave the European Union in 2019, the coming year will see further development of official sanctions and implications. Whatever impact Brexit has had has appeared gradual, with one risk being a false sense of security that the worst has been and gone. But the truth is, nobody quite knows what will happen next. Uncertainty then, remains the key feature of Brexit as we begin 2018.



Richard Harris, Chief Legal Officer at Resource Solutions, feels Brexit comes down to two key issues:

“There is a lot of uncertainty about Brexit. I can’t see how that is going to be entirely resolved in just over a year’s time.

“Immigration is a key issue. The free movement of workers is going to become more difficult. The UK, and in particular the large cities, have traditionally been beacons for international talent and so restrictions on EU migrant talent could be impactful. People are, at least to some extent, uncertain about their future. In particular, those who are considering a move to the UK or the remaining EU states, after March 2019. This could lead to labour shortages if the eventual policy is over-restrictive or ambiguous. I suspect there will be tests and it’s likely – unless there’s an agreement with the EU – that EU citizens may be subject to the same tests as someone coming from Australia or the United States.”

“The other key issue around Brexit is Financial Services passporting – being able to operate efficiently as a Financial Services centre. If UK financial institutions can’t transact with Europe on sensible terms, the market could take a hit. However, I think, whatever happens, it is going to be a case of financial institutions finding ways around the issue. We are likely to see representative offices being set up within the remaining EU at the very least. My personal view is that wholesale moves from the UK are less likely – financial intuitions will be looking in the round and will need to be considering matters such as more restrictive labour practices in the remaining EU. A fundamental shift is more of a potential in the longer term. It is also important to remember just how long such a reorganisation would take in practice.”

“In summary, companies should be concerned about Brexit. Hiring may be harder. There may be less talent to select from, the pool may not be as well qualified, and less competition in candidates is seeking roles. But we won’t see large companies uprooting all their existing staff and moving them on immediately. If that does happen, it will be a gradual thing.”

CHANGES TO LIMITED CONTRACTOR LEGISLATION (IR35)

A complex and controversial law designed to stamp out tax avoidance, the UK government decided in November 2017 to begin consultations on whether to roll out the IR35 tax reforms to the private sector. It's assumed that if the reforms are extended, businesses will have to shoulder the administrative burden of how to engage contractors and whether they're taxed the same way as a permanent employee or as off-payroll workers.

Richard Harris, Chief Legal Officer at Resource Solutions, is watching this development closely:

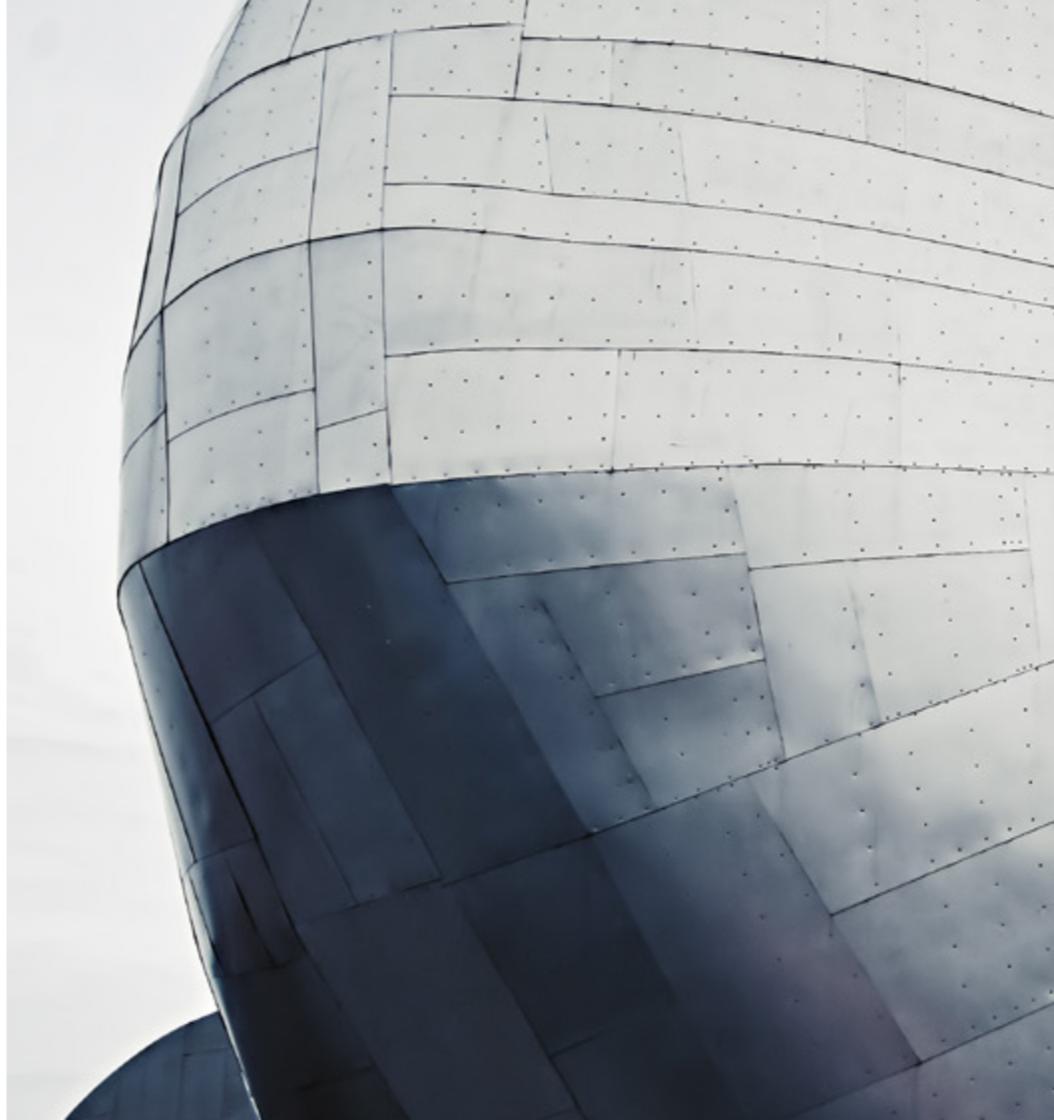
"This could be more impactful than anything else on the legislation horizon at present.

"The IR35 status has always been taken for granted and sometimes seen as a choice by contractors – choosing to be set up that way for tax advantage rather than reflecting the actual reality of their work. Employers can't have it both ways.

"Having someone who's IR35 compliant means they should be a true independent contractor – working the hours they choose to work and be using their own kit, for example, are some of the circumstances which HMRC factor into its determination. Organisations need to think about whether they're using their own email address, as they are meant to be an independent contractor. The UK government hasn't been very strict on compliance so far, and this could change. We could see a sweeping shift like in Singapore, where no-one is a limited company contractor. It has big implications regarding National Insurance Contributions (NIC) in particular because it pushes costs up on employees.

"I'm watching this more closely than anything else. We may see a shift to Statement of Work (SOW) type models. I think we're also going to see a new category of worker somewhere between permanent and temp following the government's adoption of the Taylor Report within the Good Work Act.

"Last year, the public sector went through difficult changes because people did not want to work in the public sector except as an IR35 compliant limited company, so they moved into the private sector. With the private sector potentially having to become aligned, it will be a big change we'll see unfold during 2019."



GENDER PAY GAP

From Hollywood actor Mark Wahlberg donating his \$2 million fee to the 'Time's Up' fund to combat harassment and pay inequities in Hollywood, to the resignation of the BBC's China Editor over alleged pay discrimination, the gender pay gap continues to be big news.

The UK gender pay gap is 18.1% for all workers and 9.4% for full-time staff. To highlight workplace discrimination and take steps to close the gender pay gap, the UK made gender pay gap reporting mandatory for companies with 250+ employees – affecting 9,000 employers and 15 million employees. April 2018 is the deadline for companies to comply, and they are encouraged to publish an action plan with their findings.

"Gender pay gap reporting will be the big story in the early part of 2018. With over 90% of affected organisations yet to report, their biggest challenges will be the accuracy of their data and their story. Employers should begin preparing now to report on pay gaps for characteristics such as race and disability, which is likely to be introduced in this parliament with cross-party support if gender pay gap reporting results in positive change."



Denise Keating, Chief Executive, [Employers Network for Equality & Inclusion \(ENEI\)](#)



NEW YORK SALARY AND COMPENSATION BILL

In the US, New York City's Mayor, Bill de Blasio, signed a bill intended to help close the gender pay gap. It barred employers from asking about a candidate's wage history during the recruitment process – often disadvantageous to female candidates as they often earn less than their male counterparts.



Rosie Johnson, Resource Solutions' Client Services Director in New York, said:

“The full impact of this bill will be unquantifiable for some time; however, it has meant significant changes for many companies who have adjusted their hiring processes accordingly. Many companies, including Resource Solutions, have expanded the removal of salary history questions for all hiring across the US, not just in New York City. They are also working to sophisticated salary benchmark rate cards.”

APPRENTICESHIP LEVY

As part of the UK government's drive to introduce three million new apprentices by 2020, an apprenticeship levy was put in place in 2017 to support training programmes. All employers with a wage bill of £3 million or more are required to pay half a percent of their staff cost into the apprenticeship fund. While the response to its introduction over the past year has been mixed, we expect to see organisations better understand how to leverage the levy during the course of 2018.

Ultimately, new legislation means new compliance, and non-compliance fines are getting steeper year-on-year.



Debs Keogh, Associate Director of Strategic Client Development at Resource Solutions, said:

“The introduction of the Apprenticeship Levy had a significant impact on the approach companies are taking towards overall apprenticeship hiring. Whilst apprenticeships can cover many levels within a business, a significant proportion often sits within Early Career hiring, hence we have witnessed clients evaluating their entire Early Careers strategy in light of these changes. Early evidence would suggest the number of new apprenticeships has not risen post-implementation; however, given the time needed for changes to the training programmes and adaptation of new regulation, it is difficult to judge the overall impact. There's no doubt that 2018 will be an interesting time to watch how this pattern evolves.”



TREND 5 TOTAL TALENT ACQUISITION 2.0

We first highlighted Total Talent Acquisition (TTA) as an emerging trend in the recruitment space in our 2016 Recruitment Outsourcing Insights report. Since then, it's come a long way, and it continues to gather pace as a recruitment solution of choice.

TTA is a delivery model designed to complement all client programmes, including contingent, permanent and consultancy and Statement of Work (SOW) spend. Managing all forms and levels of recruitment under a TTA solution supports a business' efforts to expand, and can positively impact critical areas of productivity and workplace efficiencies.

TO TTA OR NOT TO TTA?

22%

22% of respondents to our survey are **not using TTA** at the moment, but are planning to in the future.

36%

The majority of respondents (**36%**) admitted to **not managing their permanent, temporary and consultancy workforce** as one entity with a TTA model.

At a glance...

Statement of Work (SOW)

A temporary contract which focuses on the work activities and deliverables to be supplied by the professional, as opposed to a typical contingent contract, which is billed based on timed work. The project is paid for following successful delivery of the piece of work or completion of the project.

“We’ve seen an uptick with small to medium-sized businesses operating across multiple countries that have been combining RPO & MSP services within one provider. There is a definite appetite for moving to simplified supplier relationships.”



David Barr, Director, APAC, Resource Solutions

“Historically, larger clients have been hesitant to award large contingent workforce programmes to the same providers as their permanent RPO solution, largely due to avoid concentration of risk. With the evolution of TTA this is starting to change as the holistic benefits of having contingent, permanent and SOW management under one roof create a more compelling case.”



Colin Loth, Head of Sales, EMEA, Resource Solutions



MANAGING ALL FORMS OF RECRUITMENT

Why do businesses use a TTA model?

18%

18% of respondents **currently utilise a TTA model**, allowing for **greater efficiency** when it comes to **managing, engaging and retaining their workforce**

Resource Solutions' TTA delivery model is designed to complement our clients' broader talent programmes. We support the acquisition of talent in all forms of candidate engagement, including permanent, contractor and temporary roles. Managing all forms of recruitment control, consistency and visibility, stakeholder engagement and hiring experience, our TTA solutions support our clients in their ambitions to globalise recruitment programmes.

The concept of TTA makes a lot of sense – it ensures an organisation's total workforce is being reported on. This includes the transfer of knowledge, transfer of skills, ensuring work is allocated to the right place and managing staff accordingly. By blending RPO and MSP solutions in a TTA model, organisations are redesigning an entire global talent acquisition strategy. So, whether engaging the permanent, temporary, consultant or SOW workforce, Hiring Managers can benefit from a bigger talent pool, economies of scale, and efficiencies from the technologies that enable a TTA model.

SOW WHAT?

SOW budgets differ across organisations because they are typically dependent on the attitude to spending on consultancy. Some will naturally have a policy that limits the number of third party consultancies with whom they work, while others will choose to spend more on consultancies. SOW programmes can offer clients opportunities for greater transparency to better manage their entire contingent workforce across all requisition types.

HOW DO ORGANISATIONS USE SOW?

36%

36% of respondents are considering or plan to **incorporate SOW** in their contingent worker programme

54%

Independent research by Staffing Industry Analysts (SIA) in their 2017 EMEA Buyer Report also shows that **33% of buyers surveyed plan to incorporate SOW into their contingent workforce** programmes over the next two years, **while 54% of them already have SOW included in their programmes**



CHANGING ATTITUDES TO THE TEMP OPTION IN ASIA-PACIFIC

In Asia, the recruitment outsourcing market in the last year has evolved rapidly. However, contingent workers as flexible work options in Asia still remain in the minority. For cultural reasons, workers in Asia choose not to consider flexible or temporary workers, but we are seeing them become more prominent in key markets like Singapore and Hong Kong.

TOOLS USED TO PLAN AND REPORT ON SPEND

Since 1998, Resource Solutions has provided our own proprietary recruitment technology, **talentsource** to place equal emphasis on addressing and meeting permanent and temporary talent-acquisition needs. Recently upgraded, and continually improving, our industry-leading support system is modular, web-based and provides end-to-end tracking for our clients.

A TTA solution can only be managed by an outsource provider who offers both RPO and MSP services – it's not an automatic assumption that vendors are able to provide this function. At Resource Solutions, we're agile and offer bespoke TTA solutions for our clients.

At a glance...

Applicant Tracking System (ATS)

A software application that enables the electronic handling of corporate recruitment needs. For example, **talentsource** is an award winning and industry-leading recruitment technology that supports the end-to-end recruitment cycle.

At a glance...

Vendor Management System (VMS)

A web-based application that allows an organisation to manage relationships and candidates submitted by third party recruitment and staffing companies specifically for permanent hiring, for example, Fieldglass.

CASE STUDY: Putting talent first with **talentsource**

Resource Solutions continually assesses the recruitment technology landscape to refine the tools that we provide to our clients. In 2016 we began a major two-year project to re-write our proprietary ATS and VMS, **talentsource**. The new iteration of **talentsource** features a more intuitive interface to cover current and future business needs by improving the overall candidate and client experience and enabling the benefits of new technology and social media.

Resource Solutions is entirely technology agnostic, but we are proud to provide our clients with **talentsource**, an award-winning and industry-leading recruitment technology that supports end-to-end recruitment lifecycle tracking.

Our mobile responsive platform provides users with permanent, temporary and Statement of Work (SOW) recruitment tracking; agency and non-agency source management; a fully branded candidate career portal; contractor management; and management information all in real-time.

talentsource is included in Resource Solutions' overall RPO and MSP offer and is trusted by our clients around the world. Managing over \$2 billion of recruitment spend annually, **talentsource** supports over 45,000+ weekly users globally.



 **talentsource**

TREND 6 TOMORROW'S WORKPLACE

As technology becomes more prevalent in everyday life, so technology will remain at the forefront of recruitment. As further developments continue to optimise the cost-effectiveness and speed of HR technology, it's no wonder that many organisations are looking to increase their investment in 2018.



GLOBAL ENTERPRISE HR TECHNOLOGY

What does your investment in HR technology look like?



81% of respondents are looking to **maintain or increase their budget for HR technology**



Only **6%** are expecting to **decrease their spending on HR technology**

Historically, clients have bought off-the-shelf software separately for specific HR items, such as tracking and time sheeting. With emerging technology and the increasing globalisation of HR departments, 2017 was an impressive year for an amalgamated approach to end-to-end solutions for all things people related. As a result, HR systems are now widely becoming enterprise systems that are owned by in-house HR departments.

CANDIDATE EXPERIENCE

How is data evolving the candidate experience?

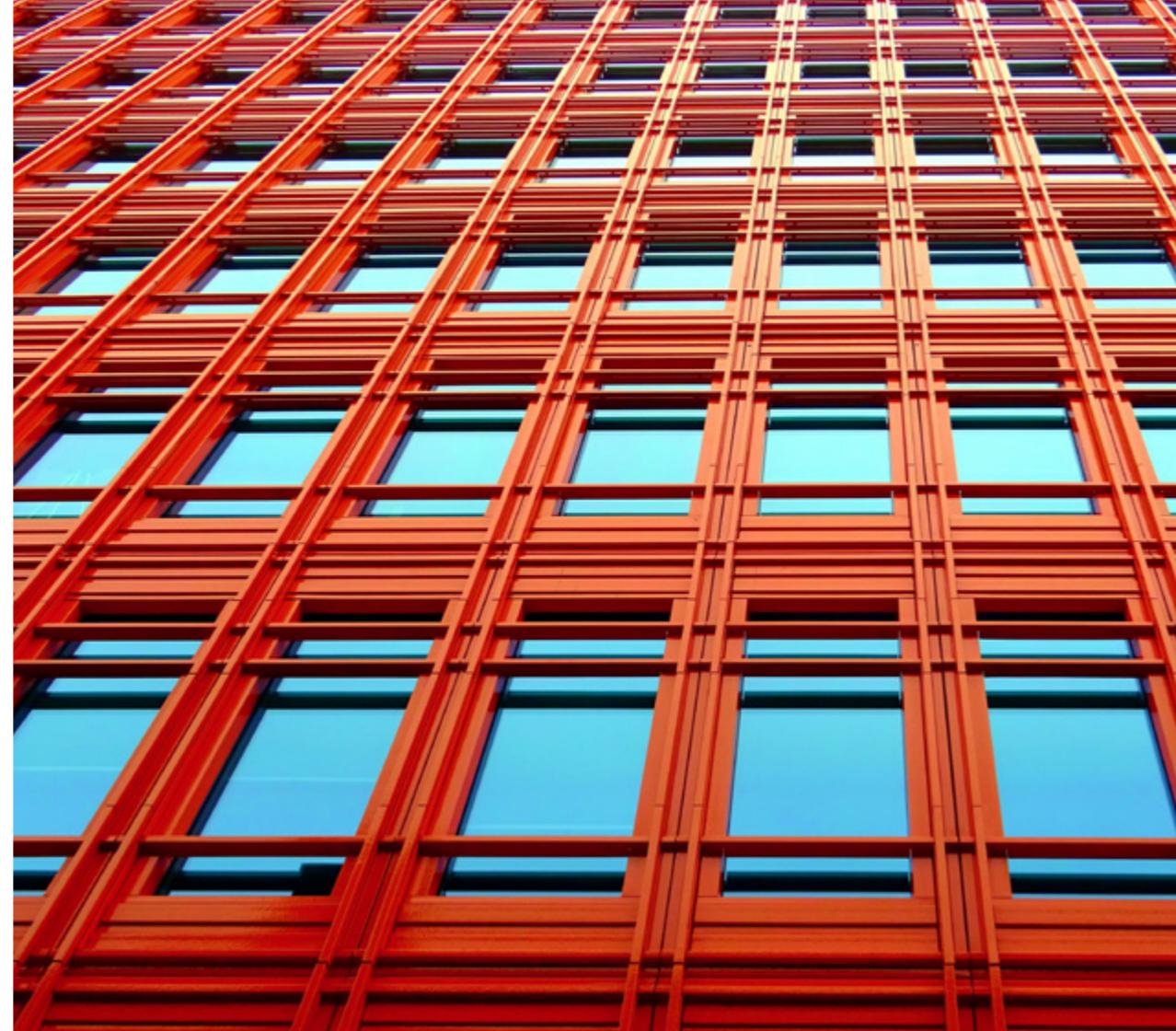


29% of respondents admit that data has had a **significant impact** on their **recruitment activity and hiring decisions**

44% believe data had an **average impact** on their **2017 recruitment activity**



44% believe this **will change in 2018** as we could see more **data-orientated decision making with regard to hiring**



When it comes to the top technological advancements, respondents to our survey ranked AI and process automation, sophisticated data analytics and real-time feedback technology as their most anticipated developments of 2018.

AI-focused HR technology is changing the game. We've seen great examples of where AI is benefiting our clients by way of automatic machine learning among sourcing approaches. We've piloted powerful software that can 'read' what makes for a successful candidate and learn how to pull those applicants into a talent pool.

"There's a misconception that AI as innovation is something that can be switched on easily and swiftly. AI is an adaptive learning methodology, and to that extent it takes time and investment to make them intuitive enough to enhance the candidate experience."



Janine Chidlow, Managing Director, EMEA & Americas, Resource Solutions

Sophisticated data analytics provides businesses with the ability to tailor their talent attraction strategy and understand candidates on a greater level, help retain employees, and get a stronger sense of staff engagement.

THE GIG-ECONOMY

What does the gig-economy look like for your business?

52%

52% of companies expect to **maintain or increase their level of freelance or contract work in 2018**

Faced with wider macroeconomic uncertainties, many businesses are looking to increase and maintain a flexible workforce – one that can adapt to any developments arising from Brexit and IR35 regulations.

“There’s a nervousness around the stronger enforcement of IR35 regulations in the public sector, with potential impact to extend into the private sector. Clients have been showing greater commitment to permanent hiring”.



Janine Chidlow, Managing Director,
EMEA & Americas, Resource Solutions

In the US, many firms are finding it difficult to recruit temporary workers on the H-1B visa. The tougher stance from the US government has the potential to put off businesses from bringing in overseas talent, and encourage them to focus on hiring local talent instead.

The rise of the gig-economy – especially with the rapid growth of industry-defining app-based businesses such as Uber – has seen some resistance to what some consider a low-regulation sub-sector of the economy. Without the familiar requirements of pre-employment screening, on-boarding or training, both customers and organisations are hesitant about how or whether to embrace the gig economy.

At a glance...

The ‘gig-economy’
A way of working based on people having temporary jobs or doing separate pieces of work, each paid separately, rather than working for an employer.



Tom Lakin, Innovation Manager,
Robert Walters Group

“The on-demand nature of the gig-economy has shown itself to be most relevant in the areas of un- or low-skilled work and in project-led professional consulting.”

“The rise of the gig-economy has been instrumental in shaping the recruitment landscape in recent months. However, the fact that a greater number of companies are planning to decrease their level of freelance or contract work rather than increase it suggests that some employers are now prioritising long-term workforce plans, rather than short-term gap-plugging, as we become more accustomed to this ongoing period of uncertainty. This mixed picture is indicative of the very strength of the flexible labour market – that is, the freedom for businesses to seek high-level, specialist and niche expertise as and when needed.”



Ann Swain, Chief Executive of the
Association of Professional Staffing
Companies (APSCO)

DIGITALISATION OF HR

Many of our clients are talking about the digitalisation of the end-to-end recruitment cycle and the benefits for the candidate and hiring manager experience. From speed and real-time feedback, recruiters can now focus on the traditional high-touch and high-value aspects of the job while having the repeat tasks be taken care of by HR technology.

“I foresee by the end of 2018 that organisations will have some road map that calls out how they plan to digitise and augment HR elements, if not all of their recruitment lifecycle.”



Janine Chidlow, Managing Director,
EMEA & Americas

CASE STUDY: MindX technology thinks differently about candidate suitability

In 2017, a major UK bank requested Resource Solutions' assistance for an industrial placement role in a central department for which there were 80 candidates.

Psychometric testing wasn't a viable solution in this instance, so our onsite account team worked closely with our Innovation team to identify and test three new technologies to assist with finding the most suitable candidate:

- [Arctic Shores](#)
- [Interviewed.com](#)
- [MindX](#)

After conducting a benchmarking exercise, the onsite account team recommended MindX, an app-based assessment tool that uses gamification to assess cognitive abilities. Gamification takes a different skills-based approach that strikes a good balance between being entertaining and being challenging. The specific assessment selected was 'general cognition', which looked at general intelligence as well as verbal, numerical, and problem-solving ability.

The vast majority of candidates (89%) who used MindX told us they liked the cognition gaming element; and together with video interviewing technology, Sonru, the onsite account team was able to generate significant time savings for the client's programme recruitment.

We were thrilled with the approach we took; the numbers and its success helped shift the mind-set for recruiters and our Hiring Managers to consider alternative approaches to finding the right candidate.

GAME CHANGING TECHNOLOGY

LinkedIn Talent Insights



52% of respondents ranked LinkedIn Talent Insights as the most anticipated technology in 2018

HR professionals are eager to pilot LinkedIn Talent Insights at their business. The self-service big data analytics tool promises employers access to a wealth of data for the sourcing of candidates.

“Today, companies are faced with significant talent challenges, like critical skill shortages, that require intelligence on rapidly changing market conditions. LinkedIn Talent Insights empowers talent leaders to make more informed decisions by providing self-service access to our rich global dataset, which includes more than 530 million member profiles, more than 13 million jobs, and billions of member actions. Through both Company and Talent Pool reports, talent leaders can analyse key populations with amazing precision and track potential competitive threats in real time.”



Eric Owski, Head of Product, Talent Insights and Talent Brand at LinkedIn



GOOGLE FOR JOBS



37% of respondents are interested in piloting the new job board, Google for Jobs

Google for Jobs generated a lot of discussion during 2017. The new job board aggregator uses machine learning to understand how job titles and skills relate to one another and which job, location, and seniority are a closest match to a jobseeker's preferences.

Whichever technology comes out on top, it's safe to say that 2018 will be a year of significant growth. Technology is enabling change in the digitisation of HR models, pushing for tech-augmented recruitment practices and expanding data-driven capabilities.



Ian Blake, Director of Business Applications at **talentsource** believes the future of recruitment will look very different to today:

“Going forward, RPO providers will need to articulate their digital strategy by bringing it to the forefront of their operating models. With the surge in innovative sourcing tools, AI, chatbots, and other automation, recruitment isn’t just a team supported by an underlying ATS or VMS. Recruiters need to be equipped with a range of tools to create efficiencies and advantages at all stages of the recruitment lifecycle.

“There is also a huge shift in candidate behaviour. Candidates expect to be treated like customers, so the candidate experience needs to mirror what is available in online marketplaces. This has been a trend we’ve seen for some time, but it’s now critical that career websites do more than list a job – they must engage candidates throughout.

“The hiring manager experience is also evolving through appropriate technology. Interfaces that are used by hiring managers need to be simple, intuitive and require no training. They should be prepopulated with data (including job descriptions) so that the task of requesting a new job or reviewing a candidate is quick and effective.”



CONCLUSION

We hope you find the trends in this year's Insights Report helpful as you revisit your business challenges and possibilities in the year ahead.

Technology is the common thread pushing many of these trends forward. From the amalgamation of HR practices under one global software provider, all the way down to the AI augmentation of a recruiter's experience screening a candidate, no aspect of recruitment outsourcing remains untouched.

As the market evolves at hyper speed, the role of the recruiter needs to adapt. And success will be determined through a partnership that's committed to creativity, transparency and critical analysis of future HR practices.

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Resource Solutions is a provider of Recruitment Process Outsourcing and Managed Service Provider solutions. We have delivered these solutions to leading organisations since 1997 and manage a recruitment budget of over £2 billion on behalf of our clients. As part of the Robert Walters Group, our business has considerable resources at its disposal. With a truly global footprint across 27 countries, we're able to work in close partnership with organisations and manage everything from global accounts with demanding resourcing strategies to single sites with lower recruitment volumes.



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