Recruitment Process Outsourcing: A new type of service provider

MBA in Human Resource

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DECLARATION

I hereby declare that this thesis is my own work and has not been submitted before, in whole or in part to any examination or degree at any institution. Information taken from published and unpublished work has been acknowledged in the text and list of references given in the bibliography.

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LIST OF ABBREVIATION

HR – Human Resource
HRO – Human Resource Outsourcing
RPO – Recruitment Process Outsourcing
OSP – Outsourcing service provider
SEO – Search Engine Optimization
ATS – Applicant Tracking System
SOW – Statement of Work
HRMID – Human Resource Management International Digest
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ABSTRACT

The aim of this dissertation is to assess the justification and effectiveness of RPO = recruitment process outsourcing. In earlier days these methods have been studied mainly with the case studies and evaluating the outsourcing recruitment of a particular company. However, this dissertation will have a cross industry focus to assess these issues on a more understandable and wide scale. The research study is guided by research questions, whose purpose is to evaluate the different issues related to the outsourcing of the recruitment process. This includes recognizing the factors that form the justification for the outsourcing process and what type of issue is affecting their efficiency. In addition, two conjoint recruitment outsourcing scenario that is technical recruitment and international recruitment are analysed in depth. To critically evaluate these issues and find answer to research questions, a theoretical framework was built essentially on the basis of three of the most relevant academic literature:

1. Recruitment
2. Human resource Outsourcing
3. Recruitment Process Outsourcing

This was then balanced with favourable supportive literature that is change, talent management & strategic human resource management that links with recruitment process outsourcing.
The findings of this study were collected using a mixed method approach that is the combination of qualitative and quantitative data. Firstly an expert in the industry was interviewed to get practical knowledge on the topic. This was followed by a wide quantitative survey with a pool of participants consisting of Irish human resources professionals from different organizations. The response rate was about 100 survey respondents. The conclusions made were that issues including technical recruitment and international recruitment could both provide a justification and affect the efficiency of recruitment outsourcing events. In addition, there was strong evidence that only certain steps of the entire recruitment process are appropriate for outsourcing. All findings maintained the eagerness of cross industry approach, as the sample survey was not limited to any context thus makes the data applicable to different businesses. Basically, the wide focus makes this unique perspective on the underlying issues affecting recruitment process outsourcing.
1. Introduction

The modern global business environment, during the last few decades has had an impact on business practices. As technology and markets have evolved the service structures, practices and organizational frames have been dramatically changed. One fact that has emerged is business process outsourcing. Organizations have started to let go of their traditional in house functions like recruitments and other functions. This study looks into one very specific issue which is recruitment process outsourcing.

1.1 The concept of recruitment process outsourcing

The umbrella concept of human resources outsourcing or recruitment process outsourcing emerged in the 1990’s. There is no specific reason so as to why such a strategy surfaced at that time, but it is worth imaging that it had to go with the increase in overall outsourcing activities. The definition of Human resource outsourcing states that outsourcing “provides an external, market based alternative to internal procurement of HR functions and HRM” (Alewell, Hauff, Thommes & Weiland, 2009). As opposed to human resource outsourcing, recruitment process outsourcing is more of recent origin. The first academic articles and research relating to recruitment process outsourcing are from the mid 2000. Recruitment process outsourcing has not been researched extensively due to its short history.

Recruitment is usually considered as a vital process for any organization, if not
vital a potential source of competitive advantage. It directly deals with the future and current employees of the company and is one of the core human resource functions. Looking into the query of why companies are willing to let go of the recruitment process and what kind of efficiencies will it bring to them by engaging in outsourcing activities.

1.2 Research Gap and Research Objective

The primary goal of this research is to examine the basis and helpfulness of recruitment process outsourcing as a feasible strategy for current companies. The fundamental question is to study what companies achieve from this practice. Furthermore, this research will focus on recruitment emphasis on outsourcing recruitment issues stage specifically and analyze the changes in the efficiency of this tool throughout the process of recruitment.

While there are some research already done on recruitment outsourcing with similar viewpoints on perceptions and thoughts (Ume Amen, 2010). But there are not many studies with focus on cross industry. This research should present a unique outlook on the current trends without being limited by planned or existing organizational strategies. This dissertation should create an effective viewpoint on the issues of outsourcing recruitment and its influence on the companies operating in Ireland.

Moreover, it can be assumed that due to some circumstantial factors the effectiveness of recruitment outsourcing may have affected. We can find this argument on individual case study of outsourcing recruitment, whereas they
have not been evaluated as a set of rationales. Earlier research done on human resource outsourcing or recruitment outsourcing has never identified the extremely important scenarios nor linked them to the perceptional analysis.

Overall, identifying general rationales for recruitment outsourcing by using cross industry perceptive data and find out what kind of factors influence the effectiveness of such process which is a different approach to this topic.

1.3 Research question

To create more specified focus on research objectives and for the purpose of guiding the research two research questions were processed and developed. Research question are constructed specifically keeping in mind the issues presented above. A glimpse into the concept of recruitment outsourcing whether it is based on professional discussion or academic literature or by watching the advertisement and job postings which revels various motives for recruitment outsourcing.

The literature offers great deal of general discussion and process related perceptions and applicable data from subjects such as human resource outsourcing but it lacks basic rationale. The research questions mentioned below were developed for the sole purpose of evaluating the various rationales that drives the recruitment outsourcing processes and functions as measure for analyzing them. Also special recruitment scenarios and themes will be combined in to the research question. As discussed above this dissertation will be guided and based on two research questions. The very first
question refers to the main theme of the research and the second will highlight on the supportive themes.

The first research question is:

**Q1. What are the rationale behind outsourcing recruitment and does its effectiveness changes through out the recruitment process?**

As stated before the rationale and effectiveness will be evaluated and discussed at a cross industry level. Viewing at firm specific issues about the topic is not the subject of focus. The guiding tool for this dissertation is the initial research question.

The second research question is:

**Q2. When dealing with specialized recruitment processes (technical/international recruitment) does the effectiveness of recruitment outsourcing increases?**

The purpose of this question is to study what types of effects does recruitment outsourcing have during special circumstances. Technical and international recruitment would be perfect examples for this kind of evaluation.

### 1.4 Proposed structure for this research

The research will be determined by the development of theoretical frame work. This model will be constructed so that on the basis of the individual stages of overall recruitment process the recruitment outsourcing can be evaluated. The
idea behind this is to provide a frame work which can be applied to all recruitment processes outsourced irrespective of their depth of outsourcing. For that purpose several success factors are needed to be mapped on the basis of which the analysis can be developed.

The empirical section will be done with a mixed method approach. Firstly a detailed personal interview will be carried on with an industry with HR professionals to study how the issues are linked from the literature and practical ones. This will also be followed up by quantitative survey with HR professional from various backgrounds in Ireland. The focus of the survey will be on the perception and personal opinions of these people. The additional themes that will be studied mentioned above are two special characteristics of recruitment outsourcing which are technical recruitment and international recruitment.
2. Literature review

To identify the important sources for frameworks and models which are linked to the concept of recruitment outsourcing is the starting point of the theoretical part of this dissertation. The literature review can be divided into two streams for better understanding which are primary and secondary (supportive) stream. The primary stream will be used as the basis for majority of the analysis while the secondary stream will be more of a thematic method to the recruitment outsourcing and the wonders linked with it. The secondary stream will act as a descriptive set of information about basic themes which are related to recruitment outsourcing. This stream will have more of a supportive role.

2.1 Primary stream

Actually the recruitment process outsourcing literatures are the essential part of this study. In order to critically analysis recruitment outsourcing large sum of literature needs to be reviewed. There is enough amount of research being carried out currently on this subject for e.g. Hauser 2011 etc. some of this research are easily applicable to this study. The usual benefits that are achieved form this process as analyzed by authors & researcher like Cappello and Constance, 2011 and the outsourcing decisions and their rationales as evaluated by Legget, 2007.

The previous discussion and research about this topic has mainly take a
problem specific study focus. Accordingly it is favorable to incorporate theories from recognized categories of academic literature that are related to recruitment process outsourcing topics.

Recruitment process outsourcing is a function of human resource that copes with recruitment. Thus, in order to study the elements out of which recruitment process outsourcing is constructed the evaluation on a general level of recruitment and human resource outsourcing can be valuable for the quality of the research. In academic literature Human resource outsourcing (HRO) is highly researched. As opposed to recruitment process outsourcing (RPO) which is a current phenomenon at the moment, the existence of HRO was back in the 1990 when this trend started becoming common and was followed by many firms (Shen, 2005.)

Adding Human resource outsourcing (HRO) in the analysis will provide appropriate understanding on issues such as using consultants in Human resource outsourcing (HRO) discussed by Sheehan, Holland & Nelson, 2002 and motivational analysis by Lever, 1997. In Recruitment process outsourcing (RPO) context this theme may not have been analyzed extensively.

With addition to HRO and RPO, the other most relevant streams of literature that need to be evaluated and analyzed are recruitment at normal level. Recruitment is a subject that has been discussed number of times over and over again. To understand the peculiarities of this structural Human resource process is very important when analyzing the conclusions concerning the effectiveness of recruitment process outsourcing (RPO). Authors like Breaugh
& Starke (2000) analyzed some of the existing research and theories relating to recruitment and brought out the limitations to this theory. As the arrival of technology like e-services and social media has been an inspiration for current studies on this topic (Singh and Narang, 2008 & Doherty, 2010).

2.1.2 Secondary supportive Stream

Recruitment directly deals with talent management whether it is outsourced or not.

The acquisition of talent connected with the organization’s core functions and to understand the impact that talent management can have on Recruitment process outsourcing (RPO) is important for the purpose of this research. Also to some extent Knowledge management play an important role especially when it is combined with talent management, as explained by Whelan and Carcary, 2011 they show absolute supportive part of literature.

Long with recruitment other HR functions may lead to large organizational change as the organizations stop carrying out or providing this service internally. The fact that the employees will be appointed based on the suggestions made by a third party is a major change for an organization. Subsequently, managing the issues related to Change management can be valuable to understand particularly the short term effects of Recruitment process Outsourcing (RPO).
2.2 Recruitment

In this research the role of recruitment theories is to make a batch of success factors which are related to analyzing the quality and effectiveness of different recruitment processes. To develop a strong model that shows the peculiarities of recruitment process in a way that is beneficial and valuable for measuring the findings of this research.

The main aim of any recruitment process even if it is outsourced or not is to find the right candidates for the right position and effectively (Armstrong, 2003).

![Diagram of Recruitment Functions](source: Armstrong, 2003)

**Figure 1: Source: Armstrong, 2003 (Recruitment Functions)**

Breaugh & Starke, 2000 have developed a complete model of recruitment process.

The starting point essentially is 1) Recruitment Objectives, in which issues like number of applicants and cost of recruitment is evaluated. Followed by 2) Development of strategy and 3) Recruitment activities which copes with the timeliness of the complete process. 4) Intervening Variables which has to do with quality of the candidates and then the process finishes at 5) Recruitment results.

The Armstrong model of recruitment process, the first function requires
strategic level of planning. The second function looks after advertising and marketing activities. However, Williamson et al. 2010 identified a critical point in the process of solid reputation, especially when using recruitment websites as an advertising network. Issues such as the brand image of the employer and categorization are crucial when recruiting via website. Backhaus, 2004 evaluated these issues in the context of Monster.com, which is a recruitment Web service and distinguish the elements on which the company's reputation is built. These include attributes, customer orientation, corporate, social responsibility, environment, climate, work, family, progress, difficulty, location and compensation. Seeing attractiveness as a combination of firm reputation in each of these categories is an effective way to evaluate the potential candidate attraction of a given company. Another simpler way to view this issue is to evaluate the employer brand, which consists of a mixture of clarity, relevance and differentiation from the competitors (Moroko and Uncles, 2008). Following the issue of the employer brand, indicating that during the recruitment process of the candidates are exposed to indirect marketing to that organization’s corporate culture, and therefore the employer brand of company they are applying (Wang and Wang, 2009). In addition, the importance of employer branding is considered a critical factor influencing the quality of the applicants and applicants pool size (Collins and Han, 2004) making it a matter to be addressed in the evaluation of the recruitment process. In addition, the recruitment language can also cause problems between display and posting of applications and describe the status and nature of business. For example, the issue of differences in language which is a part of the employer brand and one that is actually used in the daily operations of a given company as discussed by Heikkilä and Smale (2011).
Of these, the first two function of the Armstrong model were functions specific to the company, but the third can be seen as a dialogue between the candidate and the recruiter. Yakubovich & Lup (2006) defined this as the display of the recruitment process consisting of objective selection, subjective selection and self-selection. In addition, the authors point out that even if the more advanced virtual recruitment systems are used, there is always an obvious bottleneck at the selection stage. This is where HR staff is required to use their time and effort for the good of recruitment success and scarcity of this resource becomes apparent.

The breakdown of the basic recruitment process mentioned above gives a better starting point for further understanding of the recruitment process. It became much clear that issues such as the detailed planning of the recruitment process, the selection process and employer brands are some of the most critical success factors in a recruitment strategy.

This Academic theory also make available number of drafts which are ready made with complete recruitment process. While they are often the case specific, some of them are beyond their original purpose as applicable to situations. An example of this is the detailed recruitment process which was established for the recruitment of university professors. It addresses issues relevant to all types of recruitment such as the evaluation of the qualification and planning process (Miaoulis and Nicovich Stolz, 2008). The overall recruitment presented by the author is as follows:

Although this is again in line with the Armstrong's more generalized framework and the theory has been applied to it earlier in this dissertation. It includes more specific details. For e.g. the distinction between the application and screening, selection and evaluation of the candidate is beneficial in the evaluation of the overall recruitment process. During these three phases of the process a different set of applicant information is available at different stages. Miaoulis et al. (2008) goes through the process in detail, it is clear that in the beginning there is only written information and CV from the applicants, which is supplemented by more subjective information from interviews. The amount of information that recruiters have relating to their candidates clearly increases as the process continues.

However Cook (2004), provides six variables to assess the impact of the selection process. These can be used to see where the potential pitfalls are in the whole process and provide more information to improve recruitment. These variables are: (1) Validity (2) Practicality, (3) Cost (4) Acceptability (5) Generality and (6) Legality. Each tool in the overall selection process can be evaluated and analyzed on the basis of these factors. For instance, if companies were to use assessment centers in their selection process, the choice could be evaluated based on the number of acceptable candidates the company was able to achieve and at what price. Although this type of assessment method can be considered somewhat superficial or even out of context, it is an effective way to break down the overall selection process of
something that can be measured with a tool other than the cost per traditional hiring.

2.2.1 E-recruitment

Internet is one of the modes through which organisations can extensively reach large number of candidates with limited capital and relative ease (Armstrong 2003). Access to large number of prospective candidates can be achieved through combination of Internet based services that are further divided into three key categories: Media sites, job sites and agency sites. Authors Singh & Narang (2008) have done wide analysis of the above mentioned job sites and some of the qualities associated with them. It is worth noting that the initial notions of job sites and media sites are to some extent incorporated into the category referred by the authors as Job boards.

These Internet services providers consists of global giants like Monster and local services like Irishjobs.ie in Ireland. The rationale behind the combination of Armstrong(2003) one and your categories lies in the services these websites provide. In opposition to restricted to a blackboard of listed vacant jobs, this websites gives value not only to consumer but business by providing search agents, CV database, classified listing & also career planning (Singh and Narang, 2008). Authors Yoon Kin Tong & Sivanand (2004) divided this service into three tools: primary, secondary and auxiliary tools. Primary tool included essential search and features of categorization, secondary tools have to do with management of CV, career fairs and niche information whereas auxiliary tools included newsletter. Generally it appears that organisations can differentiate
themselves from their competitors even when they are using this recruitment internet services.

2.2.2 Social recruitment

Social recruitment is a moderately new sensation which has a lot in common with E – recruitment activities. Lately the unbalanced economic climate has built cost demands for companies to cut down on their operating expenses. Around the same time, the development of social media helped organisation to reach younger candidates at a very low cost in particular (Doherty, 2010) Organisations soon understood that the recruitment possibilities of social media were not only restricted to their use as an interaction channel, but also allowed organisation to track a candidate's network and work history precisely (IBID). Nevertheless people using social media are not only passive receivers of information but they also figure out their potential employers through this channel. This creates a need for organisation to plan carefully and manage what type of corporate representation is sent through their social media existence (Gunderson Hunt, 2010).

Active involvement in social media is certainly advantageous to both employers an employee in terms of recruitment. Authors Lavezzi & Meccheri (2009) indicated that people involved in social networks are more likely find a new job, very quick if they are job less or become unemployed.

By combining and connecting the research by Gunderson Hunt, 2010 and Doherty, 2010 the social recruitment culminates in a few key activities. Firstly, engaging & monitoring the crucial social media with appropriate tools (i.e. ATS-
Applicant Tracking System) and the most related blogs are the important functions of social recruitment. Furthermore, a mix of supporting social recruitment tools such as SEO- Search Engine Optimization, Social status controlling and influencing the social existence of brands can be used. Lastly monitoring the external status of the company and cautious internal planning are essential if an organisation wants to be successful in social recruiting.

2.2.3 International Recruitment

Besides media strategy and issues associated to the applicant pool, social recruitment and e-recruiting, the international framework happens to change traditional recruitment processes. In current theories, international recruitment refers mainly to the selection process people for expatriate assignments, although it can deal with other issues such as host site recruitment.

This analysis is well support by author Armstrong (2003), he has recognised some of the merits that need to be estimated in selecting candidates for assignments internationally. This includes elements such as appropriate work history, cultural adaptability, previous international experience and family situations. Besides this people are resourced from within the company, developing a need for internal career tracking system that helps out in the hunt for prospective candidates (IBID)

Other means to look at international recruitment is to look at it as a method of hiring employees from the worldwide pool of applicants without restricting your search to expatriates. Researcher Sparrow, 2007 has investigated this process with multi case study method and established three levels of strategies that make international recruitment as efficient as possible. They are as
follows:

1. Active Recruitment- Targeting particular group of people with suitable channel selection
2. Passive recruitment- being an attractive choice for active job seekers.
3. Long term – safe guard a company’s existence in the global market.

As mentioned above, Sparrow’s (2007) approach is quite related to the traditional recruitment Strategies managed on the domestic level. Additionally this can also be seen as another possible way of acknowledging a situation where there is a requirement for expatriates. Sparrow also provides a substitute to the usage of internal employees for expatriate assignments as shown by Armstrong (2003) looking straight into host countries pool of applicants by using the process of international recruitment. Authors Caligiuri, Lepak and Bonache (2010) take a global perspective on a company’s selection and international recruitment processes. The authors further mention that there are three methods by which company can plan and conduct its hiring process. They are: globally, locally and by hybrid approach. This relates to the criteria and rules used in selection activity. The same guidelines apply for all selection procedures in global approach. In local approach the process is customised based on the subsidiary or location. Where the combination of global and local approach is called hybrid approach.

2.3 Human Resources Outsourcing

To evaluate critically outsourcing process in a strict recruitment context, certain background information should be provided. As outsourcing recruitment theory is not enough to provide sufficient depth of the theory in
order to evaluate effectively, human resource outsourcing theory must be used as a complementary measure. In addition, this area of research focuses on these outsourcing practices on a more general level, creating the ideal starting point through which most targeted questions can be addressed.

HRO (Human Resources Outsourcing), or is a somewhat established concept whose roots are mainly from the 1990s. Shen, (2005) conducted a thorough study of the brief history of Human Resource Outsourcing (or BPO – Business Process Outsourcing), including both academic literature and industrial statistics. Based on its analysis of the author summarizes the five fundamental reasons Human Resource Outsourcing:

"Key driving forces for HRO is to save costs, looking for better services, Strategic concerns, saving trouble and transferring the risks"(Shen, 2005)

In addition, Shen (2005) suggests that the landscape of HRO is not restricted to any particular functions. However, it recognizes a group of processes that are most applicable for outsourcing. This " separable " functions include, but are not restricted to, recruitment, pay, industrial relations, & legal aspects. What they have in common is that they do not depend on any kind of information or resources related to the company. Thomas (2009) backs this up by saying that outsourcing service providers (OSP) are able to leverage their existing technologies, expertness, processes and costs benefits, offering a good alternative for internally generated process.

Another recurring theme in the literature regarding HRO is certainly the
relationship between small organizations and the benefits they can receive by extensive HRO. Sheehan and Cooper (2011) recently investigated this issue and came to the conviction that there are no clear pointers showing that small organizations would have any advantages using HROs activities. However, they have shown that strategic human resource management is improved if the Human Resource staff is allowed to focus on a limited number of essential functions, consequently gaining some benefits of outsourcing the separable functions. This is in line with a review of literature, Shen (2005), where he also said that there is very little proof of the improved quality and efficiency of human resources processes themselves that can be drawn from outsourcing activities. Though he does not eliminate the existence of the benefits at the strategic level indicated by Sheehan and Cooper (2011). Due to the restricted efficiencies being obtained has caused some authors question the real need for HRO. For example, Sheehan, Nelson and Holland (2002) suggested that Human Resource Outsourcing reasoning could be more related to changes in the industry where companies only follow the example of the other, than to the advantages of real costs. Previous notions linkable to outsourcing recruitment activities conceptually the authors see as common characteristics of different HRO activities.

2.3.1 HRO vendor selection and management

The starting point of any process of HRO is the selection of the Outsourcing Service Provider (OSP) that the company will use. The objective is to establish a long-term contractual relationship, which begins from vendor selection, as described by Lever (1997), the OSP must be able to demonstrate its expertise it
will offer and answer all the questions of potential clients on a very detailed level. Ultimately, all this brings us back to the question of whether the potential supplier can actually provide the company with a service that allows it to achieve better results for your process as opposing to what they can produce internally (Greer, Youngblood & Gray, 1999). Cost is always presumed to affect the selection of vendors greatly and these efficiencies may be the underlying reason for HRO. Whereas, the authors noted that companies would be willing to pay more for these services if they could achieve increased service quality and tap into external expertise with their outsourcing decision. Lever (1997) identified four distinct stages of a relationship between OSP and the buyer goes through. The starting point is the “discovery phase”, which refers mainly to planning the selection of suppliers, but also takes matters such as benchmarking internal services into consideration. This is followed by “negotiation phase” where the most suitable provider is selected and contract is planned. Many critical issues are covered here, the transition is planned and processes are being integrated. Responsibility for the actual process is transferred the OSP in the “transition phase”. Finally, when everything is running, it is evaluated in the “assessment phase”. At this point, the decision, if the service is continued and new contract may be renegotiated or if the company decides to seek another option is made. The potential burden of constant re-evaluation of these contracts and process is also noted by Armstrong (2003), which states that sometimes this constant evaluation causes outsourced processes even more difficult to manage than their counterparts manufactured in-house.

As an HR process is outsourced, management responsibilities tend to move
from management of the process to managing supplier relationship. Greer et al. (1999) describe some of the basic functions in such management being managing the transition, relationship of suppliers and evaluation of the relationship. This goes with the thoughts Lever (1997) mentioned above. Supplier selection and relationship management are definitely recurring themes in the HRO literature. E.g., Conklin (2005) elaborates that much inefficiency that can occur from outsourcing of two basic and non-basic activities can be prevented if the seller is chosen carefully. Conklin (2005) shows an example of such a tool to evaluate both the process and vendors, where the expected results are divided into two categories that address the operational and strategic outcomes to be achieved by the HRO process. The operational side is a set of goals related to detailed process that does not necessarily to add extra value to the process but are still crucial. An example of this in the case of a payroll process is that the employee receives wages and deductions based country or taxation is well done. The other series is benefit at the strategic level, which includes tools that are made from the HRO process and which company might not be able to use if it were producing the service internally. This could mean, for example, a more effective employee skills tracking system that would allow more detailed talent management process.

These specific HRO assessment tools are not the only ones. In fact, many evaluation criteria are used to assess traditional internally HR processes. For example, Armstrong (2003) has shown a performance measurement set of time measures, money measures and measures of effects and reaction. Although this model is not built specifically for HRO, the variables it has speed, cost-effectiveness and efficiency are all directly applicable to the assessment of
HR process which was produced by someone else. Another aspect of the management of the supplier relationship that has to do with the transition phase can be resistance within the organization. The perceived inefficiencies and poor results of outsourced HR processes that have been mentioned previously in this dissertation. People may be reluctant to let their payroll namely be handled by another company. This is a classic example of resistance to organizational change driven by own interest (Williams, 2008) and shall be addressed by managers.

2.3.2 Risks related to HRO

When looking at the possible risks of outsourcing human resources, passing through the nature of the process is beneficial to assess what is at stake here. These are not considered as drawbacks as their effect on the overall performance of HRO can be considered non-existent when managed properly. Conklin (2005) model of operational and strategic objectives of HRO is an effective way to begin to notice where the risks are. Obviously, the operational risks are related to the daily practice of human resources that can have a dramatic effect on the company’s employees. For example, in a case of outsourced payroll, operational risk could be that if there are problems, people may not be paid, causing a range of problems in the organisation. In addition, the risks at the strategic level would not also have dramatic effects considering employees. However, in strategic level, the main risks are comprised of long-term inefficiency caused by ineffective HRO. Tian (2007) is in the same line here as Conklin, but as compared to operational and strategic risk, it includes more of contractual risk and cultural risk. Contractual risk refers to the importance of strong and well constructed agreements between the buyer
and outsourcing service provider (OSP). This is particularly important when managing with business across national and cultural boundaries. The author follows this up indicating that well integrated contract is an effective way to protect the company against potential negative consequences if it fails outsourcing operation. The cultural risk built more on issues related to border operations. In particular, the questions that arise from the inter cultural communication theory which affects greatly. It is obvious that differentiation in communication strategies can even cause disputes (Guirdham, 2005). Accordingly, facing cultural risk in these outsourcing operations can be crucial. For example, if the human resource support is outsourced from a very open culture and informal than that of complete opposite, employees using the service might feel that the service they are receiving is suboptimal.

Tian (2007) also provides guidelines to fight against these risks. The first is the selection of vendor and management of the relationship that has been previously discussed in this dissertation. Further the important thing is the reasoning and decision process behind the outsourcing to identify potential risks and ways to avoid them. In addition, the author put some importance on clear governance structure where it is clearly stated that is responsible for what to avoid conflicts and reduce risk. The wide range of risks related to the outsourcing of HR activities is certainly obvious. Indeed, the perception risks related to HRO increase the risk that companies decide to produce these services internally rather than outsource (Tremblay, Patry and Lanoie, 2008). In addition, the authors showed that the function based reliance on HRO has greatly diminished because of these prejudices. However, the study highlighted a few ways for companies to reduce these perceived risks. Namely
they include the strategic status of HR department within the company, outsourcing experiences based on positive functions, and strong support for the management of HRO activities (ibid.).

2.4 Recruitment Process Outsourcing

Recruitment Process Outsourcing (RPO) is a line of research with close links to Human Resources Outsourcing. Essentially, for quite some time recruitment and selection have been identified as different functions of HRO. For instance, the possibility of outsourcing the recruitment was mentioned by Author Shen (2005) in her HRO research from the 1990's till 2004. The beginning of RPO activities started back in the early 2000 when this issue was combined into HRO theory.

According to Leggett (2007) the purpose and rationale of outsourcing recruitment is as follows:

“Because recruitment is awash with low-value, highly administrative tasks, it lends itself particularly well to outsourcing.”

Armstrong (2003) states that the use of companies providing RPO services and consultants is very effective way of to go through the initial stages of recruitment which is very time consuming. Basically it means based on their initial applications making a short list of candidates within the description provided by the company that is paying for the recruitment service offered. The search agency can be used when categorizing and evaluating the early
pools of applications, but they shouldn’t be allowed to make the final decision for the organization hiring those (Miaoulis et al. 2008)

The overall purpose of the following analysis is to give more information about the RPO processes and their advantages and disadvantages.

2.4.1 The Process of Recruitment Process Outsourcing

Recruitment Outsourcing has many similarities with other frequently outsourced HRO processes. A huge amount of the stage focused analysis that has been which has been explored and focused for a quite a long time in the field of HRO even applies to RPO. The steps relating to recruitment outsourcing as identified by Ume Amen (2010)

This in a way not only allows cross referencing to come of the Human resource models but also distinguishes it from the traditional recruitment process. In addition the author has also mention whether the given step should be outsourced rather than retained in house. The model along with recommendations which are listed as below:

1. Job Creation: In house
2. Sourcing: Outsource
3. Job Board Posting: Outsource
4. Screening: Outsource
5. Applicant Tracking: Outsource
6. Applicants interviews: In house
Success in each of these stages relies heavily on supplier/Vendor capabilities. However Ume – Amen, 2010 steps two through five are the basic functions to be outsourced. Sourcing, job mining/posting and screening are processes that take a lot of time, effort and expertise they need to be handled effectively, while applicant tracking, databases and recruitment portals rely on the technical expertise of the vendor. As the successes in each of these functions are based on the vendor's capabilities, it is obvious that the choice of vendor would be important. During the evaluation of vendors, the theory presented in the HRO section is broadly applicable to this context. However, there are some RPO-centered issues regarding the selection of suppliers that could be presented. An example of such is the way of searching for recruitment expertise based on the position to be filled (Armstrong, 2003). In other words, in the case of financial recruitment, consulting firms working in this sector could be the most appropriate for the recruitment outsourcing. A management function that must be maintained in the business is important.

2.4.2 Recruiting Process Outsourcing Advantages

The base line of a successful recruitment process is to acquire a suitable quality and number quality of employees as a little price as possible (Armstrong, 2003). Therefore, it should also be expected from an outsourced recruitment process. When you start to look into the advantages and possible disadvantages of recruitment subcontracting, looking into the two key principles presented here, quality and cost, will the most beneficial way to address this. As in the case of most other Human Resource Outsourcing activities, the underlying rationale
behind RPO is certainly related cost. There is a good amount of evidence that it is mainly the tasks in early recruitment stages require considerable time and efforts of HR professionals whose skills could be better used elsewhere. (Leggett, 2007; Ume Amen, 2010). Although there is very little evidence that the real cost of buying a third recruitment services would be lesser, the cost benefits gained from permitting the strategic level development of the human resources department should be very beneficial. There is also empirical evidence to support this as Ume Amen (2010) was shown in her research; managers had a positive perception of both cost cutting nature and increasing the capacity of recruitment RPO activities. HRMID (Human Resource Management International Digest, 2005) also stated that although RPO may seem expensive, the cost benefits gained from free time of human resources managers makes the process effective. It can also have lot more benefits related to RPO. An example of this is presented by Hauser (2011) which states that engaging in RPO allows companies to map their recruitment activities up & down depending on elements such as economic climate.

This might not be possible if the recruitment was done entirely in-house. While the cost benefits of RPO are to some degree usually agreed upon in the literature, the increased quality of the recruitment process has been much debated. A recurring theme in the academic literature was that outsourcing the recruitment process should not be applied to subsequent stages of the overall selection process (Miaulis et al. 2008; Ume Amen, 2010). Namely, this means that interviews and final selection should be kept within the firm. This can be considered as an indication of a degree of distrust among subcontractors. Administrative processes are considered fit for outsourcing but
organisations are not ready to go all the way through. However, there are some agreements in the literature on quality services in the early stages of recruitment. Ume Amen (2010) survey clearly showed that companies had positive notions about OSP's access to large number of candidate pools, as well as their abilities, skills and expertise. This shows that the steps of the recruitment process in which subcontracting is used, the results are expected to be good. In the article by HRMID (2005), the advantages as regards to the large scale recruitment were also identified as main advantages of RPO. In these cases, the number of applications may be too large for an internal recruiter to treat indirectly eliminating a number of potential candidates for selection process at an early stage. Moreover at this stage, recruiting companies that have specific expertise with distinguished industry may have more efficient access to the most relevant pools of candidates as well as to the appropriate tools to analyse them (Armstrong, 2003).

Cappello & Constance (2011) have a more modern concept of the possible next level advantages of recruitment outsourcing. They believe that in order to create RPO beneficial for both parties, there should be a similar relationship to a strategic partnership between them. This means that service providers are able to provide companies most suitable and innovative solutions on issues such as adding the latest technology related to recruitment, to refine the selection process, and communicating corporate brand of their client. In addition, it is said that there is room for a change to measure the effectiveness of the activities of the RPO quality of hire, alternative to traditional cost per hire. This is evidence that the industry is gradually becoming more focused on quality.
2.4.3 Recruitment Process Outsourcing Disadvantages

The Limits and traps of RPO have been widely discussed enough in the academic literature. They are often viewed in terms of a compromise between the cost advantages achieved and the risk of losing control of the recruitment process. For example, a company could lose a potential candidate that stands out in terms of quality CV, but was eliminated because its application could not answer some specific technical requirements in the guidelines provided to the outsourcing firm (HRMID, 2005). Ordanini & Silvestri (2008) also argued that fear of losing control. They exhibit interesting concept that a company can consider its recruitment as a heavy administrative burden or a resource of competitive advantage for their business. This line of notion decreases the issue of losing of control but says that because of this problem, a company that values its recruitment process should never outsource their recruitment process. Furthermore, the existence of such thinking is an indication that Enterprises can not see RPO service provider as having sufficient expertise in recruitment. Accordingly, the decision of outsourcing would actually decrease the overall the quality of the process.

The recognized disadvantages of RPO go beyond control. Author Hauser (2011) presented a study conducted by Aberdeen Group Inc., which demonstrated some of the concerns the companies had regarding RPO. One of them is the possibility that the recruitment services provider would fail to be able to represent the company and employer brand of the recruiter. This is probably something that recruitment outsourcing providers must address as there is strong evidence that the employer's brands are crucial in attracting the best
possible candidates (Moroko and Uncles, 2008). In addition to the brands of the employer, Hauser (2011) also presented issues such as failure to keep costs at a low level and the failure to provide quality candidates as the recurring drawbacks. However, these issues are something that are related to the contractual and strengthening the relationship side of outsourcing of human resources and are not likely to be specific to RPO.

Another interesting question is presented by Ume Amen (2010). In this case she applies a common outsourcing theory, which states that firms that engage too heavily in outsourcing activities could lose their technical skills and innovation capacity by not facing practical problems themselves. This question is in the different outsourcing production activities to outsourcing of business processes. Further In addition, it provides additional theoretical evidence that the recruitment process should not be outsourced completely. In total disadvantages of RPO are in relation to those that are common to other issue of human resources outsourcing. However, the issue of control is discussed to some extent and is stated in this context. Interestingly, the specific academic theory on RPO does very little in providing ways or tools to manage this issue. This problem is usually represented in a way that, it is always present in the RPO activities as a limiting element rather than something that needs to be managed actively.

2.4.4 Summary of factors influencing recruitment outsourcing

To clarify the various issues described throughout the section about RPO it is efficient to summarize the merits and demerits relating to this process and
provide some moderating factors that are related directly with the concept. In addition, some determinants in the following model are taken from other sections (mainly HRO) to fill some distinctive gaps in the literature concerning the recruitment outsourcing. The following model below summarizes the data sources of literature:

![Figure 2: Summary of factors influencing RPO](image)

This model incorporates the merits and demerits into understandable context easily. Although the RPO specific content comes exclusively from this current literature where moderating factors are collected from HRO literature because it is more developed for these subjects.

### 2.5 Supportive streams of literature

After crossing the most important fields of research, some background
themes from the subject can be easily be identified. When a basic HR such as recruitment is outsourced, it has short and long-term effects on the outsourcing firm. The short-term effects usually relate to Change management and the long-term effects with making the service human resources department more strategic (Conklin, 2005). Talent management is probably the most relevant long-term effects for modern businesses and is therefore chosen as the second key topic for literature support. Further, the part of Human Resources Department will also be discussed. The main objective of this section is to provide a brief overview of these important themes favourable rather than analyse them widely.

2.5.1 Change management

Large scale outsourcing activities are certainly a source for dramatic organization change, specifically for people working in the human resources department. Change can cause different forms of resistance within the organisation that can even risk the entire projects. Williams (2008) has discussed three categories of resistance to change. Change due to self interest, misunderstanding and distrust, and a low tolerance for change. Every resistance of these groups must be managed differently with a set of methods provided by the author. Kalyani & Sahoo (2011) take a rather different road indicating that the role of HR in change management is something that should be examined in the business plan and called strategic business planning (SBP). Essentially what the author states is that effective change management conducted by Human resource is a source of competitive advantage. This suggests that such practices are essential if RPO activities should cause a
degree of change within an organization. The following model is the SBP model presented by author Kalyani & Sahoo (2011).

Figure 3: Model of Human Resource Strategy that has competitive advantages in change management (Kalyani and Shahoo, 2011)

While the SBP theory shown above mainly refers to the management of change at a grand business plan level, not all types of situations where change management is necessary come from the same circumstances. Different whereabouts trigger different types of conditional resistors to change. In the case of outsourcing projects, the suitable change category can be considered as life cycle or regulated change (Van de Ven and Sun, 2011). This type of change is the result of a change that is initiated and controlled by the rules and
regulations of a given entity. When the management of this type of change, the desired result is to make subordinates adapt to the new situation and internalize the reasoning and ratification behind. Bold (2011) sums up the thoughts present in the SBP theory and the regulatory environment (Van de Ven & Sun, 2011) stating that the change management that occur in a controlled environment calls for structured measures to facilitate transitions. Whether the change only affects a unit team, business, or even a huge organization, effective change management should start alongside the overall project.

2.5.2 Talent management

Talent management affects RPO not only because of talent acquisition deals directly with recruitment but also due to the evolvement of HR which is caused by outsourcing activities. This transformation of the nature of an HR department is certainly one of underlying themes in this research. As administrative tasks are being eliminated, the intra-company HR processes of a more strategic in nature get more attention (Conklin, 2005). One of the functions that fit this criterion and I well discussed is certainly talent management. In recent decades, business management has become very important in knowing where talent can be found, how it can be grown and where it can be cut (Bouderau, 2011). Retooling HR practices has led to the development of similar frameworks to those of traditional business processes i.e. consumers and technology. Bouderau (2011) describes the process where talent flows through a company as the talent pool. To address this occurrence, researchers and organisations have established different theoretical
frameworks and models. An example is one shown by Areiquat, and Abdelhadi Al-Tarawneh (2010). Basically, the authors present all the characteristics that are related to talent management process creating a strategy around existing talent gaps to implement them in hiring and business objectives. Ultimately strategy reforms come down under the concepts of talent attraction, talent development, talent management, monitoring and development of talent management & sourcing talent. Such a model is a traditional compared to another line of thought on the same concept, talent gaps. Bouderau (2011) linked the inventory management theory for talent management and channelled the discussion around the concept of revenue. This is certainly a fairly modern take on the evaluation of talent pools because it considers them similar in theory to physical products inventory.

The examples regarding talent management above are just the tip of the iceberg. They are good examples of both traditional & more contemporary theories that go around the concept. However, the appearance of talent management raised some sceptical voices as well. Authors Iles, Preece & Chuai (2010) have critically analysed the real benefits of talent management in its current state. They exhibit hypothesis that suggests, some firms adopt talent management process mainly because it is fashionable in the industry to do so. Setting up such talents processes is triggered by the high-profile and high status organizations that adopt them. The thinking is certainly interesting that the importance of talent management is increasing at the same time the traditional human resources management is going under a dramatic reformation. A huge amount of research on the subject suggests that the effective management of intra-company talent is something that companies
should allocate the resources they receive from recruitment outsourcing and other HR processes.

### 2.5.3 Role of the human resources department

The entire outsourcing process mainly revolves around the company's human resources department. Therefore, a review of some relevant theories is in order. The focus is here is on slightly more contemporary HR, those associated with conventional operational HR is not presented as their relevance to this dissertation is restricted. Authors Hope Hailey, Farndale and Truss (2005) describe the separation between strategic HR and administrative HR. They argue that all administrative HR focuses on day to day operational management, strategic Human Resource concerns mainly with aligning Human Resource strategy with the company's strategy. The role of business partner resembles the state of strategic HR activities which is obtained through outsourcing (Conklin, 2005), which was discussed earlier in this dissertation. The changing role of HR also changes the way its activities are measured. While in conventional HR the measurement object is on the direct costs incurred by the various HR processes, in strategic HR work of the department is evaluated by how its the results supports business strategy (Ulrich, Brockbank and Younger, 2008). This indicates a strategic role is adopted, the measure used of various HR processes changes.

There are different ways to describe how different types of HR department works on an organizational level. Ulrich et al. (2008) divides the basic HR organizations into three types:

1. Functional
2. Shared services, and
3. Dedicated.
The functional and dedicated organizations are similar, the difference being that there is an enterprise wide HR in the functional type, while an umbrella organisation provides centralized HR for its subordinates in the dedicated type. In addition, these two types of organization can be considered operational HR. Human Resource departments offering shared services have the characteristics of a strategic and operational Partner HR department. These human resources functions are decentralized to where they are needed. In this structure, HR works by consulting employees and managers on the basis of their needs. It is clear that this structure is an e.g. to measure HR strategy with business strategy throughout the organization and is well in line with the thoughts discussed by Hope Hailey et al. (2005). Strategic HR is certainly the modern way of organizing HR, HR functional as can be outsourced. The competitive advantages that companies could withdraw from their HR activities are strongly linked to their strategic capabilities for HR (Fowler-Guzzardo, 2010). The pursuit of these results can certainly be beneficial for any organization and how to reach them is through human resources outsourcing.

2.6 Theoretical framework

During the course of the literature review the pieces that form the concept of the recruitment process outsourcing has become quite understandable. The initial impression that outsourcing recruitment theory itself can not provide a sufficient number of theories and frameworks by itself has proved to be correct. In addition to the gap in the current literature with Traditional
recruitment theory, especially in terms of recruitment process models, and human resources outsourcing research, ended up by forming the desired understanding of the basic concepts related to this research area.

2.6.1 Development of theoretical framework

Building a model for the recruitment process forms the basis of the theoretical frame. The different stages of recruitment are of great importance for the purpose of evaluating recruitment outsourcing as practices & determinants of success vary widely at different stages of the process. Authors Miaoulis, Nicovich & Stolz (2008) provide an efficient model to evaluate the different stages of the recruitment which is also in line with Armstrong (2003) wider descriptions. However, for recruitment outsourcing, the model must be modified by adding recruitment systems as initial stage. Large organisations in particular use e-recruitment and management systems that are rarely produced internally. In addition, the theory strongly advises that interview stages are rarely outsourced (Ume Amen, 2010) and therefore how outsourcing service provider’s work during these stages is different from the entire process. Changes to the model of Miaoulis et al. (2008) can be summarized with the following model:
The model presents the hierarchical nature of traditional recruitment process from the perspective of OSPs. The stages with the most importance are systems, announcement, application and screening, and the offer phase, which are also the most time-consuming stages of the overall process. Furthermore,
it is worth noting that recruitment systems and the offer phase are somewhat separate from the actual recruiting activities and form more of a set of supportive tasks.

### 2.6.2 Refining the viewpoint

The fundamental objective of this framework is to evaluate the possible indicators for effectiveness of the practice of the actual outsourcing and the factors defining justification throughout the process. Carrying on to analysis of these two distinct levels of RPO requires a theoretical framework that addresses two specific sets of determinants in each stage of the recruitment process. The purpose of the outsourcing comes from perceived value generating activities at each stage of the overall process. They form the separate functions that must be managed to ensure the effectiveness of the recruitment process itself. In the theoretical part they are discovered as purposes of specific steps in the recruitment model. The effectiveness of RPO is considered by the identification of additional benefits that a third OSP brings to the recruitment model. These success factors that mainly relate due to the expertise of OSP and the level of service that RPO client wants from their service providers are the final tools to evaluate the success of any outsourcing recruitment process.

### 2.6.3 Finalized theoretical framework

Based on the discussion in the last two sections of this dissertation, the
following theoretical framework is built from the themes and issues identified in the presentation of the academic literature. The model is based on the amended representation recruitment process Miaoulis et al. (2008).

Figure 5: Theoretical framework, applied from Miaoulis et al (2008)

The starting point of this framework is the wish to change the way recruitment is conducted within a given organisation. Strategic HR transformation is certainly one of the most relevant reasons that recruitment can be outsourced alongside other HR processes without any specific recruitment motivation. Other
incubator of change is a search for cost advantages and external expertise (Ume Amen, 2010 and Hauser, 2011). In essence, these three sources of RPO form the target for the whole process. If one of these is achieved, the recruitment outsourcing may be considered beneficial. Guideline of the model is the set of stages of the recruitment process. Each specific step is completed by two levels determinants used to evaluate the effectiveness and justification of the RPO activity related to this specific stage. These two levels are the OSP related (Outsourcing Service Provider) success factors and customer level evaluation of the objective of each particular step.
3. Research Methodology

3.1 Introduction

In the below chapter, the researcher will describe the structure of the research methodology that was applied to the search strategy methods, data collection and research design in order to find out the effectiveness of RPO. In detail the researcher went through the justification and explanation of the chosen research philosophy, the approach used and the research strategy designed to produce at the end of the study. In addition, the researcher has described the methods selected to collect data and analyze them and the ethical issues that he faced and different solutions to manage them. In order to track the most appropriate assistance the research onion is used for his dissertation (Saunders et al., 2009).

![Research Onion](image.png)

*Figure 6: Research Onion, Source: Saunders et al, 2009.*
3.1 Research structure for the study

For the purpose of this study the primary research method will be a survey which will be conducted in corporation with Headhunt International an Irish organisation and a few other recruitment firms. The initial goal of this survey is to the perceptions and thought process of business personnel on a cross industry level. As RPO is moderately new field of research the quantity and quality of the resources concerning this topic are not enough to provide good foundation for such a quantitative research method.

This generates a demand for gathering additional information prior to carrying out the survey. The main focus is on collecting a set of explanatory information, particularly on practical issues to outsourcing recruitment process.

Evaluating the phenomenon connected to international business such as recruitment process outsourcing, benefits from qualitative research due to the inter disciplinary nature of the field (Doz, 2011). However in this case of research it is quite obvious that a qualitative research structure consisting for e.g. only interviews cannot back up the research objectives.

Hence, a two level research structure was used in which for the purpose of collecting explanatory information qualitative study will be conducted which will facilitate the development of primary research method, a quantitative interview. This type of research structure can be called as mixed method design.
Fundamentally, in mixed method design qualitative and quantitative are evaluated together to achieve the common research goals. Hurmerinta-Peltomäki and Nummela (2006) identified three types of mixed method designs which are used in context to international business research.

The author explains and suggest that this qualitative can be used to:

1. Facilitate quantitative part
2. Improve the overall validity of the research
3. Add to the existing knowledge base

Figure 7: Source: A Classification tool for mixed-method designs (Hurmerinta-
This model shows how the two types of data are regarded and processed.

For instance AB structure means that qualitative data are analyzed both quantitatively and qualitatively. In addition AD design which is used in this dissertation means that qualitative data are evaluated qualitatively and quantitative data is analyzed quantitatively. The mixed method structure is not the only way to use two different research methods in a single context.

For e.g. a design known as qualitative-quantitative continuum, for this an elaborative method is used to collect technical information on the topic which is then converted into quantitative research (Niglas, 2007). On the other hand as this method does not take in to consideration the initial method of core data, for this research structure the mixed method design fit better as the findings from the interviews will be combined with overall results.

For this type of research using only qualitative methods could be an option, however the results obtained might be unreliable. Collecting Quantitative data is considered to be effective and accurate for this type of cross industry analysis as it provide greater objectivity than the qualitative method (Johnson et al, 2007)

**3.2 Personal Interview**

The first research method to be used was the personal interviews with HR professional who was the director of a major recruitment firm.
3.2.1 Interview Plan

The interview is to be conducted with the HR director of a large recruitment firm. The main objective of this interview is to gain a broad range of real life examples related to huge outsourcing projects. The important areas have to do with how the project was coordinated and implemented within the organization. The interview will be conducted relatively in free form. In order to encourage Ms. Harrison to speak about the RPO related issues that she considers to be important for a project like this.

The focus will be on special themes, various rationale, measurement of recruitment activities like costs gains etc. and questions relating to the process structure.

3.3 Primary survey

The empirical part of this research is quantitative survey. The survey will be built upon themes that were important in the academic literature combined with some of the information collected by interviewing Ms. Harrison. The main goal of this questionnaire is to obtain solid statistical data on the thoughts and perceptions of human resource professionals regarding recruitment process outsourcing (RPO).

3.3.1 Pool of recipients

The survey will be conducted with the corporation of a large recruitment firm
which is an international recruitment firm in Ireland. The HR professional working there and a few other recruitment firms along with a few clients are the recipients for the survey. The recipients are all HR professional. As the aim was to collect perceptitional data on cross industry level.

### 3.3.2 Survey structure

The survey will consist of brief question that each question will dealt with a specific fact relating to RPO. For instance seeking cost advantages & outside expertise, strategic reform of human resource departments & other important themes in the academic literature were analyzed in the questionnaire. Since participants in the survey are volunteers the structure need to be kept clear and brief in order to increase the positivity that they will complete the survey. Hence overcomplicated question needs to be avoided.

Most questions have sought to map the perceptions of recipients by providing a report and analysis to the extent of which they agree with it. The recipients were also asked whether their companies engage in outsourcing recruitment. By the end of the investigation there was an opportunity to reflect on the opinions and perceptions of more detailed RPO on an open field. Answering the survey was designed to take only about five minutes. It was available for a period of three weeks and the completed questionnaires were sought from 100 recipients.
3.3.3 Piloting

To ensure that the survey is carried out smoothly, a pilot version was sent to 2 people who checked the questionnaire both technical level and any grammatical or logical mistakes. Based on this feedback the final version of survey has been refined. The answers provided by the recipients were deleted after the pilot was completed to make sure that the integrity of the investigation was not been compromised.

3.3.4 Survey outcome

As described before, this survey was conducted in corporation with Irish Recruitment firm and was sent to about 100 of their members, who all work in HR. Also this survey was forwarded to number of HR Managers working in different companies through LinkedIn. The investigation began on 1st of May, 2015 and was open for a period of two weeks until 15th of May, 2015. Throughout the total of 100 responses were received. The response received exceeded the actual expectations. A total of 100 recipients show a noteworthy sample to allow development of critical assumptions concerning the perceptions of HR professionals in recruitment outsourcing. Since no tools categorizing the recipients were used, the responses have been treated as one sample. During and just after the data collection period two concerns were discovered that force affect the quality of the sample. First, during the construction of the survey, it was decided to allow recipients of skipping questions. As they were from different backgrounds such as HR Specialist, HR managers, university faulty etc. forcing them to express opinions on topics
they possibly know nothing could lead to results not fulfilling the investigation. Overall, the average number of recipients who skipped an issue was about 14.5 (6.43% of the sample). There is no typical pattern that would explain the differences in the skipped questions, but it looks like the more complex and technical questions effected in skipping. The detailed analysis of the questions that were ignored or skipped will be giving in the findings of the investigation (survey) are presented. In total, the number of skipped questions was too small to affect the study quality.

3.3.5 Linking and combining the data

After the mixed design of this research, the two data sources will be discussed in the same context. The qualitative interview was analysed with qualitative methods and findings not only influenced the issues of the quantitative survey, but also form a separate data set can be connected with the findings overall. Therefore, all the worthy data collected from the Survey and interview has indeed been incorporated into the discussion of this dissertation.

3.3.6 Summary

In this chapter the research design used for this study was being presented. A mixed method approach was used that is a mixture of qualitative and quantitative approaches were adopted. It is taken in to supervision that to promote the validity and reliability of the instruments and the results are presented in graphical form.
4. FINDINGS

The outcome of this research is made from the information provided from two different sources one was the interview with Ms. X who is the director of major recruitment firm and the quantitative survey sent to the members of recruitment firm and HR professional. In this segment the findings will be discussed.

4.1 Presentation of findings

To present and reflect on the conclusions of two separate pools of findings more effectively, the results will be divided into basic research topics. These topics are built on the points of importance which are identified through the development of conceptual frameworks during the search process. The combination method of combining statistical data on perceptions of Irish HR professional with more elaborative & in depth explanation from should give a competent method of presenting results effectively and easily understandable way.

4.2 Basic information

The two samples of this research, including both qualitative data concerning outsourcing project experiences of the interviewee, and quantitative data from the effectively separate group of professional HR; the study has collect data at the basic level on the recruitment outsourcing. Existing information on the use the level of RPO and also professionals perceptions of depth of outsourcing
were issues that could be evaluated effectively in the research process.

4.2.1 The Use of recruitment outsourcing

The first results relate to the usage of outsourcing recruitment in Irish companies. The below question was constructed to determine how extensively the employer organizations of the recipients of the quantitative survey were involved in recruiting outsourcing activities:

1\textsuperscript{st} Question: In the company where I work, recruitment processes are:

\begin{figure}
\centering
\includegraphics[width=0.7\textwidth]{chart1.png}
\caption{Quantitative survey of Question one.}
\end{figure}
As the above graph shows, about half of the recipients were companies involved in some form of RPO. While eighteen percent of recipients said their recruitment was completely outsourced, it is somewhat surprising that half the companies use recruitment outsourcing. The academic literature on the subject would suggest that even if RPO is a new method and frequently used, the majority of businesses run their internal recruitment. The survey did not separate according to their size businesses, and it is likely to be a large number of recipients of small and medium enterprises (SMEs) should not be more likely to outsource recruitment. However, despite this, the level of use of the RPO was found greater than expected.

4.2.2 Scale of HR outsourcing

After taking a look at more targeted recruitment outsourcing, it is helpful to take other Human Resource activities should be considered in Question two.

2nd Question: In the company where I work, the following of the HR processes are outsourced:
Chart 2: Quantitative survey of Question Two.

The answers to this question were similar to question one. Payroll, which is likely to be one of the most frequently outsourced HR activities, was produced outside of the company in 45.45% in the survey. The situations where HRO is not used at all were almost as common. Therefore, as HR has not been contracted in 31.82% of the answers, we can assume that almost a fifth of those who outsourced payroll did outsource other functions. Those who said they outsource other HR processes mostly described as the different types of evaluation, the steps of the recruitment process, and training. In the interview, the Interviewee explained a rather extreme case of human resources
outsourcing. In the company where she gained experience in recruitment outsourcing, all operational HR was entrusted globally. This included conventional administrative HR like payroll and employee training, HR functions help desk & guidance relating to new HR processes. This was done in order to move towards a more strategic human resource structure, which will be discussed in more detail later in the conclusions. For the purpose of obtaining information on a larger scale HR outsourcing projects, the interviewee was also questioned about how the recruitment is different from other human resources outsourcing (HRO). She said that ultimately the differences are because of the conditional nature of recruitment outsourcing, in comparison with for example, the legalistic nature of payroll outsourcing. In other words, payroll outsourcing is guided and influenced by extremely regulated issues as local agreements, collective agreements, legislation & other similar factors, while recruitment has some room for subjective assessment.

4.2.3 Level of Employees

The third topic of the basic information was the intensity of recruitment outsourcing in relation of staff levels at which the practice could be tested.

3rd Question: On which staff levels should recruitment outsourcing be ideally applied to?
Chart 3: Quantitative survey of Question third.

Showing where employee’s recruitment outsourcing would be most effective was an important part of the background knowledge when searching and more specialized recruitment theory. In addition, recruitment methods tend to vary depending on the employee level, for example the acquisitions of workforce at lower levels and signing on executive search in the later stages. Since none of these more specific recruitment process were part of the theoretical framework, it is important to see how recipients perceive them. It appears that people feel that outsourcing the acquisition of highest level managers & executives is the most beneficial approach for RPO (50%) and is also a sign of the use of labor hire. However, other employee levels were considered very similar to RPO purposes. There was no proof that executive search of the highest levels of employees have caused any kind of tip in
outsourcing capabilities. The best employee level for outsourcing recruitment are not discussed with the interviewee (Ms. X) directly as her company was under contractual agreement which obliged them to use RPO when recruiting externally. However, if an open position should be filled by internal recruitment, it was not necessary to go through the OSP (outsourcing service provider). It was very interesting to see that only 22.73% of recipients said that recruitment should not be outsourced. This percentage is relatively low given that 31.82% of the beneficiaries are not engaged in any type of outsourced HR and 54.55% percent had no RPO ongoing process. This is a clear clue suggesting that HR professionals in Ireland are relatively approval of outsourced recruitment.

4.2.4 Different Stages of recruitment for outsourcing

The fourth question measures the effects of different stages on to recruitment outsourcing which is one of the core themes of this dissertation.

4th Question: From the below stages of recruitment, which one should be preferably be outsourced?
The first question that is obvious in the results is that recruitment outsourcing can certainly be assessed individually for each step. If RPO must always be analysed on the basis of the full recruitment process, the answers to this question would be more uniformly distributed. As per the results, the most appropriate step for outsourcing was analyzing the recruitment (52.38%). In the process this step is mostly considered time absorbing, outsourcing it can be helpful. Further, monitoring step for the examination of the material where the elected candidates are contacted and the Initial interviews were seen as something that is effective to outsource (38.10%). Recruitment Systems (14.29%) and Announcements (14.29%) also collected support which is in line with the current use of RPO and data at the employee level in question one & two. Furthermore, only 4.76% of the recipients in this question said that recruitment should not be outsourced, which was comparatively very less as in the previous question (22.73%). However, this is certainly due to the fact that not all people consider recruitment systems or other part of the exact process to be outsourced, when the context was not stated in the question. In the organization of the Interviewee (Ms. X) the practice followed the results of the investigation. She outlined the steps that have been selected as internal processes as follows:
"The beginning and the end of the recruitment process have been retained in the business. The very labor intensive portion in the middle of the process was outsourced."

Here is what the interviewee meant that decisions on recruitment strategy & final interviews and selection were conducted internally. However, she explained that post recruitment phase where such contracts are written, was also outsourced. In addition, there is also strong support for this type of outsourcing structure in the literature (Ume Amen, 2010).

### 4.3 Recruitment outsourcing process and planning

The first of the main topics mentioned throughout the interview and compared with the statements in the quantitative survey are the processes of specific recruitment and planning factors.

The results that address the actual planning of outsourcing recruitment process come almost exclusively of the interview. The interviewee detailed how the process in the company where she worked was well coordinated and planned. The starting for such a type of outsourcing operations is developing a statement of work (SOW). There is a plan in which the various responsibilities of the buyer and outsourcing Service Provider (OSP) are interpreted in full detail. In Interviewee’s case that plan was managed globally. It was conveyed that this statement of work, was used as a standard guide throughout the outsourcing process has not changed radically before. However, possible gaps have been addressed & added to the agreement after the services have been outsourced. Basically, the way this process was first coordinated is by planning
the desired HR transformation and then gradually transferring to the OSP. In addition, during the interview the Interviewee stressed the importance of careful planning throughout the outsourcing process. As described by the interviewee, it became clear that the change in HR structure was radical enough to cause a degree of resistance to change within the organization. The transformation of the structure of human resources & outsourcing process were implemented at about the same time the company made another important change related to its business structure. Employees were encouraged to adjust to the changes in company structure, which needed tools in line with those proposed by Van de Ven & Sun (2011.) as the ratification & the internalization of the change and the reasons behind it. Regarding recruitment as a process, one of the most important factors that can lead an outsourcing project, is the perceived resource intensity of the process itself. The following question was constructed to assess the opinions of the recipients in the survey to this question:

5th Question: Recruitment is a very resource intensive process that uses a large amount of resources when conducted internally.
Chart 5: Quantitative survey of Question Fifth

The task of this question was not to give the recipients with evidence that it would prove something that has already been proved. However, checking in the manner businesses and HR professionals consider the structure of recruitment as a process can be used to analyze the worth the companies give to this process. If a recipient thinks recruitment as a resource intensive process, it would be a clear gesture that recipients see it as something that can be outsourced. Over half the sample had such view. One would assume that the proportion who disagreed with that question would be in line with those who were cynical of the entire concept of RPO as seen in the primary issues. However, the number disagreed recipients were significantly greater here. This could be an indication that especially smaller companies can do their recruitment with relatively restricted resources. In addition, the Interviewee whose experience came from a very large corporation noted that recruitment at least in the intermediate steps is a resource intensive process. E.g. Evaluation of applicants etc.

4.4 Scope and decisions of Outsourcing

In this chapter the topic effecting the scope and decision making activities of outsourcing will be discussed
4.4.1 Job Specific Recruitment Outsourcing

The following statement has a very different viewpoint on the subject. It is structured to estimate what kind of adaptability organizations retain regarding their recruitment process outsourcing.

The following statement has a very different perspective on the subject. It is designed to evaluate what type of flexibility companies retain with regards to their recruitment outsourcing operations.

6th Question: Outsourcing of recruitment should be case specific for example outsourcing of specific job openings, not the complete processes.

![Chart 6: Quantitative survey of Question sixth]

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When an organization uses RPO, this does not essentially mean that all recruitment processes are outsourced. As opposite to large scale outsourcing project, where most of the operational HR is outsourced, for e.g. in the case described by the interviewee in the personal interview, some organization want to preserve the ability to assess case specific recruitment process. Knowing this would mean that if there is an open position within a company, the decision on whether to outsource the recruitment process or part for this job position, is based on the specific characteristics of this opening. Most of the recipients (75.00%) agree that this type of technique is an effective way to decide on using RPO. One benefit of RPO is the ability to be adaptable with recruitment (Hauser, 2011) and the results of this question are according to what allows companies to vary the use of RPO in different situations. In addition, the proportion who disagreed does not exceed those against RPO, indicating that the sample is relatively common as regards to the concept. It is an indication that almost half of the recipients (40.00%) strongly agree with the statement. In the interviewee's case such flexibility was not present. As previously reported, the project outsourcing where her experiences came from an agreement where all external recruitment, with reference to steps that have been outsourced in the first place, was treated by the OSP. However, this does not apply to internal recruitment process.

4.4.2 Primary Interviews
This statement is used to analyze the eagerness of the recipients whether primary interview are supposed to be include in RPO processes:
7th Question: Primary interviews should be conducted internally.

Based on the fundamental information mapped stated that primary interviews and selections procedures are something that can be conveniently outsourced, which is in connection with the literature (Ume Amen, 2010). It could have been assumed that the response directly reflects the results of this statement. Most of the recipients have agreed that primary interviews should be kept as internal operations, but an unexpected large part do not agree with that. It is hard to explain why so many recipients apparently switched their thoughts. One possible clarification is that this question didn’t give much context for what types of primary interviews are done. Based on open answers feedback, we can assume that some recipients consider first round interviews
& evaluation for e.g. group interviews, assessment of skills, psychological assessment etc. something that can and should be outsourced. Because the question does not sufficiently distinguish enough between primary interviews & these first initial interviews, the results of this question were somewhat inconsistent. However, there is still a clear indication that HR professionals believe that even at the perceptual and subjective evaluation of candidates may be outsourced to some extent. While the quantitative results on this issue where somewhat inconsistent, some valuable information on the subject have been collected from the interview with the interviewee. First, according to her the final interviews and selection are not included in the recruitment outsourcing but were kept within the organization. Moreover, she felt very strong to keep the final decisions in the hands of the manager who is in charge of the future employee.

"When there are several candidates with skills and expertise that are very similar, the most essential quality of the candidates is their attitude. Assessing this attitude is of the greatest importance."

The interviewee indicates that the attitude can be assessed by different measures, even during the outsourced part of the recruitment process. However, hiring the most appropriate candidate based on its characteristics & attitude is always the responsibility of the hiring manager of the recruitment process.

4.5 Recognized Benefits of Recruitment Outsourcing

The basic recognized or perceived benefits that link to recruitment outsourcing are definitely the expertise from outside and the cost advantages to it. Both this issues were analyzed with individualistic statements, starting with costs.
8th Question: The fundamental reason for recruitment outsourcing is a need for cutting costs.

Cost advantages are undoubtedly the driving force for virtually all outsourcing activity. The present literature recommends that obtaining the savings and to be able to scale recruitment activities are effectively two key justifications for RPO (Ume Amen, 2010 & Hauser, 2011). The recipients of this survey had same views that are 40.91% of the recipients agreed at least to an extent that one of the fundamental reasons for outsourcing recruitment was the need to reduce costs. However almost half of the sample has not agreed with this statement. This may indicate that the recruitment outsourcing can be also considered a
measure to manage the most difficult recruitment scenarios for e.g. International Recruitment and technical recruitment, which will be discussed later. However the interviewer did not completely agree with the lower costs as a result of RPO activities. She said that this aspect depends greatly on the agreement of contract. Whereas on the other hand she acknowledged that in some cases cost advantages can be gained, it is not a universal outcome of recruitment outsourcing. In addition, it was stated that the quality of the planning process affects the costs as uncertain division of responsibilities between OSP and the buyer and other inefficiencies could obstruct the overall benefits of RPO. The second part of the known advantages drawn on the outside expertise will be addressed by the below question.

9th Question: Outsourcing recruitment increases the firm's recruitment capabilities & provides efficiencies in terms of outside expertise.
It is important for companies that by operating a critical process such as recruitment in collaboration with a provider of outsourcing services, they achieve contact to expertise, resources and experience of the third party. Most of the recipients agreed in plenty to that. We can say that the proportion of those who do not agree is close to the proportion who stated that recruitment should never be outsourced, as indicated in the fundamental questions 1 to 4. Taking this into reflection, we can say that almost everyone who considered RPO a valid option for handling the recruitment agreed that there is a possibility to use external expertise hence improving & enhancing the success of recruitment. The interviewer agreed with this and said that issues other than cost savings which are not guaranteed are more important for outsourcing decisions. External expertise is included in these. In addition, it was said that it is more advantageous to let go an expert through recruitment material than spending insufficient time of the hiring managers and other internal staff on such a process.

4.6 Social Recruitment

Social recruitment would be addressed in the survey.
10th Question: Recruitment outsourcing may result in more effective utilization of social media and other nontraditional pools of applicants.

![Chart 10: Quantitative survey of Question tenth](image)

Social media gives recruiters a new attractive advertising channel which in turn provides access to the pools of candidates that are not available through conventional channels (Doherty, 2010). However, the social media requires some expertise to be used effectively and is one of the potential areas where recruitment agencies and OSP can stand out. Majority of the Recipients agreed with the thought and almost everyone (80.00%) agreed to some amount with the statement. The proportion of those who somewhat disagree are in line with people who hesitate to outsource recruitment in any scenario. Based on
the responses, it can assume that the social recruitment is one of the most specialized recruitment topics that can affect the logic of RPO for some organizations. Knowledge of different social media, the technical implementation, data analysis and strategy implementation all require some amount of expertise. For a business, such expertise could be more easily achieved by outsourcing of activities then by their development internally.

4.7 Employer brands

The next topic under analyses is the impact of employer brands on outsourcing recruitment.

11th Question: Even in case of recruitment outsourcing, Employer brand can be communicated effectively

![Chart 11: Quantitative survey of Question eleven.](image)
Emitting a strong corporate brand image and the employer is a crucial aspect of recruitment (Wang and Wang, 2009). It is certainly a valid argument that a OSP can not necessarily use the trademarks of the employer to its customers as well as they could themselves. The number of applications and the quality from other sources of the sample of candidates received by the company for their recruitment processes are altered by the employer brand. Thus, in the case of recruitment outsourcing recruiters may have to use an unknown brand. To be able to take advantage of customer organization is a definite success element in regards to RPO. The recipients were divided in their thoughts about the possibility of using brands off house. However, a slightly higher percentage reported the employer brand could be regardless of who uses them in marketing. The difference of answers suggests that this issue is extremely case dependent and employer branding can be used in a context of RPO if a certain degree of work is put into the process.

Planning between the parties and other matters relating to the sale, determining the success of employer brands utilization in external context. Undoubtedly, an internal employee with this context could prove equally ineffective than the one as external. Overall the results for this question stayed slightly lacking but at least it can not be assumed that the employer brands works against the whole concept of RPO.

4.8 Technical recruitment

One of the most important topics of this research, as well as a possible justification for recruitment outsourcing, was the special theme of technical recruitment. Results and findings regarding this subject is still largely based on
the quantitative investigation. However the general issue was briefly discussed with the interviewee, who said that the idea that recruitment outsourcing can be influenced by the presence of this special theme has an amount of support from her experiences. However, statistical data related to the evaluation of this specific question were collected with one question in the survey.

12th Question: In case of highly technical job the effectiveness of outsourcing recruitment increases.
Effectiveness of recruitment outsourcing is increased in case of highly technical job opening.

![Chart 12: Quantitative survey of Question twelve](chart12.png)
Recruitment outsourcing can theoretically be more effective in the case of the acquisition of highly expert technical workers. For e.g. If candidate is required to have a particular software training or certificate, the recruitment process would suit this category. Most of the recipients agreed very well with the statement concerning this subject. A total of 75% approved to some amount with the concept. If one has never treated recruitment in a technical environment they are likely not to have strong thoughts in one direction or the other. Overall, it seems that there is a validation to assume that one of the justifications for outsourcing recruitment may form such technical context. As companies engage in search of these employees usually possess the required capabilities to evaluate this skill, it can prove to be a very resource intensive process requiring the use of internal technical staff and placing additional pressure on employees. In this case, it would be more helpful to allow an external operator control assessment of technical attributes. There is certainly an amount of evidence that technical recruitment is an appropriate framework for outsourcing activities.

4.9 International recruitment

In addition to technical recruitment, the context of international recruitment has certain influence to RPO.

13th Question: When recruitment process id outsources to a host location provider, International recruitment is more effective.
The special theme for International recruitment was an important aspect of this investigation. It is encouraging that recipients overwhelmingly agreed that the international framework improves efficiencies acquired from RPO at least to some degree. The purpose of this question was on recruitment of host location employees, which is one of the main international recruitment strategies (Caligiuri, 2010). The responses do not reflect domestic recruiting for international missions as this are normally internal recruitment process. Most of the recipients agree with this statement and the concept given by it. International recruitment is possibly one of the contexts where beating into external resources is most valuable. Operating location host recruitment internally, we must know several cultural and the legislation factors and that would impose an excessive burden on recruiters. Using a host location worker
allows company to work around these issues and let go global HR resources for other important tasks. In total, it can be determined that outsourcing recruitment is an important concept for business internationally, particularly during the creation of foreign subsidiaries or other cross border businesses. The interviewee noted that this concept has a lot to do with strategic decisions by enterprises. Again there is a basis of this statement, even though the context affects to some amount. This has to do with various staffing options available, for e.g. whether to use local or expatriate workforce. However while deciding to use people from a host location, RPO has strong support when thoughts of the interviewee are combined with the outcome for the question above.

4.10 HR department Role

When we look into the effects RPO has internally to the role of HR department, it is useful to note that whether they happen because of the application of this services.

14th Question: Outsourcing recruitment creates a more strategic role for corporate HR because the administrative job is done elsewhere.
One of the main content recognized in the literature (Ume Amen, 2010) & then confirmed in the personal interview was the development of strategic HR out of the HRO activities. Most of the recipients have strongly confirmed this sensation. A total of 43.48% of the sample agreed to some amount that the activities of HRO and RPO allow this form of strategic development of the company's human resources. The benefits of hiring Outsourcing directly affects the competitiveness of a company. While cost savings and without doubt the increasing quality of the recruitment process affect those specific processes, the impact on the overall organization may not be too wide. However, if the HR as a whole is functioned in an organization, changes due to effect of RPO and HRO process, the result can be substantial. The disagreed recipients (56.52% overall) probably consists of those who is seen as RPO totally ineffective, or...
those small businesses that are not really gaining any kind of benefits of strategic HR. If they even have a separate human resources department. In total, confirming the existence of such a sensation is certainly an important discovery with respect to this research.

The Alteration of the role of the human resources department was also a major subject in the interview with the interviewee. In the case under review, global reform of HR activities was one of the reasons why outsourcing recruitment practices were carried out and implemented. The interviewee presented a model defining the preferred HR structure during the interview, but due to problems of non-disclosure of this specific context can not be presented. However, the line of content and thought of this original model can be converted in another example. The modified model incorporates the following information presented by the interviewee:

![Diagram of corporate HR structure](image)

Figure 7: Structure of corporate HR. Modified, Post-transformation.
THE INTERVIEWEE’S MODEL

The model shows us that HR is rearranged in two internal and one external department. The external department is one labeled as functional HR and managed by an OSP worldwide. The functions performed under this department are those that are often considered part of the administration and operational HR such as recruitment & payroll. Strategic HR is a group level department which is responsible for planning and development functions related to human resources. It also enables the OSP with all suitable information and support it might need to be with regarding operational HR. Below this two departments are world expert’s teams who are responsible to carry out HR-related special projects. In this kind of structure the contact points for regular employees are in Strategic HR for strategic concerns and in Functional HR for operational matters.

The model and descriptions of the interviewee are well in connection with the literature. The improved HR structure closely resembles the HR partner company presented by Ulrich et al., 2008 with the difference being that there are teams of experts instead of HR partners. Examples of the work of these expert teams should include practices such as talent management, rewarding and succession planning. In addition, it was worth to take a more detailed look at one of these questions in the qualitative survey. Talent management suited the purpose perfectly and the following statement was built to assess the following:
15th Question: Talent management becomes more important for companies as recruitment activities are outsourced.

![Chart 15: Quantitative survey of Question 15th](image)

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The theory suggests that administrative HR consumes less resource, procedures such as Talent management gain more ground (Conklin, 2005). Seeing how this hypothesis reflects on the thoughts of the recipients is an effective way to estimate the subject. First of all, it is interesting to note that the percentage of recipients who were undecided was surprisingly high. This is probably due to the presence of people from small scale organizations where talent management can not be considered an individual process, but something that is carried out along with recruitment and sourcing of employee. However, apart from this, the recipients have agreed with the statement. The ability to make use of the resources released by administrative and operational
HR in more strategic context can certainly be considered a key argument, especially for more organization to use RPO. Especially the feature of talent management that deals talent acquisition plays a larger role as a method deals directly with recruitment even if it is outsourced. Other characteristics of talent management that deals with processes aimed at existing employees also profit from more cross-functional & strategic role of resulting from the human resources department (Areiquat et al, 2010). Linking the findings for the two questions being analyzed in this section with the results of the personal interview yielded strong evidence of the Departmental changes Human Resource could be undertaken as a result of RPO. It can even be contested that such a modern and dynamic company model is in fact one of the fundamental reasons behind RPO.

4.11 Measurement

There were two types of different valuation methods were measured in this research. First, those presented in the academic literature that is cost per hire & quality of hire. And those practices described in the interview.

4.11.1 Cost per hire and Quality

Academicals theory proposed that the two fundamental tools to evaluate the RPO process are cost per hire and quality of hire (Cappello and Constance, 2011). Two questions were developed in order to assess them and the conclusions that could be used to assess whether there is a degree of evidence to the hypothesis that the recruitment process is progressing, the focus tends to go towards quality orientation. The first issue under consideration was the
cost per hire.

16th Question: Recruitment outsourcing directs to decreasing cost per hire.

![Chart 16: Quantitative survey of Question 16](image)

It has already been established that one of the reasons RPO was the desire to win cost benefits (Question 8). The aim of this question was to see if the perceptions of recipients display on one of the measurement tools with which recruitment costs can be assessed that are cost per hire. Remarkably, the recipients had were much more negative perceptions about the lower cost per hire than the wider term of cost benefits. Altogether, less than 30% agree that the cost per hire decreases when recruitment is outsourced. This could be an sign that the cost advantages that are acquired from RPO are made elsewhere.
than in the recruitment process. We can take for example, the ability to lower administrative HR and make the change mentioned above for strategic HR may lead to an extensive reduction in operating costs. This does not certainly mean that the recruitment cost is decreased by RPO itself, but it allows generalized savings in a company. The findings for this question are very much in connection with the thoughts of the interviewee, she recognized the possibility of cost savings but did not take into account that this could be something that could be achieved automatically by recruitment. The measurement analysis is followed by an evaluation of the quality hire:

17th Question: Recruitment outsourcing leads to increasing quality of hire.

![Chart 17: Quantitative survey of Question 17th](image-url)
4.12 Additional information and open question:

The final question in the finding gives out largely the additional information which was achieved during the personal interview and the open question in the investigation.

18th Question: Recruitment outsourcing is going to be common in the future.

![Chart 18: Quantitative survey of Question 18th]

The final statement addresses the future of RPO. To a concept that didn't even exist a decade ago, to see how HR professionals see its prospects in the future is very important. First, the number of recipients who do not consider that the RPO concept that will gain more ground are well in connection with those who
said that recruitment outsourcing should never be outsourced. Otherwise, the recipients were rather positive about the increase in the use of HR processes. We can say that the responses to this last question are in link with those of the other questions in this survey. There is a large number of different scenarios that earn different types of benefits from RPO. In particular, the concept of technical recruitment and perceived benefits it receives from outsourcing imply that in the future there will be demand for the services of RPO. Like a business processes, RPO is still not a very mature state and it will be interesting to see that the shape and the form it takes in the future. At present, the recruitment contexts and eagerness to reform corporate HR and provide a more strategic role seems to be the driving forces that will increase the use of RPO. At the very end of the investigation, the recipients received a chance to provide additional reflections on RPO and giving feedback. However, a number of possible questions that can affect the overall quality of the whole research will be mentioned later in the section of limitations.

4.13 Conclusion

This division is divided into four subsections. First, the findings and results will be reflected with literature review and research questions. Then, a refined model based on the theoretical framework (Figure 5) will be developed and presented. The third division will include the managerial implications and significance to research companies internationally. Finally, the limitations and points for further research are specified and a short and brief summary of the general conclusions will be provided.
5.1 Presentation of findings & results

The fundamental objective of this research was to find out answers to the two research questions that were presented in the introduction of this dissertation. Available data consists of three distinct sources that is literature review, Personal Interview and the quantitative survey. The data collected from the survey form the pool of empirical data & represent the important and unique element of information.

5.1.1 Summary of recruitment outsourcing State

Before getting into the discussion of the research questions, it is useful to summarize some key findings of empirical studies. First, it became undeniably clear that recruitment process outsourcing is a business process well established that modern business and companies use for different reasons. Workplaces with more than half of HR managers who participated in this research had outsourced recruitment in a certain way.

In this dissertation, the recruitment process was assessed as something that consists of various steps that must be analyzed differently in the outsourcing context. It is obvious that a viewpoint of this kind on the issue is justified by differences in the survey findings that had a kind of stage focus. In addition, the literature provides different frameworks & models through which we can map and analyze the relevant stages (Armstrong, 2003 and Miaoulis et al., 2008). Different stages have different outsourcing capacity and those dealing with primary interviews & selection should be conducted internally. This became visible from both the literature review and the empirical parts. The
success of recruitment outsourcing is not restricted to the concept itself, but through the cooperation between the buyer and OSP and by the expertise of the service provider (Conklin, 2005). Effective recruitment outsourcing is also troubled by different problems and processes that are specific to the contexts which are fully discussed in later sections.

The literature warns against certain pitfalls that can reduce the benefits that can be earned from RPO and create distrust up on the whole concept. This includes the threat of losing control of a vital process (Ordanini and Silvestri, 2008) inefficient use of employer brand (Hauser, 2011) and losing skills related to the process. However, none of these disadvantages have been shown to have an effect on the effectiveness of RPO.

5.1.2 First Research Question: the effectiveness rationale

The main research question of this dissertation was to analyze the effectiveness and rationale behind recruitment outsourcing.

Q1. What are the rationale behind outsourcing recruitment and does its effectiveness changes through out the recruitment process?

Identify and assess what different companies are looking at engaging in RPO is vital for a critical Evaluation of these processes. Unlike some conventional outsourcing, such as off-shoring production in which the main driving forces are cost advantages and benefits of centralization, the justification of RPO is much more case specific and complex. On the basis of this this research, the
decision to recruitment outsourcing is influenced by a number of different desired results. Firstly, an original underlying theme of the processes is the transforming nature of human resource department in modern companies. If the company is seeking more strategic human resources department, it is required to Downsize the HR administrative tasks filled with resource intensive functions. These benefits are something that the RPO activities share with other HRO processes like payroll (Sheehan and Cooper, 2011). It is certainly possible that for some companies the expected results this triggers that recruitment outsourcing to establish more strategic HR. This theme is visible in the interview as well as in the results of the quantitative survey.

Besides the benefits at the strategic level, there are also some efficiency and related process and justifications for RPO. If the ultimate rationale for outsourcing recruitment is the desire to improve processes in question, the reason is to seek either cost benefit or external expertise. The literature aims heavily on the cost and there are a number of different studies that support the scenario. Survey results indicate that RPO does not certainly produce direct cost savings but because of the result intensity of the recruitment, there can be substantial benefits from HR resources & also the ability to make recruitment more adaptability. Also in addition more professional recruitment process of OSP can create advantages of indirect costs through their expertise.

Additional benefits from the expertise of OSP, which can be considered as a justification for RPO, including more effective integration of special themes in recruitment. Effective use of the social recruitment, recruitment systems, international and technical recruitment can certainly be seen as an advantage encouraging larger companies to outsource their recruitment.
The final part of this research question has to do with different stages of recruitment. There is certainly definite evidence that such a valuation method is justified. HR professionals look on the different stages very differently, depending on their outsourcing capabilities. Although outsourcing recruitment depth can be considered as dependent on job characteristics and basic organization the surveys and interviews findings indicates that final selection & interviews should never be outsourced.

5.2.3 Second Research Question

The below research question was built to assess two of this specific themes that is technical and international recruitment.

When dealing with specialized recruitment processes (technical/ international recruitment) does the effectiveness of recruitment outsourcing increases?

This research question itself is pretty straight forward. Technical Recruitment & international recruitment are processes that need an amount of added attention. Although issues related to cross-border operations and intercultural communication impede international recruitment, the technical requirements concerns different certificates, specifications and expertise assessment that are complex for most of the organization. How these issues affect the RPO process was distinct throughout this research. The two themes were discussed with a specific question in the survey and the results were conclusive. The recipients agree that the technical context of recruitment increases efficiency of outsourcing recruitment. This may be due to different reasons but most
importantly the reason should be how complex recruitment consumes additional internal resources. Especially if the expertise, for instance for evaluation of certificate, must release from other tasks within the company. Thus the company could achieve important benefits by outsourcing technical recruitment.

Most of the recipients were fully in agreement with regards to international recruitment. Majority of the recipients agreed that international recruitment is an very beneficial for RPO activities. This should mainly affect the recruitment situation where international companies recruit employees from host location. (Caligiuri et al., 2010). Issues such as the language, the legislation, intercultural aspects, business environment can have dramatic consequences for recruitment if it should be conducted internally. In addition, the management of these issues is a process resource-intensive for virtually any company.

5.3 Limitations of the research

Most of the limitations associated with this dissertation revolve around the selected method. Trying to get results that can be comprehensive from a topic that is highly case dependent is never easy. The 1st limitation deals with the initial personal interview. Because of the time bound and the availability of information on outsourcing projects such as the one described by the interviewer, there was only one interview. Even though the interview provided a lot of valuable information but the findings cannot be generalized. The 2nd limitations arise from the survey. Avoiding excessively
complex research structure & the ability to independently assess the statements have not resulted in able to reflect the results with relation to important elements such as firm size. In addition, some issues were not discussed as widely as they should have. For instance based on the feedback of the survey, evaluating candidates must have been more carefully evaluated.

The 3rd limitation relates to the sample of the survey. The recipients could not be selected then there would have been only one response by an employee of a particular organization. Therefore, there may be several responses to similar context. However, the main goal was on personal opinions of HR professionals, this limitation is not too important. Another issue in terms of the sample is that the number of recipients is quite low, the results would have been different if more number of recipients were involved, and this was as opposed to it being negatively perceived. However, as reported cases of this issue were limited to three, the effect it could have on actual results is low.

5.4 Recommendations for further research

Concepts and trends discussed and presented in this dissertation are far from confirmed. Company's look at their HRO operations very differently and thus analyzing the ideas shown in this study could be very effective. In particular, the special themes of recruitment would be very interesting to confirm with the practices in real life. For instance, the evaluation of a specific case of international recruitment conducted in a host location could be very valuable to further develop this context of recruiting outsourcing. If additional quantitative study is to be done on this topic and developing it takes into consideration the various determinants like industry, corporate structure,
company size and other outsourced processes etc. would be interesting.
Looking at how changing business context modifies the mind set to outsource recruitment would be a benefit. In addition, using a more qualitative approach with officials and get their depth thoughts is a good starting point for further research. Overall, this research was somewhat superficial. Giving more depth to virtually all of the themes addressed here would be valuable. Above all, the recruitment outsourcing is a subject that has not been studied too much, there is room for more abundant studies.
6. SELF REFLECTION

This chapter will describe and explain my personal learning during the researcher of this dissertation. This section will include collection of data, analysis and understanding of various research problems, improving my language skills, time management, cost management, planning & conduct of research work. Every research has its own limits and I cannot deny that I have also faced challenges in achieving the research. The following section will provide the genesis of this research idea and also the factors that led me to choose this study.

6.1 Genesis of the Research Problem

The inspiration of conducting a research on this subject was originated when I was reading an article on Human resource outsourcing on Moodle, Dublin business school. The article had some interesting facts and benefits for the RPO that could help them challenge their larger counterparts. I read another article on online which was on recruitment outsourcing a new type of breed and why RPO is gaining popularity. So it made me curious to find out the rationale behind the rationale behind outsourcing recruitment and does their effectiveness changes throughout the recruitment process that. This is why I chose this topic to find out in depth.

In the beginning, I really thought that RPO won’t pay that much importance on but going through several articles online and books on outsourcing and I understood that RPO has nearly becoming the backbone of most of the business. It is the newest phenomenon. However this fact needs to be proved
with a solid theoretical study and data that led to my research on this particular topic.

6.2 My Concern

My main concern for the research study was the time factor. I was afraid that I will not be able to get the results of the investigation and would not be able to complete the research study in the given time. Another concern for the research was the getting recipients to fill in the survey. Online surveys are becoming more like a headache for recipients, as there are many fake polls in the market right now. Also my survey was divided into two parts, for which I had to request people to take both the surveys. Also the main priority was to get the right people to take the survey so that the data collection process would be more flexible and efficient. I wanted my investigation to be taken by the employees of certain companies known so I could have a better idea of behaviour in this business which was possible but really hard to get people to fill in the survey.

6.3 Timeline

Time is an important factor for any research study. It was advised by my mentor to prepare a timeline so that I can complete part by part of the research in the given time decided in the timeline. By dividing the research work and setting up time limit for each stage helped me to complete the research study on time. Following are some of the steps I followed to complete my research work:
1) In the initial stage I decided to through the literature and Research review of RPO through which I could frame a theoretical framework for my study.

2) After the framework I decided the research objectives and formed the research questions on which my study would be based on.

3) After that I designed the survey draft and mailed it to the experts to get comments so that I could finalize the survey questionnaire.

4) After finalizing the survey, the survey was finally sent to the participants and means while I had to create the data collection instruments to analyse the data from the surveys.

5) After that I identified my secondary data to form my literature review which took most of the time and final analysis was done from the survey study.

6) Since all my results from survey came in 15 days, it gave me enough time to prepare the report from the survey in the next 5 days and prepare for final documentation using MS Word.

### 6.5 Importance of Research

There are a number of researches on Human resource Outsourcing and different models. Recruitment process outsourcing in organisations is not new but a very rare research. Most of the research works have been done by the large Cloud companies to attract the small business to use their services. The research give us a full detailed report on why RPO are getting popular and also what are the further recommendation to this research are shown.
6.6 Limitations

Every researcher has their limitations and so did I. As I mentioned before the research has a huge potential for future research if there was no data constraints. The research could get more number of participants to be involved, which will give more data collection possibilities.

As mentioned above the result study was conducted in Ireland was only applicable for the companies located within Ireland. Hence the results cannot be considered same when the survey study is taken for countries worldwide.

The time period to complete the research was also an issue when it came to deciding the primary data collection stage. It is a vast topic and this research is not complete without taking up personnel opinions of the participants who are already using RPO within their companies. So because of the time constraints the primary data collection method had to be narrowed down to only online survey questionnaire.
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organization change’. *Academy of Management Perspectives.*


APPENDICES

A. Personal Interview Questions:

Recruitment process
1. How broad was the recruitment outsourcing directed by company A in terms of depth and employee level?
2. The project of recruitment outsourcing was carried out globally as whole?
3. How was this project coordinated within the organisation?
4. What type of effective assessment tools did the Company A used in regards to recruitment?

SOW- Statement of Work
1. Who is responsible for the planning of SOW? Was it planned carefully on a global level? Did the statement of work changed during the project?

HR outsourcing
1. What other activities of human resource were outsourced throughout your time in the company A?
2. What was the main difference between outsourcing of recruitment and other HR processes?

HR functions
1. Did outsourcing of recruitment have any changes in the overall operations of the HR department?
Experiences and opinions

1. Is outsourcing recruitment an effective operation model? What do you think are its strengths and weakness?

2. Is outsourcing recruitment a better choice for some companies that other and why?

3. In case of recruitment outsourcing the evaluation of quality per hire or cost per hire is more relevant? Is this approach different depending on how wide is the recruitment outsourcing?

4. Can you think of any other issues relating to recruitment outsourcing and why are they important?

5. Do you think recruitment outsourcing is more efficient and effective under certain conditions for instance technical or international recruitment?

B: Survey Questionnaire:

1. In the company where I work, recruitment processes are:
   a) Conducted in-house
   b) Partially outsourced
   c) Completely outsourced

2. In the company where I work, the following of the HR processes are outsourced:
   a) Payroll
   b) Travel management
   c) Employee databases
d) HR support functions  
e) No HR processes have been outsourced  
f) Other, please specify  

3. On which staff levels should recruitment outsourcing be ideally applied to?  
a) Part-time employees only  
b) Entry level positions  
c) Up to low- and mid-level managers  
d) Highest level managers and executives  
e) Recruitment should not be outsourced  

4. From the below stages of recruitment, which one should be preferably be outsourced?  
a) Recruitment systems  
b) Announcement stage (posting descriptions, etc.)  
c) Analysis of the recruitment material (CVs, cover letters etc.)  
d) Initial interviews (group interviews, assessment centres etc.)  
e) Primary interviews  
f) Final applicant evaluation  
g) Post-Hire (Contracts, legal issues, communication to IT/security/etc.)  
h) Recruitment should not be outsourced  

5. Recruitment is a very resource intensive process that uses a large amount of resources when conducted internally.
6. Outsourcing of recruitment should be case specific for example outsourcing of specific job openings, not the complete processes.

7. Primary interviews should be conducted internally.

8. The fundamental reason for recruitment outsourcing is a need for cutting costs.

9. Outsourcing recruitment increases the firm's recruitment capabilities & provides efficiencies in terms of outside expertise.

10. Recruitment outsourcing may result in more effective utilization of social media and other non-traditional pools of applicants.

11. Even in case of recruitment outsourcing, Employer brand can be communicated effectively.

12. In case of highly technical job the effectiveness of outsourcing recruitment increases.

13. When recruitment process id outsources to a host location provider, International recruitment is more effective.

14. Outsourcing recruitment creates a more strategic role for corporate HR because the administrative job is done elsewhere.
15. Talent management becomes more important for companies as recruitment activities are outsourced.

16. Recruitment outsourcing directs to decreasing cost per hire.

17. Recruitment outsourcing leads to increasing quality of hire.

18. Recruitment outsourcing is going to be common in the future.

**Statements:**

1. Completely disagree
2. Somewhat disagree
3. Do not disagree, nor agree
4. Somewhat agree
5. Completely agree