Recruitment Process Outsourcing (RPO) State of the Market Report 2022

October 2022: Complimentary Abstract / Table of Contents

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Contents

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Contents

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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 2021. 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. As economies reopened and pent-up business demand was released, RPO adoption recorded a sharp surge in 2021. New trends emerged in the industry's underlying forces and operating model, as providers and enterprises adapted to the new reality following the Great Resignation.

In this report, we focus on:

- Post-pandemic evolution of the RPO market
- Regional RPO market dynamics
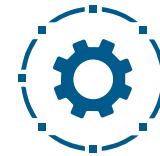- RPO adoption characteristics
- Levers for growth in the future

Scope of this report:

Geography
Global

Industry
Recruitment Process Outsourcing

Services
Business Process Services

Overview and abbreviated summary of key messages

This report examines the state of the global Recruitment Process Outsourcing (RPO) market in 2021 and provides an overview of its recovery from the pandemic. It also focuses on how buyer expectations are changing and giving rise to new trends in the market, and critical steps for the next iteration in the evolution of RPO.

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

Post-pandemic evolution of the RPO market

- The global RPO market bounced back in 2021, driven by pent-up economic demand as well as an acute talent shortage across the board
- As more industries and enterprise buyers adopted RPO, the market saw a great upsurge in the number of deals signed across regions

Regional RPO market dynamics

- All regions experienced significant post-pandemic growth as economies reopened and global trade ramped up
- While mature markets grew in line with the global average, emerging markets saw explosive progress in RPO adoption

RPO adoption characteristics

- Changing buyer preferences led to an uptick in adoption of project RPO, innovative pricing structures, and Total Talent Acquisition (TTA) deals
- The severe talent gap drove hiring for high-skilled workers across business services, healthcare, manufacturing, and hi-tech & telecom sectors

Levers for growth in the future

- The next phase of RPO will be catalyzed by the development of technological solutions to augment the talent acquisition process chain
- Advancements in integrated talent acquisition platforms, analytics, and high-volume RPO solutions will further drive buyer demand
- The industry will also focus on nurturing strategic organizational relationships and improving DE&I and candidate experience

This study offers seven distinct chapters providing a deep dive into key aspects of the RPO market; below are four charts to illustrate the depth of the report

Regional RPO markets

RPO market split by geography
US$ billion; 2017-21

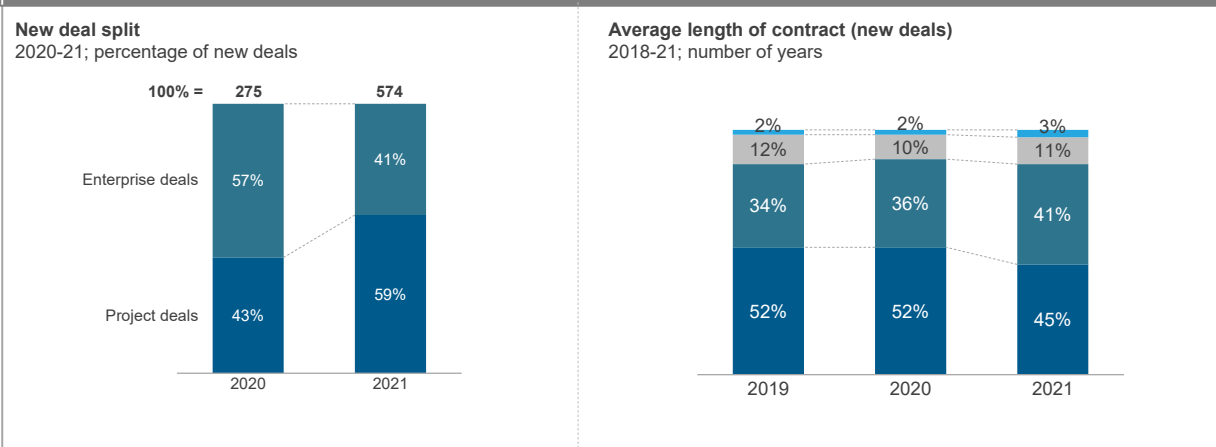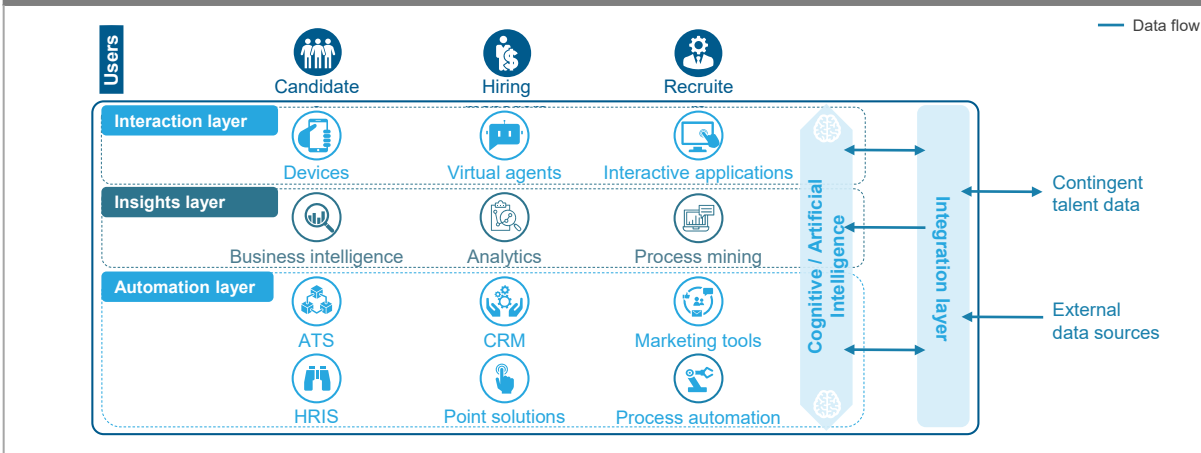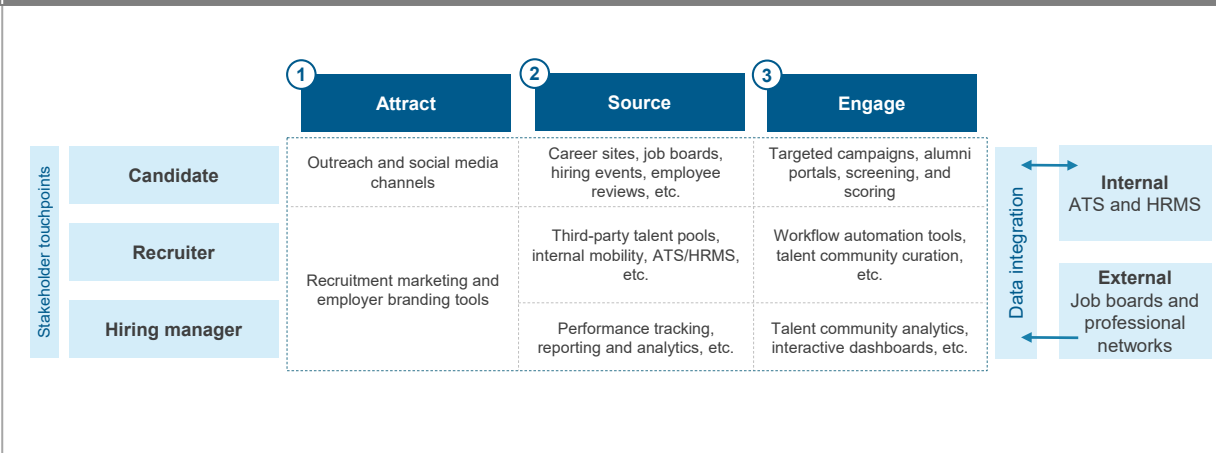| 100% =	3.3	3.9	4.6	4.1	5.4	CAGR (2017-20)	YoY (2020-21)
						~7%	~33%
Latin America	5%	5%	5%	4%	5%	0%	70%
Asia Pacific	12%	12%	13%	14%	14%	13%	36%
EMEA	30%	31%	32%	29%	28%	6%	27%
North America	53%	52%	50%	53%	53%	8%	32%
	2017	2018	2019	2020	2021		

Project RPO adoption

New deal split
2020-21; percentage of new deals

100% =	275	574
Enterprise deals	57%	41%
Project deals	43%	59%
	2020	2021

Average length of contract (new deals)
2018-21; number of years

	2019	2020	2021
	2%	2%	3%
	12%	10%	11%
	34%	36%	41%
	52%	52%	45%

Integrated talent acquisition platform

Users: Candidate, Hiring, Recruite

Interaction layer: Devices, Virtual agents, Interactive applications

Insights layer: Business intelligence, Analytics, Process mining

Automation layer: ATS, CRM, Marketing tools, HRIS, Point solutions, Process automation

Cognitive / Artificial Intelligence

Integration layer

— Data flow

Contingent talent data

External data sources

Candidate Relationship Management (CRM) process chain

Stakeholder touchpoints	1 Attract	2 Source	3 Engage	Data integration
Candidate	Outreach and social media channels	Career sites, job boards, hiring events, employee reviews, etc.	Targeted campaigns, alumni portals, screening, and scoring	Internal ATS and HRMS
Recruiter		Third-party talent pools, internal mobility, ATS/HRMS, etc.	Workflow automation tools, talent community curation, etc.	
Hiring manager	Recruitment marketing and employer branding tools	Performance tracking, reporting and analytics, etc.	Talent community analytics, interactive dashboards, etc.	External Job boards and professional networks

Research calendar
Recruitment

Reports title	Release date
Recruitment Process Outsourcing (RPO) in North America – Service Provider Landscape with PEAK Matrix® Assessment 2021	April 2021
Recruitment Process Outsourcing (RPO) – Service Provider Compendium 2021	June 2021
Building for the New Normal: Recruitment Process Outsourcing (RPO) State of the Market Report 2021	September 2021
Future of Work Series: Reimagining Workforce and Workplace Mechanics	September 2021
Future of Work Series	Reimagining Workforce and Workplace Mechanics: Who Will Do the Work?	February 2022
Recruitment Process Outsourcing (RPO) Services PEAK Matrix® Assessment 2022 – Global and EMEA	April 2022
Future of Work Series	Reimagining Workforce and Workplace Mechanics: How Will the Work Be Done?	August 2022
Recruitment Process Outsourcing (RPO) – Service Provider Compendium 2022	July 2022
Recruitment Process Outsourcing (RPO) – What Do RPO Buyers Want?	September 2022
Recruitment Process Outsourcing (RPO) State of the Market Report 2022	**October 2022**
Maneuvering through Talent Challenges in Life Sciences: The Role of Recruitment Process Outsourcing (RPO) 4.0	Q4 2022
Maneuvering through Talent Challenges in Healthcare: The Role of Recruitment Process Outsourcing (RPO) 4.0	Q4 2022
Maneuvering through Talent Challenges in Manufacturing: The Role of Recruitment Process Outsourcing (RPO) 4.0	Q4 2022
Maneuvering through Talent Challenges in Consumer Brands and Retail: The Role of Recruitment Process Outsourcing (RPO) 4.0	Q4 2022
Candidate Attraction and Engagement Platforms PEAK Matrix® Assessment 2023	Q1 2023

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