Abstract

This research is focused on ‘Recruitment Process Outsourcing’, as a key element of improvement in corporate brand of organization through using the talent and capabilities of employees. This research explores the linkages and interconnection between the concepts of recruitment process outsourcing and corporate growth. The review of the literature on recruitment process outsourcing and corporate brand shows an emergence of conceptual framework based around outsourcing effectiveness and its impact on corporate brand.

Exploratory research was carried out using case study analysis to give clear and deep understanding of the Recruitment Process Outsourcing and its impact on corporate brand. This was conducted by using the semi structured interviews with the HR and marketing managers using the qualitative method. The findings propose a conceptual framework which is representative for the organizations engaged in recruitment process outsourcing.

The key findings include: talented employees role in improving the brand image of any organization; the development of customers’ perceptions through their attitude and behaviours; the reduction in the HR costs through RPO Services, the responsibility of the organization taken by RPO which provides the chance for HR professionals and top management to focus on core activities; and the organizational care in selection of the RPO service provider as per their criteria.

Finally, the conclusions were made on the basis of the key findings about the Recruitment Process Outsourcing and its effectiveness on corporate brand of an organization. Future research can use these findings as their beginning point and examine for wider understanding.

Keywords: HR Outsourcing, Corporate Branding, Employee Branding, Recruitment Policy, Corporate culture.
1.1 Introduction

The research in question is focused on the impact of recruitment process outsourcing on the corporate brand; this research explores the linkages and interconnection between the concepts of recruitment process outsourcing and corporate growth. Recruitment process outsourcing trend is increasing rapidly all over the world (Clott, 2004). Recruitment HR activities were traditionally performed in house but now recruitment process outsourcing trend has been speedily increasing (Stewart and Woods 1996, Schneider and Bowen 1985). This research explores the perception and feelings of in-house HR professionals and top management about the impact of RPO on their corporate brand. It also studies the RPO performance within organisations and its impact on their corporate brand. The main objective of this research is to explore the insights on the impact of RPO on corporate branding of an organisation.

2.0 Literature Review:

Recruitment Process Outsourcing (RPO) is a form of business process outsourcing (BPO) where employer outsources or transfers all or part of its recruitment activities to an external service provider (Stroh and Treehuboff, 2003). RPO may involve the outsourcing of all or just part of recruitment functions and process. The external service provider may serve as a virtual recruiting department by providing a complete package of skills, tools, technologies and activities.

Recruitment process outsourcing looks like a strengthening trend as a lot of budget is used for the in-house recruitment process; and the outcome of the RPO process always results in big savings for the organisation. In addition, there are lot of benefits of RPO, including quicker and more promptly executed than any other function of HR, BPO or HRO (Shelgren 2004; Won and Kim 2007). A company can give lot of time to its HR
managers and focus them to core activities. Moreover, the RPO can provide the best quality of candidates, decreases in time and cost of hiring, increases the HR reputation internally and externally. Additionally, does improvement in branding by training the outsourced employees as good brand ambassadors for the organisation (Wood and Collings, 2009).

According to Kakabadse and Kakabadse (2002) and Woodall, et al. (2009) the main reasons for recruitment outsourcing process is always cost savings. Yet they also added certain different aspects for outsourcing like best practice, good service quality and focus on the core competencies of any company.

According to Lever (1997), Abdul-Halim et al. (2009), Klaas et al. (2001) and Lievens & De-Corte(2008), the decision about the HR activities outsourcing includes the reasons to decrease the costs, get access to HR expertise, get employees easily and as per requirement and focus managerial resources related to strategic issues.

2.1 RPO and Corporate Branding

According to Riel (2001) the corporate branding is the steadily designed and executed process of developing and maintaining the good reputation of the company with its basic components through sending the signals to stakeholders through the behaviour, communication and imagery using the corporate identity.

Ambler and Barrow (1996) argue that corporate brand or internal branding is always evolving within the organisational activities, be it outsourced recruitment or in-house. According to Balmer and Wilkinson (1991), Kennedy (1997), and Schneider and Bowen (1985), the workers of any organizations are the actual interface between internal and external environment of the corporate brand through their behaviours and interactions. Hence recruitment of the right staff is very much important and should be
through experts as they would have a direct contribution in building and shaping the corporate brand and enhance the organizational reputation.

Similarly, according to Formburn et al. (2000) the reputation of a company is considered as the net perception as the overall capabilities of company to meet the expectations of all its stakeholders. According to Bosch, et al. (2006), brand perception in the minds of the consumers is built by the employees. These perceptions are developed during the interaction of customers with organization.

2.2 Creating the corporate Brand through the employees:

According to Olins (2000) corporate brand is built with the interaction of talented staff otherwise termed as brand ambassadors that steadily and consistently interact with the customers and other stakeholders and create a corporate image in the minds of customers with their attitude and behaviours.

De Chernatony et al. (2001) argue that the employees of an organisation are the major assets of an organisation who build the corporate brand of any company so it is very important to understand their needs and one needs to be very careful in the recruitment. Hardaker and Fill (2005) claim that the employees can establish the name of brand during customer services with their attitude. Moreover, as per McDaniel (2008) companies are enhancing their competitive advantage through hiring the talented and competent staff.

In addition, as per Hatch and Schultz (2001), Balmer and Greyser (2003), and Gilani (2011) corporate brand is infact about people of the organisation; they assert that a corporate brand is not only made by the perception of the customers but also by the perception of its employees. Macrae (2001) argues that employees play a very important part in the corporate branding process. Employees are the centre point in making the
link between the employees and organization and customers. They are the main catalysts who make the corporate image through their learning and capabilities. In fact, learning is one of the major things in strengthening the corporate brand.

Furthermore, Aunard, et al (2005) and Vallaster and De Chematony (2006) stress that human resource management activities help in process of promoting the brand to workers and giving them the sense of brand value and giving the good perception to employees about brand of organization whilst in return expect good performance and positive employee attitude toward the organization.

2.3 RPO impacts on Corporate Brand:

Bishop et al. (2005) argues that the impact of HR plans, processes and actions have incredible impact on the corporate branding process of any organization. The HR activities and actions impact on the brand both internally and externally. Moreover, Gosti and Wilson (2001) say that HR practice like recruitment policies must align with the brand values in order to avoid conflicting messages. Furthermore, they highlight that successful promotion of internal branding dependent on HR initiatives created in marketing department and through involving the HR department in internal branding projects. In this manner, the organisation can use the good communication in giving the understanding to the employees about the corporate brand and their role in strengthening the brand promise henceforth reducing the confusion regarding the brand because of any misleading messages, if any. However, Hauser (2011) and Moroko and Uncles (2008) point out some issues regarding the RPO not successful in representing the corporate brand of the organization. This is the possibly something that RPO providers require to tackle as there is strong proof that corporate or employer brand is critical in attracting the best workers. Rousseau (2001) asserts that if the subject of the
brand message provides enough information then it will help in improving the perception of the organization by the recruiter. Additionally, as per Tikoo and Backhaus (2004) the success of internal branding by any recruiter depends on the skilled level of newly hired employees, secondly, the percentage of turnover rate and thirdly, increase in productivity may also link with employer branding success. So when outsourcers are fulfilling the image of corporate brand then it means the outsourcers are strengthening the corporate brand of any organization by using the excellent human aptitude in the environment which is becoming competitive.

2.4 Gaps in review of literature

Ambler and Barrow (1996) explained that there is improvement in the performance of company through employer branding while Witt and Rode (2005) gave arguments about some important points which do affect the reputation of corporate brand and highlight the internal factors like human resource management and employees but did not dwell deeper into linking the concepts of RPO and corporate branding in must detail.

Capello and Constance (2011) explained the relationship of RPO with the corporate brand but they did not mention that how the expertise of RPO in recruitment help in providing talented employees who enhance the corporate brand of organization through good attitude and satisfy the customers though their talent like in production.

Balmer and Wilkinson (1991) make the arguments about that employees made the bridge between internal and external environment but they did not put much emphasis on outsourced employees. Yoon and Naadimuthu (1994) argued that the in-house human resource professionals do not have good knowledge about how to retain the employees but they did not mention that RPO have very good systems and policies to
keep motivated the employees towards the company by providing them all systems and polices of company and giving them information about the reputation of company.

Given the above discussion on the literature on the subject, there is a requirement to fill these gaps through exploratory research.

2.5 Research Questions:

Keeping in mind the research objectives, and the detailed literature review, the following research questions need to be addressed through this research paper.

1. What is the impact of RPO on corporate brand of the organization?
2. How RPO influences the perception of the new hired employees and strengthen the corporate brand?

1. What are the drivers in decision making regarding the RPO by the organization?
2. Why the RPO trend is increasing all over the world?

3.0 Methodology:

Due to the exploratory nature of this research and in the light of the aim and objectives of the research qualitative research methodology is chosen because as per Holloway (1997) the main function of qualitative research is related to perceptions, feelings and insights of people. As the researcher is trying to find the feelings and perception of the HR professionals and managers about the RPO impact on corporate branding so this research was based on qualitative methodology.

In order to attain the exploratory research questions and objectives, semi–structured interviews were conducted and the selection of interviewees was done carefully. The research selected the case studies of manufacturing organizations that use RPO for their recruitment. The findings of this case study were collected using the qualitative method.
The interviews were conducted and selection of participants was based on their positions in the organization that can give best in contribution and have the practical knowledge about the topic and having answers of the research questions and objectives. In this regard, 4 organisations were selected the names of whom are kept anonymous upon their request. The heads of departments and directors were interviewed who had a good commend on the subject of RPO and corporate branding. 12 one-to-one interviews were carried out, 3 from each case study. The questions were mostly ‘how’, ‘what’ and ‘why’ type. Interpretive thematic analysis technique was used to interpret the each response of the interviewee. Content analysis technique is used to analyse the data and to assess the results for assessment of research theme (Zikmund, 2000). The key findings were related to the literature review on effectiveness of recruitment process outsourcing on corporate brand. Finally, the conclusions were made based on the key findings about the recruitment process outsourcing and its effectiveness on corporate brand of an organization.

4.0 Findings:

All the 12 one-to-one interviews were transcribed, coded and analysed using thematic data analysis process. The following were the key findings:

4.1 Key Finding 1: Talented Employees are the major factor in improving the brand image of any organization

Throughout this study there are many factors contributed by RPO in improving the corporate brand of any organization and one of these factors is talented employees. The result of the study is showing there is a big contribution of employees in giving the positive impact on corporate brand of any organization. The first contribution of employees is their talent and capabilities which increase the competitive advantage of
the company and in having advantage over its competitors by giving best services and innovative products and thus develop the good brand image and brand name and in results promotes the corporate brand of the organization.

This result is supported by other authors like Tikoo and Backhaus (2004) who linked the increase in productivity with success of branding. In addition, Dess et al. (2008) advise that RPO is one way of achieving the competitive advantage through employees and strengthening the brand image.

4.2 Key Finding 2:

The employees are the main carriers of corporate brand by developing the customers’ perceptions through their attitude and behaviours.

This is supported by Hawabhay, et al. (2009) who assert that the employees’ behaviour is foundation of the corporate branding process because of its significant role in transferring the values of brand and developing the affective bond with consumers. Moreover, Shockstak (1977) and Gilani (2007) assert that interaction of customers with employees do strongly strengthen the corporate image of the company. Furthermore, Gronroos (1994) stressed on the relationship between talented employees and corporate brand that he says sometimes the employees are like corporate brand in customers’ eyes. Overall, it is analysed that employees are the major part in developing the corporate brand of any organization (Foley and Andrews 2004) and it is supported by Gilani and Waqar (2013) that employees are the essential factor in transferring the constant brand image to customers about the organization.

4.3 Key Finding 3:

This study revealed that the reduction in the HR costs it is also as a competitive advantage for the company through the RPO services. It was discovered that RPO
results in reduction in the cost of recruitment. This is also supported by Young (2007) it is good strategy to use the RPO services for cutting budget rather by making reduction in salary or wages rate. However, the RPO does not help in reducing the cost if there is not right selection of RPO service provider. The importance on right selection of RPO was indicated in the study.

4.4 Key Finding 4:

This study shows as the RPO takes the non activities responsibility of the organization and in return it provides the chance for HR professionals and top management to focus on core activities for future strategies. As study highlights that RPO provides the talented employees very efficiently and the management do not need to worry about the talent and capabilities and availability on time because RPO solves all these problems by providing the talented staff on time. This is supported by Lau and Zhaug (2006) Quinn and Hilmer (1994), Corbett (1998) and Mazziwi (2002) that RPO facilitates the management to focus on core activities by sharing their HR functions and providing the staff efficiently. In addition, study also revealed that as the RPO is providing the employees quickly and efficiently, in this way it helps in solving the problem of staff shortage and in return it may enhance the performance of company because company can carry on its job without any interruption.

4.5 Key Findings 5:

The study shows that the organizations should take care in selection of the RPO service provider and should select as per their criteria. It should be assured that RPO service providers have the knowledge about the business of the organization. This finding is supported by the authors Grugulis et al. (2003) sometimes the RPO service providers do not have the knowledge of the business of the organization. So Coklin
(2005) highlighted that these risks can be avoided if the organization evaluates properly and as per their criteria.

4.6 Conceptual Framework model: Given the above key themes and findings, a conceptual framework model has been devised incorporating the different interpretations from the data collected and analysed. The theoretical framework model gives a understanding of RPO contribution in enhancing the corporate brand.

(Figure 4.1 should be inserted here)

4.7 Explanation of the conceptual framework model:

Section 1: RPO and HR Activities

The framework is showing that RPO services are very beneficial for achieving the perfection in HR activities. It is showing the role of RPO is providing the HR expertise to organizations. This is also supported by Ahmed and Hemman, 2005; Benner, 2003; Cooke et al., 2005; Nesheim et al., 2007. In addition, as per Woodlock, (2006), Tanure & Duarte (2007) and Wirtz et al. (2008) the organizations have started to admit the strategic importance of HR functions as the human resource management viewpoint alter from administrative to planned to strategic. In researcher’s views these are reason that HR became parallel to organizational strategy and goal and trend is increasing. In addition, the researcher focuses by highlighting in framework that by taking the services of RPO in HR functions there is increase in the performance of the organization because the employees hired though this services are used to be skilled because RPO service providers have the expertise in recruitment and selection function.
Secondly, the framework is also showing that RPO promotes the HR functions to become more planned by giving less time in getting the cost objectives and achievements goals. These views are also supported by Kosnik et al. (2006). Respondents’ views regarding the cost and time saving shows that RPO is helping in cost and time saving which is involved in recruitment process and also by providing the employees efficiently. RPO helps the organization in cost saving and time through providing the employees in short period of time and saving though taking the responsibilities of recruitment process.

Thirdly, framework also showing that the RPO also improving the employees retention rate by providing the employees positive brand image when recruit. So in the opinion of respondents the RPO is enhancing employees’ retention rate by giving the positive picture about the systems and policies by making the good image and perception of employees about the company. The above comments are supported by Quelin and Duhamel, 2003; Wright, et al., 1994 and Levy, 2005.

**Section 2: Impact of Employees’ Talent on Corporate Brand**

In second section the framework is highlighting the relationship of talent and knowledge of employees provided by RPO and corporate brand of organization. The researcher is highlighting the significance of employees and how their talent helps in improvement of corporate brand of organization. In fact, it is showing that employees are the solution in developing the relationship with customers and development of corporate brand. These views are supported by many authors like De Chernatony, 2001; Harris and De Chernatony (2001); Hatch and Schultz (2001); Wilson (2001), Balmer and Soenen (1999) and Gilani (2011). This is the reason that Capello and Constance (2011) has asserted the importance of RPO and argues that in order to make RPO more
effective for any company it is good to make relationship with RPO in terms of partnership so that RPO outsourcers give the best efforts in increasing the corporate brand of their client’s organization by providing the skilled employees.

In researcher’s views employees enhance the competitive advantage by using their talent by developing the innovative products and good services for the organization and in results there is increase in good image and reputation of organization. In fact, the researcher wants to highlight that employees develop the brand image and reputation of organization by communicating the knowledge and impressing the customers through their talent and capabilities and creating the competitive advantage in their business areas. These researcher’s views are supported by the authors, Duncan and Moriaty (1998). This is also argued by the Brown and Dacin (1997) and Mc Donald, et al. (2001) that corporate brand also flourish through the development of the good products and also by developing the special services methods by the employees of the organization. Boudreau (2010) also highlight that corporate management has become very important in finding that where talented can be find, how it can be flourish and cut. He says that how talent strategy can be successful in getting the corporate goals. He said that the corporate goal can be achieved by developing corporate brand through attracting the talent, development of the talent, and sourcing of the talent.

Thus, the views of researcher in frame work also verified by Balmer and Wilkinson (1991) and Kennedy (1977) they indicate the significance of RPO that RPO who provide the talented staff to achieve good brand image.

**Section 3: Impact of Employees’ Attitude on Corporate Brand**

The section 3 is also showing the importance of employees in enhancing the corporate brand of any organization. It is the employees in the organization who do play very
important part in building the corporate brand of any organization. They do build the corporate brand by improving the brand image of the organization in the minds of customers by their positive attitude (Hatch and Schultz, 2001; Wilson, 2001) that the employees build the strong relationship between organization and customers through giving the knowledge about the brand and Balmer and Soenen (1999) have view that through this they increase the corporate brand. In addition, as per Vallaster and De Chernatony (2005) that employees do understand the core values of the company to keep retain the corporate brand. Furthermore, as per Thomson and Hecker (2000) that talent of employees has very impressive impact on the corporate brand through understanding the attitudes of the consumers (Bettencourt and Brown, 1997).

It is analysed that the RPO plays the very important role in building up the corporate brand of any organization by strengthening the in house HR department and providing the talent and capable staff who develop the corporate brand (Ahmed and Hemman, 2011). RPO is providing knowledge though employees. Corporate branding improves by enhancing in the knowledge of the organization (Kapferer, 1992) Employees by their services in internal and external environment help in attainment of brand promises (De Chernatony et al. 2001; Duncan and Moriaty, 1997).
5.0 Recommendations for Business Practices:

When organisation starts to thinking to hire the services of outsourcing then there are few things that an organisation should consider.

5.1 Be Obvious about RPO Needs:

The major important stage is to find the requirement to use the outsourcing. So the organization should establish the areas in which the RPO services are needed. It is also suggested by many authors like Brannemo (2006), Ghassemieh et al. (2005) that the organization will not achieve the full benefits if it is unclear about the services that need to be outsourced.

5.2 Choice of Right RPO Service Provider:

Study shows that the selection of outsourcers needs to be done carefully because sometimes they do not have knowledge about the business of organization and might be unable to provide the competent employees and in this way organization might have to lose its brand image because of incompetent employees. This is supported by Goody and Hall (2007) and Klass et al. (2005). They further illustrate that the organization will not achieve its objectives if there is lack in services of RPO and will then have to terminate its contracts.

5.3 Assessment System

Study shows that in order to have the good image and reputation of organization, talented employees as well as cost saving, HR expertise and employees retention are essential. So the organization should formulate procedures after hiring RPO service providers in order to help evaluate whether the following criteria are met.

- Good brand reputation and brand image
- HR expertise → leading to good corporate brand
• Cost effective
• Retention

5.3 Recommendations for future academic research:

Research done by the researcher may be valid and extendable to various areas such as;

1. This exploratory work is based on theoretical framework as well as providing a conceptual framework for RPO services and its impact on corporate brand in industrial sector. Hence, the researcher advises that this may also be applicable in other sectors such as retail, services and manufacturing.

2. The impact of RPO on the behaviour and attitude of the stakeholders and company as a whole.

3. The impact of RPO on cultural issues in any services or manufacturing organization.

4. As earlier mentioned in section 3.0 that the primary data is collected from top management, so it would give a new avenue to explore the subject research objectives based on the opinions of consumers and employees.

6.0 Conclusion:

According to authors’ views based on indepth literature review and primary data analysis it is concluded that RPO plays very important part in improving the corporate brand of the organization provided that organization conducts careful selection of RPO by watching their capabilities in recruitment process, services required and knowledge of RPO service about business.
Overall, it is concluded that RPO have very good impacts on the corporate brand of any organization by providing a pool of talented and competent employees who are the main source in establishing the brand image and repute in stakeholders and enhances the performance of the company through their talent which also enhances the brand image of the company in the perceptions of stakeholders. Moreover, the expertise of the RPO saves the time and cost of the organization which can be useful for building the brand image of the organization though new expansions. In addition, the RPO provides the HR expertise and the sufficient time to in house HR professionals to contribute in the core activities which will result enhance in performance and image of company.
An Exploratory Study on the impact of Recruitment Process Outsourcing on Corporate Brand

References


An Exploratory Study on the impact of Recruitment Process Outsourcing on Corporate Brand


Appendix 1:

Conceptual Framework explaining the impact of RPO on corporate branding of an organisation.