

**3rd Edition**

# **2025 RPO Trends Report**

A Buyer's Guide for Buying and  
Optimizing Recruitment Process  
Outsourcing Solutions

# Executive Summary

The recruitment landscape in 2024 reflected a period of transformation for many organizations as they adapt to economic constraints, fluctuating hiring needs, and advancements in recruitment technologies. While challenges like reduced budgets and election-year uncertainty led to cautious spending, signs of recovery and innovation point to a brighter outlook in 2025. This period of recalibration has underscored the value of Recruitment Process Outsourcing (RPO) as a strategic solution to meet evolving workforce needs.

## Challenges in Forecasting Hiring Needs

Accurately forecasting hiring requirements remains a significant hurdle, with **56% of employers reporting difficulties in this area**. This uncertainty often stems from market volatility, internal resource constraints, and rapidly shifting organizational priorities. Without clear visibility into future needs, talent acquisition teams struggle to align their efforts with broader business objectives. RPO providers can play a critical role in addressing these challenges by offering data-driven insights, workforce planning expertise, and the ability to scale recruitment efforts up or down as needs evolve.

## Data and Analytics Leadership

Organizations leveraging data and analytics are leading the way in talent acquisition innovation. Research shows that **leading talent acquisition teams are 155% more likely to use data and analytics consistently** to anticipate challenges and drive value. These teams utilize metrics like time-to-fill, quality of hire, and candidate pipeline health to optimize their strategies. RPO providers equipped with advanced analytics capabilities can help employers transition from reactive hiring practices to proactive, strategic workforce planning, ultimately delivering better hiring outcomes and stronger ROI.

## Limited Expansion of RPO Spending

Despite the growing recognition of RPO's value, only **1 in 4 employers increased their RPO spending over the past year**. This trend reflects broader caution in recruitment investments amid economic uncertainty and election-year apprehensions. However, it also highlights a significant opportunity for RPO providers to demonstrate their value by addressing key pain points like hiring efficiency, cost containment, and technology integration. By tailoring solutions to meet specific business challenges, RPO providers can encourage more organizations to expand their investment in these partnerships.

## Rising Demand for AI and Recruitment Automation

**"AI and recruitment automation technology"** has emerged as the most sought-after support from RPO providers. Employers recognize the potential of AI to streamline hiring processes, improve candidate matching, and reduce administrative burdens. For example, AI-powered tools can help recruiters analyze large volumes of candidate data to identify the best fits quickly and accurately. RPO providers offering these advanced capabilities are well-positioned to meet buyer expectations and deliver enhanced value, particularly in fast-paced or high-volume hiring environments.

## Increased Interest in Project-Based RPO

As organizations seek to balance innovation with risk management, **project-based RPO has risen sharply in popularity**. This model allows companies to test technology-enabled recruitment solutions on a smaller scale before committing to full-scale implementation. Project-based RPO offers flexibility, enabling organizations to address immediate hiring needs, such as launching a new department or filling high-priority roles, without long-term commitments. This approach has proven particularly attractive to employers navigating uncertain economic conditions and is likely to continue growing in demand.

## Looking Ahead to 2025 and Beyond

The trends in 2024—ranging from cautious spending to increasing reliance on technology—set the stage for a transformative year ahead. As companies enter 2025, they have an opportunity to capitalize on the lessons learned and refocus their recruitment strategies. RPO providers are uniquely positioned to support this shift by offering scalable, flexible solutions that align with organizational goals. By leveraging advanced analytics, AI-driven recruitment tools, and tailored project-based models, RPO partnerships can empower organizations to navigate uncertainty and thrive in an evolving labor market.

This fresh start represents not only a chance to meet immediate hiring needs but also to build sustainable talent strategies that drive long-term business success.

Within the scope of this report, we'll examine just how that is possible. Based on data from more than 500 talent acquisition leaders at different organizations and jointly developed by the RPO Association's research board and Lighthouse Research & Advisory, expect to learn:

- **What RPO buyers are looking for this year, including preferences by company size and key industries**
- **What types of RPO implementations are most popular and how companies are justifying them**
- **The biggest reasons companies change providers, plus insights on why employers insource their talent function after testing the RPO waters**

### Employers that are fully satisfied with their RPO partnership are:

- **36%** more likely to be using full talent lifecycle RPO.
- **35%** more likely to be spending more on RPO.
- **Highly aligned** between preferred support and actual support received.
- **50%** more likely to say they have access to best-in-class recruiting technology.
- **50%** more likely to say that hiring is consistent.
- **2x** more likely to say that hiring metrics improved across the board.



- **Why companies that haven't used RPO (termed "Gen Zero Buyers" for this report) are holding back and how they can get buy-in and support for RPO investment**

This report seeks to carefully navigate the line between serving as a resource for RPO providers on market changes and buyer priorities while also offering guidance and insight to RPO buyers on how other talent and HR leaders are looking at the value of RPO and things to consider in their own partnerships. And as we've heard over the last few years, it's a tremendous resource for anyone that is interested in, or invested in, the recruitment process outsourcing industry.

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