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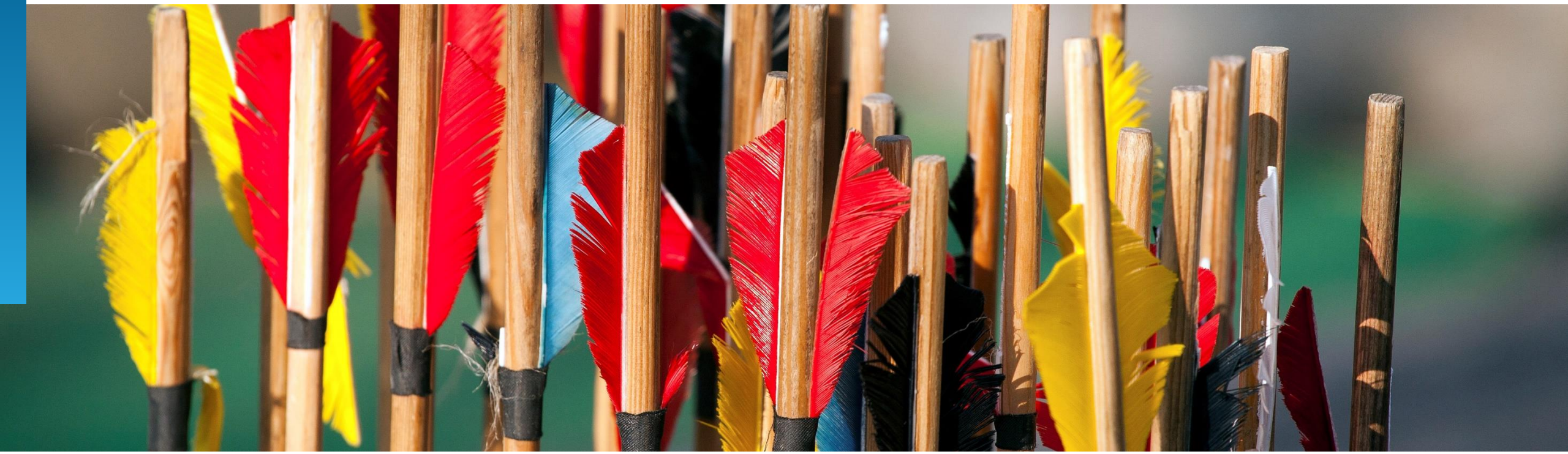
RESEARCH

State of the Market Report | Recruitment Process Outsourcing

Navigating the Waves of a Global Pandemic: Recruitment Process Outsourcing (RPO) State of the Market Report 2020

October 2020: Complimentary Abstract / Table of Contents



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- **Recruitment Process Outsourcing**
- Service Optimization Technologies

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  - Recruitment Process Outsourcing
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- Workshops

Custom research capabilities

- Benchmarking | Pricing, delivery model, skill portfolio
- Peer analysis | Scope, sourcing models, locations
- Locations | Cost, skills, sustainability, portfolio – plus a tracking tool
- Tracking services | Service providers, locations, risk
- Other | Market intelligence, service provider capabilities, technologies, contract assessment

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This report is based on three key sources of proprietary information

- Everest Group's proprietary database of **~3,000 RPO deals** (updated annually)
- The database tracks the following elements of each RPO deal:
  - Buyer details including industry, location, and signing region
  - Deal details including ACV, term, start date, hires managed, primary pricing structure, process coverage, and geographic coverage (at country level)
  - Technology ownership and maintenance
  - Global sourcing

- Everest Group's proprietary database of **operational capability of 25 RPO service providers** (updated annually)
- The database tracks the following for each service provider:
  - RPO clients, revenue, service suite and employees
  - Recent RPO-related developments (investments and partnerships)
  - RPO clients split by geography, industry, scope, and buyer size
  - RPO hires split by geography, source of hires, and type of hires
  - RPO delivery locations and level of offshoring

- Ongoing buyer surveys and interactions
  - Everest Group's **executive interviews and data collection** from **RPO buyers**
  - The data contains the following detailed buyer perspectives about RPO deals:
    - Drivers for adopting RPO and buyer-provider relationships
    - The level of buyer satisfaction and the underlying reasons

The analyses in this report are presented at two levels:
- Overall market analysis that highlights the market composition/dynamics
- The current market trends based on deal activity in the last five years

The sample size varies for different analyses based on the deal detail availability.

Service providers assessed

ADP, AgileOne, alexander mann solutions, ALLEGIS GLOBAL SOLUTIONS, AMN Healthcare, CAREER INTERNATIONAL, CIELO, Engage2Excel, HAYS Talent Solutions Intelligent Resourcing, HIREVELOCITY, HUDSON RPO, IBM, Kelly OCG, KORN FERRY, levelup, ORION NOVOTUS, peoplescout A TRUEBLUE COMPANY, PIERPOINT, pontoon, RESOURCESOLUTIONS, randstad sourceright, SEVENSTEP, Talent Solutions RPO, Yoh, WilsonHCG

The source of all content is Everest Group unless otherwise specified

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Background of the research

The annual state of the market report tracks the developments that occurred across the Recruitment Process Outsourcing (RPO) industry in 2019. It also sheds light on the future trajectory of RPO, which is being set by the current market conditions, service provider landscape, and buyer expectations. The RPO industry saw good growth in 2019; however, it is currently witnessing a major disruption on account of COVID-19 pandemic. While the immediate impact has been a decrease in the demand as compared to 2019, the unprecedented situation has forced service providers to accelerate the development of their technological capabilities and service offerings in terms of total talent management and value-added services.

In this report, we focus on:

- Evolving RPO dynamics in COVID-19 era
- Geographical variations in the RPO market
- Next-generation RPO trends
- Implications for RPO providers and enterprises

Scope of this report:

Geography
Global

Industry
Recruitment Process Outsourcing

Services
Business Process Services

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Overview and abbreviated summary of key messages

This report examines the global 2019 Recruitment Process Outsourcing (RPO) state of the market and provides an overview of the impact of COVID-19 on the market in 2020. It focuses on the major disruptions caused by the pandemic on the RPO industry and how the future trajectory of the industry is shaping up

Some of the findings in this report, among others, are:

Impact of COVID-19 on RPO

- The RPO market continued its trajectory of strong growth in 2019 and witnessed 16% growth
- Travel & hospitality and manufacturing have been severely impacted, while the hi-tech & telecom and healthcare & pharma industries have been moderately affected
- Job roles for engineering/IT and healthcare professionals will witness moderate decrease in demand but blue-collared and front-end roles such as sales, consulting, and legal professionals will witness a big decrease
- As the companies go into a cost-saving mindset, the focus of service providers will shift to finding new and innovative methods that can help in cost reduction without compromising on quality of services
- Due to the pandemic-induced recession, the global RPO market is expected to contract in 2020

Next-generation RPO trends

- Cognitive automation solutions driven by AI, ML, and NLP are assisting in ensuring business continuity and cost reduction by enabling end-to-end automation of recruitment process
- Blockchain-enabled automation can ensure security of data and help build trust between candidates and organizations amidst growing data privacy concerns
- With a higher degree of data availability, enterprises and services providers are leveraging advanced data analytics to draw better insights and optimize the recruitment process

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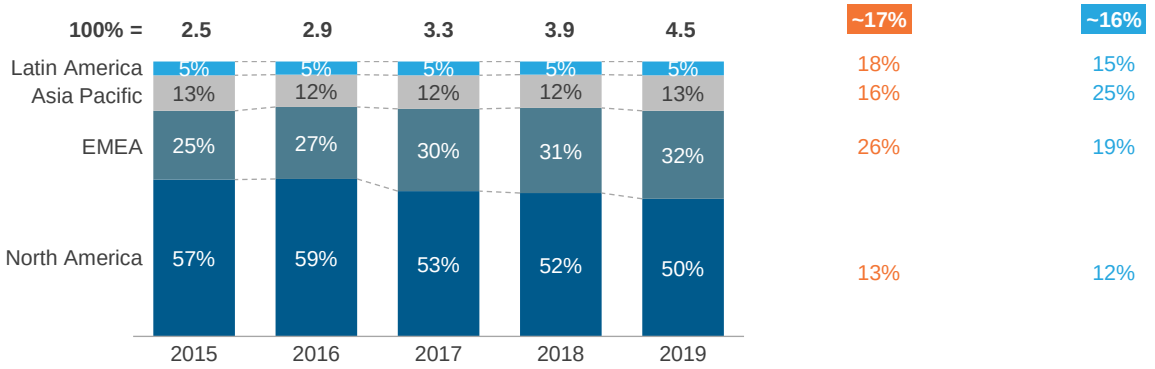
This study provides a deep dive into the various dimensions of growth of the RPO market; below are four charts to illustrate the depth of the report

Regional growth

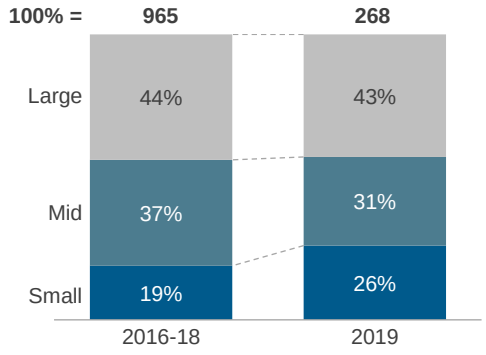
RPO market size by geography
US$ billion

Growth rate: X% CAGR (2015-2018) X% YoY (2018-2019)

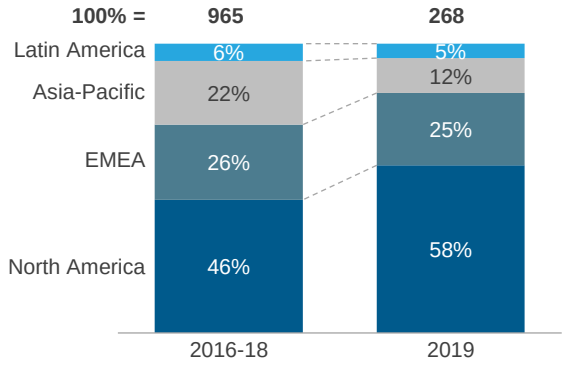


Adoption of RPO by different buyer size

New deal split by buyer size
2016-2019 ; Percentage share of new deals

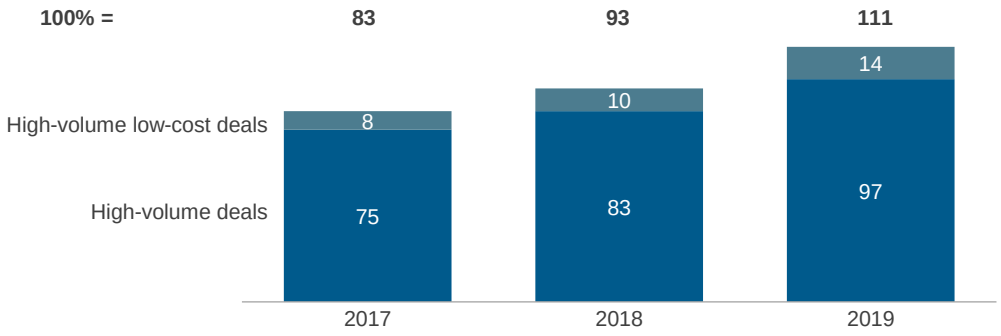


New deals signed by small and mid-market buyers
2016-2019; Percentage share of new deals

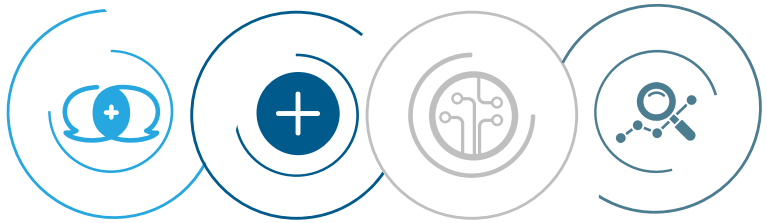


High-volume low-cost RPO

Number of high-volume RPO deals
Number of active deals with 5,000+ hires; 2017-2019



Change in services and service delivery models



Consulting services	Value-added services	Digital in recruitment	Advanced Analytics
RPO service providers are acquiring different consulting capabilities to solve the multiple pain points of recruitment	Buyers are including value-added services in their RPO engagements to optimize the recruitment process	Innovative technologies such as analytics, AI, blockchain, and RPA are providing new and unique opportunities	RPO providers are leveraging advanced analytics to provide in-depth insights to enterprises to optimize the various aspects of the recruitment process

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Research calendar

Recruitment Process Outsourcing

Published | Planned | Current release

Flagship RPO reports	Release date
Recruitment Process Outsourcing (RPO) Annual Report 2019: Steering 3D Growth on the Tides of Talent Shortage	March 2019
Recruitment Process Outsourcing (RPO) – Service Provider Profile Compendium 2019	May 2019
Recruitment Process Outsourcing (RPO) in North America – Service Provider Landscape with Services PEAK Matrix® Assessment 2019	June 2019
Recruitment Process Outsourcing (RPO) – Service Provider Landscape with Services PEAK Matrix® Assessment 2020	April 2020
Recruitment Process Outsourcing (RPO) – Service Provider Landscape with Services PEAK Matrix® Assessment 2020	April 2020
Recruitment Process Outsourcing (RPO) in North America – Service Provider Landscape with Services PEAK Matrix® Assessment 2020	June 2020
Navigating the Waves of a Global Pandemic: Recruitment Process Outsourcing (RPO) State of the Market Report 2020	**October 2020**

Thematic RPO reports	Release date
Price Dynamism in the Recruitment Process Outsourcing (RPO) Market	December 2019
The Concept of Ideal Talent – A Game-Changer in Talent Management	December 2019
Unlocking the Digital Potential in Talent Acquisition	January 2020
Impact of Recession on the Business Process Services (BPS) Industry	March 2020
Recruitment Process Outsourcing (RPO) in Europe: Charging Through Heterogeneity	September 2020
Outplacement Services – A Key Ingredient in the Age of Digital Disruption to the Workforce	Q4 2020
Total Talent Acquisition	Q4 2020

Note: For a list of all of our published RPO reports, please refer to our website page

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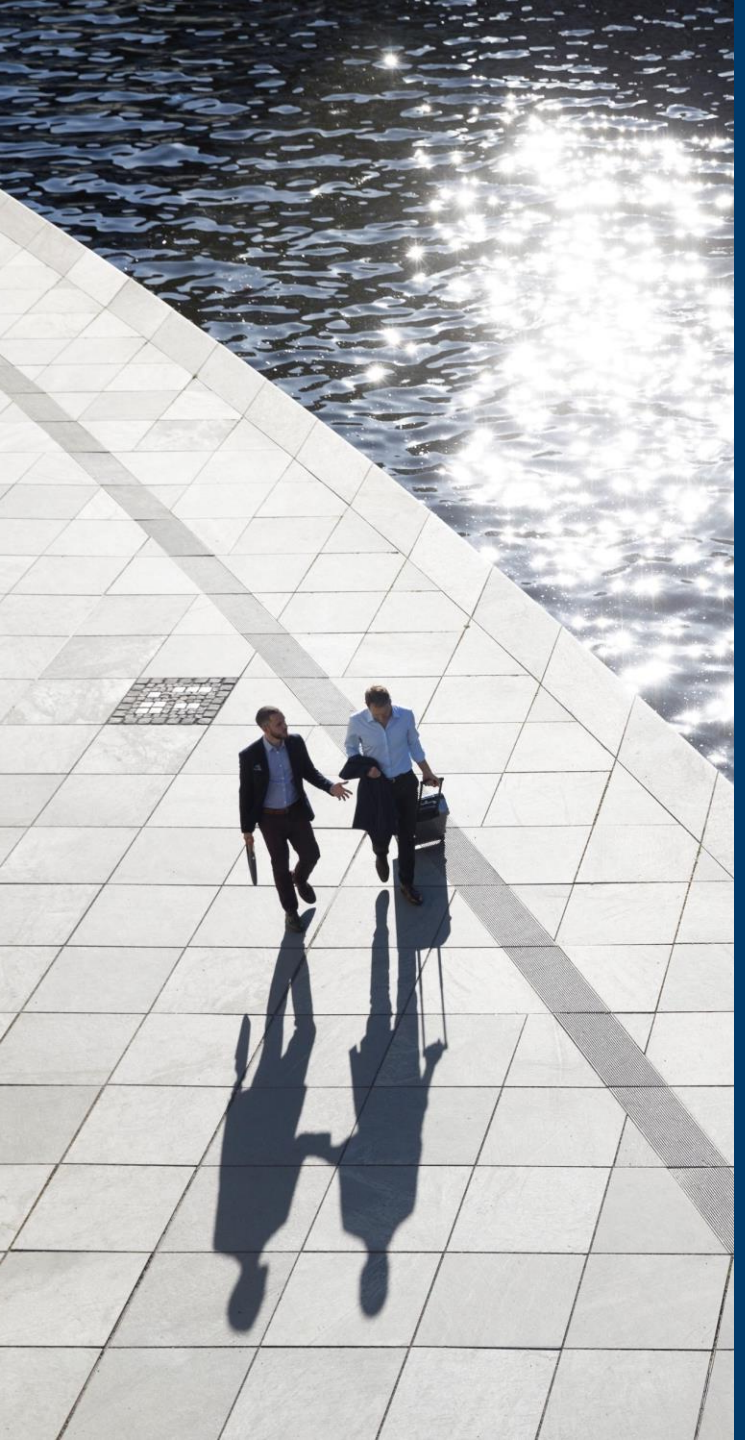

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