



## Lexicon of RPO, MSP and Total Workforce Solutions Terms

There is a growing demand from human resources, talent acquisition and procurement professionals for increased visibility into their entire spectrum of talent. Organizations can meet that demand by blending their RPO and MSP programs into one integrated Total Workforce Solutions program.

Traditionally, RPO and MSP programs have been siloed. A lack of understanding of the terminology of either RPO or MSP programs can inhibit the collaboration between the two programs. To help ease the transition into a talent acquisition program that attracts and retains both full-time and contingent workers, we've put together a lexicon of some of the most commonly used RPO, MSP and Total Workforce Solutions terminology.

**ATS: Applicant Tracking System**

An ATS is a software application that enables the electronic handling of recruitment needs. An ATS stores candidate data to allow recruiters or hiring managers to search, filter and route applications. ATS software can also be known as Talent Management Software (TMS), Candidate Management System (CMS) or Recruitment Management System (RMS). ATS solutions are often used in conjunction with an RPO program.

**Assignment**

An assignment is a task or project performed by a contingent worker. Assignment may also refer to the length of time a temporary employee will be working for an organization.

**Blended Workforce**

A blended workforce uses both direct hire, full-time employees and contingent, temporary workers. Blended workforce planning uses both RPO and MSP programs. A blended workforce is also known as Total Workforce Solutions.

**BI: Business Intelligence**

BI tools provide powerful analysis of program-specific data and metrics. BI tools are used with RPO, MSP and Total Workforce Solutions programs.

**BPO: Business Process Outsourcing**

BPO uses third-party business services providers to perform business activities or functions for a company. BPO services may include payroll, HR, accounting or customer service.

**Candidate**

A candidate is someone who has applied for a job and is qualified for temporary or full-time consideration.

**Consultant**

A consultant is another term used for temporary employees or contingent workers. Consultants often perform professional work for departments such as IT or engineering.

**Contingent Worker**

Contingent is an overarching term that covers freelancers, independent contractors, consultants or any other outsourced, non-employee workers. They are generally hired on a per-project or temporary basis.

**CWM: Contingent Workforce Management**

CWM is the strategic approach to managing an organization's contingent workforce.

**Contract Worker**

A contract worker is also known as a 1099 or independent contractor. There are very specific guidelines for classifying workers as independent contractors, including whether the worker controls when and where work is to be completed, if the worker provides their own work equipment and supplies, and how the workers are compensated.

**CRM: Customer (or Contact) Relationship Management**

CRM systems manage a company's interaction with current and prospective customers or contacts – including employees.

**Direct Hire**

Direct hire positions are permanent, usually full-time with benefits.

**Diversity Supplier**

Diversity suppliers refer to minority, woman, disabled or veteran owned staffing suppliers.

**Employee**

An employee works directly for an organization in a job with no specific end date. Employees may be full-time or part-time.

**Exempt Workers**

To be exempt, an employee generally must be paid at least \$23,600 per year, be paid on a salary basis and perform exempt job duties. Exempt workers are not entitled to overtime pay.

**Non-Exempt Workers**

Non-exempt workers are entitled to overtime pay.

**Freelancer**

Freelancer can refer to almost any independent professional who performs work unaffiliated with a specific employer. Freelancers are typically classified as independent contractors.

**Gig Worker**

A gig worker refers to someone who works on gigs, or small freelance projects. Gigs are typically facilitated through an internet platform or app.

**Independent Contractor (1099)**

The general rule, according to the IRS, is that an individual is an independent contractor if the employer has the right to control or direct only the result of the work and not what will be done and how it will be done. Independent contractors are also known as contractors or freelancers.

**KPI: Key Performance Indicator**

A KPI is a measurable goal that demonstrates how effectively a company is achieving key business objectives. Organizations use KPIs to evaluate their success related to specific business metrics.

**MSP: Managed Service Provider**

MSP programs provide end-to-end workforce and vendor management for users of contingent labor.

**RPO: Recruitment Process Outsourcing**

RPO programs provide direct-hire talent acquisition services for professional and non-professional positions that solve compliance, scalability, cost, quality or other recruiting challenges.

**SLA: Service Level Agreement**

An SLA is a commitment between a service provider and customer. Aspects of the partnership – quality, availability, responsibilities – are agreed upon between the service provider and the service user.

**SOW: Statement of Work**

An SOW is a document that captures the work activities and deliverables to be supplied as part of a contract or project timeline. SOW arrangements are used in contingent workforce programs.

**Temporary Workers**

Temporary workers are generally hired to fill short-term positions or to complete specific projects with a set time frame. Temporary workers also fill positions that have irregular or seasonal work schedules.

**Temp-to-Hire Workers**

A temp-to-hire worker is hired as a temporary worker with the knowledge that the short-term position may transition to a full-time job. Temp-to-hire workers can be managed by an MSP program and then transitioned to the employer once they become permanent employees.

**Total Workforce Solutions**

Total Workforce Solutions blend Recruitment Process Outsourcing (RPO) and Managed Service Provider (MSP) capabilities in one integrated program.

**VMS: Vendor Management System**

VMS platforms help businesses manage and procure staffing services – temporary, and, in some cases, permanent placement services – as well as outside contract or contingent labor. VMS platforms are generally used with MSP programs.

As RPO, MSP and Total Workforce Solutions continue to mature and evolve, we will make updates to this lexicon. If you would like to see new terms added or share corrections or contributions to the existing list, please send us a note at [marketing@peoplescout.com](mailto:marketing@peoplescout.com).