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LITERATURE REVIEW : IMPACT OF RECRUITMENT PROCESS OUTSOURCING ON ORGANISATIONAL GROWTH

Introduction

This research paper explores the links and interconnection between the concepts of recruitment process outsourcing and growth of an organisation. 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 growth. The main objective of this literature review is to explore the insights on the impact of RPO on growth of an organisation.

II   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.

III   RPO and Organisational Growth through 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.

IV   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.

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. They are the main catalysts who make the corporate image through their learning and capabilities. I

V   RPO impacts on Organisational Growth:

Bishop et al. (2005) argues that the impact of HR plans, processes and actions have incredible impact on organizational growth. 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.

VI   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 resulting in organizational growth.

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.

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