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RECRUITMENT PROCESS OUTSOURCING AND ORGANISATIONAL CULTURE, CONNECTING THE DOTS

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Abstract

Outsourcing has been around for over twenty years and is still growing, while outsourcing of recruitment is a relatively new phenomenon. Organisations outsource primarily because of the cost benefit and time saving, since there are also several reasons to outsource, there are also several types of outsourcing.

Business process outsourcing is when an organisation outsources a whole business process such as Human Resources, which Recruitment Process Outsourcing is a part of. Recruitment Process Outsourcing is a process used to increase organisation's efficiency through managerial time saving, moving the recruitment process to external recruiting agencies providing trust and the proper competitive expertise needed. The purpose of this study is to see how organisational culture is affected by Recruitment Process Outsourcing.

This study examined how RPO affects organisational culture, more precisely three factors were examined, motivation, performance orientation and effective orientation. Five international banks in Sweden were investigated and the results showed that motivation was not affected at all by RPO, effective orientation was affected by the most of the companies studied and the performance orientation was affected by circum one third of the companies by RPO.

Human Resource study field has a lack of research in RPO and this study is a contribution to that field, regarding the outsourcing of recruitment in the Swedish bank industry.

Keywords: Outsourcing, Business Process, Human Resource Management, Recruitment Process Outsourcing, Banks, Organisational Culture

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After three years of academic studies, the journey ends with this dissertation. It has been ups and downs but in the end it was all worth it, disregarding the late nights and early mornings. With this dissertation I can finally say that I made it and this chapter of my life will be a lesson learned.

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Kristianstad

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1. Introduction

In the first chapter, background about this research will be presented, and the problems that arise. Furthermore, there will be presentations of purpose, research question and objective of the research, and finally the theoretical limitations of this dissertation.

1.1 Background

Observing the growing outsourcing trend in today's businesses and profit organisations, one can assume that the present processes and strategies when outsourcing have been developed and customised to adapt to different organisational cultures and needs. Since organisations realised their need to outsource, a new business was born and for a decade or two outsourcing agencies have exploded on the market.

Regarding this dissertation it will be focusing mainly on the effects of Recruitment Process Outsourcing (RPO) within the Human Resource Management (HRM) section on organisational culture in Swedish offices. The main reason for this research topic is to identify abstract and non abstract factors connecting RPO to subcategories within an organisational culture.

This research examines the effects of RPO at low level management and the employees under them within a typical organisational hierarchy. The dots connecting the links between RPO and organisational culture that I will investigate are *Motivation, Performance Orientation and Effective Orientation*. The significance of RPO on these categories can be obvious for some members of an organisation and totally oblivious for others. Stating a reason for this phenomenon would be the member's interest in its situation and position within an organisation. Members of an organisation interest on their current situation of their department falls back on our survival needs to conduct at least a minimum living standard, which in return influences how motivated a member is directly manipulating the members effective and performance orientation (Eriksson-Zetterquist *et. al*, 2006; Buhler, 1997; Hofman, 2007; van Zutphen, 2010).

Channelling the interest scope and the reason for selecting this topic is first of all to satisfy my curiosity if cultures within organisations are preserved or manipulated by new ‘borrowed’ members. The commercial interest would be to provide more knowledge and a swift guideline for companies and organisations to follow and to aid in drawing possible scenarios when outsourcing recruitment. Barnes Nelson (1991) writes that there is a lack of knowledge within organisational culture in the recruiting department. This may have a negative effect on the organisational culture within the organisation. Malik (2008) states that the organisational area is ignored and there is a need to explore external factors which are affecting the organisational area. Even Denison and Mishra (1995) encourage more research in the cultural area, doing a more specific research. Since the recruitment process is the most expensive and time consuming of all HR processes (Lee, 1994), interest from a scientific or research point of view would be an opening for further research within this topic and possibly creating new thoughts and angles to observe the same phenomenon.

1.2 Problem

Most companies outsource to achieve the benefits of cost reduction, strategically- and politically driven reasons (McIvor, 2000; Kremic, Icmeli Tukel & Rom, 2006; Leavy, 2004; Elmuti & Kathawala, 2000; Aubert, Rivard & Patry, 1996), however, there is a problem for these companies to achieve a positive result out of outsourcing as they hoped for (Kremic *et al.*, 2006; McIvor 2000). Some of the problems a company can face while outsourcing, according to Elmuti and Kathawala (2000) are reduction of the company’s control on the employees and decreased liability of the company. Reasons for decreased liability can be several, but in this case the relevance lies with the control reduction. When agencies send new members to an organisation, the agency may fail to spot certain characteristics of personality that may disturb the harmony within an office’s cultural environment causing negative effects on member’s loyalty to the company increasing risks for carelessness, leaking data, and industrial espionage (Ramachandran & Voleti, 2004).

“The most prominent risks in outsourcing are information security concerns and loss of management control” (Yang, Kim, Nam & Min, 2006, p.3772)

Firms not implementing strategic HR may pose risks towards the role and job security of HR managers when outsourcing (Klaas, McClendon & Gainey, 2001). Long-term care and

security provided by an organisation towards its members is reflected on the employees' loyalty, will to preserve itself within the company, and residing in the company for a minimum time span. Meanwhile, the contract between the employee and the employer limits advancement opportunities and decreases job security, in this case, when outsourcing agencies are frequently used for high position jobs (David, 2010).

Therefore depending on existing organisational culture, some of the influences on the employees behaviour is directly related to his/her environment, which in return is noticed by all employees. For example when an organisation is unbalanced and harsh measures may need to be taken, the worry and tension in the air can be cut with a knife.

Kremic *et al.*, (2006) state that the social costs are hard to define in numbers when outsourcings. At the same time, social costs can be important to have knowledge of in order to have the control as Elmuti and Kathawala (2000) write. Problems that may otherwise arise are "low morale, high absenteeism, lower productivity" (Kremic *et al.*, 2006, p.469). Since recruitment was determined to be an important part of strategy and is being outsourced, the question that arises is, to which extend can the outsourcing of the recruitment function influence various organisational outcomes.

In short, problems that arise when outsourcing recruitment are all directly related to psychological characteristics and factors affecting the work environment that result in effects on the employees psyche.

1.3 Purpose

The purpose of this dissertation is to explore how outsourcing recruitment processes influence the organisational culture.

1.4 Research question

Question: How does Recruitment Process Outsourcing affect organisational culture?

Objective: To identify how Recruitment Process Outsourcing affects organisational culture, and its different factors. The factors of organisational culture that will be investigated are

motivation, performance orientation and effective orientation and these will be investigated through interviews with five international banks in Sweden.

1.5 Theoretical Limitations

Theories this dissertation uses are limited to relationship, outsourcing, and organisational culture theories. The choice of outsourcing theories is limited to the recruitment process outsourcing, which will be explained further down the paper. This paper does not discuss theories about other business processes that can be outsourced than HR so there is no connection to other parts. Recruitment Process Outsourcing (RPO) is the only part discussed of HR. Choice of organisational culture theories were limited in order to connect the three factors motivation, performance orientation and effective orientation to organisational culture, which this dissertation is investigating in relationship to RPO.

1.6 Outline

This dissertation presents six chapters, starting with the *Background* which includes background, problem, purpose, research question and objective, and theoretical limitations. Moreover, the second chapter is the *Research method*, which presents the research philosophy and approach, and choice of theory and methodology. Chapter three is the *Literature review*, where the theories are presented as well as the model created. Subsequently in chapter four, the *Research method* is presented where eight research method questions such as research design and strategy, data collection and validity are answered. In chapter five the *Empirical findings* are presented, and later on in *Analysis* the findings are being analysed. The last chapter includes the *Conclusion* where the dissertation is summarised and further research is presented, as well as other parts of the conclusion chapter.

2. Research Method

In this chapter different methodology methods will be presented, research philosophy, research approach, and choice of theory and choice of methodology. At the end of each presented methodology, there will be a presentation of the kind of methodology this research will use, to get a better understanding.

2.1 Introduction

To understand the research methodology methods Saunders, Lewis and Thornhill (2009) made a model, the research 'onion' (Saunders *et al.*, 2009, p.108), where the choice of the different methodology methods are illustrated to understand the process, its philosophies, methods and studies. There are six layers of this model the first layer shows the four philosophies, second shows research approaches, third the research strategies, fourth the choice of methods, then time horizon and at last techniques and procedures.

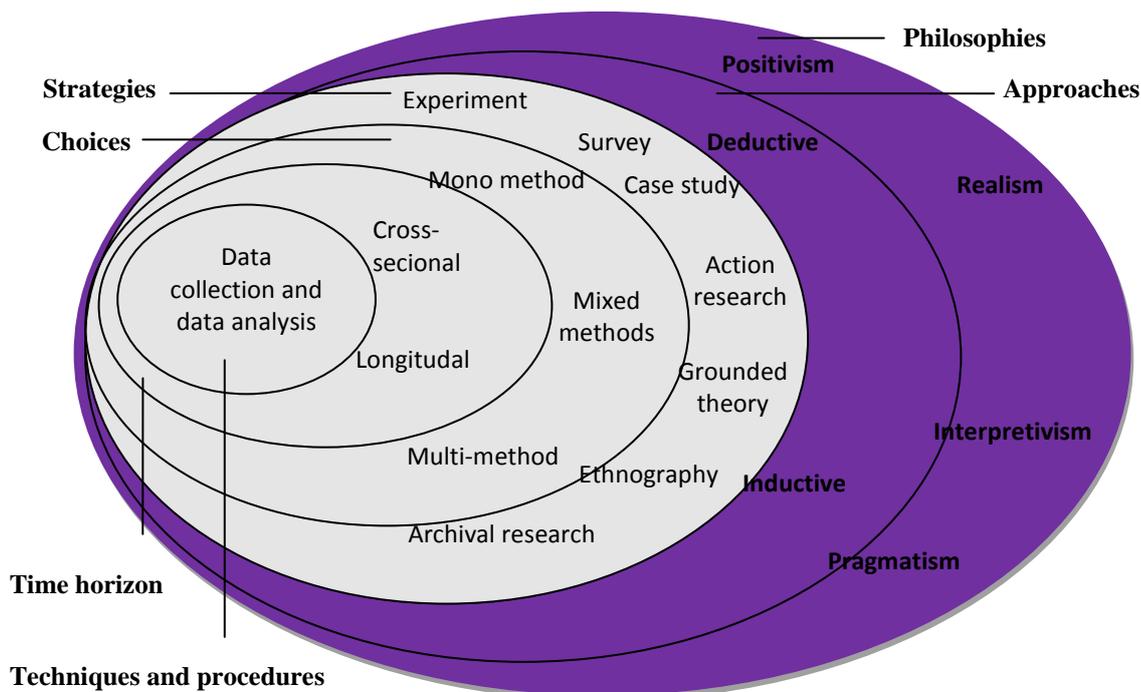


Figure 2.1 The research 'onion'
(Source: Saunders, Lewis & Thornhill, p.108, 2009)

2.2 Research Philosophy

There are four different research philosophies, Positivism, Realism, Interpretivism and Pragmatism, presented in Saunders *et al.*, (2009). The first one, Positivism, is a concept referring to a set of assumptions of the world and how to study it. The world is considered more important than only one single person, therefore the social forces are to be considered which are natural laws governing the behaviour is the result of the way the society is organised (McNeil & Chapman, 2005). The second concept Realism, explains the truth is as we see it, simply a realistic picture of reality. There are two types of Realism; the first one is direct realism saying that “*what you see is what you get*” (Saunders *et al.*, 2009, p. 114) and the second is critical realism, implying that what I see is not always the reality and further investigation is needed. In other words, this means that the way things are can be deceiving in terms of our senses (*ibid.*). Furthermore, Interpretivism is a second concept that respects the difference between people and objects. In order for this strategy to work; the researchers need to know the “*meaning of social action*” (Bryman & Bell, 2007, p. 19). The last research philosophy is Pragmatism, this philosophy states that there is a philosophy that can be a little bit of both Positivism and Interpretivism, contrasting one another, but using Pragmatism philosophy one is not forced to choose. Pragmatism philosophy says that a purpose of the research question is the most important to decide the epistemology, ontology and axiology. Take into mind, one does not need to choose one philosophy but is able to mix several (Saunders *et al.*, 2009).

In this research the Interpretivistic philosophy will be used to understand the human behaviour in the company and how the human behaviour can be affected by adding external factors such as personnel from recruitment agencies into the organisation. Interpretivism is used when investigating humans and not objects, and it is exactly what this dissertation will do while interviewing the HR responsible who has the employees and their behaviour as his/her job and should know how they work, what motivates them and how they have been behaving since RPO started in the company. The Positivistic philosophy does not match the depth which this dissertation is aiming for and the Realistic approach is not questioning what one experiences. The last philosophy is not appropriate for this research because there is no need to use several philosophies.

2.3 Research approach

The research approach depends on what is being examined and in what way the data will be collected; approaches used are either Deductive or Inductive. The Deductive research approach, begins with collection of theory, being the first step, and the collection of data second, meaning that using theories and findings will aid in the collection of data and coming to an own theory that either combines other theories or is completely different than others. In Deductive approach, quantitative research is mostly used, but in some cases even qualitative researches are made. Collecting data before reading and finding theories is the Inductive research approach, where the collection of data is usually qualitative, and the research should come to a result that may be different or similar to other theories examined after the result is concluded (Saunders *et al.*, 2009). The Inductive approach is based on the researchers' observations on how behaviour is related, either to one another or to other variables connected to the research (McMillan, 2004). There is no way of saying which research approach is better than the other, since it depends on what kind of research is being done (Saunders *et al.*, 2009).

Finding the right research approach took time, while going through which approach was most suitable inductive felt right even though some research has been done in the RPO area. This study is using this research approach because of the need to create a new theory and model suitable for the research. Simplifying the picture of how this research will take place starts off with the data which will be collected by qualitative research, interviewing the HR responsible person in the banks examined that cooperate with recruitment agencies, later on theories will be read, finishing with a conclusion with my own theory drawn from both the data and theory collection.

2.4 Choice of Theory

There are three relationship theories that are going to be used in this dissertation, *Agency theory*, *Resource dependency theory* and *Social/Relational exchange theory*. Different conclusions are being accomplished with these theories as a base. Agency theory and Resource dependency theory will be used to examine the relationship between the recruitment agency and companies using recruitment agencies. The Social/Relational exchange theory explains the relationship between employees and also what effects recruitment has brought to the company. After the relationship theories, *Recruitment theories* will be presented to understand the importance of recruitment, how recruitment is being processed and the

advantages and disadvantages of internal and external personnel in organisations. Furthermore, *Outsourcing theories* will be presented with different kind of outsourcing, all from Business Process Outsourcing (BPO) to Recruitment Process Outsourcing (RPO). Moreover, *Organisational culture theories* will be presented to understand what organisational culture is, and what it means for an organisation. Last but not least, the three factors examined *Motivation, Performance orientation and Effective orientation* will be presented with Motivation theories as the leading theories since the three factors are all connected and strive for the goal of becoming better. Theories will be presented in the theory part of this dissertation; they will be explained further to get a clear view of why they are used and why they suite this dissertation.

2.5 Choice of Methodology

In this dissertation the Interpretivistic philosophy combined with an Inductive research approach will be used as a method. The philosophy most relevant to this dissertation is Intepretivism since the aim is to study social behaviour examined in companies in the sense of how external forces can influence the culture in these companies. Moreover, finding the right theories for this study was not easy, making some mistakes were necessary to come to the right solution, even the model was recreated to fit this study. Hence, the research approach is suitable because of the new research this study brings.

One needs to understand the difference between quantitative data collection and qualitative to be able to do the best analysis of the study (Saunders *et al.*, 2009). Qualitative data collection is used to collect data of words and meanings while quantitative data is used to gather data through numbers and meanings (*ibid.*). Finding qualitative data is done through exploring, explaining and describing an observable fact, quantitative tends to explain the observable fact with numbers and standardised data giving a non realistic picture of reality as qualitative does (*ibid.*).

This study will use qualitative data collection because the research question is about humans and behaviour, and these kinds of questions are easier to get reliable answers by a qualitative data collection than a quantitative because as they say a picture says more than a thousand words. Information about how the company's organisational culture is affected is not anything one can understand by quantitative data since it is about the atmosphere and how people

interact in between one another. Using interviews, one can gain data required for this study since there is a need of a deeper understanding of how the social behaviour is formed in society, than the broad understanding one can get from quantitative research approach.

3. Literature Review

In this chapter, the literature used will be presented. First a structure of the literature review will be presented followed by theories about relationships, outsourcing and organisational culture.

3.1 Structure of Literature

This part will explain the theories suited for the subject in matter, they will first be presented and discussed, further on they will be applied on the analysis as a confirmation on the subject. First, some well known and used theories will be presented to explain the relationship between the parties, the recruitment agency, employees and the bank hiring the recruitment agency. Secondly the recruitment theories will be explained including the recruitment process. Furthermore, outsourcing theories will be presented and the steps down to Recruitment Process Outsourcing (RPO) and then organisational culture will be explained. Last but not least, motivation theories will be presented where performance and effective orientation are included since they are all connected.

The steps the literature review is going to follow are; Relationship theories □ Recruitment Theories □ Outsourcing theories □ organisational culture theories □ Motivation theories.

3.2 Relationship theories

3.2.1 Agency Theory

Agency theory is the theory based on the relationship between an agent and a principal (Donaldson & O'Toole, 2007; Eisenhardt, 1989). In the theory the principal party delegates work to the agent party, who accomplishes the principal's orders. Examples of agent-principal cases can be *employer-employee*, *CEO-owner* or *buyer-supplier* (Eisenhardt, 1989). The parties in this dissertation used as principal-agent are the recruitment agency (agent) and the company hiring the agency (principal), where the agent needs to assure the principal's requirements. Eisenhardt (1989) writes that the model of the principal-agent supposes two problems: the first one is a goal conflict between the two parties, a simple outcome to measure, and the second is where the agent has less risk capability than the principal. These two problems can create dissatisfaction for the parties leading to a closure of the agreement.

Theorists' believe that there is a reason for this and it is because the agents are putting their own interests over the principals, making it hard to perform as agreed (Abrahamson & Park, 1994).

This dissertation will examine the relationship between the recruitment agency and the company hiring the agency. Supposedly the company hiring the agency has been affected in any way, taking into mind if the recruitment agency is taking or not taking any risks in the evaluation process, can lead to bad influence on the employees' already working there.

3.2.2 Resource dependency Theory (RDT)

Resource dependency theory (RDT) is a theory trying to explain the behaviour of the organisation and inter-organisation through analysing the critical resources an organisation is required to have to be able to survive and function (Johnson Jr., 1995). Pfeffer and Salancik's (1978; 2003) view on the theory described that the resources needed from the organisation are dependent on the external sources; the resources needed are financial, physical, and information (Pfeffer & Salancik, 2003; Fink, Edelman, Hatten & James 2006). There are two different theoretical dimensions of resource dependency discovered by Casciaro and Piskorski (2005), *power imbalance* and *mutual dependence*. These two dimensions are combined in the original theory, but Casciaro and Piskorski (2005) do not believe in the combined dimension because they have opposite effects on the ability to reduce dependencies of the external sources an organisation has (*ibid.*).

The resources of a company are areas this dissertation will focus on as well as the human resources. Since the RDT is used to explain the behaviour of the organisation and inter-organisation, it is useful in this type of research where resources are examined. This research is about how the organisational culture is affected when recruiting from recruitment agencies and this theory critically analyses resources, just as this study is analysing RPO.

3.2.3 Social/Relational exchange theory

Social/Relational exchange theory is one of the most conceptual theories in order to understand the behaviour of an organisation. The theory presumes that the mutual transactions have the ability to generate a relationship of high quality, yet it only occurs in certain situations (Barker & Camarata, 1998; Csopanzano & Mitchell, 2005). It is a theory used as a

social power in different areas; some of these areas have already been investigated by researchers: networks, board independence, organisational, psychological contracts and leadership (Csopanzano & Mitchell, 2005). Researchers of this theory see the cooperating parts motivated by three issues, the first one is to *exploit their costs*, the second is *valuation of rewards* and the last one is *reduce the costs*. Most see the valuation of costs and rewards as a steady process (Casmir, 1994).

Cook & Emerson (1978) write in their article about two different ways to enlarge the exchange view; the first one is that organisations need more than one member in the management and the second one is to have three or more employees in a joint network. The two ways are complementary and shall be used in order to succeed according to the author.

Relations between internal and external parties within or outside an organisation are defined by the behaviour of employees, disregarding position and external forces affecting an organisation. Simultaneously, the HR department's role is based upon these relations making them ambassadors between all the different parties involved with an organisation.

The behaviour of a specific party can of course, naturally, affect the behaviour of another, which in definition means that there are no completely independent characters, person A can affect person B and vice versa. Regarding the previous statement, it is concluded that behaviour can increase or decrease the value of an assignment an employee has. This phenomenon will be investigated in the research to learn more about the employees conduct after a recruitment agency is involved, but first an explanation on the different parts of outsourcing will be explained, starting with outsourcing in order to understand the RPO.

3.3 Recruitment

Recruitment is the prime issue for managers in companies according to Münstermann *et al.*, (2010). The recruitment process has become a significant process not just for researches but also in practice and it is also the process which takes most time and costs of all HR processes. HR assets are the key parts of organisations which makes the recruitment process important (Lee, 1994). Being effective and hiring the right people is significant for the organisation to clearly identify their needs so that the hiring process is done in a proper and effective way

(Münstermann *et al.*, 2010). The process model from Münstermann, Eckhardt & Weitzel (2010) is presented below to understand how companies recruit.



Figure 3.1 Recruitment process

(Source: Münstermann, Eckhardt & Weitzel, p.4, 2010)

The different steps in the process may not always be easy to understand just by looking at them, so here is an explanation of each step:

☞ Employer Branding

Creating an attractive image of the employer towards potential candidates as well as customers who may also be potential candidates

☞ Candidate Attraction

Gaining potential candidates views of the organisation as a constructive work place (Rynes, 1991), including creating a positive force towards the organisation where the will to improve and develop the organisation is given (Aiman-Smith, Bauer & Cable, 2001)

☞ Applicant Tracking

Keeping track of applicant information

☞ Pre-selection

First round of candidates approved by the employer

☞ Selection

Final selection of approved candidates

☞ Hire

Welcoming the applicant as a new member of staff

Companies are struggling with questions regarding the HR activities and their organisation (Ordanini & Silvestri, 2008). Since recruitment takes most time and costs, companies may

choose to outsource this particular HR process (Dasborough & Sue-Chan, 2002). Moving the recruitment process to a recruitment agency will save the managers' time to focus on managing and less on the bureaucracy creating more efficient planning (*ibid.*). The main questions are which activity they should outsource and which to keep internally. An answer from Ordanini and Silvestri (2008) is found logical and can be the easiest way for the companies to answer their questions:

When activities are considered more transactional or non-strategic, they should be outsourced. When they represent core practices or are of a relational nature, they should be retained in-house (Ordanini & Silvestri, 2008, p. 373).

Leading experts from Baker & McKenzie lawyers and the Macquarie Graduate School of Management (2009) have identified some advantages and disadvantages with both internal and external recruiting (table 3.1) which shows how managers also can see if they should outsource or not.

Internal Candidates	External Candidates
<i>Advantages</i>	
<ul style="list-style-type: none"> • Increased knowledge of the candidate's abilities is available • Candidate has knowledge of job requirements and the organisation • Good for employee morale • Organisation needs to hire only at base level • Low cost • Provides a demonstrated reward for good performance 	<ul style="list-style-type: none"> • Larger pool of candidates • New skills and ideas brought into the organisation • Can be cheaper than training internal candidates • Reduces possibility of favouritism • Encourages existing employees to stay competitive in terms of skills development • Can address diversity considerations
<i>Disadvantages</i>	
<ul style="list-style-type: none"> • Can lead to insularity • Can encourage infighting for promotions • Requires effective training and appraisal systems • Unsuccessful candidates can become discontented 	<ul style="list-style-type: none"> • Increased difficulty and risk associated with recruitment and selection process • Longer training and induction periods needed • Internal candidates might feel overlooked • New candidate might not "fit" culture • Higher cost

Table 3.1 Advantages & Disadvantages of recruiting internal and external job candidates
(Source: Leading experts from Baker & McKenzie lawyers and the Macquarie Graduate School of Management, p.223, 2009)

RPO, young and undergoing constant development is one of the processes derived from the HR-process; it is circumstantial and not always cost effective. Considering the circumstance of the process, it is directly related to the coercive and environmental factors affecting the decision making. With coercive the definition relates to government laws, rules, and other legislations the organisation has to abide by for deciding whether to outsource recruitment or not. (Dasborough & Sue-Chan, 2002; Lever, 1997)

Moving along to more internal than external factors for the decision making, managers must consider the recruiting agencies offering the service, where trust is an important adjective for the relation between them. Lack of trust will lead to no cooperation between the client and the vendor, yet taking into consideration that a long term relation will improve the trust within the relationship (Dasborough & Sue-Chan, 2002; Ordanini & Silvestri, 2008). An agency in this situation may be opportunistic and cause its client setbacks, so it is a question whether the costs for maintaining the trust or breaching the trust is cheaper. Of course the more trust there is the less monitoring costs will be dealt to the organisation (Dasborough & Sue-Chan, 2002).

3.4 Outsourcing

Outsourcing is used in business strategy, in public and private organisations (Kremic *et al.*, 2006) and it is a powerful tool when used appropriately (Greaver, 1999). Outsourcing can be described as when an organisation delegates parts of its business to another company, and many companies outsource divisions the company used to handle itself (Kremic *et al.*, 2006; Elmuti & Kathawala 2000; Aubert *et al.*, 1996). Aubrey *et al.*, (1996) write in their article that the decision to outsource should be *what is going to be outsourced* and not *whether to outsource or not*, this is something companies need to look at before the outsourcing decision is made.

There are different divisions companies are able to outsource, and the prime reason to outsource is to reduce the costs (Quelin & Duhamel, 2003; Ngwenyama & Bryson, 1999; Greaver, 1999; Aubert *et al.*, 1996; Bettis, Bradley & Hamel, 1992). The basic reason is as mentioned above, to reduce costs, but it is also to specialise the labour (Ngwenyama & Bryson, 1999; Quelin & Duhamel, 2003). The labour reason is driven by different aspects, employee driven, which this dissertation will look more deeply into, organisationally driven

and improvement driven (Greaver, 1999). The employee driven reason to outsource is to give the employees a stronger career path and to increase the employees' commitment. The organisationally driven reasons to outsource are to enhance effectiveness by focusing on what each part do best, to transform the organisation and, to increase product and service value (*ibid.*). Furthermore, the improvement driven reasons to outsource are to improve different operating performances such as higher quality, increased productivity and shorter cycle times (*ibid.*).

While this stands, Quelin and Duhamel (2003) write the opposite, they mean that there is more to outsourcing than the effectiveness and the cost reduction, there is a growth of the company and its performance leading to a more long-term sustainability of the company. There are different kinds of outsourcing; companies can outsource a whole business process (Kim & Von, 2007), such as Human Resource Outsourcing (Delmotte & Sels, 2007), or only outsource a part of a business process such as recruitment process as this dissertation will focus on.

3.4.1 Business Process Outsourcing (BPO)

In Business Process Outsourcing (BPO) a company outsources a whole business process, which another company will run and manage (Mahmoodzadeh, Jalalinia & Nekui Yazdi, 2009; Kim & Won, 2007; Grefen, Ludwug, Dan & Angelov, 2006; Fernandes, Mills & Fleury, 2005). Business Process Outsourcing has grown to become one of the biggest leading subjects of business and economics of our time (Click & Duening, 2005; Yang *et. al*, 2006). It is an innovation considered to have most discipline, and required to have different kinds of skills for it to run correctly and be successful, due to the fact that human factors need determined attention and to be managed in the right way in order to succeed (Click & Duening, 2005). The primary motivation for BPO is globalisation and competitive markets, mostly mergers and acquisitions in different methods of entering a new market (Ghodeswar & Vaidyanathan, 2008).

Looking at BPO through the Human Resource perspective it is important to see if the board is working towards a significant and rapid change in the business process of the companies HR. There is also a need of a constant innovation in the Business Process of the HR in companies to be able to have all the specifics of the contract included in the work to reduce the risks and

strengthen the trust between the two parties (Conklin, 2005). More about the HR outsourcing and HR outsourcing as a whole BPO will be presented below.

3.4.2 Human Resource Outsourcing (HRO)

Human resource outsourcing is a specific segment of business process outsourcing. There are two different views on Human Resource Outsourcing; the first is an explanation of the opportunity organisations have to change their internal HR division and the second is concerning the costs. The prime driver of outsourcing the HR division is reducing the costs, which is what organisations strive for (Delmotte & Sels, 2007; Lievens & De Corte, 2008; Abdul-Halim, Che-Ha & Geare, 2009). A good definition of human resource management can be described as all decisions and work the organisation has in the connection with the employees and its relationship with them (Beer, Spector, Lawrence, Mills & Walton, 1984; Prowse & Prowse, 2010). Human resource activities have for years been the activities that organisations have controlled internally. Nowadays, many are outsourcing their HR practices and it is increasing in a fast range (Ordanini & Silvestri, 2008). Recruitment is a part of HR (Beer *et al.*, 1984) and the next topic will introduce the Recruitment Process Outsourcing (RPO), where companies only outsource the recruitment part of their HR.

3.4.3 Recruitment Process Outsourcing (RPO)

Finding a definition for RPO was harder than expected since RPO is still relatively new, therefore from the data collected a definition of RPO was able to be created for this paper; RPO is a process used to increase an organisation's efficiency through managerial time saving, moving the recruitment process to external recruiting agencies providing trust and the proper competitive expertise needed.

To have a proper understanding of RPO, a proper explanation of recruitment is required. Companies & organisations can, in order to increase their force, use different methods to reach a positive result, they first need to form the organisation and then re-form it (Lee, 1994). Except for investing in hardware resources and technology for example, human assets are required to increase effectiveness and workforce. Reorganisation or moving to another city may require new faces within the organisation forcing them to start a recruitment process (Mazur & Kleiner, 2002).

Following simple logic and common sense, it is understood that the managers and higher positioned employees face the task of recruiting. According to Lee (1994) organisations have changed their way of thinking and are now more focused on the HR within the organisation. Since recruitment is a process requiring job ads, marketing, reading, separating job applications, telephone calls, meetings, and interviews, the recruiters within the company will fall back on their more daily operations at work, leading to decreasing effectiveness, less control and monitoring of the employees, basically causing a destructive domino effect. Next theories that will be presented are the organisational culture theories which will be put against RPO in this study.

3.5 Organisational culture

To understand organisational culture a description of an organisation is needed. Eriksson-Zetterquist, Kalling & Styhre (2006) mean that an organisation is the process where activities are performed in groups together making sure that an organisation is created and changed. Furthermore, a definition of a culture which Edgar H. Schein (2002) writes is in line with what I believe a culture is:

A pattern of shared basic assumptions that the group learned as it solved its problems of external adaption and internal integration that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems.

(Schein, 2002, p. 17)

Connecting these two definitions, one can see that they go hand in hand. When an organisation is formed, culture is in its launching phase. In order to create both of these phenomena a group is needed which forms and evolves the people gathered in this system. Dr. Forsyth¹ has a definition of a group which combines these two phenomena, and it is: “Two or more individuals who are connected to one another by social relationships”.

There are several basic categories or clusters groups can be classified in since there are billions of them in the world. One of the most famous group distinctions made by Cooley

¹ Dr. Donelson R. Forsyth, University of Richmond, online lectures, 2010, available: <https://facultystaff.richmond.edu/~dforsyth/gd/>

(1907) was between primary and secondary groups (Svedberg, 2007)². Primary groups are usually small, have a long-term existence and the members are often easy to identify. They are often families, gangs, close friends and so on (Svedberg, 2007; Ellsworth, 1932). Secondary groups are larger, more goal focused and less intimate. These groups are often work groups, professional associations, unions and so on (Svedberg, 2007)³.

There are some common characteristics' for groups according to Dr. Forsyth⁴, interaction, interdependence, structure, goals and cohesion which each group builds on its own in order to create the group atmosphere suited for the specific group. Hence, he also explains that there are different factors which determine when a group will form and it all depends on the qualities a person possesses, such as social motives, gender and personal qualities. Moreover, there are situations where these factors do not determine if the group will form or not, for example at work or when seeking a goal that they cannot achieve on their own. A figure from Dr. Forsyth⁵ is showing on what levels a person can be in a group and on what levels he/she can be a part of a group.

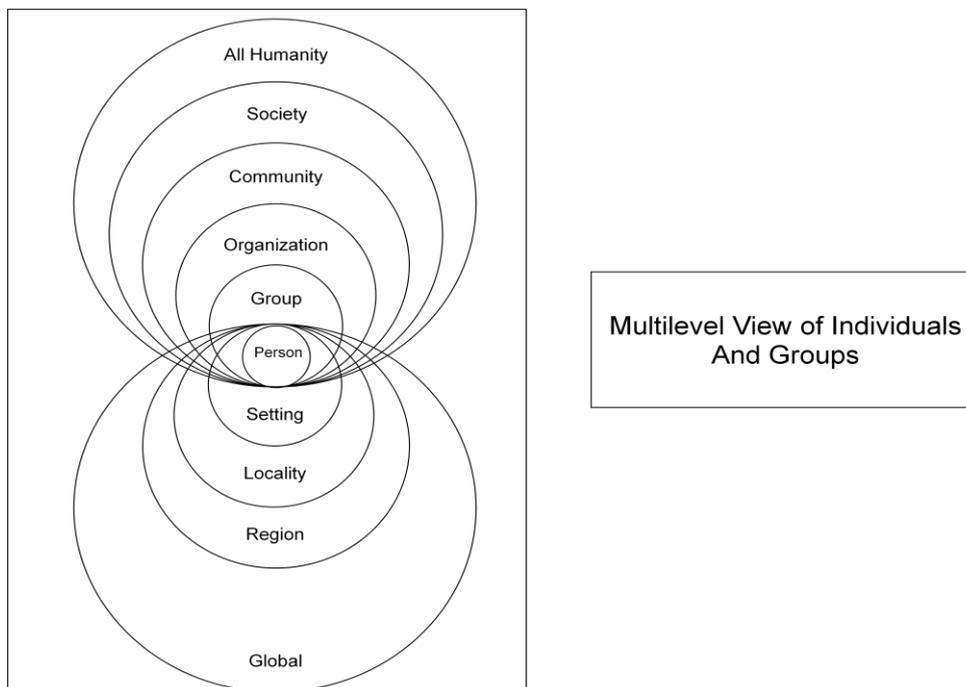


Figure 3.2 Multilevel View of individuals and groups
 (Source: Dr. Forsyth, 2010; available: <https://facultystaff.richmond.edu/~dforsyth/gd/>)

² *Ibid.*
³ *ibid.*
⁴ *ibid.*
⁵ *ibid.*

In conclusion, the organisational culture is of course exposed to some point through the recruitment, although many recruiters are not considering this while evaluating the candidates (Barnes Nelson, 1997). Barnes Nelson (1997) argues that there are reasons for recruiters to show candidates a taste of the organisational culture in the company. The first reason is change of job description, where jobs are being developed and the descriptions are blurred out. The second is that the structure of the companies is going from hierarchical to structured, and the employees need to interact with each other more than before, the last reason is the difference between organisational culture and organisational climate.

3.6 Motivation

Reaching goals and becoming more efficient and successful, leaders of organisations need to motivate the employees within the organisation and explain the companies' visions and norms for the employees to fully understand what is expected from them (Densten, 2002). By giving the employees this type of knowledge and motivation, the outcomes are often positive and the employees put in an extra effort so that the organisation benefits, and becomes more efficient and successful (*ibid*).

According to Theory Z by William Ouchi (1981) you can reach higher productivity by engaged workers and it is the leaders' responsibility to make the co-workers fight for the organisation (Sullivan, 1983; Daft, 2004; Eriksson-Zetterquist *et. al*, 2006). The name Theory Z comes from McGregor's theory X and Y (Barney, 2004; Eriksson-Zetterquist *et. al*, 2006), which is about how different people can be motivated (Allen, 1973; Singh, 2005). The central key point in Theory Z is not the technology in the company but the culture and in the sense of traditions and climate (Sullivan, 1983; Barney, 2004; Ledford, Wedenhof & Strahley, 1995). When you have that, the confidence is built up and everybody has the same goal (Sullivan, 1983; Daft, 2004). Ouchi means that to be able to coordinate people within the frame of the theory it is important to see the whole human being, in other words communication between the employer and the employee (Barney, 2004; Eriksson-Zetterquist *et. al*, 2006).

Moreover, Maslow introduced his theory in 1954 about motivation which builds on his observations as a human psychology, that there is a common pattern of need, satisfaction that people follow in general; it is called the Maslow's need hierarchy (Eriksson-Zetterquist *et. al*,

2006; Buhler, 1997; Hofman, 2007; van Zutphen, 2010). His theory shows that a person could not go further on in the hierarchy until he or she had admitted that the need was highly or totally completed (Jelavic & Oglivie, 2009; Shukla, Tiwari, Hung-Da Wan & Shankar, 2010).



Figure 3.3 Maslow's hierarchy of needs

Physiological needs: The employees' wages, vacations, breaks

Safety needs: Good work conditions, safety at work

Social needs: The relation between the employer and the employee.

Growth needs: Better at what they do, giving the employees recognition for their work either by higher wage or higher position.

Self-actualisation: To see how the employees can develop him/herself by innovation and creation. (Jelavic & Oglivie, 2009; Shukla *et. al*, 2010; van Zutphen, 2010)

From Maslow's theory Herzberg (1968) created a two-factor theory about motivation and satisfaction (Eriksson-Zetterquist *et. al*, 2006). Motivators are depended of every individual and are affected by our own wishes; these are deciding a person's satisfaction (Ruthankoon & Ogunlana, 2003; Deshields, Kara & Kaynak, 2005); Furnham, Eracleous & Chamorro-Premuzic, 2009). Hygiene factors are the factors that are decided by a person's surroundings (*ibid.*). These factors can be a disappointment but are unable to motivate unless motivators are fulfilled as well (Ruthankoon & Ogunlana, 2003; Furnham *et. al*, 2009). This theory is similar to Maslow's theory where the motivators can be put on the top of the pyramid and the hygiene factors can be at the bottom.

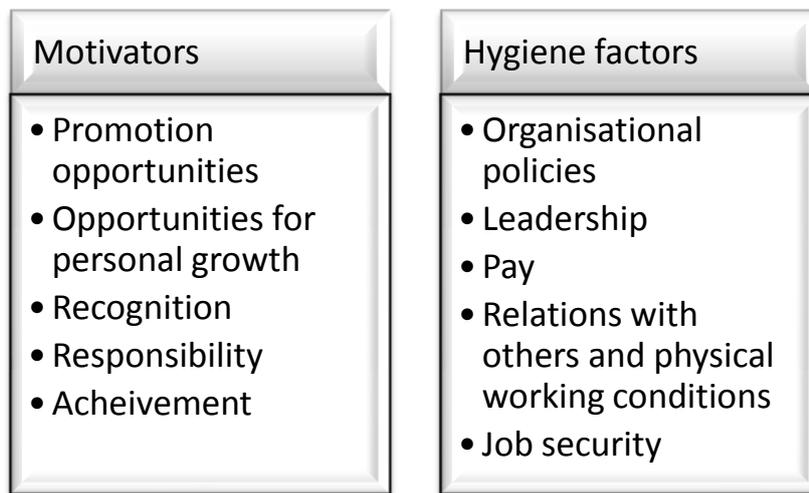


Figure 3.4 Herzberg's two-factor theory

3.7.1 Performance orientation

Some organisational cultures lead to organisational financial performance and that is one of the reasons for the interest and popularity of organisational culture (Ogbonna & Harris, 2000). Performance orientation means high expectations, enthusiasm for the job, highly organised, and result oriented performance of the employees (Sarros, Gray, Densten & Cooper, 2005), this can be summarised as when an employee is motivated to do his/her job. Employees who are performance oriented often compare their performance to other employees, usually with a drive to perform better than others instead of comparing with themselves (London & Smither, 2002). Performance orientation defines when organisations or societies boost and prize individuals and groups for improving and mastering their performance (House, Javidan, Hanges & Dorfman, 2002).

3.7.2 Effective orientation

Effective orientation is a tool for the new employees to develop and achieve a positive attitude towards the organisation and the job which results in higher satisfaction and better performance (Baldwin & Wilkinson & Barkley, 2000). Effective orientation has some benefits; they are according to Meastre, Stainer & Stainer (1997) reduction of stress and frustration, increased employee satisfaction, improvement of performance and integration. Organisations can achieve effective orientation effortlessly by being clear with their requirements on the employees and combine them with the individual requirements of the employees (Bruzelius & Skärvad, 2004).

Effective orientation can achieve great benefits for the organisation; Mathis & Jackson (1991, p. 277-278) mention some key purposes of effective orientation:

- Establishes a favourable employee impression of the organisation and the job.
- Provides organisation and job information.
- Enhances interpersonal acceptance by co-workers.
- Accelerates socialisation and integration of the new employee into the organisation.
- Ensures that the employee performance and productivity being more quickly.

Through effective orientation, long- and short-term success can be gained within an organisation (Mathis & Jackson, 1991).

From these theories presented and the data collection, a model has been created to connect RPO to organisational culture and the three factors examines.

3.7 Explanation of the model

The model presented below was created to clarify the relevance and clearly show the links between the crusts representing all processes. Each crust represents its process and sub-processes it contains. The arrows represent the direction of influences this research investigates, making it easier for the reader to build a picture and follow the logic behind the methods and conclusion.

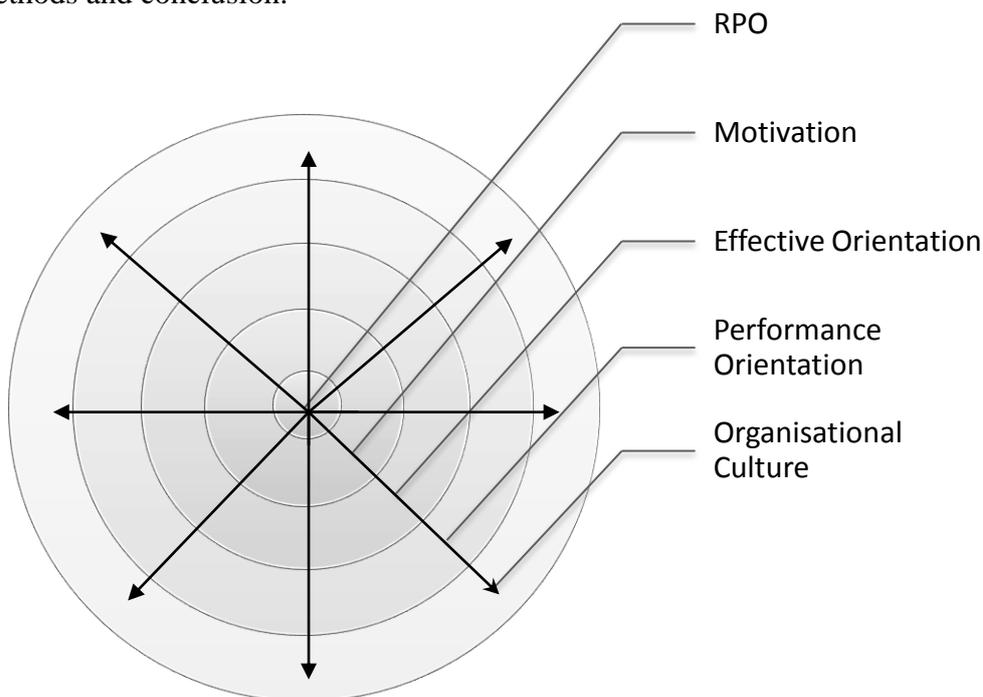


Figure 3.5 Arrows of RPO's affects on Organisational culture

4. Empirical Method

In this chapter a description of how the empirical data will be collected is presented, beginning with descriptions of research design and strategy, time horizon, data collection and moving on with information about sample selection and operationalisation. Last but not least, this chapter will finish with reliability, validity and generalisability, and choices of all methods will be presented in each part.

4.1 Research design and strategy

There are three different design classifications of research purposes, exploratory, descriptive and explanatory, the research purpose is used to define the appropriate design classification. Even more than one classification can be used, if there is more than one purpose in the research (Saunders *et al.*, 2009). An explanation of these classifications begins with exploratory study, which is a study when one needs to understand a problem, seeking information on a deeper level. Choosing the exploratory study there are three different principal ways one can conduct a research; reviewing the literature, interviewing people in the researched area, and interviewing focus groups. Exploratory study is flexible and can change direction when new data is gathered, it goes from a broad focus and in time it narrows down (*ibid.*). Moving along with descriptive study which on the contrary seeks to explain the situation, person, and set of circumstances in detail, tries to gather as much information as possible, not to understand it, but more for the sake of knowing (Saunders *et al.*, 2009; McNeil & Chapman, 2005). It is hard to find a line between the explanatory study and descriptive study, especially in business and management researches since explanations need descriptions and vice versa (Saunders *et al.*, 2009; McNeil & Chapman, 2005). While explanatory study is used to investigate a situation or a problem, and to find an informal relationship between two or more variables, it can be done with statistical tests to see the pattern of the relationship (Saunders *et al.*, 2009).

The purpose of this dissertation is to explore how outsourcing recruitment processes influence organisational culture. For this dissertation, exploratory study was most appropriate because it seeks to understand a problem and to see it in a new light. This investigation aims to

understand⁶ how companies' organisational culture is affected when recruitment agencies are used, as well as for the companies' exploring for themselves if they are experiencing any changes in the culture. As mentioned above exploratory study is more depth going than other studies, which suited this research as well. The author wanted to analyse if the companies examined are experiencing any changes without asking direct questions. When asking indirect questions, deeper understanding of the entire interview could be made and questions could be analysed through the answers, so there was a need for more explanation from the interviewee.

There are seven different research strategies: experiment, survey, case study, action research, grounded theory, ethnography and archival research. All these strategies are suitable to be used in any of the different designs mentioned above but they are instead divided in deductive- and inductive research approaches (*ibid.*).

In this dissertation a case study strategy has been used. Interviews were made with companies in order to investigate their experience and changes in the organisational culture of the company, which can have led to different outcomes than assumed. As mentioned above the interviews were based on letting the interviewee himself/herself explain how they work with the organisational culture and indirect questions about the usage and experience of recruitment agencies. The reason why this method was chosen was to be able to provide the interviewee the opportunity of describing with his/her own words the experience of working with recruitment agencies and its affect on organisational culture.

4.2 Time Horizon

It is important to determinate the direction a research should take. There are two time horizons used to facilitate the determination of the direction, cross-sectional studies and longitudinal studies. Cross-sectional studies focus on one particular time used to describe relation between variables or an occurrence of a phenomenon, while longitudinal studies focus on how a situation changes over a period of time. It is particularly made to be certain that the study is not affected by the research process. A cross-sectional time horizon is often used when interviews are made in a short matter of time, while a longitudinal time horizon is used to see change over time (Saunders *et al.*, 2009).

⁶ To be able to understand this, interviews have been used

This dissertation has used cross-section time horizon because it consists of interviews carried out in a short matter of time. There was no time to see how the companies have changed, even though it could change the result giving the thought of exploring how it was before the companies started to use recruitment agencies.

4.3 Data Collection

How the data will be collected is determined by the research question, objective and what is being examined (Saunders *et al.*, 2009). This research is based on case studies where companies have been interviewed for the research in order to be in line with the research question and objective. Case studies are used in order to understand difficult phenomena in the social world we live in where the phenomena can be individual, group, organisational as this research is about, or political (Yin, 2003).

The case studies in this research have examined five companies in the bank industry, where interviews with each of these companies have taken place. The interview questions have been broad in order to let the interviewee talk from his/her own experience instead of leading or manipulating him/her towards a certain direction. The questions were created in a way where the interviewees were able to describe with their own words how the relationship between RPO and organisational culture in their company is. If the answers the interviewer was seeking did not come naturally, specific questions were asked. Since case study is used to gain more understanding, questions were asked during the interviews that were not provided in the interview guide.

This dissertation used exploratory study which often uses case studies (Saunders *et al.*, 2009). There are different kinds of case studies: single case, multiple case, holistic case and embedded case. Single case is frequently used when a person is only working with one organisation and only investigating questions around it. Multiple case means when more than one case is investigated in several companies. Holistic case study is when a whole organisation is investigated and embedded, but also going deeper and investigating different parts of it. This dissertation has focused on several companies, so a multiple case study has been used. Investigation with interviews has been used because of the depth this study wanted to accomplish. The interview guide had questions about both recruitment and organisational culture, where the interviewee's experience and view on both of them were the first questions

of each part in the interviews. Moreover, the questions were broad to let the interviewee talk freely, but while interviewing, some questions took several minutes for the interviewees' to answer which could have led to difficulties without the interview guide. In conclusion, the interviews were carried out in Swedish, took approximately thirty minutes per interview and they constitute the primary data of this study.

4.4 Sample selection

Irrespective of what the research question or the objective is, one needs to reflect on if sampling is needed or not. Sampling is using data available in a matter of restrictions for the research but it is not all data available in the world. The data collected is restricted to limits of time, money and sometimes access, meaning that not all data available is used. In some researches one can collect all data from the population; it depends on what the research question is, yet it would not be practical to do that (Saunders *et al.*, 2009).

There are two types of sampling techniques: probability or representative sampling and non-probability or judgemental sampling. The first one, probability/representative sampling is often associated with survey-based research strategies and is divided in four stages. The first stage is to identify a frame of sampling with the research question and objective as a base, the second is deciding the size of the sample. The third one is selection of the technique suitable and selection of the sample and the last one is going through the samples to see if it is significant to the population (*ibid.*).

The non-probability sample indicates that it is sometimes difficult to answer the research question by making a random choice of sampling. Non-probability sampling has different sampling techniques that enable the researcher to be subjective in the evaluation. Researches where non-probability is useful need to be deep and probably small made for a specific purpose (*ibid.*).

Sampling the organisations the author choose to narrow down to the bank industry because of own knowledge that many banks outsource their recruitment. The banks were chosen through finding international banks operating at least in two countries and outsource their recruitment. The negative aspect of this study is that it is deducted on a local level and the answers may not concur with the reality internationally. Banks are not established in the same way as

international corporations, where there is a mix of both local and international personnel. The positive aspect is the requirements on the employees, the employees hired through recruitment agencies need to possess quality characteristics, the work is security based and they are usually very caring about their personnel. Banks reliability is always at risk because they are always facing the customers where organisational culture is important to maintain since it is constantly exposed.

The sampling led to interviews with five banks in Sweden that outsource their recruitment. Eleven banks were contacted but some did not outsource their recruitment and some did not want to participate in the interview. The research has been investigated by interviews with the HR responsible person in each bank to find answers about how the organisational culture is affected by using recruitment agencies. There was a risk of credibility decline in this research due to how much experience the person has and the amount of employees they manage. For this research non-probability sampling was appropriate to get a depth and understanding of how the banks' culture is affected, some interviews have been face to face and some through the phone, depending on where the HR responsible person was seated geographically.

4.5 Operationalisation

In this part the operationalisation of the model is presented, it has been divided into different parts and explaining which factor of the model is measured with what questions. This dissertation is about RPO's affect on the organisational culture and more precisely if/how RPO affect an organisations motivation, performance orientation and effective orientation. Five international banks in Sweden were investigated and remained confidential.

First of all the author wanted to understand why the organisations started to use recruitment agencies and what the results were. The questions that helped measure the reason are: Why did the organisation start to use recruitment agencies? What are the results of the RPO relationships? Does your company use recruitment agencies only when consultants are needed or/also do you use them to recruit into the core organisation?

It is essential to know how interviewees feel about the organisational culture. This dissertation investigated three factors, motivation, performance orientation and effective orientation. The questions used to measure this are: What experiences do you possess regarding organisational

culture? Have you noticed any differences in the organisational culture since initiating RPO cooperation?

First factor examined is motivation, more precisely if/how RPO affects the motivation of the employees since the organisations have started to use RPO and if there are any differences when motivating consultants in comparison to when motivating the core employees. Questions asked during the interviews to measure this factor are: How are the employees motivated? Has that changed since the organisation started to use RPO? Are there any differences in the motivation of the core employees and the consultants that are hired?

Second, performance orientation factor has been measured by the questions: Do you believe that the performance orientation of the employees has changed since the establishment of the RPO relationship? - If so, in which way? Last factor is the effective orientation factor, this factor has measured if there have been any differences in the cultural area. Questions used to measure this are: Has RPO affected the employees in the matter of effective orientation? Do you believe that the effective orientation has changed since the organisation started to use RPO?

4.6 Reliability

Reliability is referring to how collection of the data or how the conduction of the analysis will bring reliable findings (Saunders *et al.* 2009). Saunders *et al.* (2009) writes about four threats when it comes to reliability, these are: subject or participant error, subject or participant bias, observer error and observer bias. The first one is referring to time, where collection of the data can be different depending on what day of the week it is collected (*ibid.*). The second threat is that the interviewee may be affected of his superior and not speak out what he really thinks because of the restrictions, the third threat is observer error, this threat means that the questions need to be asked in a similar way in order to not confuse the interviewee by several different ways of asking questions. Last but not least there is an observer bias where the interviewers may understand the answers differently (*ibid.*). In this dissertation the threats were all considered while the interview questions were conducted and when the interviews took place.

To add reliability into the research, one needs to look over the findings and see whether it is possible for the results to be equal conducting the research in other circumstances, if the raw data is consistent with the significance of the findings, and if other researchers can reach similar result (Saunders *et al.* 2009). Conducting this research, these questions were looked over and I believe that the results can be similar even in other circumstances and the findings are significant with the raw data.

Five international banks active in Sweden were used to create reliability and to avoid bias. With five different banks the reliability of the results and conclusions is higher than if fewer banks were investigated, the results are not only from one angle. Six banks were initially interviewed but after the interview with one of the banks there was a suspicion that the interviewee talked about staff agencies instead of recruitment agencies. Creating reliability, managers were interviewed because they are the ones looking after the employees and making sure that everything runs smoothly. Questions were asked in more ways to see if the answer would differ and the answers were written down from the interviews, I also listened to the interviews several times to make sure that nothing was missed or misunderstood.

Most factors affecting the reliability of the data are directly related to the managers and company regulations. The companies PR regulations and security issues may limit the managers' answers manipulating the interviewer to look better in the eyes of their beholders. Since knowledge is not a constant factor within any human life, the managers' knowledge and interest in the topic limits as well the reliability of the data.

4.7 Validity

Validity refers to the data collection method and whether the findings are in line with what was intended to measure⁷ (Saunders *et al.* 2009). Validity is to obtain accurate answers from the respondent.⁸

There are four ways of assessing validity: face validity, content validity, criterion-related validity and construct validity.⁹ The first, face validity is if the intended measure is measured on the face of it, as it appears. The second way, content validity is if all aspects measured

⁷ Jens Hultman, PhD, Kristianstad University & College, lecture 16 April 2010

⁸ Timurs Umans, PhD, Kristianstad University & College, lecture 8 May 2010

⁹ *Ibid.*

signify the reality, two measures for example are not signifying the reality. Criterion-related validity is about the tools created to measure the aspects it is suppose to, it needs to be significant to the aspects it intends to measure. The last method, construct validity is about if the measure is related to other measures conducted in other researches or theories¹⁰.

Throughout this research these four ways have been considered, face validity was conducted by listening to the interviewees' voices and reactions to see how they react when some questions are asked and to hear if the interviewees' are sure in their answers or not. When it comes to content validity, this research is based on five interviews to gain validity and criterion-related was conducted through the interview-guide where the questions were designed to get the answers needed, a Dictaphone to avoid loss of data, and also writing down what the interviewees said. The relevance of this area and other researches and theories have been investigated through the literature review, making sure that it has not been done before even though similar researches where organisational culture has been researched exist. The interviewees have been chosen carefully to get as valid information as possible, to find the person who has most control over these issues.

To have a valid ground, triangulation needs to be implemented, with triangulation the findings need to be analysed and the problems should be dealt with in different angles at least three (Silverman 2005). This as well was considered, and as mentioned five banks were interviewed so triangulation has been implemented and a valid ground was conducted.

4.8 Generalisability

Generalisability is also known as external validity, which is a way to see if the results of the research can be applied to other researches, to generalise. This can be difficult to do if the research is only investigating one or few companies (Saunders et al. 2009). Generalisability can vary depending on the position of ontology and epistemology¹¹. In a qualitative study, as this one, the research tries to generalise analytically or naturalistically, in other words, apply findings from a similar study to one's own in order to understand¹². In this dissertation the goal was to conduct an analytical generalisation, Yin (1994) explains analytical generalisation as a generalisation to broader theories, and it is applicable to this study. Another view of

¹⁰ *Ibid.*

¹¹ Jens Hultman, PhD, Kristianstad University & College, lecture 16 April 2010

¹² *Ibid.*

analytical generalisation is creating a study which other researches can reflect on and apply in other situations (Ercikan & Roth, 2009).

This study is applicable in other studies and situations through the connection between the RPO and organisational culture. If a manager or HR responsible is concerned about the affect RPO has on organisational culture or if others want to study different angles than this study does, this can be a good base.

5. Empirical findings and analysis

In this chapter, the data collected from the interviews will be presented in the first part and analysed in the second. The empirical findings will be divided in cases, where every case will have three parts. First there will be information about the bank and the interviewee, description about the interview and a summary of the interview. In the analysis the first step is a table where every bank is analysed in the four factors related to RPO that this dissertation is examining. Then every factor is examined in relation to RPO where all answers from each factor are summarised from all the banks.

5.1 Bank 1

This bank is a merger between two well-known banks in Sweden. In March, 2010 the bank had an operation profit over 1 million SEK and about 20 000 employees around the world. Its primary operating countries are the Nordic and Baltic countries, but it also operates in some countries in Asia, North America and a few other countries around Europe. The interviewee I met is a middle-aged male and is the manager at one of the bank offices in Sweden.

The interview took place at the bank, and it took approximately forty minutes, a little bit longer than expected. The interviewer got a lot of information about both how the company works with recruitment agencies and how they work with the organisational culture. Some questions were not asked because the interviewee already answered them during other questions, so it was not necessary. Furthermore, the interviewers were pleased with the data collected and the interviewee was cooperative and agreed to help out if any further information was necessary.

5.1.1 Interview summary

The interview started off with questions regarding the cooperation with recruitment companies where the interviewee explained that they do not cooperate with local recruitment agencies to the specific office. They use one recruitment agency to fill vacancies and when there is a lot of work as well as when the employees cannot fix their schedule to fit the workload. This office only uses the recruitment agencies for these occasions and has used them for the last two years, but the bank in total use recruitment agencies now and then for

special services and has been using them for over five years. The reason that the bank started to use recruitment agencies was to get a professional sort-out of all applicants and they can match the right person for the position through the profile supplied by the bank.

Differences that the bank has experienced after they started to use the recruitment agency is that less resources are used in the recruitment phase; even though it is more expensive to use recruitment agencies the manager feels that it is more profitable in the end. The quality is better because every employee can focus on and work with the tasks they are qualified for. He does not worry about finding the right person for the assignment, he believes that the chances of finding the right person is the same if the agency recruits as it would be if the bank recruits itself.

Furthermore, questions were asked about the organisational culture where the manager explained that the importance differs from person to person. He does not think that the culture is as important as the association between the employee and the brand. On the other hand he believes that it does matter when a person has been within the company for a while and the signal he/she gives to the rest of the employees. Differences in the organisational culture after they started to use the recruitment agency were difficult to connect for the manager because the organisation had changed so much the last couple of years.

When the question about how customers react to the employees from the recruitment agency, he did not think that there was any difference. The customers are not aware if the person is hired in by the bank or by recruitment agencies so the reaction is more about new employees rather than being hired from a recruitment agency. The reactions from the employees have been positive, mostly because of the workload they would have to take care of when someone is missing. Now they can rely on having someone to fill in on a short time notice.

The motivation has not changed since the company started to use the recruitment agency, since the employees from the recruitment agency only work when needed and it does not affect how the original employees work. The company works with motivation towards the employees through health programs and health competitions.

The employees have changed their performance orientation but it is difficult to connect it to the use of a recruitment agency. Since the company has changed both its staff and opening hours, it has contributed to different kinds of changes, taking several other factors into consideration to why the performance orientation has changed. The effective orientation has changed as mentioned above and employees have a greater possibility to focus on their specialised skills in the organisation. It would be more difficult to adapt to the changes during vacancies for the employees, they would have to do cancellations and readjustments of the work.

Recruiting from recruitment agencies will continue in this bank to fill up with employees when needed to be more effective in their work. The manager neither thinks that the organisation is going to expand nor decrease. The bank may change the recruitment agency used, according to the manager, but it is not a decision that the local offices to make. If the whole bank is changing recruitment agency to another then the local bank is going to do it as well. There can be different reasons to change which the local bank is not aware of and has not much to say about. To conclude this summary, this bank is satisfied with the work the recruitment agency has provided.

5.2 Bank 2

This bank is a leading financial group in Northern Europe and employs over 20.000 people in over 20 countries. There are over 5 million customers in their customer base. The interviewee was a woman that has been working in the HR department for many years.

The interview was conducted over the phone and lasted for about 20 minutes. This interview was not as long as expected but the information needed was collected. The interviewee was kind, polite and answered as well as she could.

5.2.1 Interview summary

This bank uses recruitment agencies to fill vacancies when the workload is high and when the core employees are not able to handle it, but it is also used for bigger projects and to fill a specific post. The bank considers the cooperation to be time saving and is satisfied with the relationship according to the interviewee. Some of the consultants hired by the agency, who were not permanently hired, have been recruited to the core organisation because of the good

work they did. The organisation will continue the cooperation with recruitment agencies because of the time and cost savings according to the interviewee.

Culture is significant for the bank and due to the age of the organisation the culture is well worked into the organisation. RPO has not changed the culture within the organisation according to the interviewee; she believes that it is more likely that the culture changes the personnel from recruitment agencies.

Even though the posts are filled with both employees from recruitment agencies and core organisation the customers are pleased with the service. The employees are satisfied with the cooperation with recruitment agencies, and according to the interviewee the RPO relationships have not changed the performance or effective orientation within the organisation, she believes that it is positive in a way that goals are reached quicker and workload is lower for the core employees. The interviewee stated that the organisation is cooperating with different recruitment agencies and the cooperation will continue with probably all of them. The reason why the organisation is cooperating with several agencies is according to the interviewee because the organisation is large.

The organisation motivates its employees through coaching and there are no differences in the motivation from the leaders towards the employees regardless if they are from a recruitment agency or core employees according to the interviewee. The only difference is that the personnel from a recruitment agency do not have development and income discussions with the management.

Effective and performance orientation have not changed in this bank according to the interviewee, the only difference is that positive goals are achieved faster than before. The employees are working in the same way as they did before the company started the cooperation.

5.3 Bank 3

This bank is a part of many companies, owned by a successful Swedish businessman. The bank had a profit of almost 25 million SEK in 2009 and has about 400 employees and is

operating in the Nordic region. The interviewee is a middle-aged man, has been working for the bank for some years and is the HR responsible for the office he operates in.

This interview was made through the phone and the communication between the interviewee and the interviewer was good with an understanding of the questions and answers. The interview went through smoothly and it lasted about a half-hour, the interviewee was informed about the confidentiality and the answers were sent to the interviewee in case some questions were not understood correctly.

5.3.1 Interview summary

In the beginning of the interview questions about recruitment were asked. The first question was why the cooperation with recruitment agencies began with an answer that this bank takes care of the recruitment process first and foremost themselves, but use recruitment agencies when needed. There are some dates when the workload is huge and other when the workload is less. The recruitment agencies are professionals when it comes to finding the right person, so to rely on them for the recruitment process is a privilege according to the interviewee.

This bank has been cooperating with recruitment agencies for four-five years mostly to fill the vacancies during time when the workload is largest. The use of recruitment agencies are in two different ways, one for vacancies through telephone support and the other for employees in the bank serving customers directly. The interviewee thinks that it is good for the bank to work this way both for the availability for the customers and the economic factor.

Differences since the company started to use recruitment agencies is that the customers get the service required. Many of the employees were unsatisfied in the beginning; they were concerned about their jobs and felt threatened, the ones with contract were actually not affected in another way, now the employees are more positive towards the use of recruitment agencies and the company is working hard to integrate the ones who come in.

Motivation of the employees is done through performance reviews, being the attractive employer, health maintenance and hours that the employees can take from work to workout. The organisation also works with coal centres and coaching, and to become better within these areas the bank is cooperating with another company. Another motivation factor is the

employee's opinions which are taken to mind in the decision making and affect of the daily work, the employees are also aloud to get educated and develop individually. The bank finds it important to have staff willing to progress and develop and it has not changed since the company started to work with recruitment agencies. In conclusion the employees are motivated in the same way as they were before the cooperation.

Effective orientation has increased of the employees but the whole company has increased it in general since the company has been working with this issue. The effective orientation of the employees has increased mostly because they are working more smoothly even with vacancies and days with a great deal of customers. Performance orientation on the other hand has not changed according to the interviewee. The bank is working side to side with the recruitment agency so that they expand together.

This bank's owner considers the culture with its strong values to be an important part of the company leading to hard work keeping and carrying it on with values and brand of this bank. This is an important question when the company is recruiting new personnel to the bank, to match the values and to make this work out the recruitment agencies are working with the bank around these questions.

This bank will continue to work with recruitment agencies and the interviewee even thinks that the bank will expand the cooperation. The bank recently changed the recruitment agencies it worked with in order to grow with the recruitment agencies.

5.4 Bank 4

This bank has not been established in Sweden as long as the other banks investigated. There are around 6000 employees and last year the operating profit was about 200 million SEK. This bank is only operating in Sweden has some business in the Nordic countries and in the Baltic region. The interviewee is a young woman, working as one of the HR responsible employees at the company.

The interviewer facilitated the interview a bit by sending the questions to the interviewee before the interview so the interview did not take more than fifteen minutes. The interview was made through the phone, and most of the questions were answered.

5.4.1 Interview summary

Many years ago this bank started to work with recruitment agencies mostly to find the right person with the right competences within a specific area. There have been times when the recruitment agencies did not meet the expectations of the bank, if they did not work fast enough or did not find the right person for the position.

Since this bank has been using recruitment agencies for so long time it has been hard to see changes leading to an answer that no changes occurred as far as she could tell. Concerning the employees and their reaction towards the recruitment agencies the interviewee said that it is the decision of the management and the employees have not much to say about it. On the other hand their opinion matters if they notice a lack of competences of the personnel from recruitment agencies.

The interviewee did not understand what difference it makes if the company recruited itself or used recruitment agencies what is most important is to find the right competence for the position. Finding the right person is important for the company so the HR responsible is with the recruitment agencies during the last interview with the last two candidates.

Furthermore, the culture in this bank is significant and something the bank creates together with all the employees. There are three words of value the bank stands for and everyone works around them in every process during a day. Creating the driving spirit is also an important factor of the culture which creates well-being if the values are shared.

Moreover, motivation of the employees is done by privileges, feedbacks and good work environment which has not changed since the cooperation started. The interviewee said that they believe in companionship and teamwork, good managers who coach the employees.

The changes in organisational culture of the bank, the interviewee says that it is not thanks to the use of recruitment agencies on the other hand effective and performance orientation have increased but according to the interviewee other factors could have brought this change.

In conclusion this bank will continue to work with recruitment agencies but it may not be the same agencies as they work with right now. The general agreements are looked over every year to assure that the right agency is suitable for the kind of work the bank requires.

5.5 Bank 5

The customer base of this bank is over 10 million and the bank has almost 40.000 employees. It is a leading bank in the Nordic markets and the vision is to stay that way to become even greater. The interviewee was a woman and is listed as an HR partner within the organisation.

The first impression the interviewee gave was that she was very polite and eager to help out. The interview went well and the interviewee answered all questions and useful information was gathered. The interview took approximately 20 minutes conducted over the phone and in the end the interviewee stated that if more information was needed the interviewer should not hesitate to contact her.

5.5.1 Interview summary

First of all the interviewee stated that the company uses recruitment agencies when they are employing personnel into the core organisation. The recruitment agencies are used when the organisation fails to find people within the organisation to fill up vacant positions and when the organisation needs employees' during peaks when the workload is too heavy on the core employees. Recruitment agencies have a broader contact field which facilitates the recruitment process due to the wide databases they possess according to the interviewee, she did not know for how long the organisation had used recruitment agencies but she thought that it was as long as there have been good and well-known recruitment agencies.

Thanks to the recruitment agencies the organisation avoids to create bad relationships with other organisations in the same industry. Instead of headhunting people in other organisations the recruitment agencies are able to find the staff needed without affecting the bank. It is more acceptable to go through recruitment agencies than to go and approach a person working in another bank.

According to the interviewee the customers do not notice any changes when an employee from an agency is working or an employee from the organisation. Moreover, the employees

are positive to the use of recruitment agencies because the right personnel are hired to help the organisation into moving forward and the workload is reduced.

Furthermore, the culture is significant for the company and it has grown by acquisitions of smaller organisations which have different cultures. Hence, the work of removing the organisational culture the smaller units possess is needed for the bank to do in order to achieve the same culture, visions and values in the whole organisation.

The interviewee said that the cooperation with recruitment agencies has not affected the culture within the organisation. She also considers it to be important that the personnel the agencies send are well aware of the culture and the values of the organisation.

The motivation part is significant for the organisation and managers are being educated to be able to motivate and coach the employees. According to the interviewee employees are motivated by benefits such as bonuses and health maintenance. The motivation of the employees has not changed since the RPO relationships began and the consultants hired have almost the same benefits as the core employees. The employees within the organisation are positive towards the personnel from the recruitment agencies when they come and offload their work, and they become more motivated to do their job.

There have not been any differences in performance and effective orientation in the organisation because of the use of recruitment agencies. The only difference the interviewee could think of is that the work situation is better and when the right person is employed the whole organisation benefits. The interviewee stated that the quantity is the importance here if the quantity of personnel hired through agencies was higher it could affect effective and performance orientation.

The organisation will continue to both cooperate with recruitment agencies and to employ on their own. The recruitment agencies will continually be the last step when appointing new employees. The organisation has a few agencies that it works with because of the size of the organisation and one relationship would not be enough. Overall, the bank is satisfied with the current relationships and will continue to cooperate with them.

5.2 Analysis

Table 5.1 Analysis of each bank, every topic

	Motivation	Performance Orientation	Effective Orientation	Organisational Culture
<i>Bank 1</i>	<i>The author' opinions are that employees should be more motivated to work harder if the company uses recruitment agencies. In this case the motivation has neither increased nor decreased since the use of recruitment agencies began. There can be different reasons why the interviewee said so, one can be the good unity in this office and that the employees are not changing their way of working when changes take place. Another can be that the employees have been working in the office for so long time that if there will be replacements they would not be on the list. One can conclude this interview, going through all the factors and the organisational culture, that the manager may not always see what is behind the scenes during time when he is not around.</i>	<i>Surprisingly, the manager did not manage to connect the performance orientation, which has changed, to the recruitment agencies. Going through the literature review, one can read that employees usually compare their performance to other persons at work. Is that not true in this case? When a new person arrives, logically the others want to show how good they are leading to an assumption of the author that the organisational culture may have partly changed because of RPO.</i>	<i>It was good to hear that the employees are more effective oriented since the use of recruitment agency started but, as mentioned above, it is from the manager's point of view. The author agrees that the effective orientation should increase if considering that there would be a smaller workforce when there are vacancies.</i>	<i>The interviewee in this bank did not value culture as much as the other interviewees. He believes that organisational culture and its importance differs from person to person, but it does not matter how strong or how low one values the organisational culture, changes are changes and it can affect everybody the only question is how much. He also said that the reaction towards cooperation with the recruitment agency from the employees was positive, maybe so but he is the manager, and may not see how the reaction is.</i>

<p><i>Bank 2</i></p>	<p><i>Motivation in this bank is done by opinions of the employees and their affect on the decision-making, and this has not changed since the company started to cooperate with recruitment agencies according to the interviewee. Motivation should increase when changes occur at least on the newest employees of the bank. I believe the employee's motivation is indirectly always affected when changes occur in the management.</i></p>	<p><i>Performance orientation has not changed in this bank since the company began to outsource its recruitment according to the interviewee, yet positive goals are achieved faster than before. Does that not sound like the employees have become more effective and performance oriented? Of course one can say no, but the results differ from this statement. The interviewee admits changes because of the use of recruitment agencies at the same time as she says that none have occurred.</i></p>	<p><i>Similar to the Performance Orientation, there was no change observed according to the interviewee, yet positive goals are achieved. Yet another positive outcome but no alternative reason motivating the result.</i></p>	<p><i>Awareness of the organisational culture is essential for the company according to the interviewee, who also said that RPO should not affect it. A conclusion drawn from this statement is that there is a chance of change in organisational culture otherwise one would say has not, instead of should not as she did. The big importance of the organisational culture has to do with how old the company is making it more essential to keep it. If the bank really cares about the traditional organisational culture they should consider paying more attention to the changes in it, especially regarding younger generations entering the market.</i></p>
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<p><i>Bank 3</i></p>	<p><i>Coming to motivation the interviewee said that it had not changed in any way.</i></p>	<p><i>Regarding performance orientation, the interviewee considered it unchanged. Changes in these areas are supposed to happen according to the literature oddly enough they are not in this bank, reaching a conclusion where the author wonder whether the interviewee simply chooses not to see these changes or if they actually do not occur.</i></p>	<p><i>The interviewee said that effective orientation has changed in the bank since RPO, which is in line with the author' thoughts.</i></p>	<p><i>Customer service is essential for every company to keep their company running, and this interviewee said that the customer service in this bank has improved since the use of recruitment agencies began. The reason why it had improved can be because of the availability for the customers of the bank. Another thing this interviewee said was that the employees' reaction towards the recruitment agencies and the personnel they send slightly threatened the beginning. This is what should happen with at least the employees that have not been working for the bank for a long time.</i></p>
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<p><i>Bank 4</i></p>	<p><i>Motivation of the employees in this bank is done by privileges, feedback and good work environment. When recruiting from recruitment agencies it can be difficult to have a good work environment because the management are not a part of this environment other than in some rare cases. Motivating them to become better can be done by using the recruitment agencies simultaneously as it can become worse when the management makes promises it cannot achieve. In conclusion, this HR-responsible should according to the author' be more aware of what is happening in the company and what the reasons are.</i></p>	<p><i>Performance orientation has nothing to do with the use of recruitment agency, the interviewee even sounded offended by the question. This as well is kind of mixed signals from her. In the literature review one can read that one of the most common reasons to outsource the recruitment process is time saving, which should give the employees time to become more performance oriented.</i></p>	<p><i>According to the interviewee, effective orientation has nothing to do with the use of recruitment agency as well.</i></p>	<p><i>Talking with this banks HR responsible person, it seems like the organisational culture has not changed at all. The biggest surprise was to hear that the "employees have not much to say about the recruitment, since that is not their decision" as if their opinion did not matter. Of course it is not their decision still they have opinions which should count since they are a part of the organisational culture. With this said the interviewee also made a strong point saying that the organisational culture is very important, giving mixed signals.</i></p>
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<p><i>Bank 5</i></p>	<p><i>The interviewee said that the motivation has not changed and that the employees from recruitment agencies are motivated in the same way as the core employees. In reality, there is always a difference between the core employees and the ones from recruitment agencies, no matter how hard one tries to say the opposite.</i></p>	<p><i>Performance orientation is the same as before the changes, simultaneously as the interviewee says that the work situation is better. If there are benefits in the work situation it can mean, according to the literature, that the employees are trying to overcome the person employed through a recruitment agency at work.</i></p>	<p><i>Similar result as Bank 2, the interviewee claims improvement yet does not believe it is partly a result of RPO.</i></p>	<p><i>This interviewee says that the organisational culture is of big importance and that the personnel recruitment agencies send should be aware of it. It can be difficult to know the culture before coming to a company, with this kind of pressure on the personnel from the recruitment agencies there has to be some kind of change at least for the core employees.</i></p>
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5.2.1 Analysis of organisational culture and RPO

Some of the interviewees said that the organisational culture has changed but not because of RPO, others said that it did not change at all. Well, organisational culture is a wide area and it may have been the reason why they said so, another reason may be lack of knowledge in the area. Literature says that culture is *a pattern of shared basic assumptions that the group learned as it solved its problems of external adaption and internal integration that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems.* This is a simple definition of how to maintain the culture even though changes occur. Some changes are healthy for the organisational culture and some can affect the organisational culture negatively, but you cannot avoid them to maintain your culture. When it comes to the factors examined there are changes and we can see it in the results, at the same time most of the interviewees focused on other topics instead when discussing the changes RPO brought to their culture, which again forces us to consider lack of knowledge in the area.

The organisationally driven reasons to outsource are to enhance effectiveness by focusing on what each part do best, to transform the organisation and to increase product and service value according to the literature. Some of these reasons are what is being affected even though the organisations are not aligned in this matter.

From Dr. Forsyth we could learn that *there are different factors which determine when a group will form and it all depends on the qualities a person possesses, such as social motives, gender and personal qualities,* meaning that grouping can easily start at work, which can lead to motivation for the personnel to work harder, being the best informal group, this goes against of what the results show even though the literature and knowledge says opposite. Literature also explains the definition of an organisation: *an organisation is the process where activities are performed in groups together making sure that an organisation is created and changed.* This also states that changes should occur in the organisation to improve it.

Overall the literature states that *the culture of an organisation influences all the employees' and their behaviour, to be accepted into the group, all people and even newcomers need to follow the culture of an organisation* which means that the employees from recruitment agencies are affecting the employees behaviour when it comes to the three factors,

performance orientation, effective orientation and motivation. Even though it affects the factors, one cannot deny that the motivation factor was not affected at all according to the results and this means that the model created (model 3.5) is useful if not other researches show differently when it comes to the motivation factor.

Creating a discussion around the relevance of RPO towards organisational culture, I claim that the literature states that an organisations culture is always affected by RPO, yet most of the interviewees claim vice versa. Identifying a reason for this phenomenon is valid in this discussion, as stated earlier it could simply be lack of knowledge. The interviewees stated and identified changes in the three main themes, yet were not able to identify the relevance of organisational culture to these three factors. Positive results of the employees work reflect changes within the company's culture, since companies and organisations have a need to survive, they need employees who need to survive, which leads to more effort put into the employees daily routines to simply survive in the company and not lose to new internal more specialised expertise that has been handpicked.

Organisational culture is sacred to every organisation even these banks investigated, but every one of these should be prepared to change their organisational culture when outsourcing one or another part of the organisation.

In conclusion the organisational culture has been affected by RPO where most of the change according to the results appeared in the effective orientation factor. Performance was less than effective orientation but there was still a change and motivation did not change at all. If this is the case or not is hard to determine, the author believes that all the factors have been affected to some degree but that the organisations examined are either not aware of that or do not want to admit it.

5.2.4 Analysis of RPO and motivation

The last factor analysed is motivation, and all interviewed where even in this matter that RPO had not changed the motivation. RPO should be a factor that motivates the employees especially when there is a chance that an employee can be replaced no matter how much organisations work to permit that from happening. If an organisation can see a difference that detriment the employee regarding the work they can use another excuse to replace the core

employee. Literature states that *to be able to reach goals and become more efficient and successful, leaders of organisations need to motivate the employees within the organisation*, and many companies might just use RPO as a motivation factor.

When outsourcing the recruitment employees are aware of the risk that may occur, one of the interviewees said himself that some were negatively appointed towards the cooperation because of the fear to lose their job. Another motivation is to perform better as stated in the analysis of “performance orientation” the employees should become motivated to perform better and to show the managers and others the capability they have of performing the tasks required.

Why is motivation unchanged, I ask myself, and the only answer I can think of is that managers’ may not know how to motivate, Ouchi writes that *to be able to coordinate people within the frame of the theory it is important to see the whole human being, in other words communication between the employer and the employee*, maybe this is the problem in these cases, not knowing how to motivate in the right way Ouchi also writes *that it is the leaders’ responsibility to make the co-workers fight for the organisation*, so how come the leaders’ cannot see the possibility to improve their motivation strategy through external factors. Lack of knowledge or innovation, one or both of these can be the answers to the question. Maslow has done a clear picture of how the human being is motivated in both personal and work life he writes that *there is a common pattern of need, satisfaction that people follow in general* this is a simple and clear view of how to motivate each and every person in the way.

In conclusion the author believes that the motivation has changed because of RPO even though the results show the opposite so the model 3.5 is not applicable in this case concerning the motivation factor of organisational culture. It might even be so that it has not changed but then the managers and HR managers have assured the employees a hundred percent that they are not going to become replaced and that the employees from recruitment agencies are only in the organisation for some time.

5.2.2 Analysis of RPO and performance orientation

Viewing the results, performance orientation has either changed or it has not changed at all according to the interviewees, but they could not connect RPO to the change. Two out of five

banks stated that performance orientation had changed and the other three stated that it did not. The two banks that stated that performance orientation has changed were not able to associate RPO to organisational culture. These banks may not be aware of the effects RPO has brought to performance orientation. Another thought can be that they are aware of the effects but are unable to admit that without solid proof. The other three bank managers/ HR-managers can also have this thought but since there is an uncertainty they do not want to begin the discussion. Literature states that employees who are performance oriented usually compare themselves with others, so why is it not happening in these cases when the competition increases?

Performance orientation is when organisations or societies boost and prize individuals and groups for improving and mastering their performance according to the literature. An assumption is that they do not want to say that organisational culture has changed because of RPO in order to maintain their image.

Model 3.5 is a connection between the factors organisational culture and RPO. This analysis shows that there are different conclusions one can draw. The author compared the results with the facts and came to one that RPO may indeed change performance orientation of the employees yet not to what degree. Finally, the model 3.5 is useful when connecting the performance orientation factor with RPO.

5.2.3 Analysis of RPO and effective orientation

Going further with effective orientation the results showed that three out of five thought that it had changed and two did not. The two that did not believe that RPO has changed the effective orientation were slightly unsecure in their answers. One stated that “*effective orientation has not changed but positive goals are achieved faster*” with other words it has affected the effective orientation in a smaller amount. The other one said that the work situation is better and that the whole organisation benefits. The literature says that *effective orientation is a tool for the new employees to develop and achieve a positive attitude towards the organisation and the job which results in higher satisfaction and better performance*, so the organisation might be more effective because of RPO.

Recruitment is outsourced to become more effective so why do some have a difficulty admitting that? When outsourcing in general there are two main reasons companies usually have, time saving and cost reduction but to become more effective is also a reason so it should benefit the companies. From the literature we can also read that *organisations can achieve effective orientation effortlessly by being clear with their requirements on the employees and combine them with the individual requirements of the employees*, which they can do with both the core employees and the employees from the agencies.

This leads to a conclusion where effective orientation is affected by RPO even though some organisations are saying that it is not. The results showed a difference but the author believes it is a hundred percent after connecting the data collected with the literature. Here the model 3.5 is applicable as well, with a result of affect on the factor effective orientation.

6. Conclusion

In the last chapter, the conclusions of this study are drawn and presented. The chapter begins with a summary of this study, then conclusions are drawn, a review of this study and at last some suggestions for further research are made.

6.1 Summary of this research

Companies outsource more and more these days, it is an increasing phenomenon, some may even say that it is a trend companies use to enhance effectiveness (Greaver, 1999). In particular a popular process to outsource is Human Resource which needs time and money to maintain. Within the Human Resource Process there are different parts (Davidsson, 2005; Prowse & Prowse, 2010) and this dissertation chose to research one of these, Recruitment Process Outsourcing (Beer *et al.*, 1984) since little research has been conducted in this specific area because it is a relatively new process.

The purpose of this dissertation is to see how Recruitment Process Outsourcing has affected the organisational culture.

The more literature gathered about both RPO and organisational culture the more it made sense that organisational culture should be affected, Factors chosen were motivation performance orientation and effective orientation, because of the thought that these may be affected the most when it comes to organisational culture.

6.2 Conclusion

Finding a basically untouched topic to research was not an easy task, but finally after doing some research outsourcing was chosen. Exploring uncharted areas the author came across thoughts on how organisational culture is affected by RPO. During the search for relevant articles and facts the author realised how little research on RPO was conducted, and how organisational culture had considerably more, the interest in this connection between these subjects grew. After conducting the interviews, concluding and analysing our results, a realisation of how abstract the field of research is leads to a need of a thorough and considerable amount of time spent to obtain ultimate results.

During the kickoff of this dissertation, an assumption made in the background was confirmed, the low level managers interviewed showed vast variation of knowledge and awareness of RPO and effects it may have on their departments. Since all organisations are members of society, one should keep in mind that we live in a multicultural era where we are daily subjected to foreign and domestic influences which affects our character and subcultures, therefore constant changes within an organisational culture is inevitable. Hence, each person's drive to survive, develop, and actualise themselves is affected by an organisation's activities as vice versa an organisation is affected by its members when allied in groups. Wrapping it up, preserving a common organisational culture is essential for each and every organisation to maintain control and common work morale and ethics.

To come to a conclusion, this research has examined how RPO affects organisational culture. Companies were hard to find, the author thought of which companies would be best to investigate and banks were chosen in the end because many outsourced their recruitment. For the research five banks were interviewed and their answers were concluded. *The results of the three factors investigated, motivation, performance orientation and effective orientation showed that effective orientation was affected the most, then performance orientation while motivation was not affected at all.*

6.3 Critical review

Going through this dissertation the author believes that it would have been better if there was more time to observe how organisational culture works in the banks, not only by interviewing the HR-responsible but also several others in the bank, perhaps the employees, which would have affected the final results.

Other critical factors are the observation of the banks, erstwhile, results might have been reached if another industry was examined, as well as the size of the offices interviewed could also affect the results of how the company works. Another factor is if the companies work similarly as in other countries as in Sweden.

Reviewing the analysis and the results, other or more factors of organisational culture could have given different results to the study. Additionally, if interviewing the recruitment agencies managers or/and employees, it could give the results another angle and the agencies could

have shared how they work with their personnel to maintain the organisational culture of the companies.

6.4 Practical implications

With this dissertation I wanted to facilitate the cooperation with recruitment agencies for companies and organisations and by providing more knowledge to the area with a guideline to follow, organisations can be more aware of the effects outsourcing the recruitment can have on their organisational culture.

Furthermore, this study is conducted to be able to aid companies that work with recruitment agencies to maintain their culture. Reading this study, they can hopefully get a different point of view on how RPO affects the organisational culture. Companies can be more prepared before beginning cooperation with one or several recruitment agencies, creating awareness of negative effects as well as positive on the organisational culture. Companies that already have cooperation with recruitment agencies can begin to think about how the organisational culture is affected and how to reach the best development possible with the cooperation.

This research could also be used by recruitment agencies to improve their work and the view of the personnel they send to the companies. With this knowledge they can also specialise their agency to different tasks and expand it with coaching and own workshops to prepare their personnel more for the assignment, this could lead to a competitive advantage for the recruitment agency.

6.5 Further research

Further research in this area could focus on a different industry and also bring out more outcomes such as financial or productivity. On the other hand if there is an interest for the organisational culture outcome, there are more factors that can be affected such as values and loss of company identity. Research on different effects on organisational culture regarding national and international companies, geographical area and environment, and the background of the recruitment agency needs to be placed under the microscope for a more precise analysis.

RPO is an area that is not researched enough and further research is needed, there can be different parts investigated such as: if companies get the value they pay for, how the organisation's finance is affected and how the cooperation can be executed in the best way to benefit both the organisations and the recruitment agencies. Comparison of two corporations can also be done to see if the different offices work likewise in Sweden and internationally.

The same research could also be conducted on a higher level than bachelor, having the opportunity of more time to investigate the organisations, recruitment agencies, other factor or even other outcomes. This may bring different results to the table and more research in the area of RPO.

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Appendices

Appendix 1: Table of quotes from the interviews

Recruitment Process Outsourcing

Organisational Culture

<u>Quotes</u>	<u>Recruitment Process</u> <u>Outsourcing</u>			<u>Organisational Culture</u>		
	<u>View</u>	<u>Experience</u>	<u>Possible predicts of the future</u>	<u>View</u>	<u>Experience</u>	<u>Possible predicts of the future</u>
Interview 1	<p>We are working with our strengths which are working with customers and customer-databases</p> <p>We rather buy the recruitment services to get the best quality and I am sure that you can achieve that with recruitment agencies. To have that support from agencies are valuable.</p>	<p>Fewer resources are put in to the recruitment phase, it is more expensive but in the end it pays off and since everyone can work with their strengths the organisation is more effective. I think that the quality, as we see it, gets better and I do not think that you miss the opportunity to find the right person, I believe that the chances are equal.</p>	<p>I think that we will continue using recruitment agencies to fill out the vacancies, mostly to be effective.</p>	<p>Some feel that the culture matters a lot and others see it as less important. I do not think that the culture is as important as the connection between the employee and the brand</p> <p>On the other hand it is of big importance when one has been in the company for some time and the impression one gives to the other employees.</p>	<p>We are trying to work with an open climate, where everyone is open with their thoughts and opinions.</p> <p>We are also trying to have healthcare programs and health competitions. In our healthcare program the employees have some working hours that they can use to workout. A comfortable and well being environment results in good performance.</p>	<p>I do not believe that the organisation is going to grow or decline, we will continue to work towards the availability for our customers.</p>

Interview 2	<i>Recruitment agencies are complementary for the current assets in the company.</i>	<i>We use recruitment agencies when there are big projects within the organisation and many are going to be hired within a short matter of time. Also when there are specialised services and we cannot find it.</i>	<i>We will continue to use recruitment agencies and their services because of the time saving and cost reduction.</i>	<i>The culture within the organisation is significant for us, the organisation is over 150 years and the culture is well worked into the organisation.</i>	<i>The culture is as appointed well worked in the bank and has not change. We work with this on a daily basis.</i>	<i>We will continue to work with our culture in the future.</i>
Interview 3	<i>To be able to have the personnel when required is probably the main reason why we use recruitment agencies. It is important to do the recruitment process right and recruitment agencies are professionals in the area and they are able to handle difficult questions and find the right person for the position</i>	<i>We are using recruitment agencies right now, to fill the vacancies to be able to serve the customers when there is a lot of work. It costs too much to have personnel all the time for only these occasions. The past year there has been fewer personnel from recruitment agencies in the bank physically.</i>	<i>We will continue to cooperate with recruitment agencies in the future and probably even work more with them along the side to develop.</i>	<i>The organisational culture is important for us since our CEO finds it as one of the most important parts of a company. It is a private and important part of our organisation we have strong values which we are working with.</i>	<i>We are trying to be the attractive employer through a mutual decision making and affecting the daily work. We let the people progress individually. We also have performance reviews regularly, health care programs and education for those who want to learn more. We want the employees to feel motivated and progress.</i>	<i>Our brand and the points which we are working with are important and we are careful with them. Our company stands for strong values and it is important for us to work alongside with them.</i>
Interview 4	<i>We have been working with many recruitment agencies on the market. They have done a good job but there have been times where we have</i>	<i>We are using recruitment agencies when we cannot recruit on our own, because of the difficulty to find the right competence of a</i>	<i>We will continue to use recruitment agencies when needed in the future as well. We look over the general agreements every year</i>	<i>It is important to keep the driving spirit and it is what makes the well-being if the values are shared. If the values are not shared the person</i>	<i>The culture is created together and we have three words of value which we gather around and every step is reflected on them.</i>	<i>It is important to keep the driving spirit even in the future. We look over the values regularly and change them if necessary, as we</i>

Interview 5

<p><i>been unsatisfied, if they were not fast enough or found the right person for the position.</i></p>	<p><i>specific area.</i></p>	<p><i>and we change the recruitment agencies regularly. When there are specific occasions we need to cooperate with a different kind of recruitment agency. We are such a big company and therefore it is required to use several recruitment agencies.</i></p>	<p><i>usually seeks another job.</i></p>	<p><i>did some year ago.</i></p>	
<p><i>Recruitment agencies have a different contact field with people that wait to get an interesting job, which simplifies the process.</i></p>	<p><i>We are using recruitment agencies first and foremost when we cannot recruit on our own within the organisation and secondly after not finding anyone when our own have tried externally and not found anyone.</i></p>	<p><i>We will continue to use recruitment agencies and we will work with several because of the need of specialised agencies. We are satisfied with the ones we work with right now and we are not going to change them.</i></p>	<p><i>The culture is very important for our bank and we have been working with it especially the last two, three years. We have been working with the values.</i></p>	<p><i>we have grown the culture partly because of our experience and partly because of our acquisitions and become big on the market which results in many small cultures within the company.</i></p>	<p><i>Our management is determinate to work with the strong values and recruitment agencies have affected this positively.</i></p>

Intervjuguide

Tack för att du ställer upp på en intervju, vi uppskattar det väldigt mycket. Allt du säger kommer att förbli konfidentiellt, det här är bara för undersökningssyfte och ingen medverkande kommer att påverkas av det.

1. Skulle du kunna förklara varför har ni valt att använda er av rekryteringsföretag?
 - a. Har den anledningen/de anledningarna överrenskommit med resultatet?
2. Vilka anledningar var det som fick er att börja använda rekryteringsföretag?
3. Skulle du kunna berätta om er historia med rekryteringsföretag?
 - a. Hur länge har ni använt er av rekryteringsföretag?
4. Rekryterar ni bara vid behov eller har ni tillsvidareanställda från rekryteringsföretag?
 - a. Varför har ni valt det sättet?
 - b. Har ni tänkt använda er av andra sättet?
 - i. Varför?
 - ii. Varför inte?
5. Har det uppkommit andra anledningar som har gjort att ni har behållit rekryteringsföretagen?
6. Har du märkt skillnader sen ni började använda er av rekryteringsföretag?
7. Vad är dina erfarenheter med den informella organisationen (kulturen) och hur viktig anser du den vara för företaget?
 - a. Varför?
8. Tycker du att det finns skillnader inom företagskulturen sen ni började använda er av rekryteringsföretag?
9. Hur är kundernas reaktion till användningen av rekryteringsföretag?
 - a. Är de nöjda med servicen om man jämför nu med tidigare?
 - b. Tror du rekryteringen har påverkat det?
10. Hur har de anställda reagerat på att ni använder er av rekryteringsföretag?
11. Har det påverkat de anställda på något sätt att ni använder er av rekryteringsföretag?
 - a. Finns det någon personlig påverkan på de anställda på grund av rekryteringsföretag?

- b. Om man kollar på prestationsorienteringen?
 - c. Om man kollar på effektivitetsorienteringen?
12. Hur jobbar ni med att motivera de anställda?
- a. Har det ändrats sen ni har börjat använda er av rekryteringsföretag?
13. Vad var det som motiverade er att just använda er av rekryteringsföretag och inte ändra någon annan avdelning?
14. Tänker ni fortsätta med rekryteringsföretag eller kommer ni återgå att rekrytera på egen hand?
- a. Varför?
15. Har ni ett eller flera rekryteringsföretag?
- a. Varför?
16. Har ni funderat på att byta rekryteringsföretag?
- a. Har ni bytt tidigare?
 - i. Varför?

Appendix 3: Interview guide

Interview guide

Thank you for participating on an interview, we appreciate it very much. Everything you say will be confidential, this is only for the sake of investigation and no participant will be affected by it.

1. Would you like to explain why you chose to use recruitment agencies?
 - a. Have that reason/those reasons concurred with the results?
2. What were the reasons that made you use recruitment agencies?
3. Would you like to tell us your history about the cooperation with recruitment agencies?
 - a. How long have you been using recruitment agencies?
4. Do you only recruit when needed or do you have temporary workers in the company?
 - a. Why did you choose that way?
 - b. Have you thought of doing it differently?
 - i. Why?
 - ii. Why not?
5. Have other reasons occurred that made you keep the cooperation?
6. Have you noticed any differences since you started to use recruitment agencies?
7. What are your experiences with the informal organisation (culture) and how important do you consider it to be for the company?
 - a. Why?
8. Do you believe that there are any differences in the organisational culture since you began using recruitment agencies?
9. How do the customers react?
 - a. Are they satisfied with the service compared to before?
 - b. Do you think that the recruitment agencies have affected that?
10. How was the employees' reaction towards the use of recruitment agencies?
11. Has the use of recruitment agencies affected the employees in any way?

- a. Is there any personal affect on the employees because of the use of recruitment agencies?
 - b. Looking at the performance orientation?
 - c. Looking at the effective orientation?
12. How do you work with motivating the employees?
- a. Has that changed since you started to work with recruitment agencies?
13. What motivated you to use recruitment agencies and not change another part of the company
14. Are you going to continue to work with recruitment agencies or are you going to go back and recruit yourself?
- a. Why?
15. Do you use one or several recruitment agencies?
- a. Why?
16. Have you considered changing to recruitment agencies used?
- a. Have you changed before?
 - i. Why?