

# **Designing Talent Matching Services**

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Abstract		
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service industry. It also stu	pitulated the principles of recruiting died the phenomena of disruption	of recruiting and the factors

included in it. This information connected with the theoretical framework of service design and value creation formed the base for the empirical research.

The empirical research was conducted using a qualitative approach. The research data consisted of theme interviews for selected customers and talents. The research data was analysed by theming. The insights of talents and customers were analysed and combined, and guiding themes for the service concepts were pointed out.

The talents were particularly interested in the reputation of a hiring company and appreciated active communications and the easiness of applying for a job. The customers stated that attracting and finding talents are the greatest challenges of talent acquisition in companies. They were also more systematically concentrating on their employer image.

Based on the findings, three themes were pointed out to guide the design of services concepts. These concepts were presented, and suggestions for future research and operational development were given.

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recruitment, service design, value creation, employer image, candidate experience

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rekrytoijat pohtimaan uude rekrytointipalveluita tarjoav jotta voisi tarjota asiakkaille	roksessa. Kilpailu osaajista ja digitalisaatio Ileen heidän arvolupaustaan. Toimeksian va yritys ja näki tarpeelliseksi päivittää rek een lisäarvoa. Tavoitteena oli syventää asi ulla luoda uusia palvelukonsepteja.	tajayritys on trytointipalvelunsa,	
Teoriaosio käsitteli rekrytoinnin sekä rekrytointiliiketoiminnan perusteet. Se myös käsitteli meneillään olevaa murrosta rekrytoinnissa sekä siihen vaikuttavia tekijöitä. Nämä tiedot yhdessä teoriapohjan, palvelumuotoilun ja arvonmuodostuksen kanssa loivat perustan empiiriselle tutkimukselle.			
Empiirisessä tutkimuksessa oli laadullinen tutkimusote ja se koostui teemahaastatteluista asiakkaille ja työnhakijoille. Tutkimustulosten analysoinnissa käyteltiin teemoittelua. Työnhakijoiden ja asiakkaiden näkemyksiä analysoitiin ja yhdisteltiin. Niiden pohjalta muodostettiin rekrytointipalveluiden konseptointia ohjaavat teemat.			

Työnhakijat arvostivat, että työn hakeminen oli helppoa ja että heitä informoitiin rekrytointiprosessin kuluessa hyvin. He olivat myös erityisen kiinnostuneita työnhakijaa etsivän yrityksen maineesta. Asiakkaat puolestaan kertoivat, että heidän suurin haasteensa rekrytoinnissa on houkutella osaajia ja selvisi, että yhä useampi panostaa systemaattisesti työnantajakuvansa kehittämiseen.

Tutkimuksen tuloksiin pohjautuen kolme teemaa nostettiin esiin ohjaamaan palveluiden konseptointia. Konseptit esiteltiin ja niiden lisäksi ehdotuksia jatkotutkimukselle sekä

toimeksiantajayrityksen toimintojen kehittämiselle.		
Avainsanat rekrytointi, palvelumuotoilu, arvonmuodostus, työnantajakuva, hakijakokemus		
Muut tiedot		

# Contents

1	Disruption	n of Recruiting	4
2	Recruiting	g	8
	2.1 Re	ecruiting Principles	8
	2.2 Re	ecruiting Service Industry	9
	2.3 Re	ecruiting Process	11
	2.4 Co	ompetition for Talents	16
	2.4.1	Employer Image	20
	2.4.2	Candidate Experience	23
	2.4.3	Digitalization of Recruiting	24
	2.4.4	Utilizing Social and Professional Networks	26
	2.4.5	Competence Development	27
3	Service D	esign	29
		oncept of Service Design	
	3.2 Se	ervice Design Process	32
	3.3 Se	ervice Design and Talent Matching Services	33
	3.4 Va	alue Creation in Talent Matching Services	34
	3.4.1	Customer Value Creation for Talent Management	37
	3.4.2	Talent Value Creation	38
4	Mathada	logy	41
4		esearch Context	
		ata Collection	
		ata Analysis	
	4.3.1	Findings From Talents Interviews	
	4.3.2	Findings From Customer Interviews	
	4.4 V	erification of The Findings	60

5	Conclu	sions61		
	5.1	Researc	ch Conclusions	61
	5.2	Talent N	Matching Service Concepts	54
6	Discus	sion		56
	6.1	Further	Research	67
	6.2	Develop	oment Suggestions	67
Ref	erence	s	(	59
Арј	pendice	es		74
	Арр	endix 1.	Interview framework for the customers	74
	Арр	endix 2.	Interview framework for the talents	76
	Арр	endix 3.	Blueprint of Rekryapu Service Concept	77

# **Figures**

Figure 1. Recruiting Process	12
Figure 2. Change in the number of employed persons by industry in 2014 to 2015	
(OSF <sup>2</sup> 2015)	17
Figure 3. How Recruiting is Evolving (Bersin 2015, 30)	27
Figure 4. Specialization mix in the Recruiting Team Roles (Sahay 2015, 186)	29
Figure 5. Stickdorn's and Schneiders's Five Principles of Service Design Thinking	
(2012)	31
Figure 6. Service Design Process (Tuulaniemi 2011, 55)	32
Figure 7. Value Creation (Tuulaniemi 2011, p. 16)	35
Figure 8.Idea of Customer Dominant Logic (Heinonen et. al. 2010, 535)	36
Figure 9. Level of Outsourcing Recruitment Operations (Isotalus et.al. 2015, 9)	37
Figure 10. Themes' Position In a Research Process (Hirsjärvi et.al. 2000, 67)	42
Figure 11. Challenges in Recruiting	56
Figure 12. Criteria for Partner in Recruitment	58
Figure 13. Expectations Towards the Partner in Recruitment	58
Figure 14. Themes for Service Design	62
<b>-</b>	
Tables	
Table 1. Four Types of Talent Matching Service Companies (Isotalus et.al. 2015, 6)	. 10
Table 2. Features In the Competition for Talent	20
Table 3. Summary of Service Design Approaches in relation to IHIP Service	
characteristics (Meroni et.al. 2011, 18)	30
Table 4. Benchmarking of Talent Matching Services of the Competitors	45
Table 5. Backgrounds of the Talents	46
Table 6. Backgrounds of the Customer Interviewees	47
Table 7. Job Search Channels	50
Table 8. Talents Expectations From Employer and Organization	51
Table 9. Candidate Experience and Expectations	52

# 1 Disruption of Recruiting

"What is a *recruiter*<sup>1</sup>?" Asks Pritchard in his book 101 Strategies for Recruiting Success Where, When, and How to Find the Right People Every Time. He suggests that instead of an administrator who executes the steps of the recruiting process by the book, a high-level recruiter is creative, sales oriented, personable, assertive, and intelligent. He/she has great communication and listening skills and an eye for details. Pritchard also states that a recruiter plays a big role in creating candidates' first impression of a company and the employment opportunities it offers. A recruiter's job is to find the best available talent instead of an available talent. (Pritchard 2007, 6)

2015 Global Recruiting Trends (2015, 2) survey conducted by LinkedIn Talent Solutions states that in the current world of recruiting, companies are competing with big brands and promising start-ups for attracting top talents cost effectively. The recruitment process has to be well planned and professionally executed in order to create a right and positive image of a company, also for candidates who will not be chosen or who are not even applying for a job.

According to a recruitment survey conducted by Laine the field of recruitment is going thorough a notable change. Therefore, job advertising internet portals, recruitment companies, print media and recruiters need to reconsider their value proposals. (Laine 2015<sup>1</sup>, 3) 2015 Global Recruiting Trends (2015, 2) study supports the idea of Laine. Social media and digital marketing are new tools in recruiting and they are becoming a norm. That leads to the democratization of recruiting because innovative recruiting technologies and techniques emerge every day and they are available for every company. A company only needs the right tools and strategy to find and attract quality talents. (2015 Global Recruiting Trends, 2) This phenomenon of disruption in recruiting created the need for this thesis.

The objective of recruiting has remained the same, to find the right persons and attract top talents, but there is more to that. Nowadays it is also about creating and enhancing an attractive employer image for future recruitments. (Valvisto 2005, 22-

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<sup>&</sup>lt;sup>1</sup> In this thesis recruiter is a person or a company offering talent matching services

25) Therefore, a recruitment process should never be underestimated and it should always be also regarded as a marketing investment.

This thesis is an assignment from a company that offers human resource consulting services. The company offers services for various human resource management functions; recruiting, headhunting, personal assessments, outplacement, coaching and administrative human resource services. As for to *talent-matching services*<sup>2</sup>, the company is specialized in director, manager and specialist level recruitments in various fields of business. The company is not offering temporary staffing, as many of its competitors in the field of talent-matching services. The researcher is an employee of the case company and the motivation for this thesis originated from every day life observations and discussions with the company's employees. A need for designing talent-matching services emerged in order to update the company's current services due to the changes taking place in recruitment. The company also wishes to diminish a risk for misunderstandings about service content and to achieve guidance for pricing its services. At the moment the services of the company are presented as descriptions of services. Service concepts would also be easier to market.

Riddle (2001, 6-7) lists reasons resulting from academic studies for hiring a consultant, which include, for example, a consultant's expertise, identifying problems, recruiting of personnel and giving an objective point of view. The case company is a consulting company and it needs to have up-to date views about the industry and employee market and even be one step ahead in the changing world in order to guide their customers to the right path.

Due to the character of the business of the case company another important theme of this thesis is, along with the recruiting, service. Meroni and Sangiorgi state that services are complex and hybrid artefacts. Services take place in places, systems and interaction. They are related to human beings and therefore have sociological and cultural aspects. The service sector is emerging and the economy is turning to social economy instead of consumer goods' economy. Goods will be replaced by the systems or services offered for a certain purpose. (Meroni & Sangiorgi 2011, 1-4) At

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<sup>&</sup>lt;sup>2</sup> In this thesis talent-matching services related to recruiting

the moment over 70 % of the economical activities are related to services and less than 30 % to industry. This change implicates that the societal importance of service design passes the industrial designs. The core of service design is to create ideas and concepts, design processes and service environments. It is needed in order to make consuming of the services easy and to simplify consumers' decision-makings. (Kuosa & Koskinen 2012, 19,21-22)

The problem as a motivator for this thesis is that, at the moment the case company is offering a description of its services instead of service concepts. The need for has emerged due to the rapid change in recruitment. In order to start designing the concepts, customer understanding and an overall picture of recruitment, service design and value creation must be achieved. The research questions of this thesis are as follows.

- 1. What creates added value for the customers using talent-matching services?
  - a. What are *customers*'<sup>3</sup> needs and expectations when using talent-matching services?
  - b. What are the expectations of *talents*'<sup>4</sup> when participating in a recruitment process?

The objective of this thesis is to achieve customer and talent understanding, essential parts of the service design process. Based on that understanding and theory, ideas for service concepts are created for the case company for further development, production and measurement.

This thesis is an innovation study, which aims at creating innovations and ideas. Innovation research and the ability of companies' to innovate has become a central asset in competition because a new product or process can bring competitive advantage for a company. In a large scale innovations are the accelerators for economic growth and welfare and therefore the importance of innovations is widely recognized. (Ojasalo, Moilanen, Ritalahti 2009, 71-72) The research approach of this

<sup>4</sup> In this thesis a talent is a person who has the defined competences and characteristics that the company is looking for, i.e. fits the company and it's culture. Definition of talent is based on perception and context (Foster 2015, 15)

<sup>&</sup>lt;sup>3</sup> In this thesis a customer is an employer company, that uses talent-matching services

thesis is qualitative because the research questions aim at achieving a deeper understanding of the insights of both customers and talents. Hirsjärvi and Hurme (2000, 27-28) states that qualitative methods are relevant when research is close to the individual or interaction and when wanting to understand the content of a person's consciousness.

The empirical part of this thesis consists of theme interviews with the case company's customers and talents. The purpose of the interviews is to understand customers' and talents' insight thorough the recruitment process and to identify the possibilities for value creation when providing talent-matching services.

The literature review of this thesis is divided in two parts. The first part (chapter 2) concentrates on recruiting and current changes occurring in recruiting, which also affect talent matching service providers. As Laine suggested earlier service providers have to reconsider their value proposal in this changing environment. The objective of chapter 2 is to understand the basics of recruiting and to provide a deeper understanding of the phenomena of disruption of recruiting. The second part of the literature review (chapter 3) forms the theoretical framework for this thesis, *service design*. The idea and process of service design are presented and related to that, the theory of *value creation* is also studied. The literature review supports the plan of the empirical study and the methods used in it. The sources that are used in the literature review are academic research, scholar literature and practitioner-oriented literature<sup>5</sup>.

Methodology (chapter 4) introduces the methodological approach of this thesis and describes and analyses the empirical research; the theme interviews conducted with customers and talents. In Results (chapter 5) by following the steps of the service design process; the information from literature study and empirical study are linked and paralleled and based on them, the talent matching service concepts for the case company are created. In Discussions (chapter 6), the limitations of the study are discussed and the proposals for future research are given. Suggestions for developing the company operations according to the new service concepts are also given.

<sup>&</sup>lt;sup>5</sup> Literature who's primary target is those who actually work in the field of the study (Lee & Lings 2008, 90)

This thesis presents how to utilize service design in designing talent-matching services. From the perspective of service design it can be useful for other consulting service providers considering designing its services. The HRM<sup>6</sup> professionals of companies can also familiarize themselves with the service design approach, because Bersin (2016, 6) states that the design thinking is already emerging in the human resource operations of companies. HRM professionals, managers and talent-matching consultants can also find this thesis useful because it explains and summarizes the current phenomena of disruption in recruiting and gives empirical real life examples and compares them to the theoretical findings of disruption in recruiting.

### 2 Recruiting

In this chapter the basics of recruiting will be studied, as well as, the talent-matching service industry and the on-going changes in recruiting. It is essential to study first the basics and the process of recruiting, in order to understand the touch-points with the customer in talent-matching services and to understand later the changes taking place in recruiting. Because of the research context (case company) the talent-matching service industry is also studied.

#### 2.1 Recruiting Principles

Recruiting has three main targets what comes to the candidate engagement in a recruiting process. First is to attract the candidates, meaning to get people to apply for a job. Second target is to keep candidates in the process, thus maintain their interest. Last target is to get the candidate to accept the offered position.

(Connerley, Calrson, Mecham 2003, 22-23)

According to Valvisto (2005, 21) the objective of the recruiting is to form a contract between an employer and an employee, which creates positive change for both of them. Salojärvi states that recruiting is one of the most strategic processes in the human resource management. By the right kind of recruiting a company can achieve its strategic targets and create the specific kind of organizational culture. Recruiting

<sup>&</sup>lt;sup>6</sup> Human Resource Management

decisions are also salient, because they are not easy to change or cancel. A good recruiting process is about perseverance and foreseeing. She states that recruiting includes all the actions and choices, which are done in order to placing a right person to the right position. Sometimes even out of a position. (Salojärvi 2009, 119-120)

Recruiting can be internal or external. Internal recruiting includes also other HRM processes, for example personnel's development and career planning. (Salojärvi 2009, 119) Personnel's development is studied further in the chapter 2.3.5.

Markkanen (2005, 57) points out four ways how company can recruit: Jungle drum, public search/advertising, cooperation with schools and academies or using temporary staff. These ways to recruit are still valid but the content of the methods has changed and new tools and ways to do for example marketing, advertising and

has changed and new tools and ways to do for example marketing, advertising and using jungle drum has occurred (2015 Global Recruiting Trends, 2). Those changes are observed later in the chapter 2.3. In addition to above mentioned recruiting methods, according the survey Kansallinen rekrytointitutkimus<sup>TM</sup> (2015, 17) headhunting is very common way to recruit nowadays ad using networks has become common way to recruit. That makes recruiting more proactive and has a lot to do with employer branding (Bersin 2015, 30), which will be learned more in chapter 2.2.

## 2.2 Recruiting Service Industry

Talent-matching services are the most common services that companies' HRM professionals buy. A consult can bring added value to the customer by giving his/her understanding of the situation in employee markets and providing expert insights when profiling an ideal candidate for the customer. At its best, a consult can offer an objective view, challenge customary practices and offer new recruiting solutions to the customer company. (Isotalus, Kotilainen, Laine, Peltolin, Ramos, Tuohimaa, Ådahl 2015, p. 1, 4).

The employment branch in Finland and in Europe is very fragmented. There is a wide range of companies in different sizes, from small companies to large international organizations with tens or hundreds of consultants. In February 2014 there were 1514 active companies on employment branch in Finland, from which the major part

were small companies employing 1-4 persons and located in Helsinki. (Isotalus et.al. 2015, 6).

Table 1 below presents a rough categorizing of different kinds of recruiting service companies. However the line between the types is very volatile and there are various combinations of services that the recruiting service companies provide. (Isotalus et.al. 2015, 6) The case company is placed to type 3 and 4 since the recruitments they conduct are key person recruitments, headhunting and the company also provides personal assessments.

Table 1. Four Types of Talent Matching Service Companies (Isotalus et.al. 2015, 6)

	1	2	3	4
Туре	Companies that provide various services related to HR	Companies that provide recruiting services on a certain branch	Headhunting companies	Companies specialized on personal assessments
Supply of services	- Recruiting - Temp service <sup>7</sup> - Outsourcing - Service solutions - Personal assessments	- Recruiting - Temp service - Personal assessments	- Demanding leader, key person or specialist recruitments - Personal assessments	- Personal assessments - Recruiting

The recruiting industry is facing notable changes and many traditional recruiting and headhunting companies are struggling with adapting the new tools and operation models in recruiting. The recruiting companies are competing nowadays with the companies' own HR departments, because the new tools for active recruiting are available for everyone. (Korpi, Laine and Soljasalo 2012, 48) However, in Finland most of the companies don't have separate HR department, yet the human resource management is integrated in other management, for example finance. Usually

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<sup>&</sup>lt;sup>7</sup> Temporary staffing, for example Varamiespalvelut https://www.vmp.fi/#/

companies with over 100 employees have their own human resource specialist or department. (Luoma 2009, p. 64)

The surveys related to the recruiting service industry in Finland indicate that very few companies have outsourced the whole recruitment. Recruitments are usually conducted in the hiring manager's department or in HR departments. However, the companies are using the partner in recruitment as a support or extra resource in recruiting. (Kansallinen Rekrytointitutkimus<sup>TM</sup> 2015, 4, Laine 2015<sup>1</sup>, 7)

#### 2.3 Recruiting Process

Many times the word "recruiting" is used when meaning the recruiting process; defining the need and the position, advertising, collecting the applications, interviewing and making the decision (Salojärvi 2009, 127). This process will be studied next because talent matching services give support and offers solutions in these steps of the recruitment. The recruitment process defined by the case company is presented below. Support for this kind of circle is gathered from different guides<sup>8</sup> for recruitment. It is essential to understand that process presented below is created from the perspective of the recruiting consulting company. But overall the figure can be generalized in all recruitment processes. A recruiting consult can participate in all steps of the process but customers can also choose to conduct some of the steps by themselves.

<sup>&</sup>lt;sup>8</sup> Diane, A. 2006, Salojärvi, S. 2009, Markkanen, M. 2006, Valvisto, E. 2012.

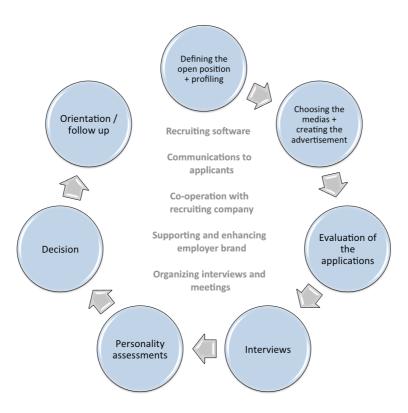


Figure 1. Recruiting Process

Recruiting can be understood as a project, which includes phases, such as planning, execution, decision making and follow up, as any other projects. In recruiting projects, the project leader is the hiring foreman. The need for a new employee emerges inside the company, if somebody leaves the company or the company opens a new position. A consultant can participate in the recruiting process from its very early stages. The decision about using the consultant is made by the hiring foreman or company's HR department when creating the project plan (Markkanen 2002, 9-11).

Then how can an outside recruiter be prepared for its customer's future recruiting needs? Usually the recruiter is contacted when the situation is rather urgent. However, it is suggested that the recruiter should regularly discuss with the clients in order to be able to anticipate customer's future needs. The recruiter should also maintenance its networks and to operate proactively rather than reactively to diminish the need for an ad hoc recruitments. (Pritchard 2007, p. 10) The phases of the recruitment process are presented as follows.

#### Defining the position and candidate profiling

At first, it is essential to think thoroughly what the future employee will do. The position needs to be defined carefully and not to make hurried decisions even if the need for recruiting may occur suddenly. It is important to take the future scenario, targets and the whole organization into account when defining the open position in a company. At this point should also consider if an internal recruiting would be possible or even better solution. An internal recruiting can offer for the existing employee interesting and motivating career step and also his/hers current position can be easier to replace. The situation must always be analysed broad-minded and future-oriented. (Markkanen 2002, 12-18) At the first point of the process, should be also checked if the company has made redundant in the near past, in order to ensure the legitimacy of the recruiting.

After defining the position to be filled the ideal candidate for the position will be profiled. First thing to be defined is the experience, education and the personality that will be most suitable for the person in the position. (Salojärvi 2009, 128-129) If one wants to make profiling thoroughly, there are various factors that can be taken into consideration. Rantanen states that profiling means describing the position related to expectations about the task goals, working methods and attitudes and the organizational culture. Things to be considered are a company strategy, organizational culture, a mission, measurable targets and timely expectations of the position. Also resources for the orientation, superior's expectations, team roles and team personalities, essential competences must be considered. (Rantanen) Sahay (2015, 183) states that today, in fast changing and evolving business environment, finding a certain competences is becoming less relevant. He suggests that instead of certain competences companies should pay attention to potential estimation.

#### Choosing the medias

After defining the position and understanding the profile of an ideal candidate, medias for the recruiting advertisements are chosen. Diane places an essential question what comes to recruiting challenges. "Where can you find qualified applicants in the least amount of time for the least amount of money (Diane 2006, 22)?"

Diane states that following matters should be taken into consideration before starting a recruitment campaign; a recruitment budget, urgency of the recruitment and is there a need for reaching a wide audience. Diane recommends that if the immediacy is in the top priorities of the recruitment then, the recruitment process should be proactive. The employer could, for example, use a recruitment agency to search and contact the potential candidates or search interesting candidates from its own talent pool. If the employer is not in a hurry and has the time to wait for the best candidates, the recruitment can be conducted in a reactive manner. That means advertising the position and waiting for the candidates to apply. (Diane 2006, p. 24)

The traditional AIDA-model from the marketing can be utilized also in recruitment advertising. A = Attention: to get the attention from all the interesting candidates. In getting attention, choosing the right medias plays essential role. I = Interest: how to interest the applicants. That is done by creating interesting content to the advertisements (whether in social media or traditional media). Studies show that telling the general information about the company and detailed information of the position encourage making the decision to apply. D = Desire: how to make applicants want to apply. At this point the possible applicants need more information and that information must be delivered easily and naturally. Today, the Internet and social media are playing significant role in providing this additional information. A = Action: leaving the application. Leaving the application should be made as easy as possible in order to keep all the applicants interested in applying. Even if using a recruiting software system this step should be thought carefully. Too long and complicated applying forms can cut down interesting applicants. (Korpi et.al. 2012, 99-101)

What comes to the content of a job advertisement, job attributes and organizational features mediate with the organizational attractiveness and the intention to apply for a job. Special attention should be paid on these elements when creating a job advertisement campaign. (Gomes and Neves 2011, p. 684) 2016 Global Recruiting Trends (2016, 17) survey conducted by LinkedIn Talent Solutions supports the idea and states that talent acquisition teams are already partnering with marketing and it is becoming essential partnership when investing in employer brand.

#### **Evaluation of the applications**

Usually job applications are submitted in two phases, immediately after publishing a job advertisement and just before the due time for applying. It is important to screen out applications during the whole applying period in order to understand the quality of the applications and to avoid hurry after the end of the applying period. However, if the due time is informed in the advertisement recruitment decisions should not be made before that. (Markkanen 2002, 35-36)

After the due date for applying a recruiter makes a summary of all the applicants. It can take time and at least couple of hours needs to be budgeted (depending on the amount of applications) for the listing and evaluation of the applications. When evaluating the applications, it is essential to remember what the employer is looking for and which are the most crucial factors. Based on most important factors the applicants can be categorized in potential, maybe and not this time —pools. It is important to retain the criteria same thorough whole categorizing process. When going thorough applications, questions and hypotheses that can be asked or confirmed later in the interview should be pointed out. Special attention to the dates and years and of course the content of the application should be also paid (Markkanen 2002, p. 40, 44)

As stated earlier applicant engagement is an important objective of a recruiting process. At this point the potential candidates needs to be contacted as soon as possible in order to know if they are still interested in the position and to engage them to the process. Also "maybe" and "not this time" candidates should be contacted at this point and inform what is happening in the process. (Markkanen 2002, p. 47)

#### Interviews and pre-hire assessments

If the quantity of the applicants is massive and the recruiter is interested to see as many of them as possible, the recruiter can use video interview (for example recruitby.net<sup>9</sup>). Also if the person's presence and presentation skills are important in

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<sup>&</sup>lt;sup>9</sup> https://recruitby.net/fi

the job, video interview can be a useful tool to sort that out in the first place. It can save money and time from both, the applicant and the recruiter.

First round interviews are usually one-hour meetings for becoming more acquainted with the candidate and vice versa. The candidate gets more information about the open position, the company and his/hers future superior (if one is conducting the interview). Also the hiring company gets information about the candidate's background, motivation and personality. (Markkanen 2002, p. 49) This study does not go into details of the interviews, but there is a lot of practical oriented literature of the recruitment interviews.<sup>10</sup>

#### 2.4 Competition for Talents

Bersin (2015, 9) states, that the world of recruiting has dramatically changed. Nowadays, companies need to know how to source candidates thorough a global network but also learn how to differentiate in the employee market thorough the company brand, candidate experience and managing the candidate relationships.

According to a Statistics Finland report, the unemployment rate has been increasing since 2005 and in November of 2015 the rate was 8,2 %. (OSF¹ 2015) However, as the bottom assumption in the research conducted by Connerely, Carlson and Mecham is that recruitment outcomes depend on much more than the existing dynamics of the workforce and the demand for a job. Their study proves that there are meaningful differences in applicant pool quality based on applicant attraction and their research outcome encourages companies to improve and putting effort on their recruiting tactics. (Connerley, Carlson, Mecham, 2003, 22,37)

Even if the unemployment rate increases a competition for talent can still exist. According to Statistic of Finland in 2015 by examining the statistics from a socioeconomical point of view upper level employees employment rate increased, whereas the lower level employees decreased. The demand for workforce depends on the industry. For example, last year the number of persons employed by information and communications increased significantly. (OSF<sup>2</sup> 2015)

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 $<sup>^{10}</sup>$  For example, Markkanen Mikko, Onnistu Rekrytointihaastattelussa, 2009

Figure 5. Change from the previous year in the number of employed persons by industry in 2014 to 2015, persons aged 15 to 74



#### Industries (Standard Industrial Classification TOL 2008)

A, B	01– 09	Agriculture, forestry and fishing; mining and quarrying
C-E	10– 39	Manufacturing; electricity, gas, steam and air conditioning and water supply; sewerage and waste management
F	41– 43	Construction
G	45– 47	Wholesale and retail trade; repair of motor vehicles and motorcycles
Н	49– 53	Transportation and storage
I	55– 56	Accommodation and food service activities
J	58– 63	Information and communication
K, L	64– 68	Financial, insurance and real estate activities
M, N	69– 82	Professional, scientific and technical activities; administrative and support service activities
0	84	Public administration and defence; compulsory social security
Р	85	Education
Q	86– 88	Human health and social work activities
R–U	90– 99	Arts, entertainment and recreation; other service activities

Figure 2. Change in the number of employed persons by industry in 2014 to 2015 (OSF<sup>2</sup> 2015)

Globally it has been understood that attracting talented people is a key to maintaining and growing a strong economic advantage (Florida 2007, p. 8). Talent acquisition is the most important function of human resources. At the moment organizations must utilize network recruiting, focus on brand, candidate relationship management and referral recruiting. They also need to learn to utilize the data science of recruiting and their external networks. (Bersin 2015, 31)

Future-minded employers all over the world recognize that their biggest asset is people: talents. These employers also state that attracting, motivating and retaining the right people is their biggest problem, because modern employees have a different mind-set. Nowadays a long career in a same company is no target. However, achieving new experiences and opportunities for mentoring and growth is attractive to these current employees. In contrast, traditional workers appreciate job security, stability and a clear direction. Employers of today find it interesting if a candidate has versatile experience. That demotivates working in same position in a same company, because it does not promote ones career. Studies have shown that the trend towards more mobile workforce does not depend on age, gender, groups and geography, yet it already occurs everywhere. (Kanter 2001, 97-199)

In chapter 2.1 the traditional recruiting process was studied. However, a lot of discussion is going on, if that is still a sufficient way to recruit. Bersin's study supports the idea of talent competition among companies. In addition to finding the best experts companies also need to know how to attract them. The best experts have the power to choose and they are very aware of the best organizations to work in. The recruiting of today is not anymore about finding the best talents, yet to attract them. (Bersin 2015, 29) A study conducted by KPMG supports the idea of competition for talent. According the survey 80 % of the respondents agree that the competition for talent is on-going and 59 % of the respondents think that it is different than in the past, before the economic crisis. The problem was regarded as generational; younger skilled workers are less interested in traditional working roles and rather see themselves as free agents. Also the scarcity of people with the skills required was seen as a problem. (KPMG 2014)

At the moment communications from person to person is growing in the Internet and the users have the power to decide what he will receive and what he thinks

about it. Users have also become messengers when participating in the conversations in the certain network or social media. Networks and links between people and companies have become transparent. (Korpi et.al. 2012, 11)

Bersin (2015, 31-35) points out essential factors related to recruiting today; Building a strong relationship with hiring managers, which needs to be done in order to make a recruiting process good experience for the applying candidates. Another important factor is concentrating on employer image in order to attract the talents. Also redefining the network recruiting strategy of the company. Therefore, the employee referral programs are arising trend globally (2016 Global Recruiting Trends, 12). Fourth factor is to learn to engage the top talents and therefore talent mobility and career management is an important part of recruiting. (Bersin 2015, 31-35) 2016 Nordics Recruiting Trends (18) survey also states that internal hiring and transfers is an emerging trend in recruiting. According Korpi et.al. (2012, 14) digitalization of recruiting is making change in recruitment and making it more transparent. Therefore digitalization has pointed as crucial factor in competition for talent in this thesis. It is stated that all the factors in competition for talent emerge from the power of relationships. Talent acquisition success results from the relationships with potential candidates, employees and internal partners. (2016 Nordics Recruiting Trends, 18) Below there is a summary of these important factors in the competition for talent, which will be studied further next.

Table 2. Features In the Competition for Talent

Factor	Function	Feature
Employer Image	To attract the most suitable	Arises from the inside of
	candidates	the company
Applicant Experience	To make applying for a job	Affects on the employer
	easy and positive	image positively or
	experience during the	negatively
	whole recruiting process	
Digitalization of Recruiting	A medium for making the	Activates passive top-
	employer image tangible	talents and makes the
		company culture
		transparent
Utilizing Social and Professional	To make company visible in	Activates passive top-
Networks	different forums and	talents
	networks	
Talent Management	To attract top talents by	To keep talented people in
	giving them challenges and	the company and enhance
	possibilities to develop	strong internal company
		culture

### 2.4.1 Employer Image

An important part of foreseeing and well-planned recruitment process is the employer image, because positive and truthful employer image attracts the right kind of cadidates. It is important to separate employer image from employer branding, which is only one factor in creating a positive employer image. The employer image forms usually, without intentions and therefore it is important that all the actions made in a company tell the same story about the company's values. (Salojärvi 2009, 125). 2016 Nordics Recruiting Trends (12) survey indicates that employer branding is highly valued in organizations as a tool to hire great talents.

According Salojärvi three main features forms an employer image. Those features are image, identity and public image. By image Salojärvi means the relationship between potential employees' values and career objectives with the employer's reputation

and brand. Identity means the current employees and, sometimes, other stakeholders' experiences of the company culture and conditions in an organization. Public image, on behalf, means the image that company is trying to achieve with its public communications. The most effective of these features is the identity of an organization because it is based on the real life experiences inside the organization. That indicates, that the best way to maintain positive employer image is to be truly interested in the personnel's well being. That kind of reputation promotes applicant attraction, but also the commitment of current employees. When building employer image strategically it is essential that all the factors of employer image tell the same story. Otherwise the contradictory message can create negative image. (Salojärvi 2009, 125-126)

Laine presents in his chart Työnantajamielikuvan Synty – Employer Brand Journey<sup>11</sup> the process of creating an employer image. The chart is interesting in the perspective of a talent matching consulting company because it visualizes the stages where the recruiting consultant has the opportunity to bring value to its customer by enhancing its employer image. The stages of employer brand journey are pre-candidate experience, applicant experience, employee experience and alumni experience. The pre-candidate experience and the applicant experience are outside experiences, which are based on official and unofficial sources of the company available for anyone. An outside experience happens where the receivers of the message are. An organization can't decide where it occurs, only to direct it by its own actions. Those actions take place on the last mentioned stages of the journey: employee experience and alumni experience. Those experiences occur inside an organization and they create the actual employer image and culture, which affect on the outside experiences about the employer image. In a nutshell a solid employer image is build from inside out. (Laine<sup>2</sup>, 2015)

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<sup>&</sup>lt;sup>11</sup> http://www.somehow.fi/somehow/wp-content/uploads/2015/05/Työnantajamielikuvan-synty1.jpg

#### Pre-candidate experience

Pre-candidate experience emerges from the presence of the company in media, news etc. Also the image of the products and services of the company and the current personnel's appearance in the social media and their employee experiences affects on pre-candidate experience. (Laine<sup>2</sup>, 2015)

#### Applicant experience

Applicant experience arises from recruiting marketing, recruiting process, recruitment medias and applying platforms. Also career stories and the overall image of an employer affect on applicant experience. (Laine<sup>2</sup>, 2015)

#### Employee experience

The most significant part in creating positive employer image is the real employee experience. It consists of working environment, team spirit, management, salary and benefits, career opportunities and communications. (Laine<sup>2</sup>, 2015)

#### Alumni experience

Alumni experience is the experience created to the employee when he/she is leaving the company. Supporting the leaving persons in all stages by proper communications and information will make the leaving experience smooth. Some companies have also own alumni community and alumni activities. (Laine<sup>2</sup>, 2015)

Laick and Dean point out that the major challenge for companies' personnel marketing is to define and understand their own corporate culture and make it visible to the potential employees. Nowadays the factors for attraction are for example integrity, social responsibility and sustainable practices and, as stated earlier, the opportunities to develop. Hierarchies and firm structures are no longer attractive for the new generation of the employees. (Laick & Dean 2011, 298) Also the content of the job with possibilities do develop it, good atmosphere and salary is studied to be the three most highly appreciated features in a job (Korpi et.al. 2012, 69).

The study shows that the fit was the most important factor when measuring applicant attraction towards a company. The study asks, should the recruitment

process be tailored to different kind of people in order to increase attraction, but states that further research for that should be conduct. However, the study suggests that organizations should pay special attention in making their organizational culture and values visible to applicants so that the candidates with deviating values and targets will not even apply. (Uggerslev, Fassina, Kraichy 2012, 636-637)

In a nutshell employer image differentiates the organization from its competitors and promotes it as a great place to work. (Laick et.al. 2011, 299). However it is essential to remember that the message send has to be truthful, for example if the organizational culture is hierarchical the employer-branding message should not state the opposite. That is the way to find the right fitting employees for the company. It is essential to be aware of the needs of the new generation in order to compete in the employer markets in the future and make strategic organizational and cultural changes.

#### 2.4.2 Candidate Experience

As learned earlier many times employer image becomes visible to audience during a recruiting process. Therefore the candidate experience is pointed out as an essential factor in competition for talent. It is also important point of view regarding this thesis, because the recruiting consultant deals most with the candidate experience and it is the touch point in which a consulting company can bring value to the customer. Customer itself creates the overall brand, but the recruiting consultant can enhance the brand by paying attention in creating a positive candidate experience. Bearsin study states that recruiting has become a funnel where a company can differentiate thorough the positive candidate experience and candidate relationship management. (Bersin 2015, 29)

The positive candidate experience is connected with the approach of building relationship and the feeling of co-operation thorough the mutual information flow. (Allden & Harris 2013, 42) Practical, good example from creating a good applicant experience was from Minna Liminka, former HR-leader of Descom. She posted a movie ticket to the applicants who were not chosen to the interviews and that message started to spread in the social media. She stated about the case that:

"It tells a lot about a person how he/she treats people who he/she can not advantage from. It tells a lot about the company's values how it treats applicants who are not invited to an interview." (Liminka 2014)

Liminka's way of giving attention to applicants, who they were not interested in at the moment, created a lot of positive publicity and enhanced the positive employer image of the company. Other side of the coin is that, if treating applicants disrespectfully the message will spread and weaken the employer image. In the empirical part of this thesis, candidates' viewpoint is studied in order to succeed in creating positive recruiting experience to them, and thus affect positively on the customer company's employer image.

#### 2.4.3 Digitalization of Recruiting

According the Official Statistics Finland 41 % of the companies used social media in recruiting (OSF<sup>3</sup>, 2015). Laick and Dean state in their research article that modern information and communication technology affect on all business processes and their role in personnel management is increasing significantly. Emerging usage of technology is also increasing the demand for information and transparency in recruiting. Job seekers can find information from the organizational culture, working practices and personal view from the current employees from different channels in the Internet. The revolution of the social climate caused by the Internet is offering a whole new possibilities to personnel marketing to explore new ways to interest new audience. (Laick et.al. 2011, 297)

Social media has enabled lower cost and more targeted and faster recruiting. Social media reaches bigger audiences and the announcements can be targeted easier to certain experts, which also can active passive experts to apply for a job. It also enables more effective headhunting search. (Laine 2015<sup>1</sup>, 21) One might ask, why are the headhunters still needed if the information is available for everyone? Sahay (2015, 184) states that big data has created a niche for talent-acquisition (inner or outsourced). A recruiter must be able to provide meaningful data from the big data related to a company's strategic sourcing, workforce planning or building talent pipelines.

Digitalization of recruiting is also enabling more creative ways to recruit and to communicate with the talents. The traditional recruiting process is criticized because it is often too formalistic. Internet networks can be used in many ways, not only posting a job advertisement. Creative using of Internet can turn recruiting into interesting happening, in which everyone in network can participate. In digital media platforms the recruitment message is suggested to be informal. Social media will become one of the most important recruiting channels. The strength of social media is that it brings many new possibilities to recruiting and employer branding compared to traditional medias and job advertising. (Korpi et.al. 2012, 14-15, 23)

Social media also enables to reach out bigger audience than with any other media, yet it also enables to target job advertising to the proper and suitable professionals. However, it should be remembered that social media should be utilized differently than traditional passive job advertising when the advertisement is published first and then applications are waited. When using social media, company should be active; participate in conversations, share interesting information and help others when help is needed. Passive using of social media can, at it worst, create negative associations about the company. (Korpi et.al. 2012, 16-17, 25)

Cromheecke, Van Hoye and Lievens state in their study that little research has been done about how organizations can differentiate themselves by recruitment activities, but they found out that unusual information in job advertisements gains more attention than traditional information. Their study explained that using unusual medium in recruitment attracts more attention from applicants based on social-cognition theories. An unusual medium can also affect on the quality of the applicants. High-level applicants are usually employed and therefore are not actively searching jobs. A job advertisement in an unusual media can reach these high-quality applicants more likely than advertisement in a common recruitment media. (Cromheecke, Van Hoye and Lievens 2013, 411)

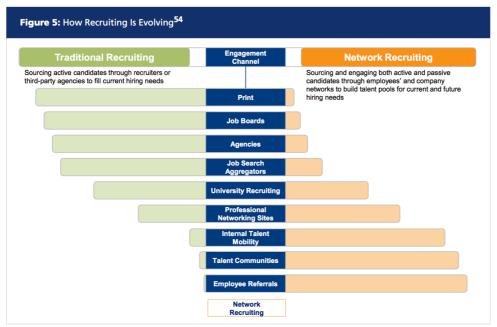
The study supports the idea of effectiveness of social media as a medium in recruitment. Everyone is nowadays in social media and there one can activate applicants who are not looking for a job at the moment. (Cromheecke et.al. 2013,

411) However, best practices are still missing and the outcome of using social media depends a lot on the recruiter's experience and understanding of the media. (Laine<sup>1</sup> 2015, 3) In the future, job searchers will adapt using social media as a normal source and social media will become everyday tool used in recruiting. For companies it will create a challenge to differentiate with it. Korpi suggests that by putting effort on recruiting communications for example in form of videos and other wider contents, the visibility and differentiation in social media will be achieved. (Korpi et.al. 2012, 61)

Personnel managers are changing their recruiting strategies in order to gain advantage from the digitalization and social medias. These medias are important and very normal to young talents. They find the information of potential employer's company culture but also market themselves. For companies, these medias offer the channels to transmit the corporate reality for the bigger audience. To summarize, web technologies and social networks in particular offer a platform to communicate transparent and authentic corporate values, which are highly appreciated among the graduates of today. (Laick et.al. 2011, 297-298) Examples of social media platforms are Facebook, Twitter, Instagram, Pinterest and Youtube and latest Snapchat. Other platforms in the Internet are for example Oikotie, Monster, companies own web pages and blogs (Laine 2015<sup>1</sup>).

#### 2.4.4 Utilizing Social and Professional Networks

According to studies even 80 % of the currently working talents are potential job seekers. They are not actively seeking a job, yet they are open for new opportunities. That indicates that companies need to recruit actively. One way to dot that is headhunting. (Anteroinen 2016, 40) Utilizing networks is also one way to reach the passive talents and the Bearsin study states that every organization have existing wide networks of candidates, possible candidates, alumni, contractors and employees. If a company learns to manage, influence and communicate to this network it can increase the quality and speed of recruiting efficiently. (Bersin 2015, 30)



Source: Bersin by Deloitte, 2014.

Figure 3. How Recruiting is Evolving (Bersin 2015, 30)

Over the past four years using social networks has been globally the fastest growing method for quality key person hires. An employee referral programs and internal hires have also been sources for top hires. (2015 Global Recruiting Trends, 12-13) Employee referral program is an internal hiring method that is used to identify potential candidates in their existing employees' social or professional networks. Usually the programs include an incentive for the person who has leaded a new hire to a company. Employee referral programs lead to quality hires cost effectively and efficiently. Referral program also increases the engagement of the existing employees by fostering the feeling of connection to the company and providing a possibility to influence. In these cases the new hires tend to be also more engaged, because they have existing social connections inside the company. Employee referral programs also promote a positive employer image because the existing employees turn into brand advocates. (CareerBuilder 2010, p. 2)

#### 2.4.5 Competence Development

As mentioned earlier, it is important to find and attract the employees that fit for the company culture. For decades, companies have, increasingly, been forced to prove their added value to the customers. That has put pressures on innovation, creativity,

customer satisfaction and quality. In order to succeed, eyes have to be on the customer and the company itself and its inner strengths instead of the competitors. Instead of reacting to the competition a company must be always ahead of the competitors by enabling the mobilization of individual strengths, knowledge and expertise in the organization. (Bergenhenegouwen 1996, 29)

By identifying a company's core competences and focusing on them systematically gives the company a competitive advantage. These company competences are a unique combination of business expertise and human skills that creates the company's character. Individual competences play a significant role in the competences of a company. To get the best out of company competences it is essential to recognize the expertise and skills of the employees and their underlying motives and qualities. (Bergenhenegouwen 1996, 30) Foster encourages manager to reveal the unrecognized talent of the employees. By managing and getting familiar with talent within the company managers can develop talent processes and thus motivate the employees by supporting their career and personal development interests. (Foster 2015, 17)

Bergenhenegouwen's ideas are still valid and are the essence of the competition for talent -phenomenon. Companies need to find employees suitable to their organization and hence support the company competences. Competence development goes hand in hand with employee engagement. As stated earlier, the workforce of today expects the ability to progress on their career and they want that work provide them with experiences. That puts pressures on the internal talent mobility in companies. Companies that succeed in internal mobility are proven to be able to create strong leadership, capability and employee engagement. Engagement is important to the business because tenured and highly skilled people understand the company operations and they are more influential. (Bersin 2015, 36-37)

To summarize the challenges and changes the competition for talent has evolved. The figure below presented by Sahay (2015, 186) about the roles that a recruiter of today fulfils. Recruiter of today has several roles and he/he needs to have crossfunctional mind-set.

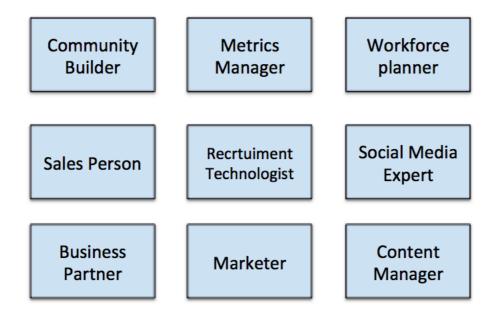


Figure 4. Specialization mix in the Recruiting Team Roles (Sahay 2015, 186)

# 3 Service Design

At this point the basics of recruiting and on-going changes in the employee markets have been studied. In the world of today, companies need to adjust their culture to create a fit with the candidates they wish to attract. Recruiting has become more and more a two-way street and it's about both the organizations and the talents. That creates a niche in providing innovative talent matching services. In the recruiting of today it is essential to take into consideration talents' expectations and when operating as a recruiting consultant also customer company's expectations. In this chapter the service design and value creation for both of these parties will be studied.

#### 3.1 Concept of Service Design

Service design does not have universally accepted definition and discussion on defining the concept of service design is going on. (Tafel-Viia, Viia, Lassur, Kuosa 2012, 47) According Tuulaniemi (2011, 26) Service design is a process, a toolbox and a framework for developing services and improving existing ones. Supporting idea of

Tuulaniemi arise form the content analysis research conducted by Tafel-Viia et.al. (2012, 53), yet they state that discussion of the concept of a service design must be still continued.

Meroni and Sangrioni points out four characteristics of services that researchers seem to agree on. According to them services are intangibility, heterogeneity, inseparability of production and consumption and perishability. These four characteristics form the IHIP framework, and below is a table that explains the IHIP characteristics of services and connects them with design for services. (Meroni et.al. 2011, 9)

Table 3. Summary of Service Design Approaches in relation to IHIP Service characteristics (Meroni et.al. 2011, 18)

Service Characteristics	Description	Design for Services Contribution
Intangibility	Services cannot bee seen, felt, tasted or touched in the same manner in which goods can be sensed	<ul> <li>"Evidencing" the service offering a service experience</li> <li>Making the intangible tangible</li> <li>Empathic design</li> <li>Dematerialisation as an innovation lever</li> </ul>
Inseparability	Most service require the presence of customers of the production of services	<ul> <li>Uses as sources and not as a problem</li> <li>Co-design approaches</li> <li>Collaborative services</li> </ul>
Heterogeneity	The quality of the performance may vary from time to time, depending on the situation and service participants	<ul> <li>Services as situated actions</li> <li>Design the conditions for possible behaviours and interactions to emerge</li> <li>System design</li> <li>Customization and modular service architecture</li> </ul>
Perishability	Most services can't be stored and therefore depend upon the ability to balance and synchronize demand with supply capacity	<ul> <li>Replication strategies</li> <li>Distributed and interconnected service solutions</li> <li>Enabling platforms</li> </ul>

Key issue within the service design thinking is developing tools and models to understand the conditions that influence in the quality of the services and the service

interactions. However, the target is not to learn to control or standardize services but to design better conditions for possible behaviour to take place. (Meroni et.al. 2011, 20-21) The main charasterisstics of services affect also on designing the services as learnt in the table above. The Service design is user centred, based on a customer understanding and interaction (Stickdorn, Schneider 2012) Below is a figure that presents the five principles of the service design.

# The Five Principles of Service Design Thinking

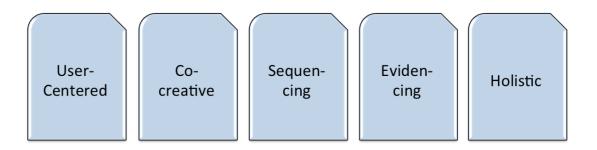


Figure 5. Stickdorn's and Schneiders's Five Principles of Service Design Thinking (2012)

The inherent intention of a service is to meet a customers' needs, therefore a service designer should see and understand the service experience from the customer's poin of view. The design process should be co-creative and involve all stakeholders in the service journey. In this thesis the customers and the talents as an important stakeholders are participating in the design process. The next principle, sequencing means that the service should be visualized, as a sequence of interrelated actions and describe the process and touch points of the service. The service should also be made tangible by evidencing. Evidence can occur in many different forms, for example e-mails, bills and brochures. Even if the services are intangible they take place in a physical environment, which should also be taken into consideration in service design. (Stickdorn et.al. 2012)

Kuosa and Koskinen (2012, 22) state that service design needs practical approach and therefore they find it useful to explain what service designers are doing. According them service designers create new service ideas and concepts, design service

processes and multisensory service environments. Service designers also analyse cross-disclipnary research related to service development, plan design marketing and communications, guide the processes and coach and train in service development.

#### 3.2 Service Design Process

At this chapter the steps of a service design process are explained to guide the service design process of this thesis. Steps are from practical guide for designing services, because the bottom line of this thesis is to be business and practical-oriented.



Figure 6. Service Design Process (Tuulaniemi 2011, 55)

The Service design process starts with Briefing which means *defining* the goals of the project. What are thee needs the service will be designed for and what are the business goals of the service producer itself. Brief includes also the vision, mission and values of the company and the current service portfolio. (Tuulaniemi 2011, 58) In this thesis the methodology chapter Research context comprises the briefing of a service design project.

Second phase of the process is the *Research* and gaining the customer understanding. That is the most crucial part of the process. It clarifies the needs, expectations and goals of the target group. At this point the relevant information is gathered and research is made and the methodology to do that is chosen according the design problem. Information sources can be for example interviews, existing sources of the customers and observations. The material from the research can be in various forms and it needs to be interpreted and analysed deeply in order to find the important factors for wider group of service end users. At this point it is also important to re-examine the brief made in the first step of the project and redefine

the competitive strategy of the company and create a business model. (Tuulaniemi 2011, 61, 63, 76)

Third phase: *Designing* starts with brainstorming. The aim of the brainstorming is to create many ideas and solutions to the design problem. Brainstorming can be made various ways but important is to avoid too much criticism at first point. Ideas can be connected, grouped and last the concept will be created. Concept is the pig picture of the service and it describes the core idea of the service and it consists the service path with different touch points of the service separated. Common and usable model for conception is the blueprint model that will be used also in this thesis results chapter. Based on the service concept the prototype of the service is created. Prototype makes the testing and evaluation of the service possible. (Tuulaniemi 2011, 78-82,91)

When service concept and prototype is ready the service will be piloted and measured in the *Production* phase of the process. The service will be launched, after needed adjustments are made, if possible first to smaller target group or to the big audience. Last phase of the process, *Evaluation* ensures the competitiveness of the service and the constant development of it. (Tuulaniemi 2011, 99-100, 102-103)

#### 3.3 Service Design and Talent Matching Services

Bersin (2016, 6) states that high-impact HR teams are starting to practice design thinking. Supporting the idea of service design emerging to human resources, Sahay states that design thinking is well applicable in talent acquisition because talent acquisition is forced to develop more outward looking view and design thinking is all about studying different touch points of the process, learning from people participating in the process and hence building services and processes from outside-in. (Sahay 2014, 170) Design thinking emerging in the companies HR departments support using service design in services produced for their operations.

Since design thinking is taking place in companies HR departments companies need to focus on their employees' personal experience and make and refine processes user-centred. Study says that HR should adapt a new role of an experience architect instead of process developer. In organizations that idea includes every aspect of the

work e.g. the premises, interaction, management and recruitment. Good example is leaving the application for a job. A study shows that over half of the talents who found the applying for a job difficult created a negative association with the company's products and services too. (Bersin 2016, 67-68)

# 3.4 Value Creation in Talent Matching Services

Vargo and Lusch originally presented the idea of the co-creation of value and relationship. Their service-dominant logic theory is based on the phenomenon of moving from a tangible goods-centred model of exchange to an intangible service-centred model of exchange. According to the service dominant –philosophy a company, a customer and other stakeholders participate in the process and that leads to value. (Vargo & Lusch 2004, 4,7) Since the focus in economy is shifting from tangible to intangible, such as skills, knowledge and information (Vargo et.al. 2004, 15) the Service-dominant logic also gives an interesting perspective to the need for talent matching services. It can be contemplated if the current phenomenon o competition for talent originates from this service-dominant logic.

Value and its creation make up the core of service design. Value creation takes place when a customer's process extracts value from the usage of resources (Grönroos, Gummerrus 2014, 209). Value is the relation between the price or the efforts and the benefits and it can be quantitative or qualitative. Qualitative value can be for example a good design or user experience, whereas quantitative value can be related to price or technical quality. (Tuulaniemi 2011, 16) In order to create value to customer it is essential to understand the customer's own value chain process. Hirvonen and Helander state that one also needs to understand the customer's goals, strategy, values and mission, in order to be able to create value. They call it as the *Identification* phase of a value creation process. (Hirvonen & Helander 2001, 282)

A company gives to its customer a promise of value, which differentiates it from the competitors and summarizes what the company offers. A promise of value describes what a company is offering and to whom it is targeted, as well as, what the benefits are for the customer and what makes the product or service is unique. (Tuulaniemi 2011, 17) In the end, the consumer perceives and determines the value based on

"value in use". The experienced value arises from all communications between a company and customers. In the end the value is a subjective experience arising from customers' "value in use" and therefore a company can only make value propositions to its customers. (Vargo et.al. 2004, 11) Figure below simplifies the value creation.

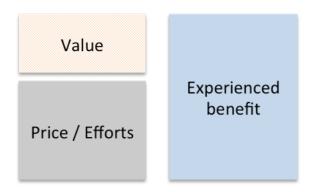


Figure 7. Value Creation (Tuulaniemi 2011, p. 16)

Hirvonen and Helander support the idea of Vargo and Lusch. In their framework the second step is *Supporting* joint value creation thorough the relationships and exchange of knowledge, emotions and actions. They emphasize that especially in professional services these factors play a great role because the services provided are based on the expertise of a service provider. That is also connected to the third phase of their framework, *Benefiting*, which reminds that producing a service should be beneficial also for the service provider and therefor the service should be based on its core competences (Hirvonen et.al. 2001, 283)

A debate towards a new perspective, customer-dominance is going on. It suggests putting the customer in the centre when considering value creation. The focus should be moved from what companies are doing in order to create services from which the customers receive "value in use" to the idea of what customers are doing with the service to accomplish their own targets. The service should not be in the centre, yet the idea what the customer is aiming at when using the service and what is the role of the service in the customers' value creation onwards (Heinonen et.al. 2010, 534) In order to create value for the customer we have to understand what the customer needs. The key in understanding customer's needs is in understanding the customer's processes and what happens inside the company (Kaario, Pennanen, Storbacka, Mäkinen. 2004, 52). Joint value creation is still an important part of value-

creation, but customer the dominance logic puts wider customer understanding in the centre. Below is a figure by Heinonen et.al (2014, 535) presenting the new aspects, which the customer dominance logic is bringing to the service dominance logic. The Emphasis lies on a wider customer understanding.

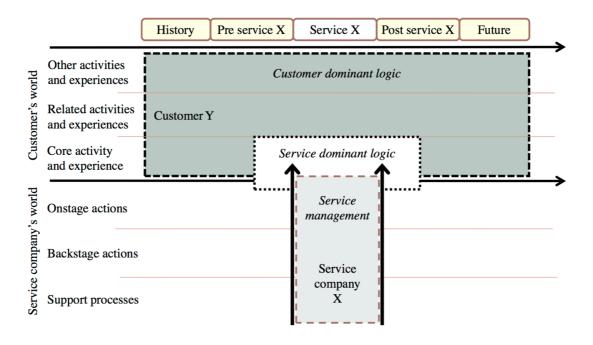


Figure 8.Idea of Customer Dominant Logic (Heinonen et. al. 2010, 535)

To reach a wider customer understanding as the figure shows the first step is to identify the customer's value creation process and point out the concerns and problems the customer has. (Hirvonen et.al. 2001, 283) Insights of Kaario et.al. (2004) supports the idea of customer dominance. They state that since markets are becoming mature companies are forced to think of new ways to create value to a customer by improving the customer's processes. A company, which is able to provide innovative value to its customer, succeeds in the competition because other companies are focused on providing solutions to the old processes. In order to succeed in the customer process innovation, a company needs to have a wider perspective of the customer organization and its existing processes. It is also important to identify the phases of the customer's process and the activities performed in each of these phases. One needs to understand the biggest challenges

and concerns of the customer in each phase of the processes. When understanding these points the company can match its own services to best match the customer needs. (Kaario et.al. 2004 17, 21, 52)

# 3.4.1 Customer Value Creation for Talent Management

The talent matching services can be bought in various situations and the level of outsourcing may vary. The most common way to buy the talent matching services is one assignment or a project at a time. Whole recruiting process can be outsourced or some parts of it, for example administrating the process and pre-screening of the applicants. That can help in finishing the process in time if the company is lacking its own recourses. The talent matching services can be bought also as an in house — service. That is the case in many times, if the company does not have its own HR-department. A company can also outsource the whole recruitment, which is called Recruitment Process Outsourcing (RPO). The talent matching services should be always tailored according to the need of a customer. (Isotalus et.al. 2015, 8) Earlier was learnt that very few companies outsource their whole recruiting process and the service is often produced in close co-creation with a customer. A co-creation is a dialogical process, where the actors' processes merge into a collaborative process (Grönroos et.al. 2014, 209)

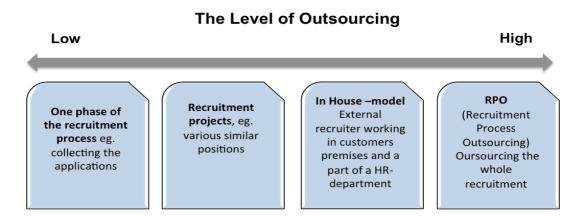


Figure 9. Level of Outsourcing Recruitment Operations (Isotalus et.al. 2015, 9)

The biggest obstacle for the companies of today is continuously finding the candidates from the high demand talent pools. In the Nordic countries the top priority is to recruit highly skilled talent. Therefore, using the social and professional networks grow as a key source for recruiting. Other priorities was pipelining the talent and improving the quality of hire. The most important platforms for quality hires were Internet job boards, companies' career websites and social and professional networks. Companies are increasingly hiring passive candidates and they are interested in finding more effective ways to source them. That is considered to be a long-lasting trend alongside with the employer branding. (2016 Nordics Recruiting Trends 2016, 6,10, 15)

When evaluating the performance of a recruiting team's performance in recruitment the most valuable metric in Nordic countries was hiring manager satisfaction.

Globally the most valuable metric was the quality of hire. (2016 Nordics Recruiting Trends 2016, 8)

#### 3.4.2 Talent Value Creation

Grönholm states that recruiting markets have become more applicant-led and the companies have to communicate more what they can offer for the their employees. The meaning of work stands out and younger generation is not willing to wait many years to get their dream job. (Anteroinen 2016, 40-41) That was also learnt in the chapter about Competition for talent. Therefore understanding the talent career needs is essential to provide a value for a customer via talent matching services. As learned earlier, an appealing culture and the employer image is rising from the reality inside the organization. Recruiting offers often an opportunity to make the company culture visible thorough the advertising and other touch points during the recruiting process. It is also essential that a recruiting process support employer image and organizational culture, whether a partner in recruitment or a company itself conducts it.

It is proven that the organizations, which do not find creating a good candidate experience important, have increasing difficulties in attracting the right talent. That is because candidates nowadays find their time as an investment for the company and they expect a return on that investment. Candidates' key expectation is up-to date

and transparent communication. Overall, personalized experience is appreciated and it will become the norm. (Carpenter 2013)

Ogburn and Janosk (2006, 5-9) present a nine-step concept called *candidate-centered recruiting and hiring*. They emphasize that the steps are based on common sense and recommended practices. Consistently followed the concept leads to more effective recruiting. The idea is to focus on the candidates' needs in every step. Their article is written about student affair recruiting practices but they are applicable also in wider applicant perspective.

# Know, who you want to hire

Make sure that the company knows whom it wants to hire and what are the expectations for the future employee. Make sure that that the message and advertisements tell the same story. Determine also the skill set, which will be the base for the candidate sourcing, because defining whom one wants to hire helps the candidates to make better decisions.

#### Determine the necessary process steps

Make sure that the return on investment of the candidate is appropriate. It is important that every step of the process has clear and meaningful connection to the position and the evaluation of the suitability. Too tight and overwhelming schedules can diminish the interest of the candidate.

# Choosing the selection team

It is important that the people who are participating in the recruitment process are truly contributing in finding the best solutions and are interested in the candidate.

#### The necessary investigations

When the final candidates have been chosen, it is important to make the necessary investigations. Thorough pre-screening diminishes the risk of the recruitment for both of parties.

#### **Prepare candidates for success**

When candidate is invited to an interview, it is important to provide all the necessary information related to the interview.

#### Be Professional and ethical

The interviews must be conducted professionally end ethically obeying the legislation.

#### Hide no skeletons

The message about the company, the position and the process should not be misleading. The company's values and culture are especially important to communicate to the candidates.

#### **Information**

The most common problem in recruiting is with providing up-to date information to the candidates and to provide closure to the candidates who were not chosen. It is important to notify candidates about their status at least once during the process. Informing of delays and solutions is crucial to the candidates and their candidate experience. Failing in communication is not professional, ethical nor a good PR.

#### Making and offer

Give a clear information about the salary and what it is based on. Also clear information of starting dates and moving expenses etc. should be provided to the candidates. (Ogburn & Janosk 2006, p. 5-9)

Supporting the concept of Ogburn and Janosk, Vuorensalmi summarizes how to execute a good recruitment process from the candidates' perspective. She says that well executed recruitment process is always active and the communication to candidate needs to be up-to date. Candidates' questions must be answered and they have to be informed if the process delays. When the recruiting decision has been made, it has to be communicated to the other candidates without delay and no one can be left outside the communication. The talents appreciate if they know what is happening later in the process; when is it proceeding and when she/he can expect further information. These things are important because a job search is always about excitement, dreams, expectations and fear of failure. Therefore every company, which is interested in it's own reputation should take the recruitment process seriously and put efforts on it. (Vuorensalmi 2016) An open, value-driven,

transparent process gives the candidate the best possible opportunity to succeed (Ogburn & Janosk 2006, 9)

# 4 Methodology

There is a change going on in creating innovations. Before the responsibility for innovation creation was on the research and development departments of the companies and academic research institutions. However nowadays people believe that innovations are born in daily life based on real life needs. Innovations arise from discussion with various experts. The study on innovations can be approached from two perspectives: to study the birth, spreading and affects of an innovation or to study how to create an innovation. An innovation can be process innovation or product and service innovation. By process innovation, a company can make its processes more cost effective and thus lower prices or make more profit. By product and service innovation, a company can create more demand and thus gain competitive advantage. (Ojasalo et.al. 2009, 71-72).

In this thesis the aim is to achieve customer and talent understanding and as a result create service innovation. An important characteristic of the service design is an ethnographic qualitative approach because the heart of a successful service design project is daily life and understanding it. Ethnography is a research method developed and used in various social sciences. In the case of service design it aims at understanding future users of the service. Design ethnography means ethnographic qualitative research within the service design framework, which enables the designers to work and generate ideas from the perspective of the end-users. (Stickdorn, Schneider 2012)

The empirical research of this thesis is conducted as a part of the service design process. Both quantitative and qualitative research can be utilized in service design. At their best, they complete each other. Qualitative research is usually used in the design phase of the process and quantitative research when evaluating the existing developed services. (Tuulaniemi 2011, 30, 62) Hirsjärvi and Hurme (2000, 27-28) states that qualitative methods are relevant when research is close to the individual or interaction and when wanting to understand the content of a person's

consciousness. The concentration in this thesis is on design and customer understanding. Therefore, a qualitative examination approach is chosen for the empirical study.

The research process followed the presentation by Hirsjärvi and Hurme (2000, 66-67) and the theming formed the base for this research. It arises from the theory and forms the framework for the interviews and after that for the analysis.

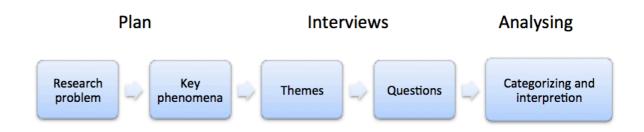


Figure 10. Themes' Position In a Research Process (Hirsjärvi et.al. 2000, 67)

The results of the research will be concluded with an abductive approach. Gold, Walton, Cureton and Anderson place criticism towards the traditional views in theory building based on deduction or induction. According to them a traditional theory building has created a gap between the scholars and practitioners and the abductive approach can be a potential way of reasoning in finding a solution for HRD practitioners' complex problems. (Gold et.al. 2011, 230-231) The idea of abduction is applicable in this thesis because the innovation research does not target on creating scientific proven theories. The aim of the innovation research is to give ideas and insights. (Ojasalo et.al. (2009, 78)

# 4.1 Research Context

Presenting of the research context is the first step of a service design process, **briefing**. The case company is a company offering HR consulting in Finland. The company is established in 2007 and it has five employees at the moment. The key services of the company are talent matching services, personal assessments,

management consulting, in-house consulting, outplacement and coaching. The talent matching services are focused on a specialist and key person recruitments in various industries. The company is recruiting mostly for the positions, which are difficult to replace and those positions reflect usually significantly to the whole organization. (Markkanen 2005, p. 15).

Barney states that strategic resources of a company must be valuable, rare, imperfectly imitable and hard to substitute. A strategy based on these resources leads to a sustainable competitive advantage. (Barney 1991, 105-106) Since the case organization is small, its operations are very efficient and flexible. That can be utilized in service design and make the services easily more customer-centred. Already at the moment the case company's recruitment services are tailored according to the needs of a customer, but that means that in every project the company has to start from scratch and there is a risk of misunderstandings between the company and a customer what the service includes. Creating service concepts for the talent matching services will clarify content and the steps that include in a service. The services must still keep as flexible as possible, because the idea of selling what a customer really needs has to remain.

The information regarding the company is received from daily observations because the researcher is an employee of the company also the company's web pages and brochures are studied. The values of the company are trustworthy, tolerance, transparency, persistency and expertise. It is important that the personnel of the company shares the same values and act according to them, so that the customers and the talents find co-operating with the company pleasant and they feel valued. That is hard to imitate and the personnel who shares the same values and the expertise is an essential competitive advantage for the case company. In a nutshell the possibility to offer flexible, customer-centred services and remaining company values and their visibility in the operations is the key asset that needs to be taken into consideration in the service design process.

At the moment the talent matching services of the company are presented in three service concepts:

- 1. Recruiting
- 2. Headhunting (direct search and smart search)
- 3. Personality assessments

As we learned in customer value creation chapter, in talent matching services the byers usually demand tailoring and they want to pay for what they need. However, the conception of the services would make the services easier to understand, sell and prize even if the opportunity to tailoring remains. Competitive strategy of the company is based on differentiation. According to Porter, that means that the company has to offer service or product, which is considered unique. Differentiation provides protection against competition because customers are usually more loyal and pricing don't paly such a big role. (Porter 1980, 37-38) The case company is small and therefore very agile and flexible. Also the services are marketed with the humane and individual respective approach, which will be certain asset in the field of recruiting and when putting effort on creating positive candidate experience.

Tuulaniemi (2011, 59) names benchmarking as an important step in service design. Kodali (2008, 257-258) states that benchmarking should be understood as a catalyst to innovation and improvement. It is a process to identify, understand and adapt best practises to help organization to improve its own practises.

A benchmarking of the competitors recruitment services were made to give some insight of the competition and brief the service design. There were chosen two competitors from the same geographical area, and one company from the capital area. The information was gathered from the companies' web pages service — sections. Two of the competitors have very similar operations model and product portfolio what comes to talent matching services. The capital area company has a little different approach and their all talent-matching services include active search. Below is a table of the comparison of talent matching services of the four companies.

Table 4. Benchmarking of Talent Matching Services of the Competitors

Benchmarkir	ng			
Services	Case company	Competitor 1	Competitor 2	Competitor 3
Recruiting	Recruitment is executed as a whole process or partly according the customer need (picture of the recruitment process included)	Recruitment process defined step by step	Recruitment process defined step by step Free advertisements in Oikotie.fi and Monster.fi	Quickhunt: The service includes all the phases of the recruitment process and the execution time is 2-4 weeks.
Headhunting	Smart Search Direct search Executive headhunting	Headhunting	Headhunting is executed by a subsidiary of the company	Executive Search: Search executed by senior advisors Headhunting: For management and specialist search Quickhunt: For officer level search (see recruiting)
Personality Assessments	Is offered as inclusive or additional service	Is offered	Is offered	Additional tests
Additional services	In house talent matching services	Recruiting coaching	Staffing	Temp leaders and international cooperation.

The benchmarking shows very little difference between the companies. However, the companies are profiled a bit differently. Competitor 2 for instance offers also staffing services whereas competitor 3 offers temp leader services and more highend recruitment services. The case company and competitor 1 are both placed somewhere in between. The content of the services however were very similar based on the information in the companies' Internet pages. Benchmarking shows that there is clearly an opportunity for differentiation and innovation of new talent matching services. Only competitor 3 differed by its service concepts. The services have been given names and they were presented clearly on the Internet pages. Services showed innovation and the usage of service design.

#### 4.2 Data Collection

The interviews of the selected customers and talents form the primary data of this thesis. The interviewees were selected by purposive sampling presented by Lee & Lings. Meaning that the interviewees were selected best to answer to the research questions. The method of sampling follows also the idea of theoretical sampling presented by Glaser & Strauss 1967 in their work Grounded theory, where theory guides the qualitative sampling. (Lee & Lings 2008, p. 212-215).

There were interviewed four customer companies' representatives from which one person represented two different companies. Thus there were altogether five companies studied. The companies were selected from different industries and they all are case company's current customers. Three talents were also interviewed. The talents also represent different businesses and have different backgrounds in job searching. The criterion for the talent chosen was also that he/she had participated in a recruiting process during the last year. Yet they were not participated in the recruiting process in the case company. That was also a criterion in order to increase the reliability of the research. Tables below present the backgrounds of the interviewees.

Table 5. Backgrounds of the Talents

Backgrounds of the Tale	ents		
	Talent 1 (T1)	Talent 2 (T2)	Talent 3 (T3)
Basic info	Female, 29 years old	Female, 30 years old	Male, 34 years old
Education	Bachelor of Hospitality Management	Master of Science in Marketing	Bachelor of Natural Sciences in Information Technology
Job search in the last year	Administrative office tasks Retail tasks	Marketing related tasks e.g. Project Manager	Software Developer

Table 6. Backgrounds of the Customer Interviewees

Backgrounds of t	he Customer interviewees		
	Position	Business	Employees approximate ly
Company 1 (C1)	HR Manager, Female	Information Technology and services	450
Company 2 (C2)	HR Manager, Female	Information Technology and services	200
Company 3 (C3)	HR Business Partner, Female	Information Technology and manufacturing	50
Company 4 (C4)	HR Director, Female	Environmental Technology	25
Company 5 (C5)	HR Assistant, Female	Energy	900

The interviews (both for customer and talents) were conducted separately and they were in-depth semi-structured interviews (Appendix 1 and 2). The in-depth interviews were chosen in order to pursue new angles, viewpoints and examples and to gain an insight of respondents' feelings, opinions and experiences. Semi-structured interview structure, which have several and detailed interview topics, was chosen in order to keep the discussion on track and relevant and connected to the research questions. (Lee et.al. 2008, 217-218) Theme interviews are the most common data collection method in social sciences and business economics. Well-used theme interview is an effective method because the researcher can guide the discussion without controlling it too much. A well-planned and conducted interview is also a motivating experience for an interviewee. (Koskinen, Alasuutari, Peltonen 2005, 105)

The most important part of a theme interview is choosing and pointing out the interview themes (Hirsjärvi et.al. 2000, 66). The themes for the interviews were formed based on the theoretical background of the study. In the company interviews themes were: Background of the interviewee and the organization, Recruiting, Employer image and Talent Matching Services. For the talents themes were: Job

search and Experiences in job search. The companies' interviewees were informed of the themes beforehand and talents were informed that the questions are related generally to job search. All the interviews started by introducing the researcher and the topic of the thesis and themes of the interview. Also permission for recording the interview was asked.

Company interviews were conducted individually in the case company's premises or in the customer's own premises. The talents were interviewed in the case company's premises and at interviewees home. One of the talents answered the questions by email. In both cases individual interviews were obligatory, because the interviews were confidential. The interviews followed an interview framework but there was also free discussion and many interviewees brought up their own ideas and insights to discuss further. A criticism towards the interviews causes the fact that they were mostly conducted during a working day of the researcher and an interviewee. Therefore the certain time limits were set for them to avoid too much sprawl. All the interviews were recorded and transcribed into Word-document by using font Calibri, size 12 and by spacing 1. Altogether forming 96 pages of research material to analyse.

### 4.3 Data Analysis

Data analysis can be done in various ways and there are only few standardized techniques to that (Hirsjärvi et.al. 2000, 136). In this this thesis the material was first transcribed and then analysed. Interpretation of meanings were used in the analysis, which means that the researcher aims at finding the meanings and characteristics, which are not necessarily literally answers to a certain question. The researcher has a certain point of view of the topic and he/she interprets the interview from that angle. (Hirsjärvi et.al. 2000, 137) In this research the researchers viewpoint was the theoretical background of the study and her own understanding of the industry.

All the data was first transcribed to a written format to Word-document and then it was analysed. The first relevant information was pointed out and transferred and reorganized as an Excel-sheet by using theming and coding. The certain themes in the analysis were chosen based on the research questions, on the literature review and

the theoretical framework. Those themes guided also the interpretation of the interviews. Certain colours were chosen to represent each theme. The themes of the customer interviews were background information, which included the information of the interviewee, the organization and business and the culture and the people, e.g. the context the company is operating in. The second theme was recruiting comprising the recruiting process and the difficulties faced in it. The third theme was employer image, which comprises the attitudes towards employer branding, competition for talents and candidate experience. The last theme was using a partner in recruitment, in which the sub-themes were the situations for using a partner, criteria and expectations towards the partner. However, it was soon noticed that many themes and answers were, somehow, also connected to other themes. Those similarities were pointed out and connected by using the chosen colours of the themes. The theory supporting phrases were also highlighted in the material.

The talents interview material was also analysed in Excel by using theming and coding as in the company interview analysis. The answers were analysed and connected in the themes that arise from the interview framework and primarily from the theoretical background. The themes in the talents interviews were 1) background information, which included the information of the interviewee; his/hers age, education and current job. 2) Job search, which comprise interviewee's history in job search, job search channels and presence in social media in the case job search. 3) Employer image including the candidate experience. First the interview material was connected in those three themes and after that the colour coding from the customer interview analysis was connected to the talent interview analysis in order to point out the touch-points with the talents and the companies' insights. Theory-supporting phrases were also highlighted in the material. Interviews were conducted in Finnish. Consequently, the quotes are translations.

#### 4.3.1 Findings From Talents Interviews

In talent matching services, creating value for the talents creates also value for the customer. Therefore, the analysis will start from the talent interviews. Table below illustrates the channels that the talents interviewed are using in job search and also their visibility in social media related to job search.

Table 7. Job Search Channels

Job search channels			
	Talent 1	Talent 2	Talent 3
Channels for job search	Mol.fi Job portals, e.g. Monster Hidden jobs Social and professional networks Facebook (by liking and following interesting companies)	Social and professional networks Job portals + Alert service Linked Social Media (Twitter, Instagram, Facebook)	Mol.fi Job portals, e.g. Monster Companies web pages
Job search related social media visibility	LinkedIn, but not active	LinkedIn Twitter Instagram Facebook	LinkedIn

It shows very little differences in using different job search channels and the answers support the idea of digitalization in job search and in recruiting overall. The talent interested in marketing was the only who was very interested in social media and utilized social media versatile in order to market or brand herself. She stated that that is due to her marketing background but it is also a passion for her. Remarkable is, that none of the talents mentioned print media as a source to job scanning.

"I keep my LinkedIn profile updated and informative. I also want that my other social media accounts are interesting and that they have content, so that there is fun, interesting content and they look visually good. "(T2)

"According my own experiences people in the IT-field, my colleagues and friends are nor using social media very active." (T3)

"I consider LinkedIn is addressed more to specialists instead of general administrators. " (T1)

Table 8. Talents Expectations From Employer and Organization

Talents Expectations fro Organization	m Employer and		
	Talent 1	Talent 2	Talent 3
Employer	Communication with foreman Good orientation	Desire for increase Versatile tasks Modern and up-to date Rewarding from good job	Interesting job content Stability
Organizations culture	Good team spirit Open discussion Appreciation of the employees	Good atmosphere Management Common goals Flexibility both ways Fairness	Interest in employees welfare

The talents had pretty different expectations from work. But the overall tone of the answers could be crystalized, that they wish to be appreciated and taken into consideration in the way or another, for one it can be flexibility and rewarding and for one it may be interesting tasks. It is important to remember the theoretical background, which stated that since an employee is becoming the centre in HR, these individual motivators and expectations are important to take into consideration instead of finding the average. Deeper discussion about the expectations indicates that talents are eager to study the future employer from their networks and media. They are interested in the reputation of the companies. This finding supports the importance of employer image, which was learnt from the theory.

"Constant employee cooperation negotiations and "intensifications" affect negatively on the employer image and have significant affect on my interest even to apply for a job in that company. " (T3)

"Before submitting the application I tend to study what kind of organization culture, atmosphere and management there exists." (T2)

Table 9. Candidate Experience and Expectations

Candidate Experier	nce and Expectations		
	Talent 1	Talent 2	Talent 3
Advertisement	Clear, snappy, informative Relevant information Not too much requirements unless obligatory Contact information Information of the employer Differentiation	Modern Creative Videos, visual content Tells the message of the company	"Basic" advertisement Informative; expectations, tasks and what company offers No meaningless gimmickry needed
Applying	Easy Long internet forms frustrate Usability of internet forms	Long internet forms frustrate Easy and leaves time to concentrate on actual application and CV	Easy, e.g. via e-mail or submitting application and CV in the internet Internet forms with multiple questions frustrate
Interviews	Exciting but good experiences Relaxed atmosphere but pertinent questions	Video interview (Recruitby.net), gave insight of also of the company and colleagues Included pressure tasks, but were teaching	More discussions than interviews Have created positive feeling of the employer
Communications	Message does not come at all or very late Phone call or e-mail ok Feedback or reasoning of the choice Supportive feedback	Message does not come at all or very late Fast response Personal contact and feedback	Very variable Bad communications stay in mind more longer than well executed communications

Above is a table, which summarizes the talents' experiences, appreciations and thoughts of the recruitment process. These factors give insight how the talents wish to be treated and what makes a recruitment process positive or negative experience for them. Job advertisements tend to be quite similar and detailed information or feeling about the company seems to be lacking many times. It is important to remember who and what kind of person you want to hire. If someone creative talent, then the advertisement ought to be creative too. When too much going on in a job advertisement can be too sometimes much, as talent nr 3 stated that informative

and clear advertisement is the best. Target group ought to keep in mind already when creating the advertisement.

"If you cover all the logos from the advertisements they look just the same" (T1 about the advertisements)

"Maybe something about the employer too, even if that can be searched from the Internet, but something how they want to differentiate." (T1 about the advertisements)

"A Job advertisement has to be hip. I am not that interested in traditional written advertisements. I am much more interested in videos, visual and creativity...If I notice that there is an idea behind the ad, it tells also about the company." (T2 about advertisements)

In the theoretical background was stated that a positive candidate experience is very much in relation with personal relationship and mutual information flow. Easy and user centred applying and active communications with the candidates are very appreciated. All the talents had positive experiences from the interviews, which indicate that if there is a possibility to personal interaction, it is experienced positive. However, employer should remember that feedback and communications after meeting is very important to keep the tone of the process positive. The experiences of communications during a recruitment process were similar with the talents, in a way that they all had positive and negative experiences. Communications can be summarized so that it needs to be active because it tells a lot about the respect towards the candidates.

"I get excited when I don't have to fill in some big corporation's Internet form because it is very frustrating to answer the same things in different form, which will be answered in application letter. " (Talent 2 about applying)

"I get most anxious with all the dates." (T1 about filling the Internet form)

"I find difficult or annoying the applications in company's recruitment software with various questions which are also answered in CV and application." (T3 about applying)

"I was very flattered when she called me personally on the Friday afternoon and had the time to talk." (T2 about communications)

The most important points, that will be taken into consideration on the talents behalf in the service design is the attraction of the advertisements and understanding the customer company and it's culture in order to be able to communicate it to the talents. Other important factors are making the applying easy and putting effort on high-level up-to date and personal communications. Making the service as personalized and respectful as possible.

#### 4.3.2 Findings From Customer Interviews

After learning the talents' insights of recruitment, the most important findings from the customer interviews are pointed out. All the customer representatives' work is related to recruitment as a manager or an assistant role. They represent organizations in different size and industries: Information technology services, energy, manufacturing and environmental technology. Companies' sizes vary from small and medium size companies to big companies employing approximately 1000 employees. The backgrounds of the customer interviewees were presented in table 6, p. 47.

All the companies interviewed were facing some kind of organizational revolution, for example thorough acquisitions, rapid growth or digitalization, which shows in high demand for the experts.

"We are becoming more and more specialist organization" (C5)

"Our organization culture has been partly quite conservative but on the other hand these acquisitions and changes in the organization are forming the culture more dynamic, flexible and transparent. The change is still going on." (C1)

"We have a cultural revolution going on in our company due to rapid growth." (C2)

Even if the companies' sizes and businesses vary the recruitment process of the companies were very similar and it followed the process model learnt in the theoretical background. The differences were found in collecting the applications. Where the bigger companies had their own software for recruitment and the smaller companies collected applications via e-mail and the administration of the process was conducted manually. An important finding of the process administration was that hiring managers are very engaged to the recruitment process from the start of the process to screening the applications and to the interviews. Only the customer company 3 had outsourced HR Business Partner and her responsibility was to screen the applications. The engagement of hiring managers was explained so that they have the best understanding of the substance needed in the position. HR representatives were also engaged with the process by pre-screening the applications and being responsible for the administration and communications to all the applicants. HR representative's role in the interviews is mostly to investigate if the applicant's person fits the company and the organizational culture, whereas hiring manager concentrate in learning the candidate's substance.

"The hiring manager always screens the applications... but they might appreciate if I have done some pre-checking and screened out the candidates that are clearly not qualified. " (C1)

"The hiring manager screens the applications and marks them if we want or not to interview them." (C2)

"There is a hiring manager an his/hers colleague who screens the applications." (C5)

Every company had clear idea of the stages of the recruitment process and there were not many challenges in it. Some challenges were related to timetables and organizing meetings in suitable times for everyone. Even if the process was very clear with everyone, the higher level recruiting strategy was missing from the companies. However in the biggest companies it was under development at the moment to make recruiting more planned and organized. The figure below shows the challenges the interviewees brought up. The most common problem was attracting the top

talents. Creating inspiring recruitment advertisements was also seen as challenge. It is very much in relation with the challenge in attracting the top talents. What comes to specialist recruitments, the phenomena of competition for talent arise from the interviews. The case company is specialized in specialist and key role recruitments and competition for talent is the most essential part to take into considerations in designing the services. Every interviewee stated that there is a challenge in finding and attracting the specialists of a certain area.



Figure 11. Challenges in Recruiting

"I think the challenge is to reach the top talents...The business field is so competitive and those people are not in a open employee market." (C1)

"Attracting good experts can be difficult." (C2)

"There are no problems in the process, yet it is difficult to attract the applicants in our business field." (C3)

"Finding sales experts has been a challenge." (C4)

"We have had some specialist positions open, in which we did not get any applications because there are very few of those experts existing." (C5)

According to the answers the customer companies put more and more effort on their employer images. In interviewed bigger companies that is an active and conscious choice and in the interviewed smaller company the image comes as a side product of doing things well. Only one company said that employer image is not even considered. Even if the efforts are made to enhance the employer image, none of the companies were collecting feedback about the recruitment process and the candidate experience. All the customers interviewed had a clear idea what kind of talents and personalities they wish to attract. Even if the employer image arises inside the company the recruitment consultant needs to understand the culture and the message of the company. As learned from the theory recruiting is an opportunity to make the organizational culture and employer image visible.

All the companies interviewed had been using recruitment partner at some point. In these cases all the companies did the major part of the work by themselves and the basic recruitment was in their own hands with clear structures or structures under development. An outsourced partner was used usually in direct searches and personality assessments. One company used also staffing, for example in long but temporary administrative positions. It was also mentioned that a part of recruitment may be outsourced for example in cases that are likely to interest many applicants or in case of needing help in the interviews.

"We use partner in recruiting in headhunting and for extra resource in recruitments with a lots of applications. "(C1)

"We use partner mostly in executive headhunting." (C3)

One company was also using talent search service in which the service provider searches the talents and books appointments with the company without doing any pre-interviews. In every company using a partner was decided case by case. It can be

summarized that companies use partner in recruitment as an extra resource or in order to get special insight and expertise of the partner. Below are two figures that illustrate the criteria used when choosing the partner and the expectations for the service.

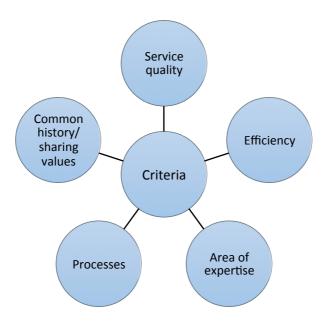


Figure 12. Criteria for Partner in Recruitment

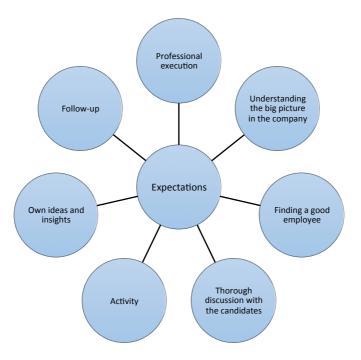


Figure 13. Expectations Towards the Partner in Recruitment

Because all the companies had experiences in using partner in recruitment, the criteria for choosing the partner was asked. However also the expectations for the service was asked even if they have some similarities. The criterion is related more to the partner itself, whereas the expectations are related to the service and the outcome. In headhunting area of expertise was mentioned as one criterion. The recruiter searching for the best IT guru is not necessarily the best to search an account manager. Efficiency, working processes, quality of the service and the previous history and sharing the same values were also mentioned as the criteria.

"I want that the people in the recruiting process are treated appreciative and well. I think that the partner is our voice in that process." (C1)

The expectations could be described with two words; professional and active. The companies wish to have ideas and propositions from the recruiter and during the competition for talents, more active approach is appreciated. That was learnt also from the theory. Recruiting is not passive any more, at least when the competition of talents is on going. The companies also appreciate if the partner in recruitment is interested in the company and its business in order to provide best possible solutions to them.

"I wish that the partner can think the best for our business." (C1)

"I appreciate the communications and that it is easy. I notice quite fast if the consultant understands the idea. And that the partner is very active. Not only wait that I tell him/her what is the case, yet he/she knows how to get information from me, because we are looking for a partner in that point when we are not on our strongest area. Then we will need the active help. " (C4)

To summarize findings from the customer interviews, the themes that will be taken consideration in the service design are understanding the customers' message and employer image, activity, working and professional process. These points also

support the points arisen on talents behalf. Special attention will be paid to active search and it will be the core of the service design.

# 4.4 Verification of The Findings

According Hirsjärvi & Hurme the objectivity of the findings of a research can be critically observed from two perspectives; reliability and validity of the findings. Reliability means that the same outcome will be achieved in two separate research occasions and also that separate researchers would achieve it. The research validity means that can the outcome be generalized and to which extend. (Hirsjärvi & Hurme 2000, 186) The outcome of the research supports the ideas arisen from theoretical background related to recruiting and the disruption going on in it. The analysis also gives ideas how to create added value for both the talents and the customers in sampled business fields. The problems and needs customers are facing were very similar. Since the customers interviewed were the case company's current customers the insights can be considered valid base for the service design. However, the employee market and the challenges can vary according the business field and companies. Therefore, it is essential to achieve customer understanding individually with every customer.

The insights and ideas from the empirical research supports the information learned from theoretical background of this thesis. That indicates that the results can be generalized to some extent, at least on the same business fields as the customers operate. The insights arisen from the talents interviews were also in line with the empirical background. Criticism to the sampling of the interviews must be given. In the case of the talents the interviewees were all from the same age group and the customer interviewees were all females. Therefore, very extend valid conclusions and generalizations cannot be made. However results can be used as a supporting evidence of the theory learnt. It is important to remember that the aim of the research was to give ideas and assumptions to the case company to further develop the services.

The data collection and analysis was done according to the theory of doing qualitative research. However, as stated earlier the background of the researcher as

an employee of the case company is essential to understand. The results were interpreted objectively but ideas for theming and connecting information from the interviews arise from the theory and the expertise of the researcher in the business. It cannot be stated if the other researcher would have decide on the same themes. The theory evidencing results however indicate that same results would have arisen by other researchers too. It can be stated that the theory and the empirical study answer to the research questions and in the next chapter the results of the theory and empirical research will be crystalized into ideas.

# 5 Conclusions

Services are the best method of marketing; every interaction between a person and a service is an opportunity to tell a brand story and services include a lot more of these interaction touch points than tangible goods. A service is also the most sustainable way for a company to differentiate in the competition because it can not be copied. The essential question in branding the services is; what makes the service unique and how it shows for the customer? How does the brand show and is experienced in the interaction between the customer and the personnel? Is using a service logical and understandable for the customer in all the touch points? Is the customer getting positive experiences in all the touch points of the service? (Tuulaniemi 2011, p. 26-28) In this chapter these guidelines, theoretical background and the outcome of the empirical research will be connected.

#### 5.1 Research Conclusions

In theory of service design and value creation was learnt that service design starts from understanding the customers' needs, expectations and hopes. Understanding a customer and gathering information of customer experience helps find new commercial opportunities. This thesis is now in the point where all the information has been gathered. As a result the empirical study analysis brought up three themes, which include an opportunity for value creation to a customer. These themes are

Attraction, Activity and After care. These themes are studied next in the light of the research analysis.

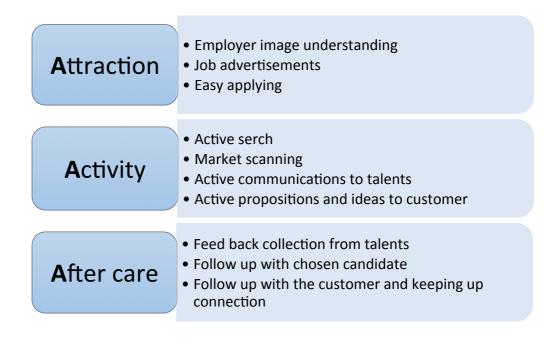


Figure 14. Themes for Service Design

# **Attraction**

The demand for getting information and learning about the hiring company arise in the interviews with the talents. Also the customer research indicated that the customers find it valuable if a partner in recruitment understands customer's business, culture and desired employer image. That was seen important because a partner in recruitment is acting as a voice of the customer company. Criticism towards job advertisements also was expressed from both the talents and the customers' side. The talents stated that they do not get enough information of a hiring company from the job advertisements. The customers' representatives found it challenging to create attractive advertisements that communicate the culture of the company. This disproportion signalled about an opportunity for value creation. In order to create appealing advertisements and make an open position desired, a recruiter needs to understand the customer's culture and employer image.

Attraction theme includes also the idea of easy applying for a job. It is essential that applying for a job is as easy as possible and it can be done with any possible

electronic device without answering too many questions. The talents found it frustrating to fill in internet forms with the information they already have in their Cv:s.

# Activity

Activity theme has its place in many points of talent-matching services. Based on the empirical research, activity should be the guiding attribute in talent-matching services of today. The customers found that their biggest challenge is to attract and even find the top talents, especially in specialist position. For that challenge talent-matching services could offer an active search and talent market scanning. For the talents activity should appear as an active, personal and up-to date communications and feedback thorough the whole recruiting process. An expectation for activity arise also from the idea that, when using a partner in recruitment customers are not necessarily on their strongest area. Therefore, they wish that the partner is active and gives his/her own ideas, insight and suggestions for the customer instead of only listening what they want.

# After Care

Idea for after care arises from the finding that none of the customers interviewed collected feedback from their candidates, except from the chosen one. Neither are any of the benchmarked competitors offering feed back information or they do not mention it in their service descriptions in the Internet. Since recruiting is becoming more candidate-centred and about creating positive candidate experience, feedback collection might be a way to create added value for the customer. Also follow up with the chosen candidate and the customer should be made. That ought to be done in order to foster the candidate experience and to keep the relationship with the customer fresh and up to date. That way a partner in recruitment can deepen customer understanding, which was also a necessary in enhancing the talent attraction towards a customer.

As learnt earlier, the customers use talent matching services for two needs; as an extra resource or in important and difficult recruitment where the special expertise of the consult is needed. One reason is also to keep the recruitment anonymous,

which is very common in executive headhunting. All those needs will be also taken into consideration in following service concepts.

# 5.2 Talent Matching Service Concepts

Talent matching services of the case company will be dived in five different service concepts. According to Tuulaniemi a concept is the big picture of the service and it describes the centre idea of the service and the journey of the service, but leaving also room for details. (Tuulaniemi 2011, p. 82) Since the company is Finnish the working titles of the concepts are also in Finnish. These concepts are the first ideas arisen based on the research and they are to be refined and processed in the case company.

An important part of the service design is creating a blueprint model of the service. The blueprint identifies the steps in the process, isolates the failing points and establishes the time frame as well as helps in analysing the profitability of the service. (Shostack 1984) In this thesis one service concept is blueprinted (Appendix 3) and the others will suggested to model in blueprint as further actions.

#### Rekryapu (Recruitment help)

Rekryapu –concept means basically already existing recruitment service, which covers the whole recruitment process from start to end, added with the feedback collection, which arise from the research. More efforts will be put also to the communications to the candidates meaning systematically informing about the steps of recruiting process and providing the candidates information what will happen and when. That will also help keeping the processes smooth and avoids delays. The journey of the service can be seen in figure 1 on page 12 added by feedback collection and in the start more thorough customer interview and understanding. That is done always when operating with a new customer. Rekryapu can be tailored based on the needs of the customer and customer can define the level of outsourcing. Rekryapu will also provide innovative and employer's story telling advertisements. Personality assessments are provided as added service. As we learnt form the research, hiring managers are very engaged to the recruitment process.

They need to be provided with an easy access to the applications. That will need some adjustments to he case company's recruitment software. Blueprint of Rekryapu is in appendix 3.

# Fiksurekry (Smart Recruitment)

Fiksurekry -concept covers Rekryapu or parts of it. In addition, the service includes the search from the company's database and defined networks and companies. Similar service is already in use and due to its active approach it is very relevant to remain as a service concept. In order to execute Fiksurekry the talent pool of the company has to be fostered and organized more systematically and resources has to invest in it. Fiksurekry is fast and agile process including needed pre-interviews and it can be done anonymously if needed. Fiksurekry is a hybrid from Rekryapu and next presented Suorarekry.

#### Suorarekry (Direct Recruitment)

Suorarekry -concept is a high-end candidate search service, which is executed anonymously. It is done in order to find and attract top candidates in the employee market on the specific field. Suorarekry is an appropriate choice in executive level and key position searches. Suorarekry includes all the phases and tools needed in the recruitment, video interview tool, Internet media costs and personal assessments.

# Rekrytiimi (Recruitment team)

Rekrytiimi —concept is a new service concept innovated based on the research.

Concept provides extra resource for a customer in different kinds of recruitment needs and ad hoc situations. Rekrytiimi can be continuous service providing market screening and contacting talents and growing talent pool for a customer, especially in the field with the strong competition for talent. Rekrytiimi can also work on in house -basis and help in acute recruitment situations and for example screen out open applications submitted for the customer and coordinate big recruitment campaign. Rekrytiimi is a service supporting market scanning, active talent contacts and being also as an extra resource. Rekrytiimi can also take the whole recruitment of the customer in its hands and coordinate and do the pre-screening and interviews.

Rekrytiimi is a good choice for example for start-up companies, which are growing

and need help in recruitment but are not yet in the place to have their own HR professional.

#### **Additional services**

As an additional service is suggested personality assessments, video interview tool, recruiting and interview coaching and lower cost advertisements in Monster, Oikotie and LinkedIn.

# 6 Discussion

In the beginning of this thesis was learnt that recruiting is facing significant changes. The phenomenon of competition for talent is forcing companies to foster their employer image and organizational culture. Employees, passive talents and candidates in the recruitment process are becoming the centre in recruiting. Creating a positive candidate experience is essential in creating positive employer image. Recruiting processes are becoming transparent and message, whether positive of negative, will spread fast and enhance or worsen the employer image. That means also that recruiters need to re-consider their value propositions and ways to operate.

The aim of this thesis was to learn how to create added value for the customers. That was used as a base for designing up to date talent matching services for the case company. Studying the on-going changes in recruitment and learning the theory of service design and value creation formed the base for empirical research and phrasing of a question to the customer and talent interviews. Those interviews formed the empirical research part of this thesis. The motivation for this thesis was to design talent matching service concepts to the case company that offers talent-matching services. Service design was used as a framework for the process and it guided the choice of the qualitative methodology of the research in order to reach customer understanding and to answer the research questions.

The empirical outcome was evidencing the theory part of the thesis and therefore it can be considered reliable. However, the validity extension raises questions, since the research sampling covered only certain business fields. This sampling was sufficient to answer the research questions from the viewpoint of the case company

but the validity for different business fields cannot be guaranteed. The theory evidencing results however support also the validity of the results to some extend.

Three themes supporting the value creation arise from the empirical research to guide the service design of the talent matching services. These themes were attraction, activity and after care. Following the service design process these themes were formulated into ideas of service concepts for the case company. However, this is only the beginning of the service design process. A lot of work is still to be done and these ideas and concepts are to be refined, put in practise and evaluated.

#### 6.1 Further Research

In this thesis the service design process reached it third phase, design and the first ideas of service concepts were created. One service blueprint was created for an example to the case company. That work ought to be continued and also profitability analysis of the services should be made with the blueprints.

The research outcome and created themes and ideas need to be presented to the personnel of the company and further develop these ideas together. After that, the services should be moved to production step of the process. Suggestion is to test a prototype of the service with couple of customers, collect feedback, make corrections and after that starting to market them widely. Last step of the design process is evaluation. In the methodology chapter was stated that service design could benefit from qualitative and quantitative research. Qualitative research is used usually in design phase as in this case. Quantitative research is used in evaluating the services. Suggestion is to define the metrics to measure the service quality and start collecting systematically feedback from the customers as the new service concepts are launched. Feedback information should be constantly followed but it would be essential also to summarize and analyse the results in order to get the big picture of the service quality and further develop the services.

# 6.2 Development Suggestions

Important development suggestions arise from the research concerning the case company's operations. One thing to consider is to start co-operation with partner in

marketing and communications. Supporting that idea, theory of the thesis brought up the idea of HR becoming cross functional with the marketing, the customers found creating appealing job advertisements difficult whereas the talents found job advertisements many times too similar and not giving enough insight of a hiring company. The overall phenomena of the employer branding support the idea, that talent-matching services should be able to provide modern marketing point of view or have a partner to do that. Finding a partner in marketing would also benefit the company itself. Investing in marketing company could start to build the brand and market the new service concepts efficiently.

Some investments should be made to software for providing valuable service to the customers. The new service concepts included an idea of feedback collection from all the candidates in the recruiting process and providing the results later to the customer. In order to do that, software for feedback collection should be invested in. Also current recruiting software should be updated in order to make applying for a job as easy as possible. At the moment the applying form has many sheets and that is not creating positive candidate experience as learnt from the research.

Activity, important theme arisen from the research, is something in which the company should concentrate systematically and direct resources into it. The current candidate pool should be fostered and increased more actively. That should be done in order to be able to response fast to the customer's talent needs.

Last suggestion regarding the case company's operations is that the customer interview framework used in the empirical research would be utilized every time when starting a co-operation with a new customer. With the help of the framework better customer understanding is gained and recruiting project and communications can be conducted in compliance with customer's employer image and culture. After all, the case company is being the voice of its customers and boosting the customers' employer image.

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# **Appendices**

# Appendix 1. Interview framework for the customers

#### Taustatiedot:

- 1. Kertoisitko ensin itsestäsi? Kuka olet ja mitä teet?
- 2. Kertoisitko yrityksestänne?
  - Toimiala?
  - Henkilöstön määrä?
  - Organisaatio?
  - Kulttuuri?

# Rekrytointi:

- 1. Onko yrityksellänne rekrytointistrategia? Millainen?
- 2. Kertoisitko millainen on rekrytointiprosessinne?
  - Vaiheet?
  - Tekijät?
  - Vaikeudet eri vaiheissa?
- 3. Millaisia ihmisiä haluatte rekrytoida?
  - Osaaminen?
  - Muut tekijät?
- 4. Millaista on rekrytointiviestintänne? Kuka siitä vastaa?
- 5. Millaisia rekrytointikanavia käytätte?
- 6. Kertoisitko rekrytointihaastatteluistanne?
  - Tunnelma?
  - Kuka tekee?
  - Paikka?
- 7. Millainen uskotte hakijakokemuksenne olevan tällä hetkellä ja mitkä tekijät siihen vaikuttavat?
- 8. Mikä on tällä hetkellä vaikeinta rekrytoinnissa? Miten kehittäisitte rekrytointianne?

#### Kilpailu osaajista

- 1. Kertoisiko mitä työnantajakuva teille merkitsee?
- 2. Kehitetäänkö yrityksessänne aktiivisesti työnantajakuvaa? Miten?
- 3. Minkä ajattelet olevan teidän vahvuutenne kilpailussa osaajista? Miten tuotte sitä esille?
- 4. Millaisen työnantajakuvan luulet teillä olevan verrattuna kilpailijoihinne? Millaiseen

# haluatte pyrkiä?

# Rekrytointikumppani:

- 1. Millaisissa tilanteissa käytätte ulkoisia rekrytointikumppaneita?
  - Onko jatkuvaa vai tarpeen mukaan?
  - Missä vaiheessa päätös tehdään?
  - Ulkoistuksen aste?
- 2. Millaisia kriteereitä käytätte rekrytointikumppanin valinnassa?
- 3. Kun käytätte ulkoisia rekrytointikumppaneita, millaisia odotuksia teillä on?
- 4. Miten rekrytointikumppani voisi ylittää odotuksenne?

# Appendix 2. Interview framework for the talents

#### Taustatiedot:

- 1. Kertoisitko ensin itsestäsi? Kuka olet ja millainen on taustasi?
  - koulutus
  - työkokemus

# Työnhakuhistoria

- 2. Millaisia tehtäviä olet hakenut?
- 3. Mistä etsit työpaikkoja?
  - Some
  - Portaalit
  - Lehdet
  - Sosiaaliset verkostot
  - Yritysten omat sivut
- 4. Oma näkyvyytesi sosiaalisessa mediassa työnhaun näkökulmasta?
- 5. Millaiset työpaikat/yritykset kiinnostavat?

# Työnhakukokemukset

- 6. Millaisia kokemuksia työpaikkailmoituksista?
  - Millainen on hyvä ilmoitus?
  - Millainen on huono ilmoitus?
- 7. Millaisia kokemuksia sinulla on hakemuksen jättämisestä?
  - Mikä toimii?
  - Mikä ärsyttää?
- 8. Oletko edennyt haastatteluihin? Millaisia kokemuksia niistä on syntynyt?
  - Kuka tehnyt?
  - Tunnelma?
- 9. Miten viestintä hakuprosesseissa on toiminut?
- 10. Oletko ollut mukana rekrytoinnissa missä rekrytoinnissa on mukana ulkopuolinen kumppani? Millaisia kokemuksia?

# Appendix 3. Blueprint of Rekryapu Service Concept

Blueprint For a Rekryapu -Service	ryapu -Service										
	Start	2 days	3 days	14 days	1 day	3 days	(7 days)	Decision	Closure	9 days	
Customer involved/sees	Need+ Contact	- Kick-off meeting		- Access to applications	- Summary of the applications	<ul> <li>Interviews with or without consultant</li> </ul>		Consulting	Follow up + feed back	Candidate feedback reporting	
		- getting to know - Comments an to the organization from customer	d aproval	- Agreed check- points	- Presenting top candidates						
		- Defining the open position			- Choice of candidates to be interviewed	Approximate exectution time with the personality assesements 4 weeks	tion time with the	personality as	ssesements 4 we	seks	
		- Profiling ideal candidate				Approximate execut	ion time without t	he personality	assessment (de	penting on cust	Approximate execution time without the personality assessment (depenting on customer timetable) 3 weeks
		- Choosing medias				Feedback reproting approx 9 days	approx 9 days				
		- Setting project timetable									
		- Confirming the responsibilites									
		<ul> <li>Setting necessary check-points</li> </ul>									
Line of visibility											
			- Creating the advertisement	- Collecting the applications	- Interview invitations		- Additional service: personality	- Feedback- collection from			
Customer don't see							asesssments	candidates			
			- Co-operation with the	- Pre-screening	- Interview		- Oraganising the				
			- Publishing the ad		- No-go						
				candidates of the process steps and timetable	information to candidates + reasons						
			- Opening the job	- Pre-interviews							
				- Givin additional info for candidates							