

Global Business Services as the Enabler for Enterprise Hire-to-Retire Services

March 2022: Complimentary Abstract / Table of Contents



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For more information on this and other research published by Everest Group, please contact us:

Rohitashwa Aggarwal, Vice President

Aditi Bansal, Practice Director

Meghna Thomas, Analyst

Background and scope of the research

Background of the research

- This report is part of a multi-report series focused on corporate functions delivery from GBS organizations. Corporate functions include activities that deliver enterprise-wide support; their delivery is limited to internal customers
- Corporate functions comprise the following functions: Finance & Accounting (F&A), procurement, Human Resources / Hire-to-Retire (HR), marketing, legal, real estate, and Supply Chain Management (SCM)
- While hire-to-retain was one of the first corporate functions to be delivered from GBS centers, the scope has now expanded to include other functions as well
- Hire-to-retain includes a set of processes that can be operational, value-adding, and strategic, which is explained further in the process map on the following page
- There are multiple drivers for the adoption of these functions in GBS centers – leveraging cost advantage across locations, providing 24/7 support, process standardization, and access to additional talent pool. Thus, GBS organizations are becoming key global enablers for hire-to-retain services for the enterprise, driving end-to-end delivery of the function

Scope of the research

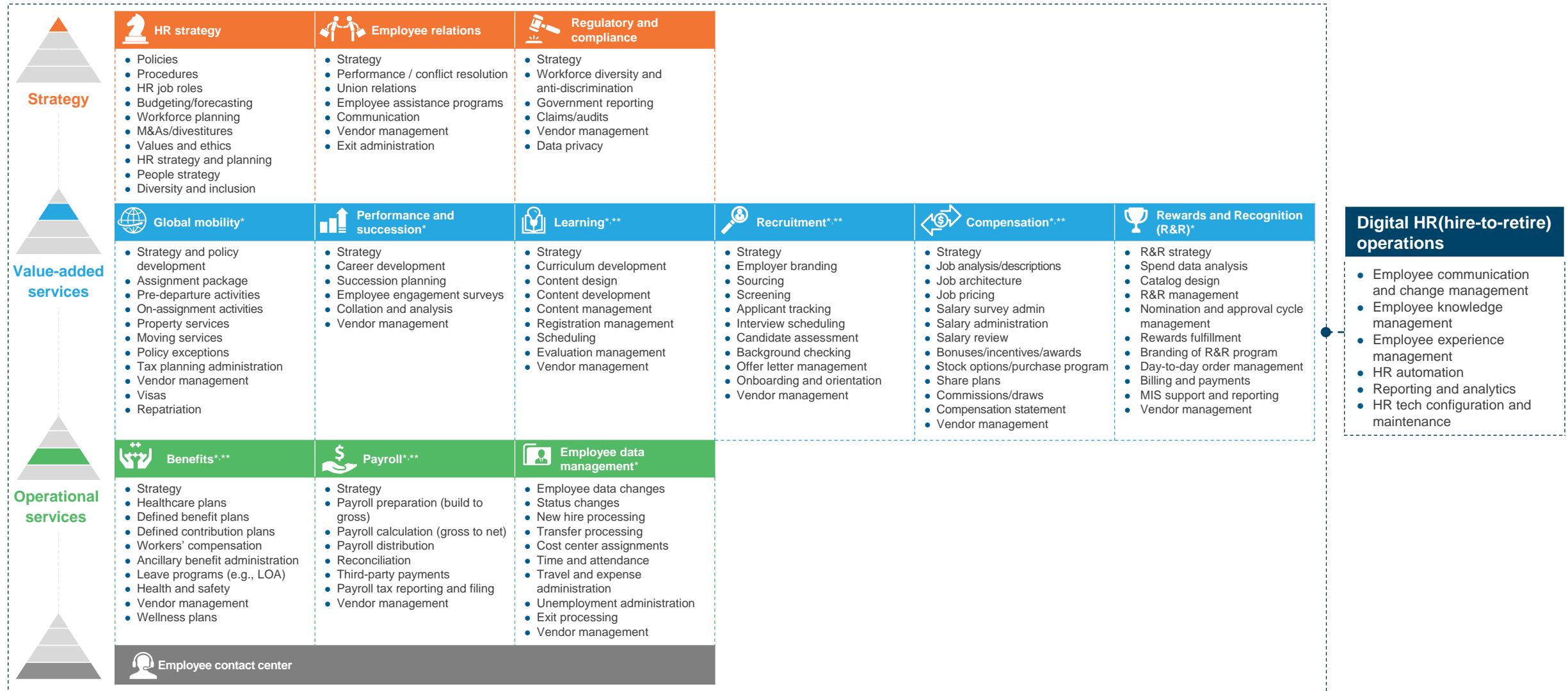
- The scope of delivery is limited to in-house centers and does not include any outsourced parts of the function
- The scope of this research includes:
 - Maturity of the hire-to-retain function against other functions such as F&A, procurement, legal, marketing, real estate, and SCM since their inception
 - Key trends affecting different spheres such as talent, operational structure, and technology in a hire-to-retain GBS center
 - Breakdown of GBS centers by onshore and offshore and the geographic share
 - Distribution of GBS centers delivering hire-to-retain services by functional capabilities to understand whether centers are multi-functional or pure-play in nature
 - GBS adoption maturity for hire-to-retain services across each of the processes
 - Comparison of GBS adoption maturity by verticals
 - Examples of GBS delivering hire-to-retain services across leading verticals that account for the highest shares in the GBS landscape
 - Delivery locations landscape highlighting the top delivery locations, growth in the recent past, and notable players
 - Challenges faced by the hire-to-retain GBS centers, their responses to the challenges, and key transformation levers driving the future growth

Methodology

This report is based on our ongoing tracking and interactions with **100+** GBS organizations delivering corporate functions from their in-house centers and Everest Group's proprietary GBC centers database with information on more than **6,000** GBS centers.



Everest Group HRO process map



Summary of key messages

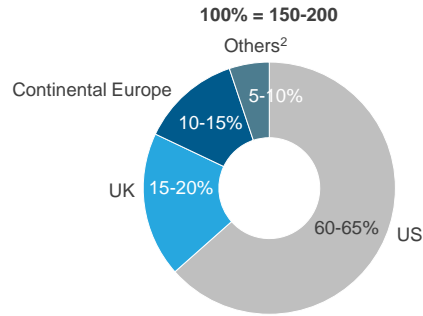


- HR is a significantly mature function carried out from the GBS centers, displaying a substantial amount of adoption and penetration
- Offshore/nearshore GBS centers tend to handle a significant share of hire-to-retain processes, rather than the onshore centers, with over 80% located in offshore/nearshore locations
 - While Nearshore Europe and APAC are the most favored regions for delivery, the US remains the top choice for onshore delivery, followed by the UK
 - The offshore/nearshore and onshore GBS centers are mostly multi-functional, with less than 10% of the centers being pure-play
- There is high evidence of GBS centers being leveraged for operational and less complex processes, such as employee data management, employee contact centers, and benefits, while there is minimal evidence for GBS centers being leveraged for strategic and judgment-intensive processes such as employee strategy and employee relations
- Among verticals, manufacturing, technology and communications, and manufacturing are more mature with respect to penetration and complexity of processes delivered
- GBS centers have been facing a set of common challenges in managing and scaling the hire-to-retain function in the offshore and onshore centers
 - Fear of losing the personal connection between HR (hire-to-retain) teams and employees acts as a barrier to offshoring this function
 - Undefined roles and responsibilities between offshore teams and local teams may hinder the smooth execution of hire-to-retain processes from GBS centers
 - Disparity in government and regulatory requirements across countries makes it difficult for shared service centers to accommodate for such differences
- GBS leaderships would also need to focus on transformation levers for sustaining continuous future growth. The ABCDE levers focus on Ambition, Business Speed, Center Of Excellence (COEs), Data and digital-driven, and EX (Employee Experience) and culture

The report offers a deep dive into key aspects of delivery of HR (hire-to-retain) through GBS; below are four charts to illustrate the depth of the report

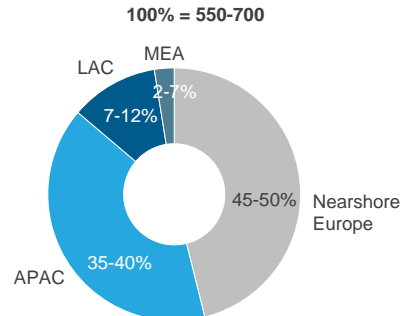
Presence of onshore and offshore centers delivering HR (hire-to-retain)

Percentage of onshore GBS centers delivering HR (hire-to-retain) services by geography¹ 2021; Percentage



¹ Count represents the total number as of December 2021.
² Others include Australia, Japan, and Canada.

Percentage of offshore/nearshore GBS centers delivering HR (hire-to-retain) services by geography² 2021; Percentage



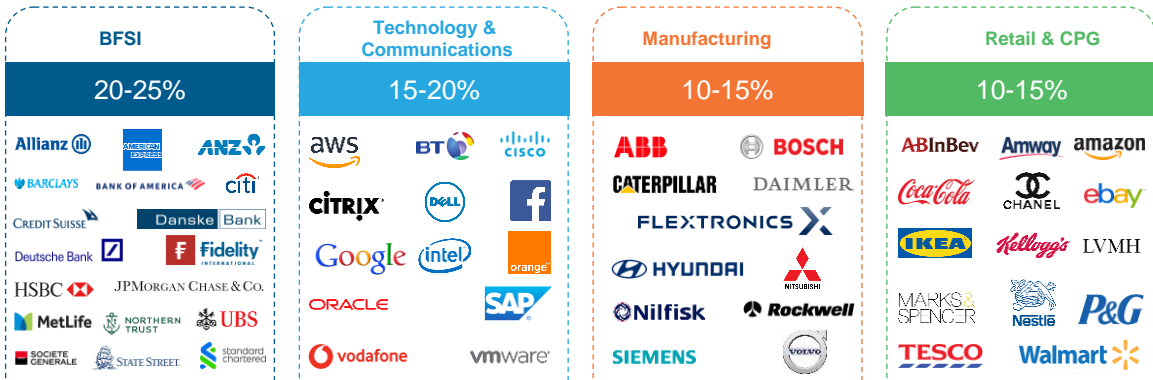
Delivery locations

Low \longrightarrow High
 ○○○○○○

Location	Key cities with evidence of delivery	Growth trend in the last 12-18 months
India	Bangalore, Hyderabad, Mumbai, Pune, Chennai, and Gurgaon	●●●●○
Ireland	Metro Manila, and Cebu City	●●●●○
Philippines	Dublin, Limerick, Cork, and Galway	●●●●○
Poland	Wroclaw, Krakow, Warsaw, Gdansk, and Poznan	●○○○○
Hungary	Heredia and San Jose	○○○○○

Examples of GBS delivering HR (hire-to-retain) services across leading verticals

xx% Share of top verticals in total number of GBS centers delivering HR (hire-to-retain) services



GBS adoption maturity for HR (hire-to-retain) services

○ Limited instances of delivery from GBS ● Some instances of delivery from GBS ● Multiple instances of delivery from GBS

Process	GBS adoption maturity	Comments
Recruitment	●	<ul style="list-style-type: none"> Moderate leverage of offshore/nearshore locations is driven by non-candidate-facing processes, such as scheduling interviews, screening resumes, conducting background checks, and coordinating with country-specific third-party vendors Some GBS centers leverage digital tools (e.g., leveraging social networking sourcing techniques to identify candidates as part of talent screening and using RPA tools for shortlisting) to support the talent acquisition process
Employee contact center	●	<ul style="list-style-type: none"> This process involves helpdesk support for addressing employee queries – higher evidence of India GBS centers being leveraged for non-voice support Contact center plays a role spanning other HR processes in the value chain, as it is an administrative backbone for the management of HR processes

Note: GBS adoption maturity assessment is based on relative maturity of processes within a function.

Research calendar

Global Business Services

■ Published
 ■ Planned
 ■ Current release

Flagship reports

	Release date
Global In-house Center (GIC) Landscape Annual Report 2018 – GICs Emerging as Innovation CoEs for Global Enterprises	May 2018
Global In-house Center (GIC) Landscape Annual Report 2019 – Enterprises Insourcing IT Services to their GICs	July 2019
GBS State of the Market Report: Evolving Operating and Governance Models to Build GBS of the Future	March 2020
US Global Business Services Market Report	March 2021
GBS State of the Market Report: Top 2021 priorities for GBS	March 2021
GBS CXO Insights: GBS Key Issues Report 2022	February 2022
GBS State of the Market Report: 2022	Q2 2022

Thematic reports

	Release date
Banking, Financial Services, and Insurance GBS Market Landscape Report	September 2021
Playbook for Successful Business Relationship Management (BRM) for GBS Organizations	September 2021
Playbook for Building Global Centers of Excellence (CoEs) in GBS Organizations	November 2021
The Next Wave of Automation in Global Business Service (GBS) Organizations: What Lies Ahead?	December 2021
Global Business Services as the Nerve Center for Enterprise Finance and Accounting Services	March 2022
Global Business Services as the Enabler for Enterprise Hire-to-Retire Services	March 2022
Global Business Services as the Backbone for Enterprise Procurement (S2P) and Supply Chain Management Services	March 2022
GBS 4.0: Reimagining GBS of the Future	March 2022
“How-to” Guide to Quantify Value Delivered by GBS Organizations	Q2 2022

Note: For a list of all our published GBS reports, please refer to our [website page](#)



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everestgrp.com/blog

Dallas (Headquarters)

info@everestgrp.com

+1-214-451-3000

Bangalore

india@everestgrp.com

+91-80-61463500

Delhi

india@everestgrp.com

+91-124-496-1000

London

unitedkingdom@everestgrp.com

+44-207-129-1318

Toronto

canada@everestgrp.com

+1-647-557-3475

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