

**LAPPEENRANTA UNIVERSITY OF TECHNOLOGY**

School of Business and Management

Degree in Business Administration

Master's Programme in International Marketing Management (MIMM)

Master's Thesis

**THE ROLE OF RECRUITMENT PROCESS OUTSOURCING ON EMPLOYER BRAND  
PERCEPTIONS – THE APPLICANT PERSPECTIVE**

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## **ABSTRACT**

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<b>Title:</b>	The Role of Recruitment Process Outsourcing on Employer Brand Perceptions – The Applicant Perspective
<b>Faculty:</b>	LUT School of Business and Management
<b>Major:</b>	International Marketing Management
<b>Year:</b>	2018
<b>Master's thesis:</b>	Lappeenranta University of Technology, 89 pages, 9 figures, 2 tables, 1 appendix
<b>Examiners:</b>	Associate professor Anssi Tarkiainen Professor Asta Salmi
<b>Keywords:</b>	Employer branding, recruitment process outsourcing

Employees have been identified as one source of competitive advantage for companies and the war for talent has become a prevailing concept in the field of recruitment. Employer branding has been recognized as a tool to attract and retain desirable workforce while outsourcing recruitment processes has become a general practice for companies. The purpose of this study is to examine the connection of recruitment process outsourcing and employer branding from an applicant's perspective which has been underrepresented in previous academic literature. The objective is to understand the role of recruitment process outsourcing in employer brand perceptions by examining how applicants experience recruitment outsourcing and identifying the potential positive and negative impact it has on an employer brand. Qualitative research approach is used and seven job applicants that have participated in outsourced recruitment processes are interviewed. The findings indicate that a connection between employer branding and RPO exists creating challenges and opportunities. The challenges of presenting an accurate idea of what it's like to work in a company or give a detailed picture of particular positions can create frustration in applicants while the efficiency and professionalism at RPO brings to the recruitment process can enhance the recruitment experience. An RPO provider with a good reputation offering a process that includes components that applicants appreciate can have a positive influence on employer brand while poor co-operation between the parties and inconsistency can have a negative impact. This study brings the much-needed perspective of applicants to the discussion of these two phenomena that are critical in talent attraction.

## TIIVISTELMÄ

<b>Tekijä:</b>	Jasmin Shams
<b>Tutkielman nimi:</b>	The Role of Recruitment Process Outsourcing on Employer Brand Perceptions – The Applicant Perspective
<b>Tiedekunta:</b>	Kauppatieteellinen tiedekunta
<b>Pääaine:</b>	International Marketing Management
<b>Vuosi:</b>	2018
<b>Pro gradu -tutkielma:</b>	Lappeenrannan teknillinen yliopisto, 89 sivua, 9 kuvaaa, 2 taulukkoa, 1 liite
<b>Tarkastajat:</b>	Apulaisprofessori Anssi Tarkiainen Professori Asta Salmi
<b>Hakusanat:</b>	Työnantajabrandäys, rekrytointiprosessin ulkoistaminen

Työntekijät ovat yksi merkittävämpiä kilpailuedun lähteitä yrityksille ja kilpailu kyvykkäimmistä tekijöistä hallitsee rekrytointimarkkinoita. Työvoiman houkuttelemiseksi ja sitouttamiseksi yritykset voivat hyödyntää työnantajabrandäystä, johon myös rekrytointi linkittyv vahvasti. Rekrytoinneissa puolestaan ulkoistamisesta on tullut yleinen käytäntö. Tämän tutkimuksen tavoitteena on selvittää rekrytointiprosessin ulkoistamisen ja työnantajabrandäyksen välistä yhteyttä työnhakijan näkökulmasta, jota aiempi akateeminen kirjallisuus on tarkastellut vain vähäisesti. Tavoitteena on ymmärtää, millainen rooli rekrytointiprosessin ulkoistamisella on suhteessa käsitykseen työnantajabrandistä, tarkastelemalla miten hakijat suhtautuvat rekrytoinnin ulkoistamiseen ja tunnistamalla sen mahdolliset positiiviset ja negatiiviset vaikutukset työnantajabrandiin. Tämä kvalitatiivinen tutkimus toteutetaan haastattelemalla seitsemää työnhakijaa, jotka ovat osallistuneet ulkoistettuihin rekrytointiprosesseihin. Tutkimus osoittaa, että työnantajabrandäyksen ja rekrytointiprosessin ulkoistamisen välillä on yhteys, jonka haasteeksi työnhakijan näkökulmasta muodostuu tarkan ymmärryksen muodostaminen siitä, millainen työnantaja yritys on ja millaista roolia se tarjoaa. Toisaalta ulkoistettu prosessi on tehokkaampi ja ammattimaisempi, joka hakijan näkökulmasta parantaa rekrytointikokemusta. Hyvämaineinen rekrytointiyritys, joka tarjoaa hakijoiden arvostaman prosessin voi vaikuttaa positiivisesti työnantajabrandiin, kun taas heikko yhteistyö ja epäjohdonmukaisuus osapuolten välillä voivat vaikuttaa negatiivisesti. Tämä tutkimus tuo kaivattua hakijoiden näkökulmaa mukaan työnantajabrandäykseen ja rekrytoinnin ulkoistamiseen liittyvään keskusteluun.

## **ACKNOWLEDGMENTS**

When I first started studying at LUT I wasn't sure if I chose the right field of studies. Now as I am at the end of my journey ready to graduate I have considered this matter a lot and have come to the conclusion that I'm still not sure. However, what I am sure about is that these years have brought me unforgettable experiences, lifelong friendships, more know-how than I probably understand right now and a broader worldview. They have also gotten me to where I am right now which I'm grateful for.

I want to thank my supervisor Anssi Tarkiainen for his support, guidance and patience during this master's thesis project and also during my bachelor's thesis. Also thank you LUT School of Business and Management for creating an inspirational community and learning environment which I have been able to enjoy for the past five years. In addition, my gratitude goes to the interviewees who gave their time and shared their thoughts helping me make this thesis possible.

Lastly, I want to thank my dear friends and family for being there for me during these years. Especially my dad who kept on asking whether my thesis is done on a weekly basis to keep me motivated.

In Helsinki 23.10.2018

Jasmin Shams

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# **1. Introduction**

This chapter justifies why the connection of recruitment process outsourcing and employer branding should be studied. Because of this, background to the subject is given, research questions are formed, and existing academic literature is addressed. Also, a theoretical framework and definitions are provided and finally research methodology and structure of the study are described.

## **1.1 Background**

The war for talent has become a prevailing concept in the field of recruitment. It refers to the setting of recruiting and retaining skilled employees that is continuously becoming more competitive and challenging for companies (Pingle & Sodhi 2011). Talented and loyal employees are a key element in achieving success and meeting the needs of company's stakeholders (Elving et al. 2013), which is why it's important for companies to acknowledge the obstacles they might come across in recruiting them.

Employer branding has been a potential tool in tackling the challenge and in attracting employees with high potential (Backhaus & Tikoo 2004; Moroko & Uncles 2008; Elving et al. 2013). Companies from different industries have started formally defining and strategically managing their employer brand and by embracing employer branding gaining potential competitive advantage in the labour market (Moroko & Uncles 2008). According to Backhaus (2016) it can be argued that every employer has a brand but not all employers engage in branding efforts to differentiate themselves.

When building a successful brand companies should consider both internal and external customers and employer branding is no exception. In external branding the employer has a goal which is to evoke positive brand associations which then drive employer image (Backhaus 2016). Internal branding enables a company to create a workforce that is hard for competitors to imitate by systematically exposing employees to the employer brand's value proposition (Backhaus & Tikoo 2004). The efforts put into employer branding become concrete when companies start recruiting. Will they receive applicants, and more importantly will they receive applicants suitable for their organisation?

In addition to internal efforts that are put into employer branding companies are seeking help from external service providers to reach the desired target group they want to attract to their

own organization. Nowadays many companies use external service providers to handle different parts of their recruitment process which is referred to as RPO – recruitment process outsourcing. Improved quality of recruitment practices and financial savings are example factors that make outsourcing attractive for companies (Wehner et al. 2015). But how are job applicants reacting to outsourcing and has the development been attractive from their point of view?

The benefits and pitfalls of both employer branding and recruitment process outsourcing have been studied but academic research lacks studies of the connection of these two phenomena and particularly from the perspective of job applicants. Previous research has found that outsourcing recruitment may cause negative reactions towards recruitment among applicants (Wehner et al. 2012) especially at higher levels of RPO (Wehner et al. 2015). Regarding the connection of employer brand and RPO, Gilani & Jamshed (2016) found that recruitment process outsourcing can improve the employer brand presuming that the RPO provider is carefully selected. If companies want to keep attracting talents, it's important for them to understand whether using an external partner for recruiting effects their employer brand and to what extent? Could it influence applicants' perception of the company as an employer and in what way?

## **1.2 Research questions**

The purpose of this study is to explore the connection of recruitment process outsourcing and employer branding from an applicant's or potential applicant's point of view. The scientific objective of the study is to contribute on the research of both employer branding and RPO by producing new knowledge of their possible connection. The managerial objective is to bring up factors of how and why recruitment process outsourcing effects employer branding. From these objectives the following main research question can be defined:

*What is the role of recruitment process outsourcing in applicants' employer brand perceptions?*

The main research question is divided into three sub research questions in order to achieve the objectives of the study. The sub-questions are defined as follows:

*How do applicants perceive outsourcing of a recruitment process to an external service provider?*

*Can recruitment process outsourcing have a positive and/or negative impact on the employer brand?*

*What factors should a company take into notice when outsourcing a recruitment process?*

### **1.3 Literature review**

The term employer branding was first introduced by Ambler and Barrow in 1996 when they conducted a research in which they tested if brand management techniques could be applied to human resource management (Ambler & Barrow 1996). The research indicated that by bringing these two functions closer together mutual benefit would follow as strong corporate equity with the brand's customers could improve return on human resources and improved human resources could simultaneously enhance the return on brand equity from external customers (Ambler & Barrow 1996). In 2004 a conceptual framework was created by Backhaus & Tikoo in which they proposed that employer branding generates two principal advantages; brand association and brand loyalty and by incorporating both external and internal employer branding employee productivity and employer attraction could be achieved (Backhaus & Tikoo 2004). According to the LUT Finna search engine that combines multiple academic databases the research conducted on the topic of employer branding has been steadily increasing since 2004, and between years 2004 and 2017 2961 peer reviewed articles about it have been published.

Over the past ten years most of the research conducted on employer branding has focused on external branding for the intention of employee recruitment as the key for engaging new employees is a good employer image that is affected by positive brand associations

(Backhaus 2016). Drawing from this, many researchers have focused on studying the characteristics of an ultimate employer brand. In their study Moroko & Uncles (2008) found that employer brand success includes two key dimensions that are accuracy and attractiveness. Attractiveness is upheld by general brand related factors such as awareness, relevance and differentiation while accuracy refers to the consistency between the employment experience and employer brand (Moroko & Uncles, 2008). Also, Pingle & Sodhi (2011) identified the importance of consistency between company reality and its brand image in order to prevent employee turnover from increasing. Ghadeer (2016) connects employer branding and being 'employer of choice' in his study by looking into factors that would draw employees towards an 'employer of choice', while Bellou et al. (2015) determine the core components of the employer brand of choice. Five dimensions were identified from which the conclusion was drawn that employees appreciate and prefer companies that seek for competitiveness for their employer brand in addition to their product brand (Bellou et al. 2015).

Employer branding has also been studied from the perspective of sustainability. App et al. (2012) link employer branding to sustainability by suggesting that sustainable human resource management ought to help companies in attracting and retaining high-quality employees because attractive and unique employer brand can be established by integrating sustainable HRM practices to employee value proposition. Aggerholm et al. (2011) add to the entity corporate social responsibility and created a framework that offers a new way to approach employer branding that supports long-term relationships between employers and employees as well as sustainable organizational development by being an integrated part of the CSR strategy.

In addition to studies concerning employer branding the topic of recruitment process outsourcing is relevant for this research. Unexpectedly research focusing solely on RPO seems to be limited. In previous research the primary emphasis has been on outsourcing HR activities in general and little attention has been given to recruitment and selection outsourcing (Ordanini & Silvestri 2008; Wehner et al. 2012). In 2002 Dashborough & Sue-Chan wanted to identify potential reasons for using outside agencies in recruitment activities and in their study found that trust and mimetic forces can have a positive influence on outsourcing the recruitment process while coercive forces such as legislation might have a negative impact. Ordanini & Silvestri (2008) contribute with their findings showing that companies outsource administrative parts such as job ads and pre-screening due to

efficiency motivations while outsourcing strategic parts such as colloquia and selection is more effected by competitive reasons. Johnson et al. (2014) bring in the managerial perspective by examining whether an outsourced recruitment process can provide a satisfactory solution to the organization from the point of view of its line-managers.

More recent studies of the topic by Wehner et al. (2012, 2015) have been focusing on recruitment process outsourcing from an applicant's point of view. In their first study they found a negative relationship in between graduates' reactions and the extent of RPO meaning that delegating parts of the process to an external provider has a negative effect on graduates' satisfaction with the process as well as the company's attractiveness (Wehner et al. 2012). In the second study they extend the original one by adding in a brand equity perspective to see whether the negative reactions among graduates' can be counterbalanced by employer image and service provider image (Wehner et al. 2015). The results indicate that strong service provider image and employer image partially compensate for the negative effects of recruitment process outsourcing on applicant reactions (Wehner et al. 2015).

With their study Wehner et al. (2015) bring in the element of employer and service provider image but in addition to that only one article was found that combines both recruitment process outsourcing and employer branding. Gilani & Jamshed (2016) conducted a research that explored the interconnection and linkages between the concepts of recruitment process outsourcing and its contribution towards the process of employer branding. They argue that in addition to savings in time and cost RPO can have a very good impact on the employer brand since it provides a pool of talented employees who are the main source when creating the brand image and they also enhance the company performance which then further enhances the image (Gilani & Jamshed 2016). The connection between recruitment and employer branding generally has however been recognized. For instance, Wilden et al. (2010) studied employer branding in the context of recruitment and found that the effectiveness of a brand signal depends on clarity, consistency, credibility and associated investments in the employer brand and organizations should focus their recruitment investments on target markets that ponder working in the concerned industry.

Though employer branding has been studied quite extensively from different angles studies addressing RPO are limited. As both can be used as tools in new talent recruitment understanding their connection more profoundly is relevant. Thus lack of academic knowledge regarding it justifies the need for this study.

## 1.4 Theoretical Framework

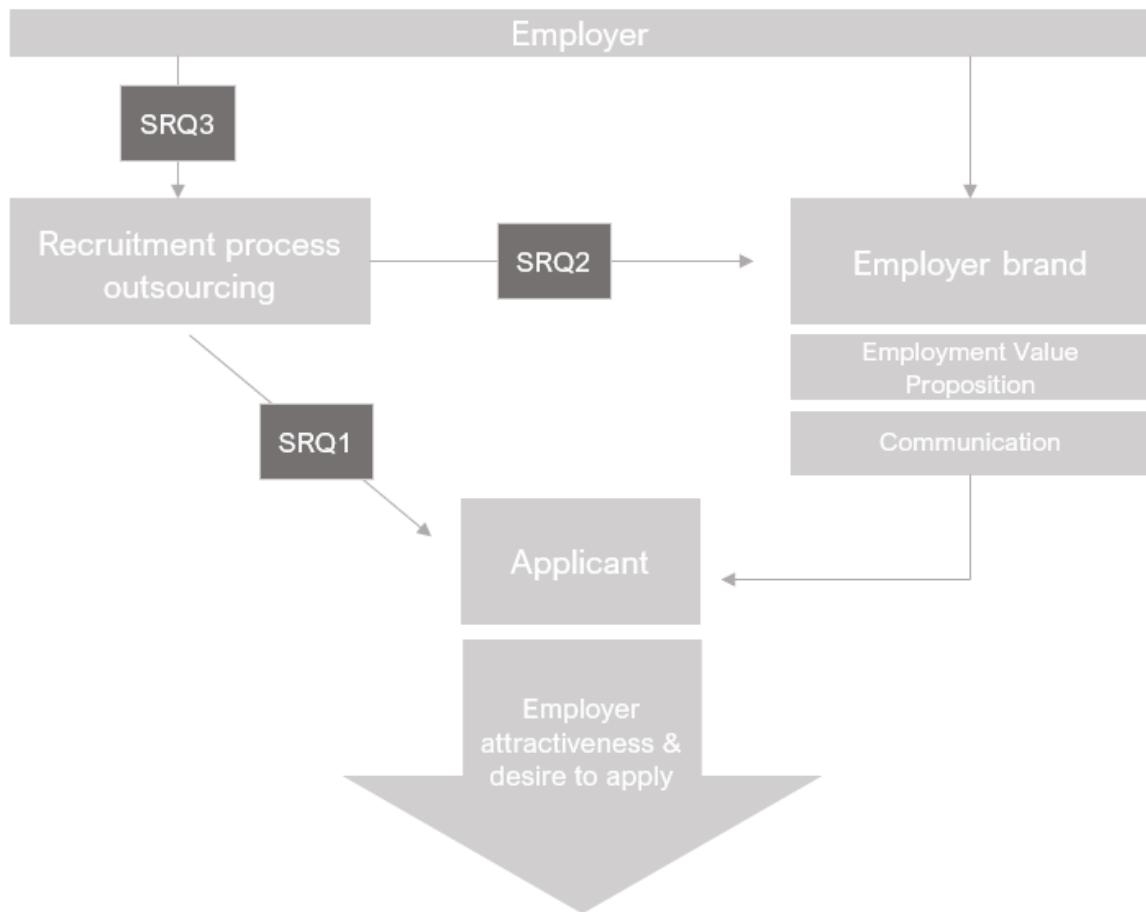


Figure 1. Theoretical framework of the research

The theoretical framework of this study is presented here in figure 1. It demonstrates the connection between an employer and an applicant and how an employer brand and outsourcing a recruitment process can influence this relationship. Employer creates and shapes the employer brand through which the employment value proposition is communicated to the applicant or potential future employee. The first sub-research question aims to understand how applicants perceive recruitment outsourcing as previous research by Wehner et al. (2012) shows that outsourcing recruitment may cause negative reactions towards recruitment procedures. It's important to understand the applicant perspective better in this as outsourcing is becoming more common. The second sub-research question aims to find out whether outsourcing recruitment has a positive and/or negative influence on

the employer brand. The indirect influence could for example come from an RPO providers own brand and performance as Gilani & Jamshed (2016) have found. From the perspective of the RPO provider and the employer it's important to understand the sources of negative influence so adjustments can be made. At the same time understanding where positive influence is created is valuable knowledge to both. The third sub-research question aims to find out the factors a company should take into notice when outsourcing a recruitment process as previous research has focused on the company perspective. The connection of these different components ultimately effects on the attractiveness of a certain employer in the minds of applicants and their desire to apply to that company.

## **1.5 Definitions**

### ***Employer brand***

Ambler and Barrow (1996) were the first to introduce the term employer brand and define it as "the package of functional, economic and psychological benefits provided by employment, and identified with the employing company." Employer brand characterizes the company's identity as an employer being employment specific and it is directed at both external and internal audiences (Backhaus & Tikoo 2004). Employer brand can be either attractive or unattractive to potential employees (Bellou et al. 2015).

### ***Employer branding***

Employer branding refers to the process of developing a unique and identifiable employer identity which eventually leads to employer attractiveness in the eyes of potential employees and employer brand loyalty in the minds of current employees (Backhaus & Tikoo 2004). In this study the abbreviation EB will be used of employer branding.

### ***Recruitment process outsourcing***

According to Johnson et al. (2014) the definition of recruitment process outsourcing echoes with the common definition of outsourcing in which the internal organisational provision is transferred to an outside provider. They point out that the broad definition of the concept does not necessarily involve transferring the recruitment ownership completely to the contracted partner but in many cases represents outsourcing a part of the process that is relatively of less value and more transactional to the host organization (Johnson et al. 2014). In this study the abbreviation RPO will be used of recruitment process outsourcing.

## **1.6 Research methodology**

As just a few academic studies have been conducted that combine employer branding and recruitment process outsourcing the aim of this study is to better comprehend the potential connection between them. Because of that this study is conducted by using qualitative research approach. Instead of testing hypothesis or using statistical analysis that quantitative research focuses on, qualitative approach is concerned with interpretation and understanding the phenomena that is being examined (Eriksson & Kovalainen, 2008, 5). The basis of qualitative research is to describe real life and the aim is to study the subject of research as comprehensively as possible (Hirsvärti et al. 2015, 161). Qualitative research approach also allows the use of multiple methods such as utilizing academic literature, interviews and observation (Metsämuuronen 2005, 222). The empirical part of this research will be done by interviewing former job applicants that have participated and proceeded in outsourced recruitment processes. The research methods will be discussed more profoundly in chapter 4.

## **1.7 Structure of the study**

In this study the literature review presenting findings of previous academic research consists of two parts; employer branding and recruitment process outsourcing. First the author examines what employer branding is, how it's currently classified, the value employer branding creates and the goal of becoming an employer brand of choice. After this the employer branding process is presented and its most relevant components addressed in more detail. The second part starts with a brief introduction to RPO and continues with some general theory of human resource outsourcing and recruitment. Next the decision-making of RPO and its process are covered. Then the advantages and disadvantages are investigated both from a company's and an applicant's perspective. Lastly previous research done on the connection of these two phenomena is addressed and to gather the theoretical part together an overview has been written and a synthesis of the findings is presented. In the fourth chapter the research methodology and design are described. Following this the empirical results found in the interviews are presented and contrasted with previous theoretical findings. In the last chapter a summary and conclusions of the findings are made and based on them theoretical contributions and managerial implications given. Lastly the

author identifies the limitations of this study and gives recommendations for future research directions.

## **2. Employer branding**

This chapter is divided into two parts. The first one includes an overview of what employer branding is and how it's currently classified. It also addresses employer brand equity and what is expected from an employer brand of choice. The second part presents the employer branding process and its components in more detail. The perspective of applicants as potential employees is also covered.

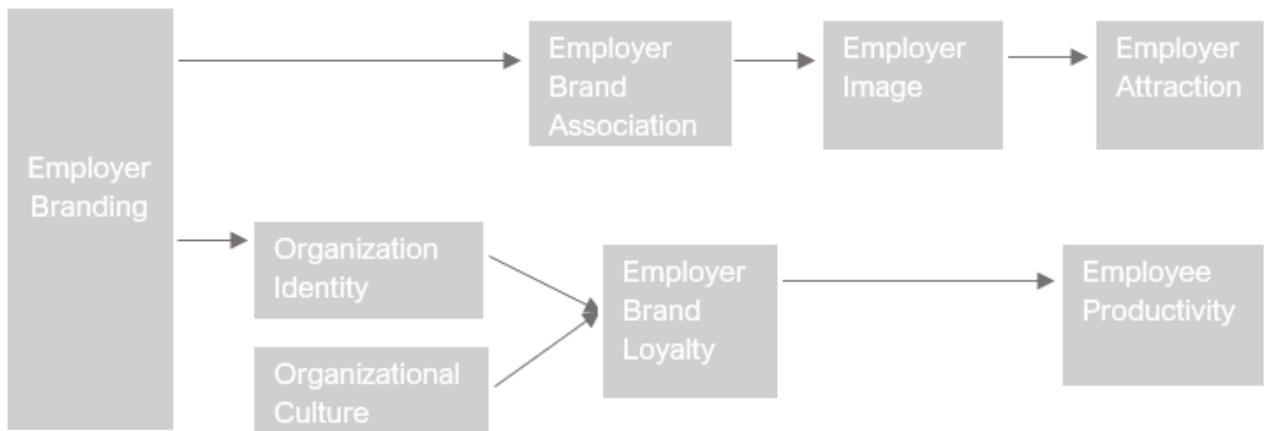
### **2.2 What is Employer branding?**

Branding is traditionally considered belonging to the expertise sphere of marketing and linked to representing a product to customers (Edwards 2010). There is some resemblance between the product and corporate brand and the employer brand because employer brands are developed to be consistent with the company's corporate brand (Backhaus & Tikoo 2004; Moroko & Uncles 2008). Despite the similarities there are also differences such as targets for branding activities. In corporate branding the organization itself is presented to different external audiences and in employer branding specifically the branding targets are current and potential employees so there are both external and internal audiences (Backhaus & Tikoo 2004; Edwards 2010). Another key difference is the fact that employer brand is employment specific and it characterizes the company's identity as an employer (Backhaus & Tikoo 2004; Alshathry et al. 2017).

Employer branding as a concept mixes the fields of human resources and marketing (Backhaus & Tikoo 2004, Edwards 2010; Backhaus 2016). Cascio & Graham (2016) state that every organization has an employer brand which can be positive or negative or even unidentified by the organization itself. If a company doesn't pay attention to its brand it will shape without it (Cascio & Graham 2016). The objective of employer branding is to present an attractive and positive image of the company to current and prospective employees (Backhaus 2016) and help in creating a company brand which can be marketed to talents (Biswas & Suar 2014).

According to Biswas & Suar (2014) employer branding is constructed on three components. First is employer brand equity, second brand loyalty and engaging employees and third attraction and retention of talents. These three components are also present in the employer branding framework created by Backhaus & Tikoo (2004) in the earlier days of EB research.

The framework is presented below in figure 2. According to it there are two principal assets that employer branding creates; brand loyalty which leads to increasing employee productivity and brand associations which shape the employer image that in turn affect the employer's attractiveness in the eyes of potential employees (Backhaus & Tikoo 2004). Though all the elements in the framework are important when considering employer branding, in this study the focus is on the upper sequence as it is related to the recruitment context.



*Figure 2. Employer branding framework (Backhaus & Tikoo 2004)*

When considering a brand name, the ideas and thoughts that evoke in a consumer's mind are brand associations (Aaker 2009). Associations of an employer brand drive the employer image which is the key to engage interest in potential employees (Backhaus 2016). Keller (1993) defines brand image "as perceptions about a brand as reflected by the brand associations held in consumer memory" and divides brand associations into three categories; attributes, benefits and attitudes. An employer image that is well-differentiated allows jobseekers to understand the company's values and discover similarities between the company and themselves (Backhaus 2016). The relative importance that potential applicants place on the benefits and attributes of their associations and the extent to which they think that a company possesses them are affecting the employer attraction (Backhaus & Tikoo 2004).

In their study Xie et al. (2015) integrate research from employer branding, person-organization fit and social identity theory creating a model that examines the impact of organizational reputation and identity congruence between firms and their job applicants on

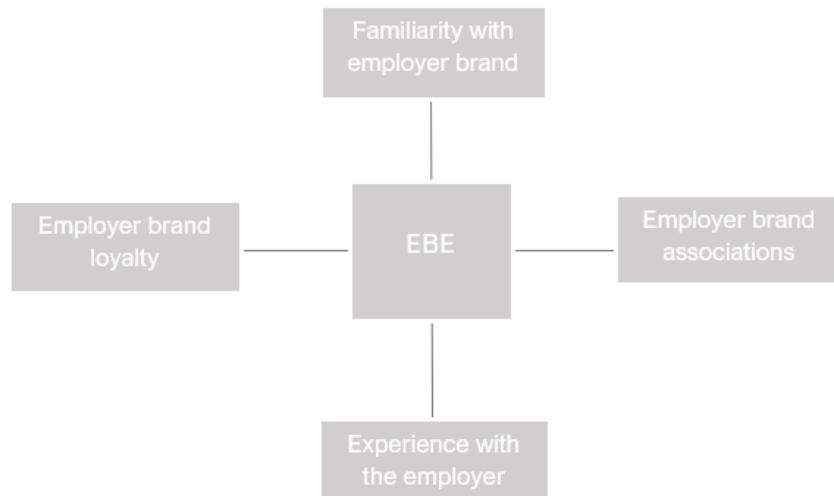
the attractiveness of an employer brand. Their results show that both of these factors are important when attracting job applicants which is why it's important to improve and communicate about them during the recruitment process. Identity congruence can be achieved by conducting research to discover key characteristics of the identities of potential employees but also to uncover core competencies and attributes of the firm. After identifying both the company then needs to present their organizational identity in a way that it's consistent with the applicants' identities. This way companies are also able to do selective attracting by emphasizing certain key identity attributes such as innovativeness and high responsibility so that applicants with matching identity attributes would be drawn to apply for their company. In addition, being familiar with a certain employer brand leads to applicants' affective identification and intention to pursue a job which means that emotional and motivational content of the employer brand should be increased among applicants. This can be done for example through internships or summer jobs, communication programmes or informal meetings. (Xie et al. 2015)

In the employer branding framework (figure 2.) employer attraction is considered from an external point of view, but attractiveness has also been studied from the internal perspective. Maxwell & Knox (2009) wanted to know what makes a company's employer brand attractive to its current employees and made a comparative case study in four companies. They found that the specific attributes that employees considered most attractive were not similar in the organizations, but the attribute categories were nearly identical. In short, firm's employer brand is considered more attractive by its employees when the entire firm is perceived to be successful, the employees value the product or service attributes and interpret the external employer image as attractive. (Maxwell & Knox 2009) The differences of internal and external employer branding will be discussed next.

### **2.2.2 Employer brand equity**

The resources and efforts put into employer branding have the purpose of creating or shaping the employer brand equity. In the marketing literature Aaker (2009) has defined brand equity as set of liabilities and assets that are linked to a brand which increase or decrease from the value provided by a service or product to the firm and its customers. Theurer et al. (2018) define employer brand equity, EBE, as "the added value of favourable employee response to employer knowledge". If a company has a strong employer brand

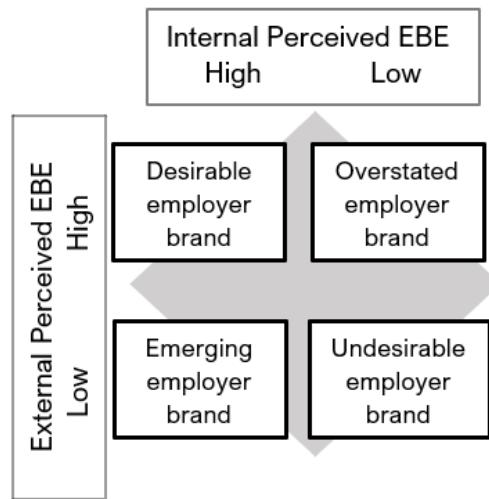
equity the employer brand becomes more attractive (Biswas & Suar 2014). Employer brand equity has different goals for existing and potential employees. For potential employees it is to generate the desire for them to join the organization while for existing employees it is to make sure that they keep on experiencing the value that comes from the association of belonging to the organization (Alshathry et al. 2017).



*Figure 3. Elements of employer brand equity (Alshathry et al. 2017)*

Figure 3. represents the elements of employer brand equity created by Alshathry et al. (2017) starting with familiarity with the employer brand which forms the basis for other elements of employer brand equity. It refers to the knowledge level of an employer that jobseekers have and represents deeper knowledge rather than just the ability to recall a company's name. Next is employer brand associations that consist of any memories linked to a company and might contain the underlying meaning of the employer brand for employees. The third element, experience with the employer, is a key element in the employment relationship. During an employee's experience with a company, value is delivered through the employment experience. The difference between employer brand associations and experience with the employer is that the experience is employment specific and typically occurs inside the organization via interaction with the employer and therefore relates to the real experience rather than to the intended one. The final element, employer brand loyalty is relevant only for those who have experienced the employer brand. It is a sum of the overall attitudes that existing employees have towards the employer. (Alshathry et al. 2017)

Going back to the employer branding framework presented in figure 2. one can see that similarities with the elements of employer brand equity exist. This is a typical example of how the concepts are overlapping in the EB literature and embodies the multi-dimensional nature of employer branding. From the employer brand equity framework Alshathry et al. (2017) evolved a four-cell typology that compares internal and external views of EBE. This typology is presented below in figure 4.



*Figure 4. Four-cell typology of employer brand equity: Internal and external comparison (Alshathry et al. 2017)*

The desirable brand status is reached when both potential and current employees perceive the company's employer brand equity high. The employer brand is overstated when current employees have a low-quality experience and external targets perceive it high. This leads to a situation where the applicant pool is large, but retention decreases. Emerging employer brand means that the company has a strong employer brand equity internally, but it lacks suitable external marketing. When both internal and external individuals perceive the employer brand equity low, the company has an undesirable employer brand. (Alshathry et al. 2017)

From an applicant's perspective an overstated employer brand might seem appealing at the time of applying but will cause disappointment once the employment has begun. By building employer brand equity companies can grow to become employers of choice (Alshathry et al. 2017) which will be discussed next.

## **2.2.1 Classification of employer branding**

When research on a phenomenon starts to increase, the need to classify it becomes inevitable. Several attempts to classify employer branding has emerged in the literature (Ghadeer 2016). A typical classification within employer branding is the division to internal and external EB which is based on having potential and current employees as target groups for the branding activities. Internal employer branding refers to efforts in employer branding that focus on the retention of current employees (Theurer et al. 2018). To that Ghadeer (2016) connects the employment experience, by arguing that internal branding represents the evaluation of an employer based on the employee's employment experience. The ultimate objective for internal employer branding is to influence employees who are committed to the organizational goals and set of values that have been established by the company and through that create a unique workforce that is hard for other companies to imitate (Backhaus & Tikoo 2004).

When considering employer branding in the context of recruitment, the external branding plays a bigger role. Marketing the employer brand externally establishes the company as an employer of choice and thus enables it to attract the best possible employees (Backhaus & Tikoo 2004). With the ongoing war for talent external employer brand is a factor that can effect on applicants and their decision to apply for a particular company. Because of that, it's vital to understand what attracts new talent in addition to objective work conditions and economic reward (Xie et al. 2015). According to Backhaus & Tikoo (2004) the assumption in external employer branding is that having a distinctive brand allows a firm to acquire distinctive human capital. They continue that once the brand has attracted the desired recruits, they'll build a set of assumptions regarding the employment in that company which they will then take into the company with them and thereby support the values of the firm and enhance their commitment to it (Backhaus & Tikoo 2004).

In addition to internal and external division, researchers represent a classification that includes symbolic and instrumental employer branding (Backahus & Tikoo 2004; Ghadeer 2016). On a general level instrumental brand benefits refer to the product's objective, tangible and physical attributes that the product has or doesn't have while symbolic benefits include subjective, intangible and abstract attributes that occur from how the product is perceived (Lievens et al. 2007). In the context of employer branding, symbolic aspects would contain for example organizational culture, innovativeness and management style (Ghadeer

2016), while instrumental aspects refer to employer offerings such as salaries and bonus schemes (Lievens et al. 2007).

### **2.2.3 Employer brand of choice**

Attracting prospective employees is a key theme in external employer branding. Thus, much of the research related to it has been focusing on employer of choice factors (Backhaus 2016). Employer of choice, EOC, is a term used when referring to an employer who is able to attract the most gifted employees by possessing attractive attributes (Bellou et al. 2015). Bellou et al. (2015) continue by stating that when an employer brand can be either attractive or unattractive to potential applicants, an employer of choice embodies a specific level of attractiveness and is considered as the most attractive employer by a substantial part of potential employees. If a company wants to become an employer of choice, it needs to have a successful employer brand.

Moroko & Uncles (2008) were among the first to examine the criteria that is used to evaluate whether an employer brand is successful. They found that three characteristics stood out as highly consistent with the corporate branding theory, the first one having to be known and noticeable, the second having to be seen as relevant and resonant and the third having to be differentiated from direct competitors. In addition to these, two more characteristics just regarding employer brand stood from the data. Firstly, a successful employer brand fulfils a psychological contract which means that it's accurately represented through marketing communication and it consistently delivers on the brand's promise. Second, with employer brands there is the possibility for unintended adaptation of brand values since employees can't easily evaluate a prospective employing company prior to experiencing the employment themselves. (Moroko & Unlces 2008)

Studying the field of an ideal employer Bellou et al. (2015) found the following five dimensions for employer brand of choice; self-development, corporate image, recognition, relationships and remuneration. Corporate image is divided into commercial image and social image, relationships include both colleague and manager relationships and remuneration contain salary and extra benefits. Inside each dimension are exact statements that specify what employees value. The multi-dimensional nature of the employer brand of choice means that companies must understand that employees have expectations

throughout the employment experience, from recruitment to exiting. Therefore, employer brand of choice needs to keep the experience incessantly favourable as it is reflected to the symbolic and functional benefits of the organization's brand. The generated satisfaction from meeting the expectations of potential and current employees ensures positive references and constructive networking among various stakeholders. This indicates that employer brand of choice should be considered as a strategic issue in a long-term perspective and the dimensions presenting employee demands should perform as mechanisms that drive the company's distinctiveness and thus competitive advantage. By creating and offering a viable and realistic internal and external brand proposition a successful employer brand of choice can be formed. (Bellou et al. 2015)

Originally organisations were not utilizing employer branding to become employers of choice, but employer brand was rather considered as a brand identity that characterized the organisation (Backhaus 2016). But since attracting and retaining talent has become one of the top priorities for companies, branding the employment experience to current and potential employees is necessary (Biswas & Suar 2014). What the employer branding process includes will be discussed next.

### **2.3 The employer branding process**

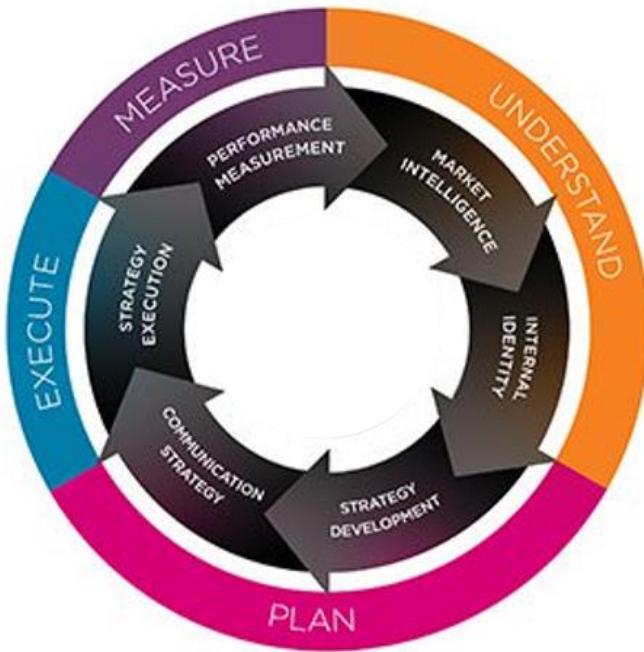
After companies have recognized the importance of employer branding the next step is to start the process of employer branding (Heilmann et al. 2013). The objective of the process is to differentiate the employer in the employment marketplace and maintain the commitment of employees to the organization via sense of unity with the brand. (Tanwar & Prasad 2016; Backhaus 2016). Surprisingly only few suggestions for the employer branding process were identified in the employer branding literature.

In their study Backhaus & Tikoo (2004) bring up a three-step process that is described in the HR practitioner literature. In that process the first step includes developing an employment value proposition, EVP, that will be contained in the brand. The second step is marketing that value proposition to the organization's targeted potential employees and recruiting agencies. The primary goal for external marketing of the employer brand is to engage interest in the target population but in addition it enhances and supports the corporate or product brands. The third step in the process is internal marketing which is also

referred to as internal branding. Developing a workforce committed to organizational goals and values established by the firm is the goal for the final step. (Backhaus & Tikoo 2004)

Adding on to the three step-process a five-step process is brought up in the study by Heilmann et al. (2013) where they examined the motives and practices of employer branding in power industry. This broader process was originally created by the research and consulting company Universum in 2010 and the additional steps include research, which refers to finding out the employer's position in the employment market, and implementation. In this process the marketing function is also divided in development of a communication strategy and expressing the EVP to the target groups in consistency with the organization's identity and branding efforts. (Heilmann et al. 2013)

In a more recent version of the employer branding process Universum adds on the element of measurement and emphasizes how the process is cyclical and works towards improvements through continuous testing and measuring of employer branding promotion (van Mossevelde 2014). This process is presented below in figure 5. Considering the process as cyclical is important as it reflects that companies should actively pay attention to employer branding and work on it in order to get the brand to the desired position in the employer market. These presented processes vary in their extent but there are two elements similar in all of them which is the value proposition and communicating it to the target audience. As both elements are relevant when considering employer branding in the recruitment context they will be discussed more profoundly next.



*Figure 5. The employer branding process (van Mossevelde 2014)*

### 2.3.1 Employment value proposition development

Employment value proposition, EVP, refers to the benefit or value an employee receives from being part of a certain organization and can be a determinant factor in employee engagement and retention (Heger 2007). Traditionally employment value proposition has been on HR's responsibility and it has considered the organization's employment as a product that has a brand and targets and evaluators of the created EVP are current and potential employees (Boudreau & Ziskin 2011).

Seven employer branding value propositions were identified in the study conducted by Dabrian et al. (2017). They collected 38,000 reviews from Glassdoor, a crowdsourced employer branding platform used online, and the data analysis revealed that employees care about following values; social, interest, application, development, economic, management and work/life balance. Social value refers to emotional factors such as positive atmosphere, nice colleagues and people-focused organizational culture. Interest refers to challenging yet achievable tasks and application to opportunities that allows employees to put their knowledge and skills to considerate and meaningful use. Opportunities for professional growth and development as well as appropriate compensation including

salaries, benefits and perks are also important. The influence of superiors on whether an employee stays, or leaves is tremendous, and a proper work/life balance enables employees to succeed both on and off the job. (Dabrian et al. 2017)

Tanswar & Prasad (2016) use the term EB attributes when discussing attracting and retaining employees. As example they present attributes such as career growth opportunities, training, good work-life-balance and attractive compensation. These attributes should be accurate and rooted in the organization's culture because what the firm promises to offer should be consistent with what they actually offer to employees. (Backaus & Tikoo 2004; Tanswar & Prasad 2016). Though the term EVP is not directly used in the study the purpose of EB attributes is similar to the value proposition.

Boudreau & Ziskin (2011) argue that the idea of employment value proposition should be extended in two ways and go more to the direction of a personal value proposition. The first idea is that EVP would be extended beyond employment. The employment brand is sometimes considered as an extension of the organization by its stakeholders which is why it's even more important to consider how EVP affects their perception of the organization even though they might never become employees at all. Often the most visible indication of company values and principles are its labour practices which means that there is a thin line between the boundary of the brand and products of the company and the employment value proposition. The second idea refers to the mass-customization of EVP which should be based on what drives value for individual employees as people both on and off work. Instead of the broad value propositions such as technologically advanced, family-friendly or innovative working environment the emphasis should be on the customizable workplace options that fit better employees' unique needs and interests. (Boudreau & Ziskin 2011)

### **2.3.2 Communication**

After the employment value proposition has been formed the next challenge is communicating it to current and prospective employees. Since this study focuses on EB in the recruitment context the emphasis in discussing communication activities is on potential employees. The important aspects for companies to consider are the channels that are used and the content that is produced for them. The channels can be managed and monitored by the organization or employer branding related conversation can also appear in channels

where the company can't influence what is said about them. For example, when talking about social media platforms Kissel & Büttgen (2015) have made a division to company-controlled platforms where the content is provided mostly by employers and they have an opportunity to interact with potential applicants while on company-independent platforms the content and interaction is provided by the users.

Using social media is one of the latest and most influential channels for communicating employer brand (Sivertzen et al. 2013; Kaur et al. 2015). Due to its increasing accessibility and convenience social media is an extremely used channel for accessing information when searching for employment (Kissel & Büttgen 2015). If a company decides to have social media sites, it's important to create content that is accurate and consistent and in addition the possibility to be interactive should be provided so in case comments and discussion rises the company has an opportunity to learn what former, current and future employees think about them (Cascio & Graham 2016). Kissel & Büttgen (2015) also emphasize the opportunity for direct communication that social media offers, such as videos, live chats, pictures and private messages, which in their opinion work as tools for communicating the employer brand meaning in a personal, cost-efficient and realistic way to the target group. From social media channels Kaur et al. (2015) recommend using for example blogs, YouTube, Instagram along with traditional LinkedIn, Twitter and Facebook to engage with potential and existing employees.

Though social media is useful for employer branding activities companies must keep in mind that it's less controllable than other, more classic media channels (Kissel & Büttgen 2015). Discussion that is undesirable from the company's point of view can emerge there. Social media users are always active and discuss almost anything online, for example if an employee has had a great day at work they share the experience of enjoying working for their employer but the same applies for less enjoyable experiences and then the employer brand can be affected negative by social media (Cascio & Graham 2016). Cascio & Graham (2016) add that when inferior interactions with the company emerges social media can multiply the negative effects fast and exponentially. However, when sharing experiences online, for example in LinkedIn which requires a personal profile, positive feelings about an employer might be easier to share and negative stories might rather spread through word-of-mouth because people may be reluctant to speak their minds in public online discussion.

Kissel & Büttgen (2015) assumed that due to social media notably more information about firms and employers is available which likely affects their corporate image and employer

attractiveness and because of that people might have already developed a general image of the company long before they start searching for a new job. However, the results of their study showed that employer attractiveness mostly depends on a holistic evaluation of a firm in terms of its corporate image and it's not a fast process defined by particular job-related information that is gathered in social media. Jobseekers rather combine information with their existing knowledge and impressions of the corporate brand which in turn affects their image of the company. (Kissel & Büttgen 2015) This can be sedative information for companies having negative or harmful evaluations in social media. Though social media is less controllable for companies, they also have channels of their own to exploit for employer branding communication.

One of the channels that companies can affect themselves is their own website. According to Cascio & Graham (2016) an important step in introducing and communicating the employer brand is having user-friendly websites that shares honest information about the firm's internal environment and culture as well as values, vision, mission and hiring process. Another company-controlled mean for communicating EB, particularly relevant when looking to attract new talent to the company, are job advertisements. A study conducted by Elving et al. (2013) shows that jobseekers actually prefer advertisements that contain employer branding. Job ads that reflect positive organizational atmosphere and discuss professional development opportunities within a job are especially likely to improve organization's ability to engage interest in potential employees (Elving et al. 2013). Companies can also participate to different kinds of job fairs or build tight cooperation relationships with universities to enhance their employer brand. Cable & Turban (2001) mention campus interviews and on-site visits as a way to provide jobseekers with new information about an employer. At job fairs companies get to meet a large number of candidates, also the non-traditional ones, while at the same time developing strong brand awareness among students and jobseekers (Smith 2014). Interacting with non-traditional candidates might lead to diversified applicant pool in the future.

Though not directly a channel but as important are the company employees. Cascio & Graham (2016) consider employees as face of organizations and ambassadors who are representing their employer's brand. Regardless of the position or status of an employee, everyone's opinion can have a significant impact on the employer brand of their organization. And it's not only current employees but also previous employees and potential future ones that can impact a company's brand. (Cascio & Graham 2016) By being in

personal contact with current employees jobseekers might form a perception of a typical employee for that company and if employees present themselves and behave consistently with the brand identity the brand meaning should be passed on to the potential candidates (Kissel & Büttgen 2015).

Whatever the channel used for employer branding communication companies must pay attention to the message content. If there is inconsistency between the messages and the organizational identity destabilizing might occur with the identity which requires company insiders to reconsider their way of understanding the organization (Backhaus 2016). For employees joining the company inconsistencies between what the brand promises and what it delivers in reality can lead to infringements of the psychological contract (Backhaus 2016).

### **2.3.3 Perspective of potential employees**

Though it's important for companies to design and implement their employer branding process they also need to acknowledge how potential employers will respond to their actions and how their perception of the employer is formed. Gomes & Neves (2010) studied employer branding from a jobseeker's point of view and found that EB moderates the proposed job searching process. Positive employer branding strengthens the process resulting with an intention to apply for a vacancy when compared with negative or neutral employer branding which explains applicants' desire to apply for a vacancy (Gomes & Neves 2010). Instead of focusing on functions that organizations can utilize to draw applicants and influence on job choices, Cable & Turban (2001) decided to focus on employer knowledge, which refers to what jobseekers believe about potential employers, to better understand why and how organizational recruitment practices work. They suggest that employer knowledge consists of three components that are employer awareness, employer reputation and employer image (Cable & Turban 2001).

According to Cable & Turban (2001) there are four factors that employer knowledge affects on:

- 1) how jobseekers respond to future information regarding the company
- 2) how attracted jobseekers are to the organization
- 3) how actively jobseekers pursue a job within the company

4) whether or not a jobseeker forms a relationship with the company, either as a consumer or as an employee

Responding to future information changes because once a sophisticated employer knowledge structure is developed by a jobseeker, it's less likely that they'll use external information sources as providing useful information and thus will be less motivated to process information from those sources. However internal sources that are considered credible will have value even when considerable knowledge is possessed because they offer a valuable perspective regarding the reality of working in that organization. For instance, an advertisement from a company can influence employer knowledge in situations where jobseekers are relatively unfamiliar with the company but since it doesn't offer any new information to a seeker who is familiar with the company they become less influential. Motivation to search and process information is also affected by how attracted jobseekers are to a specific organization which in turn affects on their job choice decisions. (Cable & Turban 2001).

Hand in hand with the offered information goes its credibility. Cable & Turban (2001) emphasize that companies should communicate accurate and realistic information because when new employees enter a firm with realistic expectations and accurate beliefs their behaviour is directed in ways that exceeds the objectives of a particular job. If companies offer misleading information regarding for example a particular position or their company culture potential employees will form unrealistic expectations and can feel dissatisfied and fooled after entering the company. With this Cable & Turban (2001) identify a challenge as companies have more immediate incentives to offer positive rather than accurate beliefs to applicants since open discussion about attributes that are considered unfavourable can turn applicants away. It's important for companies to understand that jobseekers develop employer knowledge long before they are potential applicants for those companies which means that their pre-existing beliefs can affect how they interpret and respond to recruitment attempts in the future (Cable & Turban 2001).

### **3. Recruitment process outsourcing**

Recruitment processes have transformed significantly from the days of placing job advertisements to newspapers and today the recruitment business represents a multibillion-dollar industry (Sinha & Thaly 2013). Most companies understand that recruiting needs are evolving and changing fast (Savino 2016). Having a corporate recruitment department or using external agencies that focus solely on performing recruitment activities, such as sourcing candidates, is nowadays more of a standard than exception (Sinha & Thaly 2013; Abdullah et al. 2013). Especially smaller organizations or organizations with low turnover rate might have limited budget or staff to run recruitment functions of their own (Abdullah et al. 2013).

The definition of recruitment process outsourcing, RPO, is similar to the general definition of outsourcing which refers to transferring an internal organizational provision to an outside provider (Johnson et al. 2014). One of the reasons behind RPO's quick growth have been cost-saving measures that have driven companies to limit or demolish their internal recruitment efforts (Hauser 2011). Some companies might also have challenges in reaching their desired candidates or smaller companies can get overshadowed by large corporations in the recruitment market. Due to the increase in using external partners in recruiting, a supplier base has developed which offers outsourcing services even for smaller volumes of recruitment (Leggett 2008). Recruiting agencies in the supplier base have differentiated themselves by focusing on certain type of recruitments, such as executive recruitments or recent graduate recruitments.

Whatever the reason behind outsourcing, there are several factors that companies need to consider when deciding to outsource. This chapter starts with a brief review on the theory of human resource outsourcing and recruitment, which work as a base for the theory on RPO. Then the decision-making process of RPO is covered, followed by the concrete process of outsourcing. After that the advantages and disadvantages of RPO are covered and lastly the connection between RPO and employer branding is addressed.

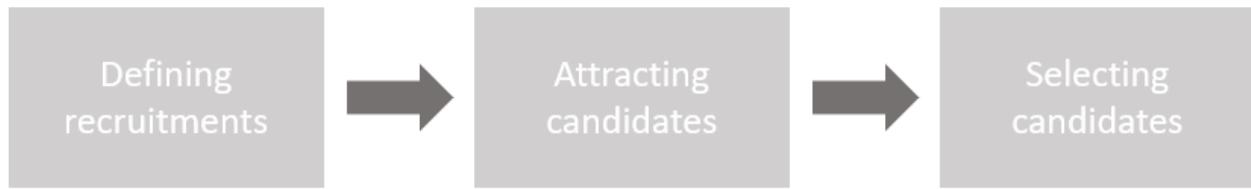
#### **3.1 Human resource outsourcing and recruitment**

Outsourcing has become a significant part of human resource management and over time organizations that are skilled in performing particular human resource functions have grown

in numbers so much that almost any HRM task can now be outsourced (Caruth et al. 2013). There are numerous reasons, both on operational and strategic level, that effect a company's decision to outsource HR activities such as demand for increased profitability, productivity and growth (Cooke et al. 2005). To those Greer et al. (1999) add globalization, restructuring and increased competition. Through outsourcing HR professionals within the organization can focus more on a strategic and consultative role and work on retaining current workforce and enhancing its performance (Cooke et al. 2005).

A big question when considering HR outsourcing is to decide which HR activities should be outsourced and here companies must take into account the likely impact of outsourcing on company's performance. In the process of consideration companies might need to distinguish activities to "core" and "noncore" ones in which recruitment falls into the latter. (Cooke et al. 2005) Of the same mind are Caruth et al. (2013) with their hierarchy for outsourcing where HR activities are divided into seven levels and arranged in a pyramid with an ascending order of importance, so the lower the level of activity the greater the possibility to outsource it. In this hierarchy recruitment was placed on the second and third lowest levels explained by it being a routine activity and effected by economies of scale (Caruth et al. 2013). This indicates that recruitment is not traditionally considered as a strategically important HR activity that inhouse HR professionals should be focusing on which can seem controversial when considering the war for talent that companies are facing. Also, worth mentioning is the fact that employer branding was not mentioned as an activity at all in the hierarchy of outsourcing by Caruth et al. (2013).

Before considering the RPO process in detail it's important to cover the basic recruitment process functions. At simplest, recruitment is the process of searching the suitable talents and urging them to apply for the positions that the company offers (Sinha & Tahly 2013). The fundamental goal of the process is to reach the required number and quality of employees to fulfil the HR needs of the company at a minimum cost (Armstrong 2005, 409) Figure 6. below presents the three stages of recruitment and selection by Armstrong (2005, 409).



*Figure 6. Recruitment functions (Armstrong, 2005, 395)*

Defining recruitments includes the decisions on terms and conditions of employment and preparing job descriptions and specifications. Attracting candidates refers to advertising and reviewing alternative sources of applicants both inside and outside the company. It can also include using agencies and consultancies. The final stage, selecting candidates consists of application screening, interviews, testing, evaluating candidates and lastly offering the employment and preparing the contracts. (Armstrong 2005, 409)

Academic sources provide also other examples of recruitment processes. Miaoulis et al. (2008) developed a detailed process that was originally targeted for university faculty recruitment. Their market oriented six stage process consist of the following functions:

- 1) Planning
- 2) Announcement
- 3) Application and Screening
- 4) Candidate Selection
- 5) Candidate Evaluation
- 6) Offer Phase

Regardless of its original target, this process includes functions than can be applied to other industries as well. Planning refers to identifying recruitment needs, announcement to marketing the position, application and screening to recognizing the most suitable candidates and candidate selection to interviewing them after which the final evaluation is made followed by a potential offer of the position (Miaoulis et al. 2008). Though in this process the recruitment activities have been divided into six functions, the overall content is similar with Armstrong's (2005, 395) recruitment functions.

Färber et al. (2003) created a recruitment process that also takes into account employer branding. In their version the recruitment function is distinguished to two phases; attraction and selection which both include planning and execution activities. In the attraction phase

execution activities consist of employer branding, which includes all long-term marketing measures meant for creating and strengthening an attractive employer image, and personnel attraction which aims at generating applications for open positions. The execution activities in the selection phase start with pre-screening of the application documents and continues to the final selection. A common execution activity for both the attraction and selection phase is applicant management which includes applicant communication, administrating the applicant data and internal processes regarding the recruitment. (Färber et al. 2003)

These presented recruitment processes are built on similar elements which speaks for recruitment being a routine activity by nature. The recruitment needs must always be defined, the position marketed, candidates attracted to fulfil the need and eventually suitable candidates discovered and selected. Savino (2016) however believes that recruitment is actually a vital process related to the firm's core functions since it's the most likely source of generating and retaining competitive advantage and also an important way to endorse organizational strategy and promote company culture. That's something companies should acknowledge when considering outsourcing their recruitment processes. Because of that the decision-making of RPO is discussed next.

### **3.2 The decision-making of RPO**

Because of recruiting's important nature and connection in ensuring the future continued success of an organization, some wonder why it should be delegated to an external partner (Savino 2016). In a general level the decision regarding recruitment and selection outsourcing is complex and when doing it not only are operating issues at the HR department level considered but also the strategic aspect at the firm level. The risk of losing control over key assets and efficiency pressures in the company jointly determine the intensity of outsourcing. (Ordanini & Silvestri 2008)

Though outsourcing has become a common practice it shares opinions. Duggan & Croy (2004) bring up opinions both in favour and against outsourcing. Duggan believes that since recruiting key staff is a strategically critical purchase for a business it requires professional knowledge from specialists and a partnership approach to it. In addition, taking care of the recruitment within the company has a very high cost of time. He questions companies having a direct access to a mass of quality candidates or the resources to do professional search

and evaluation of candidates. (Duggan & Croy 2004) Hauser (2011) agrees by saying that because of budget costs recruiting skills have slipped or almost vanished in traditional HR departments while RPO providers have continued building their expertise and developing new recruitment tools and technologies. In the long run this can become a challenge for companies as losing in-house recruiting skills would mean that the only option would be relying on RPO providers.

Gordon looks at outsourcing from a different perspective. He believes that in the core of a successful recruitment is not finding only a candidate who has the required experience and skills but who also has the attributes to adopt the company's culture and values and fit the team. Communicating the subtleties of the company culture to an outside agency can be very challenging and time-consuming. He also argues that by using an outside agency the company loses flexibility on finding candidates for other positions since they won't be seeing the candidates that are unfit for the applied position and the schedule of the recruitment depends on the outside agency's agenda. (Duggan & Croy 2004)

Hauser (2011) brings up a report originally made by Aberdeen Group Inc. which revealed that the two major concerns for companies hesitating to use outsourced recruitment are costs and the service providers ability to represent the corporate brand well. Organizations that tried RPO and went back to in-house recruiting said that recruitment agencies failed in providing quality candidates and keeping costs down and in addition didn't communicate the company culture and brand successfully to the candidates. (Hauser 2011) This indicates that there is a connection between recruitment process outsourcing and employer branding that companies consider important. One solution to ensuring that the feared pitfalls are avoided is building a strong relationship between the hiring organization and the RPO provider (Duggan & Croy 2004; Leggett 2008; Hauser 2011)

Leggett (2008) suggests a five-step process which to use when deciding whether to outsource recruitment or not. These steps presented below in figure 7. offer consideration on the key elements on which good recruitment outsourcing is based on. The first step refers to having a clear and intelligent recruitment strategy that is attached to the company's overall strategy since it simplifies getting management to buy-in the recruitment process and prevents passing around the responsibility of recruitment. The idea in the second step is that in-house HR team should focus on value-adding tasks such as strategy, staff retention and candidate selection, and outsourcing enables that especially in situations where a company has recruitments that are for example ongoing or high-volume. The third step,

defining a formal recruitment process, makes sure that candidates get the same experience of an organization. Not having a formal process could lead to variations in the quality of hires and in the definition process it's important to consider that different roles need different tools to evaluate competence. (Leggett 2008)

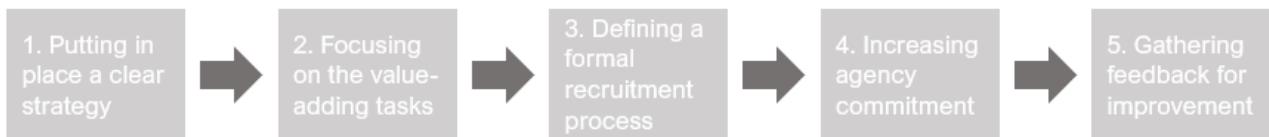


Figure 7. Key considerations involved in recruitment outsourcing (Leggett 2008)

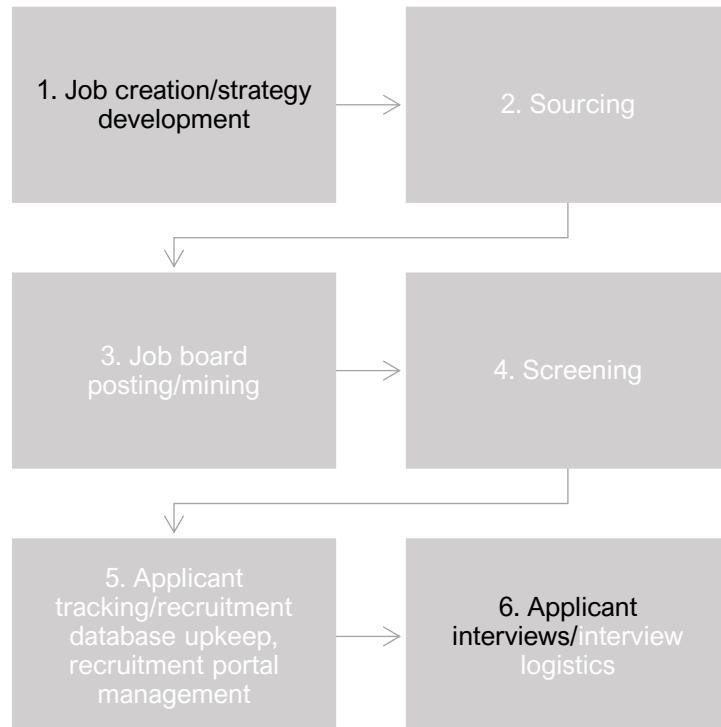
The fourth step is increasing agency commitment so instead of decreasing dependency on recruitment agencies companies should aim to have well-defined partners as suppliers since they can be an integral part in finding the suitable candidates. By defining key performance indicators companies are able to evaluate the recruitment performance. The last step is about gathering feedback from everyone involved in the recruitment process, analysing the results and improving the recruitment process based on it. (Leggett 2008)

So, for companies there are several factors to ponder when making the decision to outsource recruitment. In addition to inner strategical questions they should also consider their employer brand and applicants' perspectives on outsourcing. Whatever the reasons behind the decision to do RPO, it continues to grow and seems to be a long-term strategy for companies that exploit it (Savino 2016).

### 3.3 The RPO process

In outsourcing an internal organizational provision is transferred to an external independent service provider and in leading economies outsourcing HR activities is well established (Johnson et al. 2014). According to Cappello & Constance (2011) RPO includes outsourcing all or just a part of recruitment activities to an external provider which can mean anything from strategy development to employer branding to redundancy management. Johnson et al. (2014) agree by saying that outsourcing a recruitment process does not necessarily mean that the recruitment ownership is completely transferred to the contracted partner and often the outsourced part includes the dimensions that are more transactional and relatively of less value to the host organization.

Ume-Amen (2010) has created a model for the RPO process which gives insight on which recruitment activities should be kept in-house and which can be outsourced.



*Figure 8. Recruitment outsourcing process (Ume-Amen 2010)*

In figure 8. activities that are written in white are the ones that should be kept in-house, and the ones in black can be outsourced. According to Ume-Amen (2010) steps from two to five should be outsourced because they demand a lot of time and effort from the host organization though for example in screening high control is recommended to ensure receiving qualified candidates that match the required attributes. As companies hand over the responsibility of certain activities to an external provider they have to start relying on the supplier's ability to succeed in them which eventually defines the success of the whole recruitment process. It's natural that the job creation is kept in-house as the company knows best its recruitment needs and same applies to applicant interviews as the company should make the final decision on whom will be selected. These suggestions are in line with Leggett's (2008) key considerations on RPO which emphasize letting in-house HR focus on value-adding strategical tasks and candidate selection.

### **3.4 Advantages of RPO**

Advantages of an outsourced recruitment process can be considered both from company's and applicant's point of view. Companies might value certain advantages higher than others depending on the activities they consider RPO is assisting them most with. As the fundamental goal for the recruitment process is to reach the required number and quality of employees as efficiently as possible (Armstrong 2005, 409), costs and quality are natural factors to consider when discussing advantages from a company's perspective.

With HR outsourcing companies can gain savings both in direct and indirect costs (Cooke et al. 2005) and especially in recruitment many academics have pointed out that activities in the early stage of the recruitment process require effort and resources from in-house HR professionals thereby preventing resources to be used on more strategical tasks (Leggett 2008; Duggan & Croy 2004; Ume-Amen 2010). The time saved through RPO could be used for example for employer branding activities which could further help make the company more appealing in the eyes of potential employees.

However, Cappello & Constance (2011) argue that these days companies are not satisfied anymore with just gaining cost reduction from an outsource recruitment process and instead demand that the provider acts as a strategic and innovative partner. By having an RPO provider as a strategic partner the company can get support for a wider talent acquisition process. For RPO providers this means that they should shape their services by the host organization's needs and context which could lead to focusing on a specific workforce. (Cappello & Constance 2011) For example in the Finnish recruitment market companies such as Academic Work, aTalent Recruiting and Studentwork are offering RPO services with the focus on young academics in the beginning of their career while K2 Search and S&S Consulting offer services for executive search. Another benefit that RPO providers can offer is helping companies to stand out from the crowd and offer candidates something different and creative (Cappello & Constance 2011). This could mean altering the traditional ways of doing recruitment by having a simplified process, arranging networking events or assessment days that bring the company and applicants together or building bigger entities such as trainee programs for instance.

Standing out could also refer to bringing the company to the knowledge of potential applicants. The results of Ume-Amen (2010) and Siew-Chen & Vinayan's (2016) studies show that having an external partner expands the candidate pool for the host organization.

And as Duggan & Croy (2004) pointed out companies rarely have access to thousands of quality candidates on their own. Recruitment agencies might have built their applicant pool for many years and can have access to very diversified candidates that companies might not be able to reach through their own network. From an applicant's point of view this means being informed about companies and positions they might not come across when searching for new opportunities by themselves. It can also be more convenient for an applicant to look up positions through a recruitment agency when they can browse several opportunities at the same time. According to a study conducted by aTalent Recruiting (2016) young professionals find job hunting arduous because of multiple channels that are used which is why they find targeted channels such as e-mail lists and social media more appealing than firms' own websites or recruitment fairs for example.

Another advantage that RPO can offer is a better experience of the recruitment for candidates. As Leggett (2008) pointed out the responsibility of recruitment is easily passed around which can cause bottlenecks that lead to damaging the company brand or alienating potential employees. When the responsibility of the process is transferred to the RPO provider, it becomes their priority to handle the process and typically they are experts in it. For example, bad and slow communication is causing most dissatisfaction among applicants in the recruitment process (aTalent Recruiting 2016), which easily results when the responsibility is decentralized inside the host organization.

It is worthy to remember that for RPO to work well the expectations and outcomes for both the buyer and provider must be well defined, communicated and mutually agreed to and the key to that seems to be that companies thinking about outsourcing or wanting to continue it have to know what the actual purpose behind doing it is (Savino 2016). This can seem obvious when a successful partnership is built between the provider and buyer. But in practice it takes time for companies to get comfortable when partnering with RPO providers and accept losing control of what has traditionally been done in-house (Hauser 2011). Next losing control and other disadvantages of RPO are considered.

### **3.5 Disadvantages of RPO**

As advantages also disadvantages of RPO can be considered both from a company's and an applicant's point of view. Wehner et al. (2012) point out that past research has not taken the applicant's perspective into account when explaining whether RPO has negative

consequences. Most academic research so far has focused on factors that companies find challenging with RPO.

In the report by Aberdeen Group Inc. the reasons causing dissatisfaction with RPO were higher costs than anticipated, low volume of quality candidates and unsuccessful communication of the host organization's brand or culture to the job applicants (Hauser 2011). From these costs and volume of quality candidates are issues that companies might come across with when outsourcing recruitment while communicating company brand and culture is also affecting candidates. Information about the employer that is coming from an outside service provider is always second-hand and might cause negative applicant reactions towards the recruitment process (Wehner et al. 2012). If the recruiting agency does not have a clear picture and understanding of what it's like to work at the host organization and what the company stands for a candidate might not get a realistic picture of the position and company they are applying for. Thus, a risk emerges that employees recruited through outsourced processes might not have the required understanding of the host organization's corporate philosophies (Rajasekhar et al. 2017). But as Duggan & Croy (2004) point out it is challenging and time-consuming to try and communicate the subtleties of company culture to an external partner. Rajasekhar et al. (2017) also bring up the perspective of RPO recruiters who point out that clients rarely take initiative in helping them understand the host organization's culture.

In addition to understanding the brand and company culture recruiting agencies need to understand the industry and skills required for the position a company is recruiting for. Siew-Chen & Vinayan (2016) conducted a case study of RPO in Malaysia and found that external partners don't often fully understand the industry the buyer organization is operating in and might also have limited technical knowledge which leads to ineffective filtering of applicants. This can lead to operation managers having to spend a lot of time on screening resumes themselves to find suitable candidates or in worst case the recruitment processes are continued with mismatched candidates (Siew-Chen & Vinayan 2016). In these kinds of situations, the buyer organization has to use in-house resources which they thought would be unnecessary when partnering up with an RPO provider. From an applicant's point of view this can mean that they will not be considered as a qualified candidate because the external recruiter is lacking critical knowledge needed in assessing potential candidates. Closely related to this is the fact that host companies might lose the possibility to hire candidates for

other positions they would be suitable for if not for the applied position (Duggan & Croy 2004) since the external partner typically presents candidates only for the applied position.

Losing control is another disadvantage companies might encounter with RPO which Ordanini & Silvestri (2008) discuss in their study. As human capital of the company is at the centre of its competitive advantage an internally managed recruitment and selection can be more supportive on it rather than relying on outsourcing. Losing control could also be linked to applicant contact. When an organization assigns parts of its recruitment functions to a recruitment agency they change the prerequisites of the initial contact with the applicants since a third party is involved, so for example when the recruitment agency conducts preselection and phone interviews the initial contact is formed between them and the applicants and not the potential employer and applicant (Wehner et al. 2012). Through outsourcing the host organization loses the possibility to deal personally with every applicant and consequently, applicants might feel like they are not valued and thus their perception of the employer can be negatively affected (Wehner et al. 2012).

The commitment on employees can also be considered as a disadvantage of RPO. Rajasekhar et al. (2017) bring up the concern of contract employees' commitment to the company that seems to be lower than the permanent staff's. Many RPO providers offer a possibility to have contract employees which means that employees are on RPO provider's payroll but work for the client company. Host organizations are of the opinion that contract employees do not stay as long as permanent staff, they are less satisfied and display lower commitment while at the same time contract employees feel like the host organization doesn't adopt them as part of their working culture (Rajasekhar et al. 2017).

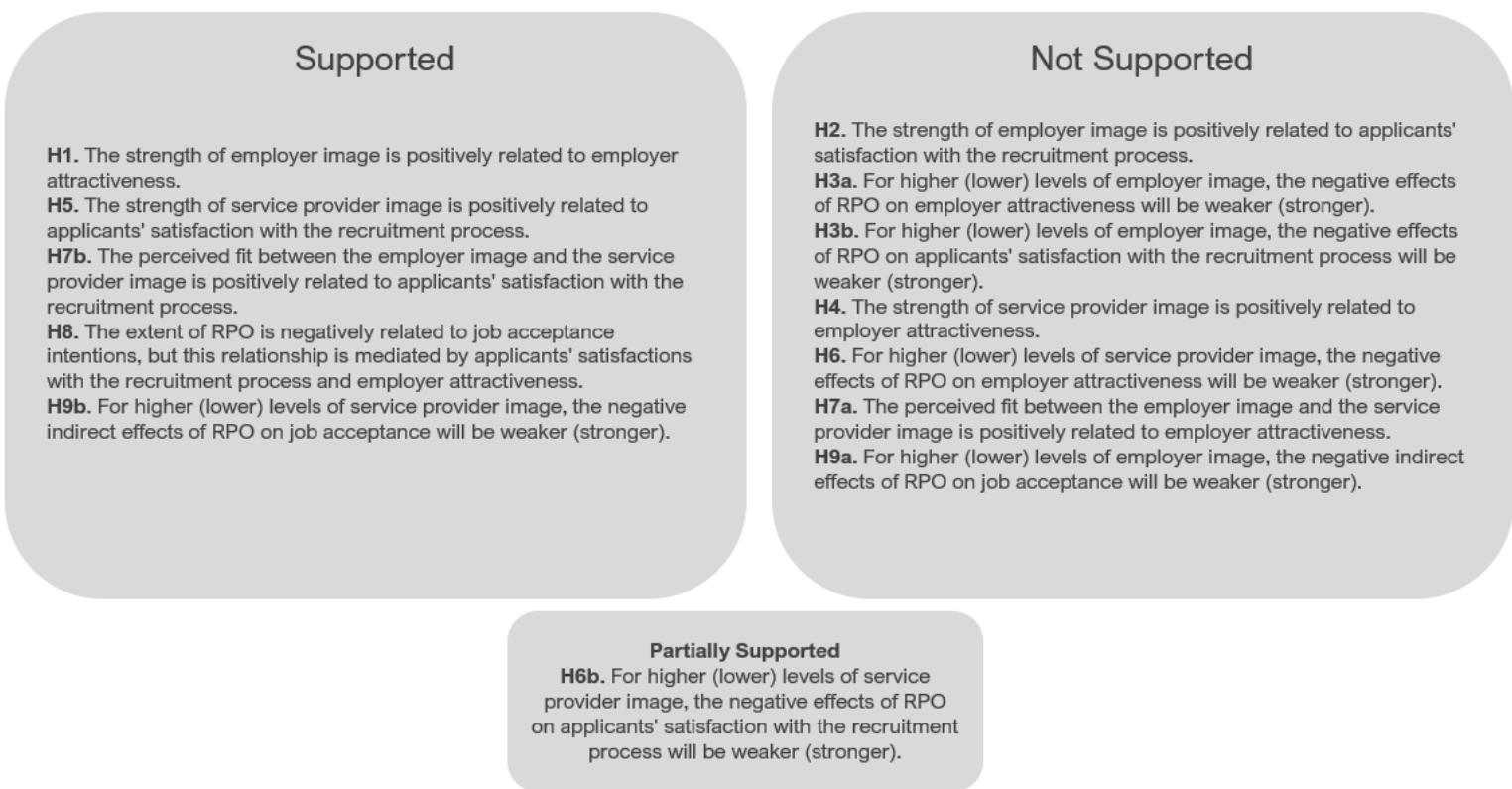
The number of stakeholders involved in a recruitment process increases when it's outsourced which makes controlling the process more difficult but also might create mistrust between participants. Host organizations might have contracts with multiple recruitment agencies even though there would be contractual obligations against them to prevent engaging with more than one RPO provider for the same profile simultaneously (Rajasekhar et al. 2017). Companies probably have different reasons when doing so, but for example maximising the reach of potential candidates for making sure that the best candidate is found for the position could be one. In addition of violating contracts and risking partnerships companies confuse applicants by doing so and might encourage them to apply for the same position multiple times through different RPO providers. Mistrust can also lead to situations where host organizations don't share enough information regarding the competencies and

skills required which leads to unreflective job descriptions for applicants (Rajasekhar et al. 2017).

### **3.6 RPO and employer branding**

Academic knowledge of the connection between employer branding and RPO is limited and only two relevant studies examining it were found. Wehner et al. (2015) analyse the influence that employer image and service provider image as contextual factors have in applicants' reactions to recruitment outsourcing and selection procedures while Gilani & Jamshed (2016) explore the interconnection and linkages between the two concepts and RPO's contribution towards the employer branding process. Findings of both studies will be discussed next.

Contrary to their expectations Wehner et al. (2012) found in their first study that outsourcing recruitment may cause negative reactions towards recruitment procedures among graduates. They decided to extend that study and incorporated a brand equity perspective in their examination on whether employer image and service provider image could compensate these negative reactions (Wehner et al. 2015). By service providers they refer to the external vendors that offer recruitment and selection services. The results of their hypothesis are presented in figure 9 below.



*Figure 9. Summary of hypothesis and results (Wehner et al. 2015)*

These findings show that while strong employer image enhances the employer's attractiveness it does not positively influence the satisfaction regarding the recruitment process like the strength of a service provider's image does which in turn does not have a positive relation to the employer attractiveness. So, service provider image and employer image separately enhance employer attractiveness and candidates' satisfactions regarding the recruitment process (Wehner et al. 2015). This indicates that strong employer brands cannot take advantage of their good image at the expense of the recruitment process.

Instead in an RPO context companies are able to improve candidates' evaluation of the process by cooperating with well-known providers that applicants find more professional and experienced in conducting recruitment processes compared to unknown providers and this in turn improves the perceived quality of the process (Wehner et al. 2015). Conversely this means that well-known employers carry a greater risk of negative candidate reactions in case they partner up with an unknown service provider and should instead invest in a partnership with a well-known vendor in order to avoid negative reactions to RPO from applicants (Wehner et al. 2015). As hypothesis 7b in figure 9. shows the perceived fit between the service provider image and the employer image has a positive relation to

candidates' satisfaction with the recruitment process. Though smaller and unknown employer can achieve cost savings by partnering with an unknown service provider, bigger and well-known employers should make additional investments in a well-known service provider to avoid negative reactions among applicants (Wehner et al. 2015), which means that price shouldn't be the first criteria companies consider when outsourcing recruitment processes.

Another important theme rising from results is the extent of RPO and how it's perceived by applicants. Negative applicant reactions take place at higher levels of RPO, for example when telephone interviews or face-to-face job interviews are outsourced, regardless of the service provider or employer image and might lead to rejecting a job offer (Wehner et al. 2015). This is linked to the first personal contact that applicants have with a potential employer during which they make an inference about the employer and the recruitment process and if several parts of the process are outsourced the initial contact no longer meets applicants' expectations since decisions about applications and qualifications are done by someone else than the potential employer (Wehner et al. 2012). Wehner et al. (2015) found that dissatisfaction emerges when phone or in-person interviews are done without involvement from the potential employer but there is no decrease in satisfaction if the preselection is conducted by the service provider which means that companies can safely delegate the administrative parts of the process to an external provider (Wehner et al. 2015). This indicates that instead of the image companies ought to consider the type of services that recruitment agencies offer and their practices in conducting the recruitment processes.

Though the study by Wehner et al. (2015) discussed employer and service provider image it's closely related to employer branding. Gilani & Jamshed (2016) have a more direct approach since they focus on RPO as a key element in improving corporate brand of an organization by using employees' talent and capabilities and examine the RPO's contribution towards the process of employer branding. Their results show that RPO plays a significant role in improving the employer brand presuming that the company carefully selects the RPO provider by observing their capabilities in the recruitment process and required services as well as their knowledge of the host organization's business. RPO provides a pool of competent and talented employees who are a primary source when creating brand image and reputation in minds of stakeholders and in addition they enhance the company's performance through their talent which in turn enhances the brand image of the firm in the perception of stakeholders. Additionally, expertise of the RPO provider saves

the host organization's costs and time which can be helpful in constructing the brand image through new expansions. (Gilani & Jamshed 2016)

Based on the findings of their study Gilani & Jamshed (2016) created a conceptual model that highlights the different factors that contribute towards employer branding and are related to RPO which should be addressed smartly by the organization's management to retain the employer branding sentiments lined throughout the company. They share four factors that companies need to consider when considering hiring an external service provider:

- 1) Be very clear about recruitment process outsourcing needs
- 2) Choice of right recruitment process outsourcing service provider
- 3) Alignment of vision
- 4) Strong relationship with the outsourced employees

Being clear about RPO needs refers to achieving full benefits of outsourcing and in order for it to happen it's important that the management is conscious about the added value and consequences of choosing to outsource recruitment and HR activities to a third-party. Results of the data analysis revealed the sensitivity and importance when selecting an RPO provider as they might lack knowledge of the host organization's business or they have deficiencies in their services. Alignment of vision refers to the host organization and RPO provider sharing a similar vision and employer brand perception in order to avoid confusion or a distorted brand image in minds of the outsourced employees. To avoid the gap in the understanding of core values and corporate vision between the host organization's management and RPO provider it's recommended that the cooperation is close. This way the employer brand gets translated correctly through the talent acquisition process. If the company acquires outsourced employees managers should pay attention that they give equal amount of respect and importance to them as they would to other staff members. By building strong relationships a high level of trust can be achieved between the employees and management which would contribute by strengthening the corporate culture and further through that impact the employer brand of the company. (Gilani & Jamshed 2016)

### **3.7. Overview of EB and RPO**

Employer branding as a concept mixes the fields of human resources and marketing (Backhaus & Tikoo 2004, Edwards 2010; Backhaus 2016) and its objective is to present an attractive and positive image of the company to current and prospective employees

(Backhaus 2016). It's important for companies to acknowledge that each of them has an employer brand which can be positive or negative or even unidentified by the organization itself (Cascio & Graham 2016). According to Biswas & Suar (2014) employer branding is constructed on three components; brand equity, brand loyalty and engaging employees & attraction and retention of talents. In employer branding the branding targets are current and potential employees (Bakhaus & Tikoo 2004; Edwards 2010).

Current and potential employees refer to internal and external employer branding which is one way to classify the phenomenon. Internal EB focuses on the retention of current employees (Theurer et al. 2018), and its ultimate objective is to create a unique workforce that is hard for others to imitate (Backhaus & Tikoo 2004). External EB establishes the company as an employer of choice and thus enables it to attract the best possible employees (Backhaus & Tikoo 2004). In the context of recruitment, it plays a bigger role. Another classification for employer branding is the division to symbolic and instrumental EB (Backahus & Tikoo 2004; Ghadeer 2016). Symbolic aspects would contain for example organizational culture, innovativeness and management style (Ghadeer 2016), while instrumental aspects refer to employer offerings such as salaries and bonus schemes (Lievens et al. 2007).

The resources and efforts put into employer branding have the purpose of creating or shaping the employer brand equity which Theurer et al. (2018) as "the added value of favourable employee response to employer knowledge". Employer brand equity has different goals for existing and potential employees. For potential employees it is to generate the desire for them to join the organization while for existing employees it is to make sure that they keep on experiencing the value that comes from the association of belonging to the organization (Alshathry et al. 2017). By building employer brand equity companies can grow to become employers of choice (Alshathry et al. 2017).

Employer of choice, EOC, is a term used when referring to an employer who is able to attract the most gifted employees by possessing attractive attributes and embodies a specific level of attractiveness and thus is considered as the most attractive employer by a substantial part of potential employees. (Bellou et al. 2015). Originally organizations were not utilizing employer branding to become employers of choice, but employer brand was rather considered as a brand identity that characterized the organisation (Backhaus 2016). But since attracting and retaining talent has become one of the top priorities for companies,

branding the employment experience to current and potential employees is necessary (Biswas & Suar 2014).

After companies have recognized the importance of employer branding the next step is to start the process of employer branding (Heilmann et al. 2013). Backhaus & Tikoo (2004) suggest a three-step process which includes developing an employment value proposition, EVP, and marketing it externally to targeted potential employees and recruiting agencies as well as internally to current employees. A broader five-step process was created by the research and consulting company Universum in 2010 and the additional steps include research, which refers to finding out the employer's position in the employment market, and implementation.

Employment value proposition, EVP, refers to the benefit or value an employee receives from being part of a certain organization and can be a determinant factor in employee engagement and retention (Heger 2007). Dabrian et al. (2017) collected 38,000 reviews from Glassdoor, a crowdsourced employer branding platform used online, and their data analysis revealed that employees care about following values; social, interest, application, development, economic, management and work/life balance. Tanswar & Prasad (2016) use the term EB attributes when discussing attracting and retaining employees. As example they present attributes such as career growth opportunities, training, good work-life-balance and attractive compensation.

After the employment value proposition has been formed the next challenge is communicating it to current and prospective employees. Using social media is one of the latest and most influential channels for communicating an employer brand (Sivertzen et al. 2013; Kaur et al. 2015), though companies must keep in mind that it's less controllable than other, more classic media channels (Kissel & Büttgen 2015). According to Cascio & Graham (2016) an important step in introducing and communicating the employer brand is having user-friendly websites that shares honest information about the firm's internal environment and culture as well as values, vision, mission and hiring process. Another company-controlled mean for communicating EB, particularly relevant when looking to attract new talent to the company, are job advertisements. A study conducted by Elving et al. (2013) shows that jobseekers actually prefer advertisements that contain employer branding and ads that reflect positive organizational atmosphere and discuss professional development opportunities within a job are especially likely to improve organization's ability to engage interest in potential employees. Though not directly a channel but as important are the

company employees. Cascio & Graham (2016) consider employees as face of organizations and ambassadors who are representing their employer's brand and regardless of the position or status of an employee, everyone's opinion can have a significant impact on the employer brand of their organization. By being in personal contact with current employees jobseekers might form a perception of a typical employee for that company and if employees present themselves and behave consistently with the brand identity the brand meaning should be passed on to the potential candidates (Kissel & Büttgen 2015).

Though it's important for companies to design and implement their employer branding process they also need to acknowledge how potential employers will respond to their actions and how their perception of the employer is formed. Gomes & Neves (2010) studied employer branding from a jobseeker's point of view and found that EB moderates the proposed job searching process meaning that positive employer branding strengthens the process resulting with an intention to apply for a vacancy when compared with negative or neutral employer branding which explains applicants' desire to apply for a vacancy. Cable & Turban (2001) talk about employer knowledge (consisting of employer awareness, employer reputation and employer image), which refers to what jobseekers believe about potential employers, to better understand why and how organizational recruitment practices work.

Recruitment processes have transformed significantly from the days of placing job advertisements to newspapers and today the recruitment business represents a multibillion-dollar industry (Sinha & Thaly 2013). Having a corporate recruitment department or using external agencies that focus solely on performing recruitment activities, such as sourcing candidates, is nowadays more of a standard than exception (Sinha & Thaly 2013; Abdullah et al. 2013). At simplest, recruitment is the process of searching the suitable talents and urging them to apply for the positions that the company offers (Sinha & Tahly 2013). The definition of recruitment process outsourcing, RPO, is similar to the general definition of outsourcing which refers to transferring an internal organizational provision to an outside provider (Johnson et al. 2014). The decision regarding recruitment and selection outsourcing is complex including issues both at the HR department and strategic level and the risk of losing control over key assets and efficiency pressures in the company jointly determine the intensity of outsourcing (Ordanini & Silvestri 2008). Table 1. below gathers the advantages and disadvantages of RPO both from company and applicant perspective.

Advantages		Disadvantages	
Company perspective		Company perspective	
Savings in direct and indirect costs (Cooke et al. 2005)		Unexpected costs, low volume of quality candidates and unsuccessful communication of the host organization's brand or culture to the job applicants (Hauser 2011)	
Releasing HR resources to more strategical tasks (Leggett 2008; Duggan & Croy 2004; Ume-Amen 2010)		Negative applicant reactions towards the recruitment process due to second-hand information (Wehner et al. 2012).	
Getting support for a wider talent acquisition process (Cappello & Constance 2011)		Incomplete understanding of the host organization's industry and limited technical knowledge leading to ineffective filtering of candidates (Siew-Chen & Vinayan 2016)	
Expanded candidate pool for the host organization (Ume-Amen's 2010; Siew-Chen & Vinayan 2016)		Losing control (Ordanini & Silvestri 2008) which means losing the possibility to deal personally with candidates (Wehner et al. 2012) and hire candidates for other positions (Duggan & Croy 2004)	
Applicant perspective		Applicant perspective	
Convenience when browsing for jobs		Can be considered as an unqualified candidate because the external recruiter is lacking critical knowledge needed in assessing potential candidates	
Being informed about companies & positions they might not have considered by themselves		Getting an unrealistic picture of the position or the host organization	
Better recruitment experience		No personal contact with the host organization	

Table 1. Advantages and disadvantages of RPO

Academic knowledge of the connection between employer branding and RPO is limited and only two relevant studies examining it were found. Wehner et al. (2015) analyse the influence that employer image and service provider image as contextual factors have in applicants' reactions to recruitment outsourcing and found that outsourcing recruitment may cause negative reactions towards recruitment procedures among graduates. Gilani &

Jamshed (2016) explore the interconnection and linkages between the two concepts and RPO's contribution towards the employer branding process. Their results show that RPO plays a significant role in improving the employer brand presuming that the company carefully selects the RPO provider by observing their capabilities in the recruitment process and required services as well as their knowledge of the host organization's business.

To combine the theoretical findings in this study together a synthesis is provided below in figure 10. The connection between recruitment process outsourcing and employer branding together with components of its process (EVP & communication) is the most relevant from the perspective of this study. This synthesis also serves as a frame for the interview questions used in the empirical part.

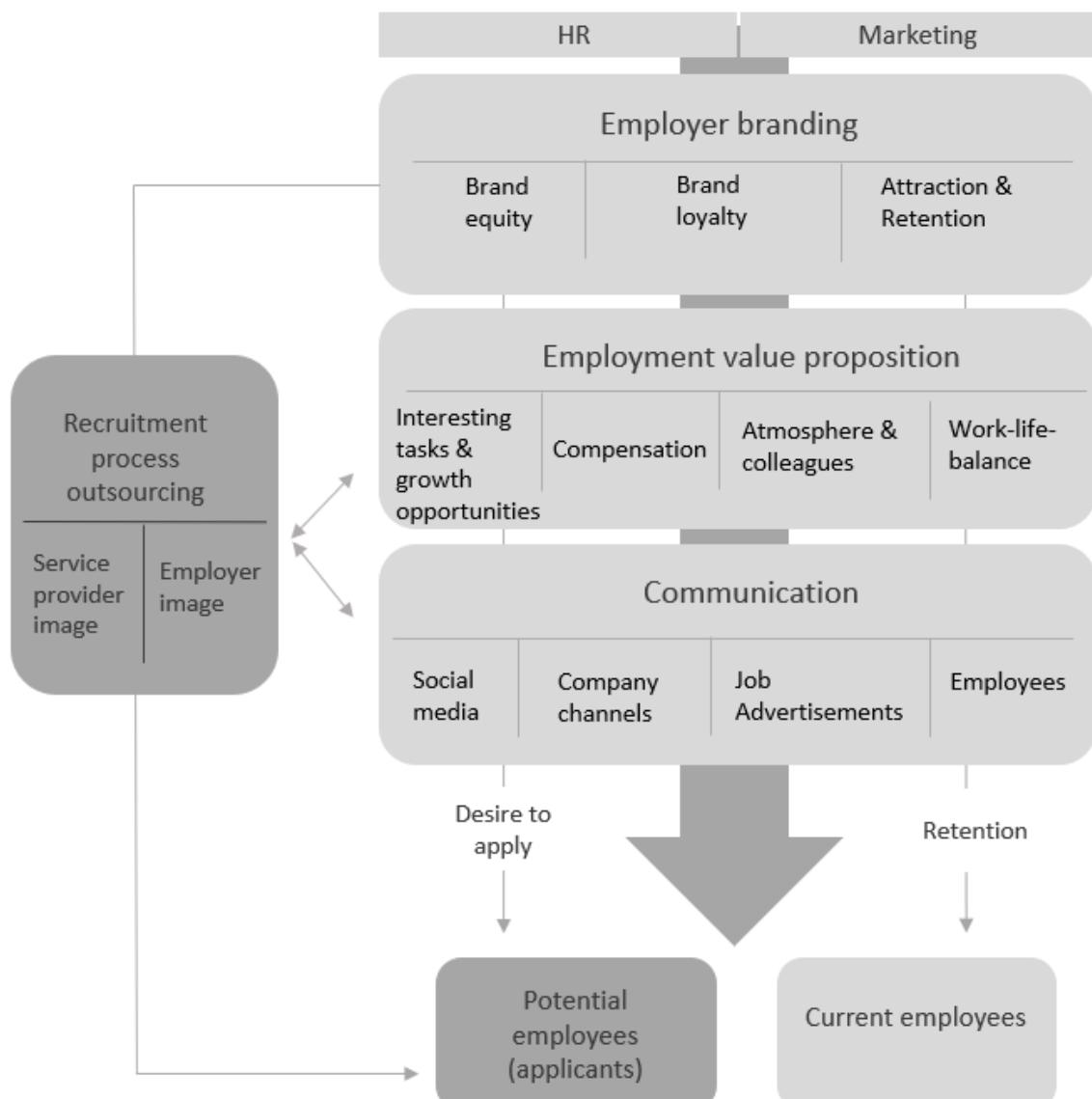


Figure 10. Synthesis of theoretical findings

## **4. Research methods and design**

In this study the research problem is reviewed by using a hermeneutic phenomenological approach. Hermeneutic phenomenology focuses on the subjective experience of groups and individuals and attempts to uncover a phenomenon as experienced by the subject (Kafle 2011). Hermeneutical research approach requests the researcher to participate in a process of self-reflection and the prejudices and assumptions that the researcher has are not set aside but are rather embedded and considered essential to the interpretive process (Laverty 2003). The researcher is continuously asked to give prominent thought to his/her own experience and explicitly argue how their experience or position relates to the issue that is researched (Laverty 2003). Phenomenology is an umbrella term that comprises both a philosophical movement and a selection of research approaches (Kafle 2011). In the context of research phenomenology studies the nature and meanings of phenomena focusing on how things appear to us via experience or in our consciousness (Finlay 2009). In the phenomenological research the researcher is required to attune her/his being towards the essence of a certain phenomenon (Kafle 2011). This way the phenomenological approach balances the hermeneutical approach which emphasizes the position of the researcher.

A hermeneutic phenomenological approach in this study is necessary because the author inevitable has preconceived perceptions of potential findings before the data is collected. As the reliability of the study want to be maintained, the existing prejudices shouldn't influence the interpretation and analysis too much. However, as the emphasis in this study is to understand the connection of RPO and employer branding comprehensively based on applicants' experiences partly subjective interpretations are accepted.

In qualitative research empirical data can be collected by observing, interviewing or by asking the participants to write for example diaries and stories. Primary data is collected by researchers themselves while data that already existed somewhere is secondary. (Eriksson & Kovalainen, 2008, 5) In this study primary data was collected through interviews. In qualitative research the focus can often also be on a smaller number of cases which are intended to be analysed as thoroughly as possible and in such approach the sampling is discretionary and the criteria for the data's scientific nature is quality instead of quantity (Eskola & Suoranta 1998). In this study discretionary sampling was used and in total seven people were chosen for the interviews. The interviewees were selected based on two

criteria; recent participation to an outsourced recruitment and proceeding in the process after the preselection phase. Recent participation was required so that the interviewees would be expected to have fresh memories of their experiences. Proceeding was used as criteria because this way the interviewees would have a more profound experience of outsourced recruitment processes and its potential effect on employer brands.

The data is described in table 2. by presenting the interviewees' age and sex, education, amount of proceeded outsourced recruitments and year of most recent experience as well as interview date and length. All interviewees are fairly the same age, between 23-26 years. Out of the seven interviewees six are Masters of Business Administration and one is a Bachelor of communications. All interviewees and the companies they mention during interviews will remain anonymous in this study.

Alias	Age and sex	Education	Amount of outsourced recruitment attended and proceeded in	Year of most recent experience	Interview date	Interview lenght (min)
H1	Male, 26	M.Sc. In Business Administration	2	2017	15.5.2018	50
H2	Female, 25	M.Sc. In Business Administration	1	2017	16.5.2018	55
H3	Male, 26	M.Sc. In Business Administration	2	2018	18.5.2018	42
H4	Female, 23	Bachelor of communication sciences	2	2018	25.5.2018	47
H5	Female, 25	M.Sc. In Business Administration	2	2015	25.5.2018	59
H6	Female, 25	M.Sc. In Business Administration	5	2018	26.5.2018	43
H7	Female, 26	M.Sc. In Business Administration	5	2017	5.6.2018	77

Table 2. Data description

The interviews were conducted with semi-structured theme interviews. In a semi-structured interview, the questions are readily made but there are no answer options so the interviewees can answer the questions with their own words (Eskola & Suoranta 1998). This way the material is based on the experiences of the interviewees and not pre-structured answers by the interviewer. In a theme interview the topics are pre-determined but the precise form and order of questions is flexible which enables that all themes are covered but their order and extent vary depending on the interview (Eskola & Suoranta 1998).

The interviews were executed face to face which offered the opportunity to explain questions and give examples to the interviewees. It also gave the interviewer a chance to present additional questions and ask for clarifications. All interviews were recorded with the interviewees approval and transcribed afterwards. As all respondents were Finnish the interviews were also conducted in Finnish which enabled precise and comprehensive answers from interviewees. The results were translated into English when analysing the results.

## 5. Empirical results and findings

In this chapter the empirical results that were found in the interviews are reviewed and mirrored to the academic literature. This chapter includes three parts that correspond to the structure of the theoretical part.

### 5.1 Employer branding experiences

The interviewees were first asked to describe in general the factors that for them create the image of companies as employers. There were two factors that most interviewees brought up. The first was word-of-mouth (H1, H2, H3, H5, H6) meaning that what they hear from their network regarding a company and what it's like to work in them affects on the image of that company. This can be identified for example in the following citations:

*The thing that impacts the most is probably what I have heard about the company from people I know -- I might have a certain image of a company which is based on how the company has branded itself but ultimately the biggest influencer is what I have heard. (H1)*

*-- and of course, what you hear from other people effects a lot, especially what you hear from people you know personally. You'll know where you shouldn't work at least. (H6)*

Interviewee H1 mentions that often he might have had an idea that a certain company would be cool to work in but then hears opposite feedback from people who have been working there about the reality. The significance of the influence that company employees have has also been identified in previous literature. Cascio & Graham (2016) state that employees are the face of the organization and regardless of their position in the company everyone's opinion can have a substantial impact on the employer brand of their organization.

The second factor was company communication which interviewees H2, H4, H5, and H6 found influencing. For interviewees H2, H4 and H5 this includes the way a company in general does its marketing and communication, not just regarding its employer brand but also corporate brand which can be identified in the following citations:

*-- what kind of advertising they do in general, even though it isn't related to recruiting but rather to their services. (H5)*

*Actually marketing in general -- I pay a lot of attention to how companies market their products rather than how they market themselves as employees. (H2)*

As an example, interviewee H2 mentions an oats product producer that she thinks is doing interesting marketing and that makes her believe that working for them at the moment would be appealing. In previous literature Backhaus & Tikoo (2004) and Moroko & Uncles (2008) mention that there is some resemblance between the product and corporate brand and the employer brand as they are developed to be consistent with each other. As corporate and product marketing is identified to have an influence among the interviewees it supports the idea of consistency with the employer brand.

Closely connected to marketing and communication is social media which interviewees H5 and H6 mention as an influencing factor. For interviewee H5 it's the image that the company gives in social media but interviewee H6 emphasizes the content that company employers post in their personal channels as companies rarely have interesting content in their official channels. From the point of view of this research another interesting influential factor brought up in the responses was the way recruitment processes are handled (H4, H6, H7). Interviewee H4 emphasized that transparency and continuous communication with the candidate throughout the process are important while interviewees H6 and H7 mentioned job advertisements and company representatives that you engage with during the recruitment process as factors effecting on the image of the company. Elving et al. (2013) found in their study that jobseekers actually prefer advertisements that contain employer branding for example through reflecting positive organizational atmosphere or discussing professional development opportunities. Similar way of thinking is also identified in the following citation by interviewee H7:

*In my opinion already the job advertisement alone gives a good picture of the company – whether it describes the work tasks in detail or whether it's more like “we are a good employer and we have this kind of a good opportunity, please get interested and apply to us”. (H7)*

She mentions that the differences between job ads are more noticeable when you are actively looking for new positions and because of that are more exposed to the ads. This would suggest that job ads could be a way for companies to differentiate themselves from competitors seeking the same kind of know-how which is essential if a company wants to build a successful employer brand according to Moroko & Uncles' (2008) findings. According

to Backhaus (2016) a well-differentiated employer image also allows jobseekers to understand the company's values and discover similarities between the company and themselves. This is supported by interviewee H2 as she mentions that values together with the company's mission and vision also has an impact.

In addition, factors such as company industry (H2, H3) and corporate responsibility (H5, H6) were brought up as influencing factors. Interviewee H6 also mentions that how employee co-operation negotiations are handled has an effect which supports Bellou et al.'s (2015) views of employees' expectations exist throughout the employment experience from recruitment to exiting. These findings also support Cable & Turban's (2001) view that jobseekers develop employer knowledge long before they are potential applicants for those companies which means that their pre-existing beliefs can affect how they interpret and respond to recruitment attempts in the future.

The interviewer noticed that it seemed challenging for most interviewees to name specific factors that create or affect their image of a certain company and interviewees H3 and H5 particularly found the question demanding. Interviewees H5 and H7 agreed that everything related to what a company does has an effect. These reactions within the interviewees show that employer image and brand are not simple topics to discuss which indicates that they are also not simple for companies to create and sustain.

As companies need to consider where and how employer branding is communicated it's relevant to know in which channels potential employees actively search or passively receive information regarding employers. The interviewees were asked about channels and social media came up in all answers. This is line with Kissel & Büttgen's (2015) findings on social media being an extremely used channel for accessing information when searching for employment. From social media channels LinkedIn (H1, H2, H3, H4, H7), Instagram (H1, H5, H6) and Facebook (H1, H4) were identified as most popular ones.

*If you think about different social media channels LinkedIn is the most important channel for me that creates the image. What kind things are published and emphasized or what type of things companies bring up about themselves as employers. (H2)*

LinkedIn was probably the most popular social media channel mentioned because of its connection to working life which makes it a natural channel to search or be exposed to information regarding employers. However, interviewees H1 and H6 question its credibility:

-- well no one goes to LinkedIn, to the social media of working life, to criticise their own employer. So, it's not credible at all. (H1)

*Quite little from LinkedIn because people seem to think a lot what they post in there and you don't necessarily take it as the truth if somebody posts something there because all their colleagues are also there. But if someone posts something in their personal Instagram to their friends you take it a bit differently. (H6)*

These citations are interesting because of three factors. First, they question Cascio & Graham's (2016) argument regarding social media users' willingness to share also negative experiences online. Second, they are good examples of the challenge related to creating and maintaining an employer brand. As employers can't control what their employees post to their personal social media channels it happens from the employees' own desire. This way content posted in personal accounts also shape the employer brand in the minds of potential employees which supports Kissel & Büttgen's (2015) views on social media being a useful but less controllable channel for employer branding. Third, though personal accounts are less controllable, they are internal sources offering valuable perspective regarding reality of working in that organization (Cable & Turban 2001) which company-controlled channels might not give.

In addition, news (H1, H5), networking events which allow companies and potential employees to meet in a non-formal environment (H3) and company websites (H1, H2, H5) were also identified as ways to receive information about potential employers. Networking events, such as on-site visits and job fairs, have also been identified in previous literature by Cable & Turban (2001) and Smith (2014). As an example interviewee H3 mentions how big companies in the banking industry arrange dinners for students and he believes they use it as a way to build an image of a dynamic industry where work can also be fun and thinks it gives potential applicants an opportunity to talk with company representatives in a more relaxed atmosphere.

A key factor in addition to channels is the content that is produced for employer branding purposes as well as the overall execution. The interviewees were asked what kind of means they have identified that companies are using for EB purposes, which of these they have found to be successful and what is their general reaction towards these efforts. Almost all interviewees found employer branding activities useful (H2, H3, H4, H5, H6, H7). They appreciated the opportunity to see what kind of working environment and colleagues the

company would offer (H4, H6) and emphasized for example how well produced and informative video content can boost your motivation to apply for a certain company (H2, H4). Interviewee H5 found EB useful because she believes it helps in finding the right people for each company. This is something companies ought to consider when doing EB, as it indicates that they need to think about what kind of content will attract the kind of employees they are hoping to receive as applicants.

In the discussions regarding employer branding activities credibility also came up. For example, interviewees H1 and H7 had a more negative attitude towards video content and found them pretentious rather than useful. Instead H7 mentions that she is more receptive towards written content such as blogs. Interviewee H3 compared employer branding to job seeking and found it acceptable that the same way candidates want to highlight their redeeming features so do companies and it's up to the candidates to be critical towards what the reality is. Of the opposite point of view is interviewee H4 as she found that employer branding obliges companies to be realistic:

*-- when you push out the message of what kind of working atmosphere we have it kind of forces you to actually have a good atmosphere -- Usually if you want to make a hype about it needs to live up to the reality to some extent. (H4)*

This supports Backhaus' (2016) views that inconsistency between the brand promise and what it delivers in reality can lead to infringements of the psychological contract for new employees joining the company. It's also in line with Cable & Turban's (2001) findings that companies should communicate accurate and realistic information, so they'll create realistic expectations among new employees. However, they also found that companies find it challenging to discuss attributes that are considered unfavourable as they can turn applicants away but as interviewee H3 implies it could be up to the potential applicants to be critical towards companies.

Sharing realistic information and creating a brand promise is close to the topic of employment value proposition which was also discussed with the interviewees. Four values came up in the answers that have also been identified in previous studies by Dabrian et al. (2017) and Tanswar & Prasad (2016). Opportunities for professional growth and development (H2, H5, H6, H7) and flexibility (H3, H4, H6, H7) were most appreciated. By flexibility interviewees referred to the possibility to work remotely with flexible working hours or sometimes taking care of personal matters during a workday. Interviewees H6 and H7

specified that it comes down to trusting your employees and as long as they get the job done the ways of doing it should be flexible. Interviewee H4 emphasized that positive atmosphere and a good work community are most important values for her at the moment but as she is in the beginning of her career salary is not a determinant. Competitive salary was mentioned by interviewees H1, H2 and H5. It's worth mentioning that when discussing values, the interviewees seemed to think that these are the values they appreciate at the moment which implies that later on it could be something else that they emphasize. For companies this means that when doing employer branding they should also consider what kind of values they can offer to employees in different stages of their career and when communicating about them keep in mind the target audience.

The value proposition plays an important role because as Bellou et al. (2015) state a company that possess attractive attributes is able to attract the most gifted employees and become an employer of choice. So, it comes down to how successfully companies have been able to create a working environment that offers value for employers and how well it is recognized and communicated to prospective employers. As the goal for many companies is to become an employer of choice the interviewees were asked what they think a successful employer brand is like and whether they have experience of good or bad employers. Most of the answers were related to employees and how they are valued and taken care of in the company (H1, H2, H4, H5, H6). The following descriptions are from interviewees H1 and H5:

*A certain kind of humanity -- so that you take care of your employees but also demand from them. Humane like that. (H1)*

*I think it includes the well-being of the employees, I think it's really important. So that the person gets the feeling that okay this firm takes good care of its employees, they are happy and have a good company culture. (H5)*

This shifts the emphasis from external branding to internal branding which according to Ghadeer (2016) represents the evaluation of an employer based on the employee's employment experience. Interviewee H5 also adds that a successful employer brand is coherent which supports Bellou et al.'s (2015) views that by creating and offering a viable and realistic internal and external brand proposition a successful employer brand of choice can be formed. Interestingly only one of the interviewees (H7) mentioned her current

employer as having a successful employer brand when they were asked to name companies as examples.

## 5.2 RPO experiences

The second set of questions was targeted to discuss experiences that the interviewees had about outsourced recruitment processes. First, they were asked to describe their overall feelings towards RPO based on the experiences that they currently have. Five interviewees (H1, H2, H4, H5, H6) said that in general their experiences were good. Interviewee H1 and H4 mention that the process was quicker than what they had typically experienced when companies recruit themselves and interviewee H4 feels that outsourcing was useful in the beginning of the process because the recruitment agency has the time and energy to focus on the process. This supports Leggett's (2008) view regarding the responsibility of recruitment being easily passed around causing bottlenecks, such as slow processes, that can damage the company brand or alienate potential employees. Interviewee H5 feels like the recruitment agency also supports the applicants and interviewee H6 brings up how the agency is typically the professional party which can be seen in the following citations:

*When you apply straight to a company there are no middlemen, so you are kind of alone in the situation. So, I felt like I had my own agent and she/he is promoting me and wants me to work in that particular position because she/he thinks I would suit it well. (H5)*

*They are professionals and they know how it (the process) should go. Sometimes when you are in a company you can see that they haven't interviewed anyone before so it's a bit inefficient and they might not ask the right things and you aren't able to say everything that you would have wanted. (H6)*

Interviewees H3 and H7 had opposite experiences. Interviewee H3 shares an experience where he found an open position from the company's website, applied and called the recruiting supervisor and got invited straight for an interview. After this he received a phone call from a recruitment agency stating that they are in charge of the recruitment process and that he would have to apply again through their system. So, he did after which he went through the agency's preselection process and got recommended to the host organization. So double effort for the same result which was a face-to-face interview in the organization. This is how he sums up the experience:

*In general, quite bad especially this latest one which led to a successful recruitment and I'm very pleased with the job itself. But the value of the outsourced recruiter to this entire process remained very unclear. (H3)*

Afterwards he found out that the host organization was just trying out new ways to recruit and because of that used a recruitment partner. This is a good example of situations where companies don't consider the recruitment company as the strategic and innovative partner that Cappello & Constance (2011) claim they are looking for. They might be trying out new ways, like here or as Rajasekhar et al. (2017) point out they could be using multiple RPO providers at the same time. Whatever the reason, it's clear that for an applicant it creates an ambiguous situation and might cause negative feelings both towards the recruitment agency and the host organization. In this citation interviewee H3 also questions whether outsourcing recruitment brings any value to the applicants.

Interviewee H7 had experiences where the recruitment agency failed to get back to her within the promised schedule and another where native Swedish skills were required for the position. Her skills were not that advanced which could be seen in her CV. Yet she was contacted by three people from the agency and encouraged to do a video interview after which they got back to her stating the person needs to have native skills. Interestingly in this citation she brings up the perspective the host organization in these kinds of situations:

*From that kind of things, a really negative image has remained and especially from this latest one, because at least I feel like it's the recruitment company's job; they are hired to find the best people as efficiently as possible and if the host organization is looking for a certain level Swedish speaking person, and I doubt that it has been a complete surprise for them what the required level is, then why do you contact people that could be eliminated already in the pre-screening stage? (H7)*

This brings us to the challenge of communication between the RPO provider and the host organization. It can be a question of time and not reserving enough of it to explain the profile profoundly or as Rajasekhar et al. (2017) state, there might be mistrust between the two parties. This can lead to a situation where the host organization doesn't share enough information regarding the competencies and skills required which results in unreflective job descriptions (Rajasekhar et al. 2017). This is what many of the interviewees have also experienced (H3, H4, H6, H7) which the following citation demonstrates:

*-- it remained very unclear from the job ad what I would actually be doing in the position. It was written in a way that it sounded good, but it only became clear to me what I would be doing on the first day of work. (H4)*

A closely related challenge is what Siew-Shen and Vinayan (2016) identified in their study regarding the buyer organization's industry and how external partners might not fully understand them or have limited technical knowledge which leads to ineffective filtering of applicants. Here is interviewee H3's experience on that:

*-- in positions that require really specific skills, it's difficult that the recruitment company is involved in the beginning when the applicant might also be critical towards the position and expects that the other party is able to give precise information already at that stage, so you'll know whether it makes sense to proceed at all. (H3)*

From an applicants' perspective it's frustrating to waste time on applying for a position that in the end requires skills that they might not have because the recruitment agency fails to communicate about them, either because they are not fully familiar with the industry and the position or they have received inadequate information from the host organization. This raises the question on whether recruitment agencies actually facilitate or complicate job seeking from an applicant's perspective which was discussed with the interviewees. Interviewees H1 and H4 stated clearly that recruitment companies facilitate finding and receiving a job. Interviewee H1 believes that since many companies these days look for very specific know-how, recruitment companies have better conditions for connecting the expertise and company needs than individual companies would have by themselves in finds it more efficient from an applicant's perspective as well. He also adds that applicants are treated equally in outsourced processes and having personal connection to the recruiting supervisor doesn't guarantee the job for you anymore. Interviewee H4 feels like recruitment companies have lowered the threshold to apply for a job and she has experience of receiving feedback from outsourced recruitment processes which she has not received when applying straight to a company.

Interviewees H5 and H6 also felt that recruitment companies make job seeking and landing a job easier but found it more challenging to identify why they thought so. Eventually both mentioned that it's for example easier to find open positions from a recruitment company's websites than trying to find all the same positions individually from the companies' own channels. Similar results came from aTalent Recruiting's (2016) study where young

professionals found job hunting arduous because of multiple channels. Both interviewees also mentioned that you'll get more easily familiar with smaller companies that you don't know beforehand through recruitment agencies and interviewee H5 adds that it makes a smaller company more reliable from an applicants' perspective if they are using a partner in recruitment.

A certain doubt was identified in the responses from interviewees H2, H3 and H7 though no one directly denied that recruitment companies would be helpful from an applicant's perspective. For example, interviewees H2 and H7 bring up the need to be in contact with multiple parties as can be seen in the following citations:

-- *I don't think that in practice they worsen my possibilities, or actually, I think that in job searching personal chemistry is a really important factor and I might have a really good connection with a person who works in the recruitment company but then notably worse connection with the company representative or vice versa. -- So, the fact that there is the one person in between could also be a complicating factor. (H7)*

-- *Then again if I would apply straight, I would have the chance to make an impression to the person from the company, so you sort of have the starting post that I first have to convince the recruitment company's representative and only after that the company representative. So, you have to make an effort twice. (H2)*

However, interviewee H2 also mentions that she feels like in an outsourced process she gets more time and attention which allows her to bring herself up better and that makes landing a job easier. As can be seen in the interviewees' answers and previous academic literature, opinions both for and against RPO exist from companies' and applicants' perspectives. When considering an applicant's perspective an interesting question arises from how these opinions ultimately affect their behaviour. To find this out, the interviewees were asked would they rather apply for a job through the host organization's own process or through an outsourced process. Interviewees H1, H3, H6 and H7 state that they would rather apply straight to the company, but everyone had a different argument on why. Interviewee H1 feels like it's more difficult to stand out if you apply through a recruitment agency and that there are a lot more applicants because recruitment agencies typically have

wide networks and applicant pools. Interestingly interviewees H3 and H6 were of the same opinion on this question despite having different experiences on RPO:

*Based on this experience, straight to the firm. I can't think of a scenario where it (RPO) could bring added value. (H3)*

*Well maybe directly, because even though it has always been a pleasant applicant experience through the outsourced process, it doesn't really tell anything about the job or the employer. (H6)*

This supports Wehner et al.'s (2012) views about information coming from an outside service provider being second-hand and causing negative applicant reactions towards a recruitment process. It also indicates that though a good applicant experience is appreciated among the interviewees, they still prefer to have accurate knowledge of the position and the employer. When applying straight to a company it's more likely that applicants will receive more precise information and when in contact with the company representatives they'll get a feeling of what the company is like as an employer which might not come across as effectively through a recruitment agency. Unsuccessful communication of the host organization's brand or culture to the job applicants has also caused dissatisfaction among companies (Hauser 2011).

Concerning this, the term middleman came up in the answers by interviewees H7 and H5. Interviewee H7 feels like it's simpler to apply straight to a company though she admits that from an applicant's perspective an outsourced process is typically faster and more efficient, what she also values. Interviewee H5 clearly pondered whether the recruitment agency in the middle is unnecessary but eventually concludes that recruitment agencies are better at estimating whether a candidate is suitable for a certain position or not and would because of that apply rather through them. This view questions previous findings by Siew-Shen and Vinayan (2016) who found that external partners don't often fully understand the industry the buyer organization is operating in and might also have limited technical knowledge which leads to ineffective filtering of applicants. These contradictory views show that there are differences in the applicants' and companies' way of experiencing RPO.

Interviewee H4 is clearly of the opinion that she would rather apply through a recruitment agency which can be seen in the following citation:

*Definitely outsourced, because as said it's their speciality and they handle recruitments all the time and they are able to invest in them in a different way. And they also have certain way to do things. I believe it's always better because it's what they do. (H4)*

From the respondents, interviewee H2 was the only one who said it would depend on the recruitment agency whether she would apply straight to the company or through the agency. She justifies her point of view by stating that if she has heard negative word-of-mouth or has personal negative experiences from a certain recruitment company she would rather apply straight to the host organization. However, if she has positive experiences it would feel more logical to apply through a recruitment agency because she feels like the process is done with better quality and she is appreciated more as an applicant because companies don't have the resources or time to handle the process properly.

Taking into account opinions from all interviewees, it is evident that personal experiences from different types of recruitment processes forms the basis of how applicants relate to outsourced recruitment. Interviewees that said they would rather apply straight still acknowledged that the process is often more efficient and applicant friendly through a recruitment agency and applicants that prefer RPO acknowledged that the information regarding the position and employer might not be as accurate as it would be if the company handled the recruitment independently. In the study regarding graduates' reactions towards RPO by Wehner et al. (2012) the importance of initial contact came up and how companies give up the possibility to deal personally with every applicant when they outsource recruitments. However, in this study none of interviewees mentioned the initial contact themselves. When they were specifically asked whether it matters to them interviewees H4, H5, H7 agreed that it would because it would make them feel appreciated by the host organization and it reassure them that they are considered to be potential for the position. This supports Wehner et al.'s (2012) findings that by losing personal contact applicants might feel like they are not valued and through that form a negative perception towards the employer.

### **5.3 RPO impact on employer brand**

After discussing both employer branding and recruitment process outsourcing separately with the interviewees the last set of questions was targeted more precisely to the connection of these two phenomena. The interviewees were first asked what kind of factors affect their image of an employer during a recruitment process to see whether these same factors could be identified in an outsourced process. There were two factors that most of the interviewees mentioned the first being the person or people that you meet from the host organization (H1, H3, H5, H6) and the second being communication (H1, H4, H6, H7). Typically, a face-to-face interview is the first opportunity to meet someone from the host organization and the following citation is an example of how employees and employer image are connected:

*Well probably the biggest influence is what kind of a person you meet from the company that is recruiting -- I guess it says something about the company what kind of people work there, that automatically you think that if she/he is of a certain type and represents certain values then maybe the company represents them as well. (H3)*

Interviewee H3's perspective adapts to Kissel & Büttgen's (2015) findings on how jobseekers form a perception of a company's typical employees by being in personal contact with them and how the brand identity can this way be passed on to the potential candidates. For companies this creates both challenges and opportunities. For example, interviewee H6 had experiences of interviews where she could sense that the company representatives hadn't done much interviews before which made them ask irrelevant questions. And interviewee H4 believed that if the outsourced recruitment would have been instead executed by the host organization's supervisor, the process would have been completely different. Often it is the recruiting supervisor applicants meet in the interviews and their presence and way of handling the situation can have a big effect, either positive or negative.

From the perspective of RPO this is something that recruitment agencies can't really affect on. According to Ume-Amen's (2010) recruitment outsourcing process (figure 8.) applicant interviews should be done in the host organization which is presumably how most outsourced recruitments are executed. So ultimately it can come down to the host organization and how they are able to express their employer brand in the interview situation. Communication is however something that recruitment agencies can affect on. Interviewees H1, H4 and H7 found it important that applicants are kept up to date about the process, its content and next steps and interviewee H7 also adds that it matters how you

are contacted. Interviewee H4 mentions that it creates a positive image if the host organization communicates in a way that reflects their appreciation towards you as a potential employee of their company. Typically, recruitment agencies are responsible for applicant communication to a certain extent. By creating the job ad, advertising the position in different channels and communicating with the applicants during the process, recruitment agencies have several contact points in which they could be affecting on an applicant's image of a certain employer. This can be identified in following citation by interviewee H6 when she was asked about the effecting factors:

*It affects, whether the job ad matches up to what you experience in the interview. (H6)*

She continues by giving an example where the job ad had mentioned that the company offers a competitive salary but then in the interview the company representatives mentioned that they are not the best paying company and questioned her salary request. This again brings up the topic of offering accurate and realistic information to avoid creating unrealistic expectations that lead to dissatisfaction as Cable & Turban (2001) argue.

These answers indicate that there are some factors in the recruitment process through which RPO providers could affect on the employer brand of the host organization, but the interesting question is whether applicants experience it that way. Therefore, they were asked if they feel that a recruitment agency can affect on the employer brand of the host organization and why. There were different views among the interviewees and at this stage only interviewee H4 expressed clearly that she believes that a recruitment agency could affect on the image of the host organization:

*Yes, it can definitely have an influence, though you should probably keep them separated -- if the recruitment agency is able to communicate well about client company and bring up a good vibe then surely it's able to influence positively. And then also, even though you are aware that it's an outsourced process, if a good feeling remains from the process, then surely, you'll go the company with a positive attitude. (H4)*

As a negative influencer interviewees H4 and H2 mention experiences of poor communication between the RPO provider and the host organization which affected their image of both companies. Interviewee H2 tells that the process was delayed from the original schedule and the company representatives were not able to tell about the next steps at the end of the interviews because the recruitment agency was responsible for

communicating about them, which from an applicant's perspective felt confusing. Interviewee H4 explains her point of view by stating that the negative feeling is targeted to both because as an applicant you don't know which party is to blame for the situation.

Interviewees H1 and H3 feel like recruitment agencies tend to paint a more positive picture of host organizations than what they are in reality, and that way effect the company's employer brand:

*According to common understanding, recruitment companies are relatively skilled in making a job sound desirable. So maybe I think that in a way a recruitment agency can make a basic small company seem a bit better or trendier or bigger. (H1)*

*The recruiter gave a really positive image of the company and its business but when I checked their earnings release, it wasn't a very solvent company, it almost seemed that it could go bankrupt in the next few years. I thought there was quite a big contradiction and maybe I wouldn't have praised the company with the same words. (H3)*

Interviewee H1 points out that he thinks this is a consequence from the recruitment agencies' desire to draw as much applicants as possible. Expanded candidate pool is indeed something that external partners can offer to client organizations (Ume- Amen 2010; Siew-Chen & Vinayan 2016) so a connection like this might exist. According to interviewee H7's experience in outsourced recruitments the focus is actually less on the employer and more in the position and the information that she has received during the process has been related to the job description. She thinks that even though an RPO provider's recruiter works as a spokesperson for the company she/he can't really talk about employer brand or values in the same way a company representative could. In previous research this has been identified as a challenge also from a company's perspective because communicating the subtleties of the company culture to an outside agency can be difficult and time-consuming (Duggan & Croy 2004).

Interviewee H6 reflects the question to her experience with a host organization that was inexperienced with doing recruitments and states that in situations where a company doesn't know how to recruit in a proper way, using a recruitment agency can influence positively to their image. On the other hand, she implies that using a shady recruitment agency doesn't

leave a positive image of the employer either. This brings up the discussion of which recruitment agency companies should partner up with and whether it matters for the applicants which agency takes care of the outsourced recruitment. The interviewees were also asked whether using a certain agency can influence positively or negatively to their attitude towards the employer organization.

Interviewees H2, H4, H6 and H7 had quite a similar way of thinking as all of them admitted that it matters to some extent which company takes care of the outsourced process. Interviewee H2 was of the opinion that if a recruitment agency has a good reputation and a brand itself, then it can bring added value also to the host organization. At the same time, she mentions that if she has applied several times through a certain recruitment agency and would always receive a rejection then she would think twice about applying again through them. Interviewee H4 also expressed her opinion on applying again in case of negative experiences with a recruitment agency:

*-- I wouldn't completely skip applying but I could think twice. If the recruitment process would have been handled poorly before and there would be other positions, I might prefer them to avoid experiencing the bad recruitment practice again. -- So, it can have a negative effect, not directly to the client company, but to your willingness to participate in a recruitment through that specific agency again. (H4)*

For companies this is an example of an indirect effect where they could lose potential candidates due to using a certain recruitment agency. This leaves a company with the responsibility of choosing a partner that supports their employer brand in matters regarding recruitment. Interviewee H7 believes that the indirect influence is there because as an applicant it's difficult to separate the recruitment agency and the host organization completely of each other and that it says something about the company who they choose to take care of the recruitment.

Interviewee H6 believes that if the recruitment agency is handling the process well it can affect positively on the image of the employer. However, she emphasizes again the meaning of accuracy and questions whether the positive influence actually lasts long if the reality in the company doesn't meet the expectations that she has. This is in line with Wehner et al.'s (2015) findings on how the service provider's image doesn't have a positive relation to the

employer attractiveness. As Moroko & Uncles (2008) state, it's not only attractiveness but also the accuracy that makes an employer brand successful.

Interviewee H5 thinks that the positive or negative influence comes from the recruitment agency's position in the market in the eyes of applicants. She gives an example of two Finnish recruitment companies from which she connects the other one to more senior and untrendy positions and the other one to positions that match her interests more. She explains that as an applicant she counts on the picture she has received through word-of-mouth and the agency's social media but also from the positions that they have open on their website. For companies this means that they need to consider how they also want to be positioned in the eyes of their applicants through their external partner.

Interviewees H1 and H3 don't see the connection between the recruitment agency and the host organization's employer brand which can be seen in the following citations:

*The recruitment agency doesn't matter to me if the position and the company I'm applying for are interesting. (H1)*

*Well I wouldn't say that it effects to my image of the client company -- It should be a really bad experience to make an influence. (H3)*

To give concreteness to the discussion some of the interviewees were asked would they not apply for an interesting position in case they had negative experiences with the recruitment company responsible for the process. Interviewees H3, H5 and H7 all agreed that the experience would have to be really negative that it would make them refuse applying if the position and host organization are truly interesting to them. However, interviewee H7 elaborates that the situation is different if she has negative experiences from a host organization's own recruitment process and in these situations, she wouldn't necessarily apply again. These points of views suggest that negative experiences with recruitment agencies shouldn't damage the host organization's employer brand but instead the company itself can damage its employer brand with a bad applicant experience.

To gather the discussions the interviewees were finally asked what kind of factors they think companies should take into account when they decide to outsource a recruitment. Sharing

enough and precise information regarding what the company is looking for seemed to be the most important factor for interviewees H1, H4, H5 and H6. The following citations explain why:

*-- its in the applicant's interest that the company is able to explain in a really accurate way what they are looking for. And also give sufficiently detailed information about the task so that the expectations meet reality. (H1)*

*It's most important that recruitment companies know what they are actually looking for. It's no good to anyone if there is an unclear picture of what the recruitment agency is looking for -- the company needs to make sure that their partner knows what they want and what the person's tasks will include. (H4)*

Interviewee H6 thinks it's important that company representatives read the job descriptions carefully as an external person has written it, so they can be sure that it meets up with the requirements and the reality of the job. This point of view suggests that companies should be involved enough to put their time and effort into stages they outsource. This brings up the question of resources which interviewee H2 finds important for companies to consider:

*How much they have resources to put in it, because a certain amount of time still goes to the recruitment even if it would be outsourced to a certain point -- (H2)*

From a company's perspective this can feel controversial because as Cooke et al. (2005) state one of the reasons to use an external partner is the desire to release resources elsewhere. Interviewee H6 adds that companies should really consider what they want and which of the requirements are truly compulsory while interviewee H5 thinks that the more the company gives information to the recruitment agency the better they are at finding the right people which is in the applicant's interest as well. In addition to sharing precise information interviewee H6 brings up that if companies decide to outsource they should be ready to give away the control over the process to their external partner. In previous studies by Ordanini & Silvestri (2008) and Hauser (2011) this has been identified as a challenge and disadvantage for companies.

Interviewees H3 and H5 emphasize that companies should consider the nature of the position and who they want to reach when deciding to outsource. If the company believes that the most suitable candidate will be found by using an external partner then it should be done but if the role is more specific and requires more profound conversation between the applicant and the company already in the beginning, then maybe it shouldn't be outsourced. Interviewee H7 finds important that companies ensure that applying in practice is made easy for the candidates when the process is outsourced. She explains how often companies have such complex systems that require filling in same information multiple times and it takes a lot of effort from the applicant. The importance she justifies by stating that applicant's might leave the applications unfinished if they experience that it takes an unreasonably long time to finish. The findings presented in this chapter also support some of Gilani & Jamshed's (2016) findings regarding factors that companies need to consider when considering RPO. Choosing the right RPO provider and making sure that the RPO provider and the host organisation have an alignment of vision which ensures a correctly translated employer brand to the applicants are also found important by the interviewees in this study.

## **6. Discussion and conclusions**

This chapter consists of four parts and starts with a discussion of key findings and conclusions. After that theoretical contributions are explained, and managerial implications given. Lastly the author identifies the limitations of this study and gives suggestions for directions of future research.

### **6.1. Discussion of key findings**

In this part the key findings of this research are discussed through answering to the research questions. The three sub-questions are answered first as they contribute to the main question. Finally, an answer to the main research question is given.

#### **SRQ1. How do applicants perceive outsourcing of a recruitment process to an external service provider?**

Recruitment is considered as a noncore activity in HR (Cooke et al. 2005) and because of its routine nature easy to outsource (Caruth et al. 2013). The amount of outsourced recruitment process continues to grow and seems to be a long-term strategy for companies exploiting it (Savino 2016). Companies either lack resources, know-how or applicants which is why they turn to recruitment agencies for assistance. However as recruiting and retaining skilled employees has become challenging for companies (Pingle & Sodhi 2011), recruiting's important nature has been identified and its delegation to an external partner questioned (Savino 2016). In previous research the discussion of RPO has been made from a company's perspective from which Leggett's (2008) key considerations presented in figure 7. is an example of. As companies are competing in attracting the brightest talents to work for them the perspective of applicants and potential employees is thus equally important to consider.

The first sub research question was targeted to bringing up applicant perceptions regarding recruitment process outsourcing. The empirical findings show that there is some variation in how applicants perceive outsourcing the recruitment process to an external provider.

Though most interviewees (H1, H2, H4, H5, H6) had good experiences of the outsourced processes they had participated in, only one of the interviewees (H4) preferred an outsourced process over in-house recruitment without a doubt. Two other interviewees (H2, H5) pondered, other coming to the conclusion that it depends on the recruitment agency and other eventually stating that she would rather apply through a recruitment agency as they are better at estimating the compatibility between the candidate and the employer. This differs from previous findings by Siew-Chen & Vinayan (2016) as their study showed that an external recruiter often lacks critical knowledge to evaluate the suitability of candidates. On the other hand, it agrees with Hauser's (2011) findings on how recruiting skills have vanished in traditional HR departments while RPO providers have continued building their expertise.

These opinions show that there is a contradiction in what companies find useful and what applicants prefer. The interviewees felt that applying through a recruitment agency adds middlemen to the process (H2, H5, H7), makes it difficult to stand out (H1) and shares little information either of the position or the employer (H6, H7). On the positive side the interviewees also recognized that outsourced processes tend to be faster and more efficient (H1, H4, H7) and because they are core function of recruitment agencies the process is done professionally (H4, H6).

The negative experiences of the interviewees concerned for example unreflective job descriptions (H3, H4, H6, H7), indistinct value of RPO to the applicant (H3) and ineffective filtering of applicants (H3, H7). The challenge of job ads in RPO has been identified in previous research by Rajasekhar et al. (2017) and Elving et al. (2013) found that jobseekers prefer advertisements that contain employer branding. As job ads are the first element in attracting applicants to the recruitment process both previous research and findings in this study show that attention to it should be paid. By taking the time to read and revise the job description an external person has written, the company can make sure that it meets up the requirements of the position (H6). Companies should also consider factors regarding their employer brand that they could bring up in the job ads and if using an external partner, communicate these factors onward to them. Both of these actions require commitment from the company and the recruitment agency and indicates that better results in RPO also from an applicant perspective can be achieved with a strong partnership. As it's not only the companies but also the applicants that find ineffective filtering negative, it's important for recruitment agencies to increase their knowledge so they are able to perform preselection

activities better. But here also the host organizations contribution is important as they play a key role in offering the needed information.

As the value of outsourcing has been mainly considered from a company's point of view (Duggan & Croy 2004; Cook et al 2005; Leggett 2008; Ume-Amen 2010) it was interesting that interviewee H3 questioned the value that outsourcing brings to the applicants. Most companies probably don't consider the value of RPO from an applicant's point of view, but this indicates that they should, especially in fields where the competition for talent is tougher. In chapter 2.3.1 of this study value proposition was addressed from an employer's perspective when it refers to the benefit or value an employee receives from being part of a certain organization (Heger 2007). Value proposition could also be considered between the RPO provider and the applicant when it would refer to value a job applicant receives from participating in a recruitment process through a certain recruitment agency. Suggestions for this kind of value can be found in this study as many of the interviewees (H1, H4, H5, H6) were of the opinion that recruitment agencies facilitate finding and landing a job because of their skills in connecting specific know-how and company needs (H1), because they lower the threshold for applying and offer feedback to applicants (H4), because browsing for jobs is easier from their websites (H5, H6) and because in an outsourced process an applicant receives more time and attention which allows them to bring up their skills better (H2). Thus, identifying and clarifying this kind of value to applicants could change how applicants perceive RPO.

In short it seems that the trend of outsourcing has not been as well adapted by applicants as it has been by companies so far. As previous academic research from a company's perspective, also this study from an applicant's perspective indicates that there are opinions both for and against RPO. This means that both companies and recruitment agencies need to understand what applicants value in recruitment and how that value can be produced in an outsourced recruitment through a good partnership. The perceptions might also change if the popularity of outsourcing continues to grow as applicants participate in more outsourced processes they start adjusting to it.

## **SRQ2. Can recruitment process outsourcing have a positive and/or negative impact on the employer brand?**

The employer branding framework by Backhaus & Tikoo (2004) presents that employer branding creates brand associations which shape the employer image that in turn affect the employer's attractiveness in the eyes of potential employees (figure 2.). The resources and efforts put into employer branding have the purpose of creating or shaping the employer brand equity which according to Theurer et al. (2018) is "the added value of favourable employee response to employer knowledge". And if a company has a strong employer brand equity the employer brand becomes more attractive (Biswas & Suar 2014).

For most companies being an attractive employer is one of the core objectives for their employer branding activities. If recruitment process outsourcing could influence on it either positively or negatively, it's worthwhile for companies to recognize. Positive impact can support the company's own branding efforts while negative impact can weaken them. From the empirical findings in this study the following eight factors were identified as creating and affecting the image of companies as employers:

- 1) word-of-mouth (H1, H2, H3, H5, H6)
- 2) communication and marketing (H2, H4, H5, H6)
- 3) recruitment process handling (H4, H6, H7)
- 4) social media (H5, H6)
- 5) company industry (H2, H3)
- 6) corporate responsibility (H5, H6)
- 7) employee co-operation negotiations (H6)
- 8) all company actions (H5, H7)

How recruitments are handled was mentioned by three interviewees (H4, H6, H7) which indicates that a connection to RPO also exists. Within a recruitment process the people you meet from the host organization (H1, H3, H5, H6) and the communication during the process (H1, H4, H6, H7) were mentioned as influencing factors by the interviewees. In previous literature employees have been identified as being faces of their organizations and ambassadors representing their employer's brand (Cascio & Graham 2016). By being in personal contact with current employees, jobseekers might form a perception of a typical employee for that company and if employees present themselves and behave consistently with the brand identity the brand meaning should be passed on to the potential candidates (Kissel & Büttgen 2015). This creates a challenge in recruitment outsourcing as the personal contact is first between an external recruiter and an applicant.

Though external recruiters are not employees of the host organization, during the recruitment process they represent their client and are in contact with the applicants on their behalf. This way they might have an indirect influence on the employer brand of the host organization. As interviewees H4 and H7 mention, it's sometimes difficult from an applicant's perspective to separate the host organization and the recruitment agency from each other. It also came up in the interviews (H4, H6) that applicants had situations where the encounter with the recruitment agency representatives were positive and that created a more positive attitude towards the host organization as well. However, this effect isn't necessarily long lasting if the company's own representatives don't reinforce it.

A more direct effect comes from communication. Keeping applicants up to date (H1, H4, H7) and communicating in a way that passes on appreciation (H4) are example of ways to influence positively on the employer brand. Poor communication between the host organization and the RPO provider that is visible to the applicants impacts negatively on the image of both companies (H2, H4). When outsourcing recruitments, a big part of the communication is also outsourced as is presented in figure 8. by Ume-Amen (2010). This indicates that communication through recruitment agency gives another indirect possibility to influence on the employer brand.

One of the interviewees (H6) states that if a company is inexperienced in doing recruitments and doesn't know how to do it properly, using a recruitment agency can influence positively on their image. However, companies still need to consider who to partner up with. The findings by Wehner et al. (2015) in figure 9. show that the strength of service provider image is positively related to applicant's satisfaction with the recruitment process as is the perceived fit between the employer image and the service provider image. The results of this study support these findings as interviewees H2, H4, H6 and H7 agreed that it matters to a certain extent which company takes care of the outsourced process. A recruitment agency with a good reputation and brand that handles the process well can bring added value to the host organization and influence its employer brand positively (H2, H6). However, it's worth mentioning that when the interviewees were given an example situation of having a negative recruitment experience with a certain RPO provider and later finding an open position in a company that really interests them, the negative experience wouldn't restrain them from applying to that position through the same agency. Or the experience would have to be extremely negative to have that kind of an effect. The situation is different when the

negative experience comes straight from the host organization and applicants can be more reluctant to applying again to that particular company.

In short recruitment process outsourcing can have both a positive and a negative impact on the employer brand of the host organization. If an RPO provider with a good reputation offers an efficient process and communicates well with the applicants during the process, the impact can be positive. If the collaboration between the host organization and the RPO provider isn't working and that reflects to the candidates, the impact can be negative. Negative impact also comes from inconsistencies between what has been communicated about the position and the employer and what the reality is.

### **SRQ3. What factors should a company take into notice when outsourcing a recruitment process?**

When companies consider RPO they typically have in mind the direct and indirect savings (Cooke et al. 2005) and ability to release resources on more strategical tasks (Leggett 2008; Duggan & Croy 2004; Ume-Amen 2010). Or getting support for a wider talent acquisition process (Cappello & Constance 2011) and having access to a wider candidate pool (Ume-Amen 2010; Siew-Chen & Vinayan 2016). The third sub research question was targeted to finding out what factors companies should take into notice from an applicant's perspective when outsourcing. Past research has shown that applicants react more negatively when the level of RPO rises as it delays the first personal contact between the applicant and the employer during which the applicant makes an inference about the employer (Wehner et al. 2012).

The level of RPO didn't come up in the interviews of this study and most interviewees (H1, H2, H4, H5, H6, H7) were of the opinion that the recruitment outsourcing process presented in figure 8. by Ume-Amen 2010 (2010) works well from an applicant's perspective as well. However, there was another prevalent theme in the interviewees' answers related to sharing information. The interviewees believed that it's important for companies to share enough and share precise information about what they are looking for (H1, H4, H5, H6). The general way of thinking seemed to be that it's on the host organisation's responsibility to make the information available for their recruitment partner. For example, stating clearly which

requirements are truly compulsory for the position and which requirement can be discussed (H6). The better the information exchange is between the parties the better the recruitment company is able to find the right people which is in the applicant's interest as well (H2).

In addition, resourcing came up as a factor for companies to consider and despite outsourcing they should make sure that they have enough time for the steps that require their input (H2). When going back to Ume-Amen's (2010) recruitment outsourcing process in figure 8. this means for example job creation and applicant interviews. Often when companies outsource activities they minimize the effort internally to that specific activity, but recruitment still requires time for conducting interviews and decision-making from the host organization. It could also cause dissatisfaction among candidates if they are used to the efficient process from the recruitment agency's part but then encounter delays in the process as the host organization lacks resources. Companies should be ready to give the control to their recruitment partners (H6), especially in the beginning of the process where the most time-consuming steps are (Ume-Amen 2010).

Deciding whether outsourcing is sensible to begin with should also be considered (H3, H5). This is important especially in situations where the position is specific and requires certain knowledge which can be difficult to transfer to the recruitment company. Also considering who the company wants to reach by outsourcing the recruitment is brought up. An important factor regarding this is who to partner up with so the company reaches their desired target group. These days RPO providers can be focusing on recruitments of specific workforce as they shape their services according to host organization needs (Cappello & Constance 2011).

**MRQ. *What is the role of recruitment process outsourcing in applicants' employer brand perceptions?***

This study demonstrated that there is a connection between employer branding and RPO that companies should acknowledge when they consider and decide to outsource recruitment processes. Though the desire to outsource becomes more and more common from companies' side, applicants still seem to prefer direct recruitments that allow them to have a more straightforward contact with the employer and create a realistic picture of what

it would be like to work in that company. Employer branding as a competitive advantage in the war for talent has been identified before but knowledge of the role that RPO plays in employer brand perceptions has been limited so far.

The effects that recruitment process outsourcing has on the employer brand stems from the level of cooperation between an RPO provider and a host organization and the RPO provider itself. Cooperation that ensures a recruitment experience that reflects the host organizations employer brand is ideal for both companies and applicants. It ensures that the applicants' expectations meet with the reality that the company offers and thus prevents disappointments that tend to be channelled as negative emotions towards the employer. The RPO provider matters as they are responsible for the execution of the recruitment process and operate as representatives of the host organization in the beginning of the process and are responsible for handling most communication. RPO providers also need to consider what applicants expect and value in a recruitment.

However, as this study showed, there are multiple factors effecting on the image of an employer, from which recruitment is only one. The extent of how much an applicant lets RPO effect on their perception of an employer brand seems to be quite individualistic. A bigger emphasis remains on what the employer is like in reality.

## **6.2 Conclusions**

The purpose of this study was to explore the role of recruitment process outsourcing in employer brand perceptions from an applicant's or potential applicant's point of view. To pursue this, the following three sub-issues were formed to which the author attempted to answer: 1) how applicants perceive recruitment process outsourcing 2) can RPO have a negative and/or positive impact on the employer brand and 3) what factors should companies consider when outsourcing recruitments? In this study the examination was limited to applicants in the beginning of their career who had previous experience of participating in outsourced recruitment processes.

Academic literature addressing employer branding and RPO together is limited which is why the theoretical part of this study was constructed of two parts. The first one included theory of employer branding and the components of employer branding process and the second part theory of recruitment process outsourcing. Employer branding has been a potential tool in tackling the challenge and in attracting employees with high potential (Backhaus & Tikoo

2004; Moroko & Uncles 2008; Elving et al. 2013) and as outsourcing recruitment processes becomes more common it's important for companies to understand the connection between them.

The theoretical synthesis in figure 10. was used as a basis for the semi-structured theme interviews. The first set of questions were targeted to finding out the experiences that applicants have regarding employer branding and how they construct an image of employers. The second set of questions examined the experiences that the interviewees had regarding the outsourced processes they had participated in and the last set was targeted to finding out whether RPO effects on the employer brand from an applicant's perspective.

The findings of this study show that despite the quality of the experience that candidates have of outsourced processes, most still prefer straight recruitments. Recruitment companies are considered as middlemen in the process and as they aren't employees of the host organization they can't present an accurate idea of what it's like to work in the company or give a detailed picture of particular positions. As one objective for employer branding is to evoke attraction in potential employees RPO can effect on how the brand is communicated to the applicants. Recruitment companies were identified as bringing efficiency and professionalism to the recruitment process which enhance the recruitment experience from an applicant's perspective. Though the advantages of RPO from a company's perspective have been identified in previous academic literature, what could be considered more is the value that recruitment companies bring to applicants.

An RPO provider with a good reputation offering a process that includes components that applicants appreciate can have a positive influence on the host organizations employer brand while poor co-operation between the parties and inconsistency can have a negative impact. It's also important to consider who the company decides to partner up with and whether outsourcing the recruitment is reasonable to begin with. However, it must be acknowledged that how recruitments are handled and whether RPO is utilized is only one of the factors effecting on the employer brand and whether new talent will be drawn to the company. In the long run companies have to pay attention to taking care of their employees and building a value proposition that corresponds to the requirements that applicants in different stages of their career have.

### **6.3 Theoretical Contributions and Managerial Implications**

The scientific objective of this study was to add knowledge about the connection of RPO and employer branding and find out what kind of a role outsourcing recruitments might have on employer brand perceptions. As a term employer branding was introduced already in 1996 by Ambler & Barrow and ever since it has been studied from different perspectives. Most research has focused on external branding for the intention of employee recruitment (Backhaus 2016). While using employer branding as a tool in attracting employees with high potential has become a common practice (Backhaus & Tikoo 2004; Moroko & Uncles 2008; Elving et al. 2013), simultaneously outsourcing has become a significant part of human resource management and functions such as recruitment are increasingly outsourced (Caruth et al. 2013). The generalization of these two phenomena, that are closely connected when attracting and successfully recruiting new talent to a company, has created a gap in the academic literature to study their connection.

Connection to existing theory was identified in the findings of this study but it also gave new and valuable information. As the emphasis in previous academic literature regarding RPO has been on the company perspective and the connection of RPO and EB is quite narrowly examined so far, this study gave new insight of the applicant perspective on both phenomena. This study showed that RPO can influence on the employer brand to some extent and as the popularity of recruitment outsourcing increases there are certain factors companies need to consider.

The following theoretical contributions of this study were identified:

- A connection between RPO and EB exists from an applicant perspective
- The applicant perspective is relevant to consider in both EB and RPO functions
- The quality of an outsourced recruitment seems to have an impact on the employer image to a certain extent
- Contradiction in company and applicant perspective regarding RPO exists
- Generalisation of RPO creates a challenge for companies regarding EB

Though the connection between RPO and employer branding hasn't received a lot academic attention this study justifies that a relevant connection between them exists from an applicant perspective. Only Wehner et al. (2012, 2015) and Gilani & Jamshed (2016) have previously identified that these two phenomena are linked together and from these two Wehner et al.

has considered the applicant perspective in it. As employer branding and RPO are increasingly used the connection is relevant to acknowledge. The findings in this study also argue on behalf of the applicant perspective to be considered in employer branding and RPO functions. In previous academic research RPO and employer branding activities have been examined strongly from a company perspective leaving out the insights of the other relevant party - applicants and future potential employees. As talented and loyal employees have been identified as a key element in achieving success for companies (Elving et al. 2013) the role that RPO plays in employer brand perceptions is important to consider.

Based on the findings in this study the quality of an outsourced recruitment seems to have an impact on the employer image to a certain extent. The quality factors can include for example precise and accurate information regarding both the position and the employer, efficient and applicant friendly recruitment process and using a recruitment agency that supports the company's employer brand. As Backhaus & Tikoo (2004) present in figure 2. employer image impacts employer attraction but the role of RPO in this equation hasn't been considered which is why, this study contributes to existing theory.

Previous scholars (Cooke et al. 2005; Leggett 2008; Duggan & Croy 2004; Ume-Amen 2010) have identified the advantages and disadvantages of RPO to companies but this study brings up the pros and cons also from an applicant's point of view. In addition, the empirical results show that there is contradiction in what companies find useful and what applicants prefer regarding RPO. As RPO continues to be used in increasing amounts it creates a challenge for companies in terms of employer branding.

The managerial objective was to produce information for companies on how job applicants perceive recruitment process outsourcing and whether it effects on their image of a certain employer which again effects the company's employer brand. In the light of the results of the interviews it can be stated that applicant perspective should be taken into account more profoundly when making the decision to outsource and companies should consider the following factors when deciding to outsource:

- Think about who you partner up with - a recruitment agency with a good brand offering an efficient recruitment process and good communication to applicants can have a positive influence on your employer brand

- Reserve resources despite outsourcing - though you have an external partner taking care of most steps in the recruitment process, remember that the whole process also requires resources within your organization
- Co-operate with the recruitment agency - sharing enough and precise information regarding your company culture and the position enables the recruitment agency to represent your employer brand in the best way possible. Insufficient cooperation reflects to applicants and creates frustration that can be directed to your employer brand. A good partnership also allows you to give control of the process.
- Decide if outsourcing is necessary - pondering whether outsourcing is reasonable to begin with when considering the position that needs to be filled. Also thinking what type of applicants you want to attract and choosing the recruitment agency based on that.

Though until now the prevailing way of thinking regarding recruitment outsourcing has been considering its advantages and disadvantages from a company's point of view, this study shows that giving thought to the applicant's perspective also matters.

#### **6.4 Limitations and Direction for Further Research**

The methodology used in this study as well as the number of interviewees and their delimitation place limitations to this research. Though the hermeneutical-phenomenological research methodology is well suited for examining experiences it allows the author to interpret the results and review them based on her own experiences and understanding processes which sets constraints to the reliability of this study. Qualitative research approach was chosen to gain a more comprehensive view of the connection between recruitment process outsourcing and employer branding. However, this approach brings challenges to the reliability and validity of the study and it must be acknowledged that the material gathered through semi-structured theme interviews in this study give one option for interpreting this connection.

Seven people that had experiences of outsourced recruitment processes were interviewed for this study which means that the size of the sampling is relatively small. To receive more comprehensive and reliable research results the sampling should be bigger. This could be done by utilizing quantitative research approach which would also enable gathering data in

with a more extensive view on the topic. The interviewees in this research were all between ages of 23 to 26, have a study background in business administration or communication and have participated one to five times in an outsourced recruitment process which means that they create quite a homogeneous sampling. In future research it would be sensible to expand the research material to include people with different ages and study/work backgrounds and if possible gather respondents with even more experiences with outsourced recruitments.

As the academic research addressing employer branding and RPO is quite limited so far it would be recommended to study it more extensively both from the perspective of applicants and companies. Considering applicants, it would be relevant to examine what kind of value they feel that they are receiving from outsourced recruitment processes at the moment and what kind of value they would hope to receive. This could help recruitment agencies design their services to meet applicant needs as well. Considering companies, it would be relevant to study the challenges they face with RPO and how he cooperation between the two parties could be done as cohesively as possible. The views of the recruitment agencies would also be essential to study.

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## **APPENDICES**

### **APPENDIX 1. INTERVIEW QUESTIONS**

#### **Basic information:**

- Age, sex
- Educational background
- When have you last participated to an outsourced recruitment process? In how many outsourced processes have you proceeded in?

#### **Employer branding**

- What kind of things create the image of a company as an employer?
- In which channels do you get information regarding employers?
- /How is the image of a certain employer built in your mind? E.g. if you think about the company that you most recently applied to, what made you apply for them? Are you able to describe the path through which your image of the company was built?
- What do you think a successful employer brand is like?
- Do you have experience of good/bad employer brands? What factors impact on whether an employer brand is good or bad?
- An employer brand should include an employment value proposition (e.g. possibilities for professional growth, competitive salary, work-life balance, relevance of work etc.) What kind of value are you hoping to receive from your employer?
- What kind of activities have you found that employers use for branding purposes (e.g. videos, social media content, LinkedIn posts etc.) Which activities in your opinion have been successful and which not? Why?

#### **Recruitment Process Outsourcing**

- What kind of experiences do you in general have of outsourced recruitments?

- Would you rather apply straight to a company or through a recruitment company? Why?
- Typically, when a recruitment is outsourced the recruitment agency makes the preselection based on the criteria that has been discussed with the client company and provides them with the most potential candidates for the face-to-face interviews. How do you experience such approach and is there something you would change in it?
- Do you feel like recruitment agencies facilitate or complicate job seeking/landing a job? Why?

## **RPO & Employer brand**

- During the recruitment process which factors affected on your image of the employer organisation?
- Do you think that the recruitment agency can effect on the brand of the host organization and why? (for example has the image you perceive of the company and the position been in line with the reality?)
- Are you able to stand out in your benefit in an outsourced recruitment in the way you desire? Do you feel that you are able to influence on your progress in the process the same way that you could in the company's own process?
- Does it matter which recruitment agency takes care of the outsourced recruitment? Why? Can using a certain agency affect positively or negatively to your attitude towards the employing company?
- What factors should companies in your opinion take into notice when they outsource a recruitment?