Tesi di Laurea

# e-Recruitment Practices and Emerging Trends: New Opportunities for Employment Agencies?

Empirical evidences from ADECCO and BRUIN Financial

**Relatore**

Prof. Fabrizio Gerli

**Correlatore**

Prof. Sara Bonesso

**Laureando**

Ivana Barišić

Matricola 845453

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# Abstract

The purpose of this thesis was to explain the various changes occurring in the current recruitment environment. The new recruitment trends delivered by the constantly developing technologies provide an opportunity for the employment agencies to deal with the recruitment process in a more efficient and effective way, while reducing the cost of their activities. One of the most innovative trends with a great potential for the employment agencies' recruitment process is the implementation of gamification. The purpose of this thesis was to identify the influence, presence and the perceived benefits of the specific new recruitment trends in the cases of employment agencies. Two case studies were conducted, each representing an employment agency's recruitment process and use of e-recruitment sources, as well as their perceived potential of the implementation of gamification as a potential candidate sourcing strategy. Both of the firms are successful companies, one being a world's leading provider of HR solutions (Adecco) and the other a leading independent recruitment consultancy in the United Kingdom (BRUIN). The results of the case studies should demonstrate the recent recruitment trends' penetration in employment agencies. The particular characteristics of each company will be analysed as well, as they may represent an innovative example of recruitment strategy.

This thesis will explore the literature available to date on this new but growing concept and explore what it is that is attracting HR professionals to support their strategic impact with gamification platforms.

The methodology adopted to support this is to position the primary research data in case study format. The case study information was gathered from two semi structured interviews with representatives from global organisations currently using gamification platforms to support employee engagement and customer retention as their recrutiment strategies.

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# Introduction

This thesis is a research on the change in recruitment which has been occurring in the last decade by constantly producing new and adapted versions of techniques which contribute to a better and more productive way of recruitment i.e. acquirement of the high quality candidates. The research will be aimed at the "sourcing" part of the recruitment process. The focus of this study will be solely based on the process of recruiting external candidates performed by the dedicated (external) recruiter by using Internet-related sources for recruitment as well as the more innovative process of engaging audiences by leveraging the best of loyalty programs, game design and behavioural economics - the process of "gamification".

The process of recruitment requires thorough information sharing which can be enabled by using different sources of social networks. Some of the novel recruitment techniques are being introduced through gamification, which is able to change the game in recruitment by helping to surface the best candidates quickly, extending the pre/employment testing regime to core skills and making recruitment more social (Zichermann, Linder; 2013, p.217).

In the first part of the thesis, I wish to explain what I believe are the major concepts of this study, i.e. the part of the recruitment process I will be mainly focusing on in the research as well as the sourcing channels that will further on be explained through the empirical cases. It has been noticed that various sourcing recruitment channels, such as social media (Linkedin, Facebook), are being created and implemented in the companies, in addition to the traditional ones (advertisements, employee referrals, recruitment agencies etc), due to various factors such as quality, cost, availability and time. The benefits and the pitfalls of this new system of recruitment i.e. e-recruitment (also: electronic recruitment or online recruitment), will be presented based on the most important and recent literature on that topic. This will be the focus of the first chapter of this thesis, which will aim to clearly explain the today's changing environment and the major trends taking place in the recruitment practice.

The second chapter of the thesis focuses on the use of an e-recruitment 4.0 source; "Gamification". The chapter explains the main concepts of gamification, what it is and

what it is not; how games and game design can be beneficial for provoking motivation and positive experiences to the users; and how game elements can be applied to give rise to excellence. Motivation is also the subject of chapter 2 of this thesis. The whole concept of gamification for business use is actually wrapped around the concept of motivation. Motivation is what drives humans towards acting in a productive and meaningful way, while being able to express themselves as individuals, which definitely produces greater productivity to the firms which learn how to provoke it. Gamification draws upon areas such as psychology, design and business, and this is why this part of the thesis aims to explain the concept with all its counterparts. The last part of the second chapter focuses on the use of gamification for recruitment purposes. It elaborates on theoretical part provided previously and draws on its implications to recruitment and HR specifically, by demonstrating some recent successful cases of gamification introduction to recruitment practices.

The last chapter, chapter 3, elaborates on the primary research data in case study format. Two case studies have been conducted, firstly with BRUIN Financial Ltd, a recruitment consultancy located in London, UK; and then with Adecco Group's subsidiary (Adecco Croatia) in Zagreb, Croatia. The interview questions were designed in a way to reach the details from recruitment processes of each firm, while taking particular notice of the use of recruitment sources. Gamification was the topic of the second part of the interview - and the various implications of this phenomenon to both firms have been found and are explained in the chapter. The research methodology which precedes the case studies, thoroughly explains the research procedure, aims and objectives.

The conclusion elaborates on the results of the research, while connecting the theoretical parts to the empirical evidences. The trends are explained in a simple and holistic way, and the conclusion serves its purpose in providing a meaningful idea of the current recruitment industry trends and the evolution that is pioneered by the innovative companies, such as proposed by the two case studies.

The literature gathered for the first two chapters of this thesis has been extensively collected through the use of Business Source Complete (www.unive.it/bec) and the use of Ca' Foscari University's Library of Economics (BEC) resources. Internet sources, such as scientific articles and company related websites were used for the purpose of writing the theoretical and practical parts of this thesis as well.

# 1. RECRUITMENT

## 1.1. Traditional Recruitment

The traditional, i.e. paper-based, recruitment of external candidates from job advertising is a linear process with consecutive tasks. It usually starts with the identification of required applicants, their location and placement in the labour market, and proceeds with activities designed to attract and persuade qualified applicants to apply. Job applications are then received, screened, and sorted, leading to the drawing up of a shortlist. The process ends with communicating the pre-screening results to applicants. (Anna B. Holm, 2012) Figure 1. demonstrates the traditional recruitment process tasks.

## 1.1.1. The Traditional Recruitment Process

| Tasks | Subtasks | Activities |
|---|---|---|
| **Identify Applicants** | Prepare a job description and job specifications | Based on hiring requests from a client (e.g. another department) and eventual job analysis information, identify candidate profiles and required qualifications. Develop a job description and job specifications. |
| | Identify the appropriate pool of applicants | Identify where, and in which segment of the labour market, to look for qualified applicants. |
| **Attract Applicants** | Select recruitment source(s) | Select recruitment source, and decide which method to use to reach the target audience, e.g. newspaper advertisements, TV and radio spots, professional magazines, etc. |
| | Prepare and place job announcement | Prepare and place job ads in the selected sources, observing certain requirements such as size restrictions, design guidelines, graphic elements, etc. |
| **Process Incoming Applications** | Receive, sort and register incoming applications | Sort incoming paper-based applications for each vacancy. File and register these for monitoring and administrating the recruitment process. |
| | Pre-screen and evaluate applicants | Pre-screen and review applications, identify a number of applicants for further assessment and selection. Forward the shortlist to clients for evaluation. |
| **Communicate with Applicants** | Inform applicants about pre-screening results | Inform applicants that they have not been shortlisted for further consideration. Prepare and mail a formal letter, and /or make a telephone call. |
| | Arrange interviews with shortlisted candidates | Inform prospective candidates by formal letter and / or telephone, or in person, that they have been pre-selected for further assessment. Arrange further interviews with them, site visits, and tests. |

Figure 1. **Traditional paper-based recruitment process using job advertisings,**

Source: Anna B. Holm (2012)

The figure summarises the traditional process of recruiting external candidates without the use of electronic methods. The process consists of a number of common tasks and subtasks and related activities, performed sequentially to fulfil a recruitment objective (Anna B. Holm, 2012).

The sources used by companies to attract applicants in the traditional recruitment process include the following: newspapers, recruitment agencies, referrals from employees, suppliers, or customers, and university invitations. Today, there is also the introduction of online sources, such as: job boards, online recruitment sites, and SNSs that act as an

alternative option (Gitmore & Williams, 2013; cited in Melanthiou, Pavlou & Constantinou, 2015).

Traditional paper-based recruitment by means of job advertising, as shown in Figure 1, is often viewed as a discrete, fixed process (Halperin, K. 2009, cited in Anna B. Holm, 2010), initialised by an apparent need and request for new employees. It consists of tasks and subtasks which are fairly well-defined and repeated for each new vacancy, but which are sequential and not easily divisible. Such process design is viewed by organisational design researchers as being *complicated,* since it requires the coordination of connected processes and continuous attention (Burton, DeSanctis, Obel, 2006).

As Anna B. Holm (2012) further described in her study, the summary of this type of recruitment by task, subtask and activities can be defined as a *set of logically related tasks* performed to achieve a defined business outcome for internal or external recipients. Anna B. Holm (as presented in Figure 1), identifies the following tasks as those used in the process of traditional recruitment:

- *Identification of applicants*

- *Attraction of applicants*

- *Processing of the incoming applications*

- *Communicating with the applicants*

According to Coronas T. T. and Oliva M. A. (2005, p. 88) the process of traditional recruitment consists of iterative concepts  such as:

- *Submission of job request and its approval,*

- *Recognition of recruitment needs,*

- *Applications or resume screening,*

- *Job posting,*

- *Job applications submission,*

- *Pre-employment screening,*

- *Interviewing and employment contract and job offers.*

These iterative concepts are referred to as "subtasks" of the traditional process of recruitment by Anna B. Holm, which can be seen from Figure 1.

## 1.1.2. Traditional Recruitment vs. e-Recruitment

Recruitment is the initial human resources function that plays a pivotal role in the organisational success to achieve the desired objectives (Ghadeer, 2014). The traditional recruitment approach is paper based, followed by interviews at some geographical locations (Nel et al., 2011; Rudman, 2010). This process is time-consuming and involves a high level of preparation, sometimes entailing travelling and interviewing. E-recruitment, however, refers to the practices of advertising companies' vacancies online (Galanaki, 2002), and it's one of the well - recognised worldwide trends of the human resources functions.

In the traditional form of recruitment, both the recruiters and hiring managers depend on conventional delivery mechanisms and hard copy documents to finish the process of recruiting. Conventional recruitment process adapts a step by step consequent process in which one phase initiates a set of activities only after the previous phase is completed (Lee, 2005). This kind of set of related tasks can be very time consuming. Conversely, online recruitment is a continuous process. In online recruitment, all processes takes place concurrently, which may make it a more efficient strategy compared to the traditional one. Labor intensive components of hiring like pencil and paper tests, job previews and interviews are used vastly in traditional recruiting. The traditional process has been fraught with delays of mis-communications and activities which as a consequence resulted in a high cost of hiring.

Based on the negative results from the mentioned studies, it is clear that new processes are needed in order to lower the costs, accelerate transactions, improve efficiency, and provide better service.

According to Anna B. Holm (2012), the main changes in the recruitment process design using e-recruiting compared to the traditional paper-based recruitment process is in the sequence of the process tasks. The technology used enables communication with current applicants to start simultaneously with the posting of job ads, and to be continued

throughout the entire recruitment process. Unlike in the traditional recruitment process, the task of communicating with applicants and processing incoming applications is performed simultaneously with the task of attracting applicants, suggesting a major change in the recruitment process design. Apart from the apparent change in timing, the subtask of informing applicants about the pre-screening results is transformed into that of informing them about the progress of their applications. Furthermore, the subtask of pre-screening incoming applications is often initiated shortly after job advertisements were posted online. In this way, the task of communicating with candidates becomes one of the focal tasks, because it "binds" several tasks and subtasks in the process and is performed practically throughout the entire recruitment process. These changes are illustrated in Figure 2.



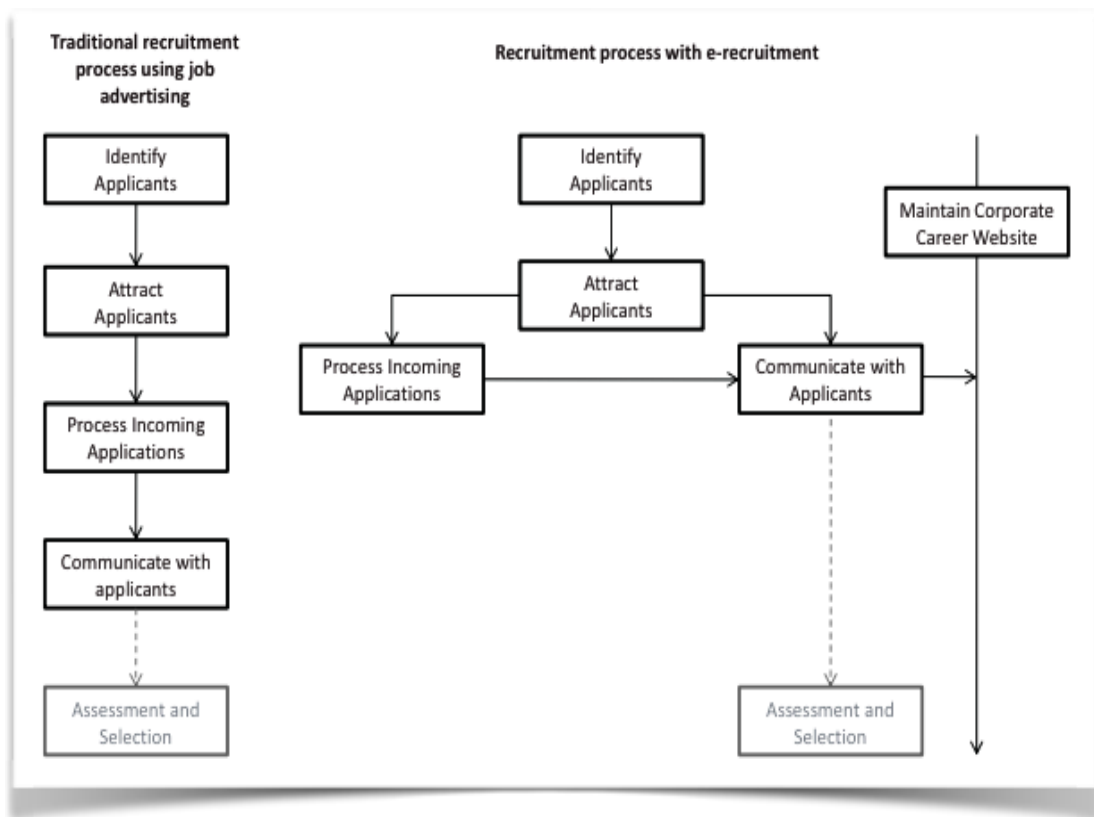Figure 2. **The design and sequence of tasks in traditional paper-based recruitment process vs. the (new) recruitment process using e-recruitment,** Source: Anna B. Holm (2012)

Compared with the traditional recruitment process, the tasks and subtasks of the recruitment process using e-recruitment are less sequential and can be performed concurrently. In the new process, the task of communicating with applicants commences

during the early stages of the recruitment process, and binds the more traditional tasks with the new task of maintaining the corporate career website.

The traditional system of recruitment, compared to the new system (electronic recruitment) is:

1. Time consuming (step-by-step consequent process)

2. Results in a high cost of hiring (delays of mis-communication, as a consequence of the sequential process which allows this phase of the process to initiate only after the previous phase is completed).

The e-recruitment design has a major advantage over the traditional recruitment design in its task divisibility, inasmuch as problems encountered in performing one task do not necessarily prevent progress in other tasks. It therefore requires less coordination, and is more efficient. The move from complicated to more *orderly*[1] (Burton, DeSanctis & Obel, 2006) task design would consequently lead to a reduced administrative burden and less coordination of the recruitment process. Therefore;

*"e-recruitment is viewed and defined as the organisation of recruitment process and activities, which, by means of technology and human agents, facilitate time-and space-independent collaboration and interaction in order to identify, attract, and influence competent candidates"* (Holm, 2012, p. 91).

However, some argue that the disadvantages of the e-recruitment design might come from the impersonalisation that comes with the introduction of a computerised system of communication with the applicants. The People Management article (Carly Chenoweth, 2014) points out that the dehumanisation of the recruitment process is the key pitfall of the e-recruitment system. It has become a routine to send automated messages of decline to the job applicants, or worse of all, not to respond to unsuccessful candidates at all (Carly Chenoweth, 2014). Not doing so can be damaging to the employer brand, as it is pointed out in the People Management article (Chenoweth, 2014), because candidates are likely to

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[1] The orderly design has a major advantage over the complicated design in its task divisibility, inasmuch as problems encountered in performing one task do not necessarily prevent progress in other tasks. It therefore requires less coordination, and is more efficient (Burton, 2006)

be customers as well. Ideally, unsuccessful applicants would receive an email that tells them not just that they haven't got the role, but where they did not meet the required standard.

It can be concluded that the increased use of Internet related sources in recruitment could provide a fundamental impact on all aspects of an organisation's recruitment function, including people, processes, organisational structures, and forms. These new processes are needed to lower costs, accelerate transactions, improve efficiency, and provide better service, which present a non doubly comparative advantage vis a vis the traditional form of recruitment.

The next few chapters of this thesis will aim to provide information based of different studies conducted on the topic of e-recruitment and it's benefits compared to the traditional form of recruiting, but also the disadvantages of the new system which might need to be considered when implementing the e-recruitment practices. The different e-recruitment sources and techniques will be explored as well, together with their supposed frequency of usage by the recruitment agencies or⁄and HR departments.

## 1.2. E-RECRUITMENT

### 1.2.1. What is e-Recruitment?

In order to define e-Recruiting properly, one may first need to define recruiting in general, although as mentioned earlier, e-Recruiting is not simply recruiting using electronic means (Parry and Tyson 2008). Recruitment „includes those practices and activities carried out by the organisation with the primary purpose of identifying and attracting potential employees" (Breaugh and Starke 2000). Galanaki (2002) proposes an overview of the most common ways to use the Internet as a means to recruit and identify other online activities within the scope of e-Recruiting. The most common means have been described as threefold: (1) adding recruiting pages to an existing organization site, (2) using websites specialized in recruiting, and (3) using electronic advertisements on media sites. Activities that fall within the scope of e-Recruiting (for Galanaki) are remote interviews and assessments, smart agents to search the Internet and interactive tools (Galanaki 2002).

Wolfswinkel, Joost and Furtmüller, Elfi and Wilderom, Celeste (2010) proposed the following definition:

*e-Recruiting is the online attraction and identification of potential employees using corporate or commercial recruiting websites, electronic advertisements on other websites, or an arbitrary combination of these channels including optional methods such as remote interviews and assessments, smart online search agents or interactive communication tools between recruiter and applicant.*

The terms e-recruitment, online recruitment, or internet recruiting are synonymous. (Ghadeer Mohamed Badr ElDin Aboul-Ela, 2014)

The term e-recruitment has initially been defined by Heery and Noon, 2001 (cited in Anna B.Holm, 2012) as being recruitment of candidates on the Internet.

Lee (2005), who has studied the evolution of e-recruitment systems and analysed the corporate career websites of Fortune 100 companies, emphasises that e-recruitment has fundamentally changed the corporate recruiting process from batch mode to continuous mode, suggesting a major change in the business process. Unlike the traditional paper-based recruiting process, e-recruitment allows around-the-clock collection and processing of job applications. Thus, according to Lee (ibid.), a modern e-recruitment process is a two-way communication process, web-enabled, time-and-space independent, and a ubiquitous system for both job seekers and recruiters.

Anna B. Holm (2012, p. 91) further defines it as the organisation of recruitment process and activities, which, by means of technology and human agents, facilitate time-and-space independent collaboration and interaction in order to identify, attract, and influence competent candidates.

Minton-Eversole (2007) explains, e-recruitment is a fast-growing method of hiring employees as more and more individuals post their resumes online in search for a better future. The success of e-recruitment mainly derives from the fact that now companies have the ability to reach a larger potential applicant pool, since the geographical constrains are non-existent (Cappelli, 2001), and individuals are more willing to travel overseas for employment. (Melanthiou, Pavlou & Constantinou, 2015).

With the evolution of enterprise information systems and techniques deployed and used for recruitment purposes (Lee, 2005), e-recruitment has been further elaborated to include candidate management technology (Parry & Tyson, 2009) and the recruitment process in general, e.g. tracking applicants, selecting, offering jobs, or rejecting (Armstromg, 2006, p. 420). These definitions suggest a duality of the term e-recruitment, which may be simultaneously perceived as the use of an Internet-based recruitment source and as technology-enabled recruitment management practices.

The crucial and the vital value of an organisation lies in the experience, skills, innovativeness and intellectual capital of its human resources. Today's notion is that a life without internet is an isolated life. The internet plays a major role in changing everything around. The last three decades witnessed significant changes in the recruitment process, the labour market structures and the adjustment mechanisms. With the increased usage of internet as the latest tool used in hiring, organisations use websites as a key tool to generate a number of applicants and to provide adequate information to job applicants about the available jobs. The efficient use of e- recruitment will directly lead to a drastic change in the traditional recruitment process as a whole (Parry et al., 2008).

The term e-Recruitment has today been broadened with its synonyms e-Recruitment 1.0 and e-Recruitment 2.0. E-Recruitment 1.0 is a product of Web 1.0 and e-Recruitment 2.0 derived from today's more developed technology, addressed as Web 2.0. The term Web 2.0 was coined in 1999 to describe web sites that use technology beyond the static pages of earlier web sites. A Web 2.0 site allows users to interact and collaborate with each other in a social media dialogue as creators of user-generated content in a virtual community, in contrast to websites (Web 1.0) where people are limited to the passive viewing of content (Broughton A., Foley B., Ledermaier S., Cox A., 2013). The e-recruitment sources deriving from both technologies, as well as their influence and usability in the new recruitment process will be described in the following pages.

## 1.2.2. The e-Recruitment process

In his study on Internet recruiting, Cappelli (2001) examines different service providers, new technologies, and companies' recruitment strategies. In his view, the e- recruitment process consists of three major steps: *attracting, sorting, and contacting candidates.* The first step involves the appropriate design of web pages, using electronic networks for promotion, and tracking potential candidates on the Internet and in on-line databases. The next step − sorting − involves the screening of candidates with the help of sophisticated on-line tests. In the third step, contacting candidates, e- recruitment systems are a big help, since they enable communication tasks to be automated (ibid.). (Holm)

The virtual recruiting environment will vary in the level of sophistication depending on the level of technology used and the scope of activities it covers. According to Parry (2009), e-recruitment can be divided into two main categories: 1) corporate website used for recruitment and 2) commercial job boards where job advertisements are posted. The choice of any of these methods to adopt relies on the organisations' size, needs, and recruitment budget (Parry, 2009). E-recruitment can play a drastic role in the fierce competition whereby the ability to attract the appropriate employees becomes pivotal to the organisations' success.

Harris (2004) makes a clear distinction between "we-find-you" approaches and "you-find-us" approaches. "We-find-you" approaches refer to the methods whereby the recruiter searches for applicants while "you–find-us" approaches refer to methods whereby the potential applicant searches for the organisation (Harris, 2004). "We-find-you" approaches include: searching through resumes on a job board, web-event recruitment, relationship recruiting, using the service of aggregator sites and is also known as e-recruiting (Harris, 2004). Examples of "you-find–us " approaches include: participation in online job fairs, and posting CVs on organisational websites (Harris, 2004).

The recruitment process has been profoundly affected by major changes: the retirement of the "baby boomers", an increasing need for flexibility and responsiveness, and complex modes of communication. (Girard A., Fallery B., 2010). The development of new "social and sociable" media technology called *"Web 2.0"* offers companies and recruiters new perspectives (Prahalad, Hamel, 1990, as cited in Girard A., Fallery B., 2010).

## 1.2.3.   The e-Recruitment sources

Before the recent introduction of the Web 2.0. technology, the world was getting to know the first-generation Web (Web 1.0), which enabled them to advertise job offers easily and cheaply, whilst appealing to a larger public and making better application management possible.

Girard A. and Fallery B. (2010) have distinguished three main aspects of **Web 1.0.**:

1. *Career Websites* - Girard and Fallery (2010) argue that these websites have several objectives: improving the visitors knowledge of a company, promoting an attractive image of an employer and of course generating applications. It has been demonstrated that aesthetics, content and function have an impact on applicants' decision whether or not to maintain their application. This provides an advantage for those able to adapt to the new environment quickly and effectively, but a disadvantage for those unable to do so as it will potentially result in an insufficient quantity of applicants applied to the organisation i.e. in an ineffective and financially indefensible recruitment process.

2. *Job Boards* - these are the platforms which give companies the possibility of communicating their job offers to a large public, at little cost, and with access to a large number of CV databases (Girard and Fallery, 2010). Job boards can be generalist, such as monster.com, or specialised, either by region (example: regionjob.com), or by sector, such as lesjeudis.com in information technology. Specialised job boards provide more targeted information, the research systems are more adapted, and the CVs are in general more qualified (Fondeur, 2006, as cited in Girard and Fallery, 2010).

3. *Recruitment systems* - Parry and Tyson (2008) have stated in their case studies that the use of both career websites and recruitment systems has several benefits, such as cost reduction, efficiency gains, improved service to clients and improved strategic orientation.

The development of these different tools gave companies the possibility to access to important data bases of competencies. E-Recruitment 1.0 applications allowed them to communicate on a large scale. It made it possible to target and manage the future core competencies of the company to obtain a competitive advantage (Fondeur, 2006, as cited in Girard and Fallery, 2010).

Lee (2007), however, provided a more broader description of the categorisation of Web 1.0 sources, which he divided into six major categories:

1. *General-purpose boards*,

2. *Niche job boards*,

3. *E-Recruiting application service providers*,

4. *Hybrid recruiting service providers*,

5. *E-Recruiting consortiums*, and

6. *Corporate career websites*.

Lee (2007) summarizes the recruiters' perspectives on these six categories.

1. According to Lee (2007), Internet job boards have two formats. The first is **general-purpose job boards** that are a "comprehensive on-line recruiting solution" (Lee, 2007). Job seekers can look for job openings on general-purpose job board based on their specifications (Lee, 2007). General-purpose job boards benefit recruiters who want to reach a large number of job seekers in a format that provides brand recognition for companies (Lee, 2007). Reaching a large number of applicants on a general-purpose job board has the drawback of increasing the volume of applicants who are not qualified for the positions (Lee, 2007).

2. The second job board format is **niche job boards**. Niche job boards are designed to reach passive job seekers by targeting a highly specialized profession, industry, education level, or location (Lee, 2007). Lee (2007) believes applicant quality is increased on niche boards because they are more specialized than general-purpose job boards. When considering the use of niche job boards, companies should consider the loss of opportunity to stamp the company brand on their job openings (Lee, 2007).

3. **E-recruiting application service providers** provide "specialised services in recruitment software, recruitment process management, education and training, and management services" (Lee, 2007). E-recruitment application service providers appeal to small to medium sized companies because they often have limited information

technology resources (Lee, 2007). E- recruitment application service providers allow a company to quickly launch a career Web site at a low cost (Lee, 2007).

4. The forth e-recruiting source as quoted from Lee (2007) is **hybrid recruiting service providers** which are traditional recruiters who have expanded their services into e-recruitment (Lee, 2007). The advantage of hybrid recruiting service providers is the expertise the service provider has acquired using traditional recruitment methods that can be applied to on-line methods (Lee, 2007).

5. **E- recruitment consortiums** are a low-cost option for e-recruitment and an alternative to job boards (Lee, 2007). Lee (2007) reports DirectEmployers.com was the first e-recruiting consortium formed. DirectEmployers.com drives job seekers to corporate Web sites through use of a search engine (Lee, 2007). Lee (2007) believes the biggest disadvantage of these consortiums is the potential for conflict between its members.

6. A **corporate career Web site**, according to Lee (2007), is the "natural extension of e-business applications." Ninety-four percent of Global 500 companies are using corporate Web sites for recruitment (Maurer & Liu, 2007). The most prevalent users of corporate career Web sites are Fortune 500 companies, who have already developed Web sites that generate significant traffic (Lee, 2007). Lee (2007) acknowledged the disadvantage of high startup costs of a corporate career Web site because it requires strong Information Technology support. Lee (2007) believes the high initial cost will be offset by the marginal cost (when compared to job boards) of posting additional positions. Corporate career Web sites allow recruiters the flexibility to brand the Web site with specific company information, enabling applicants to make informed decisions about organisations (Lee, 2007).

Moreover, Lee (2007) describes the e- Recruiting process of corporate career websites as consisting of eleven consecutive steps, divided into four clusters.

The *first cluster* includes the following steps:
1. identification of hiring needs,
2. submission of job requisition,
3. approval of job requisition and job posting on the Internet.

The *second cluster* includes:

1. online job search by applicants and

2. the submission of applications.

The *third cluster* involves:

1. searching the applicant database,

2. evaluation of résumé/application and

3. interviewing by hiring managers.

The *fourth and final cluster* considers:

1. pre-employment screening,

2. job offers and

3. employment contracts. (Lee 2007, as cited in Wolfswinkel, J. and Fortmuller E. and Wilderom C., 2010).

Web 1.0 fitted into a scheme of "author to readers" while the Web 2.0 tends to reduce hierarchies by allowing readers to become real actors and be at the centre of exchanges (Girard and Fallery, 2010). It is user-centred and it enhances information sharing. This term is still much criticised, and "Web 2.0" can be seen as a purely marketing concept (Girard and Fallery, 2010). However, it represents real evolution in the Web and its uses.

E-recruitment 2.0 tools give companies the opportunity to encourage greater collaboration; give customers, employees and potential employees greater voice; help them to learn about each other and share their knowledge and experiences (Martin, G., Reddington M., Kneafsey M. B. and Sloman M., 2008, as cited in Girard and Fallery, 2010).

Moreover, the Generation Y (which was born from the late 1970s to mid 1990s), is now entering the workplace. The phenomenon of Net generation is multi-task, pursuing reactivity by being less passive and more active thanks to the interaction with technology. Attracting, retaining and engaging these employees will require an adaptation to the constant change in this increasingly competitive environment where companies will need to understand the Net Generation and the individuals who will emerge as its leaders (Girard and Fallery, 2010)

Girard and Fallery (2010) have categorised the most representative Web 2.0 tools in the recruitment framework. These descriptions demonstrate the newest trends in the recruitment practice. The following are the **Web 2.0 tools**, based on the research by Girard and Fallery (2010).

*Blogs*: Blogs are personal editorial spaces that allow individuals to publish and distribute content easily. A great number of the blogs that can be seen are created by applicants and recruiters. They use these spaces to broadcast their job offers and create their own "job blog". For instance, Microsoft is developing blogs, such as Microsoftjobsblog.com, for recruiting purpose. Several researchers are studying employee and corporate blogs. New forms of blogs are emerging, called « micro-blogs ». Micro-blog differs from a traditional blog because posts (tweets) are limited to 140 characters. The most famous example of a micro-blogging tool is *Twitter.com.* Tweets are displayed on the user's profile page and delivered to subscribers who are known as followers. Recruiters can use it to display job offers and source applicants. Job search engines for Twitter have even been created (like TwitterJobSearch.com).

*Online Social Networks*: These relationship platforms can be generalist such as Facebook.com and Myspace.com or specialized like Linkedin.com or Viadeo.com[2] (the two main professional platforms). Such sites make it possible to stay in touch with former friends and colleagues but also to find customers, suppliers, partners and future employees. Recruiters can do head hunting and contact "passive applicants" (i.e. "proactive" as Girard and Fallery, 2010 like to state). A recommendation system makes it possible to put one's profile to advantage with the comments of former employers.

*Virtual worlds*: These are 3-D platforms, like SecondLife.com, where user create a character ("avatar") and evolve in a world of virtual reality. It is a real place of expression that encourages the creation of communities. Virtual worlds offer a broad range of research opportunity (Girard and Fallery, 2010). There are many issues: marketing, IT, legal, psychological, social and of course HR issues (Girard and Fallery). In June 2007, the first French recruitment forum on Second Life, called "Neo- JobMeeting", was organised

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[2] Viadeo is a Web 2.0. professional social networking website whose members include business owners, entrepreneurs and managers. It is a leader in professional social networking in France and China. As of 2014, the site had 65 million members. (source: viadeo.com Site Info, 10 March, 2015).

(Girard and Fallery, 2010). Alstom, Areva, Capgemini, L'Oréal and Unilog (now Logica CMG) joined the event, which recorded 1,500 participants (Girard and Fallery, 2010). Virtual worlds are a kind of a gamified strategy for recruitment purposes, which willl be further explained in detail in chapter 2 of this thesis ("Gamification").

*Cooptation websites*: These websites, which are based on a network of people who are motivated (financially speaking) to find potential applicants within their entourage, are also a way of attracting new talents. These platforms are showing greater confidence (Girard and Fallery, 2010).

*Identity management websites*: These websites, such as Ziki.com, make it possible to improve a company's visibility on the internet by, for example, centralising and synchronising on one page: company's blog, social profiles etc. and by promoting a an organisation's page through a Google commercial link.

*RSS feeds (Real Simple Syndication)*: This is a web feed format used to publish content. It makes it possible to follow in real-time different kinds of information contained on several web sites, for instance blogs. Updated information is automatically posted to a company's navigator, on a search engine of job offers, or on other Internet sites such as aggregators (like Netvibes.com and iGoogle.com). Applicants can select several RSS feeds and be informed about new job opportunities as they become available.

*Video platforms*: These platforms, such as Youtube.com or Youjob.com, give companies the opportunity to present their work and job offers, and applicants the possibility of introducing their CVs. Another use of video is to allow interviews by means of web cams during a meeting or an online specialised event.

These tools can be used simultaneously. For instance, a firm can use blogs, Facebook fan pages, several islands on SecondLife.com and broadcasts videos on YouTube.com. Employees could learn to use these tools to boost innovation, connect with executives and each other - and spread the good word about the company.

Obviously, e-Recruitment 1.0 and e-Recruitment 2.0 are not in opposition to one another; in many cases they may even be complementary.

Internet is essential and today's recruiters can hardly imagine to work without it. Web 1.0 brought tools giving access to important data bases of competencies. Web 2.0 reveals the

shift from exchange-based recruitment practices to relationship-based approaches. Recruiters can increase their social capital by creating new relationships and reaching out to potential applicants. They can also develop employer branding and reputation and play a more strategic role within the company (Girard and Fallery, 2010).

The e-recruitment sources provide a series of new trends related to their use in the recruitment process. Some of these trends are described in the following pages.

## 1.2.4. The e-Recruitment model

Girard and Fallery (2010) extended their research by developing an e-recruitment model, adapted from Ruel's (2004) e-HRM model, following the same division (strategy, goals, type and outcomes).

The following figure (Figure 3) is the original e-HRM model designed by Ruel, Looise and Bondarouk (2004).
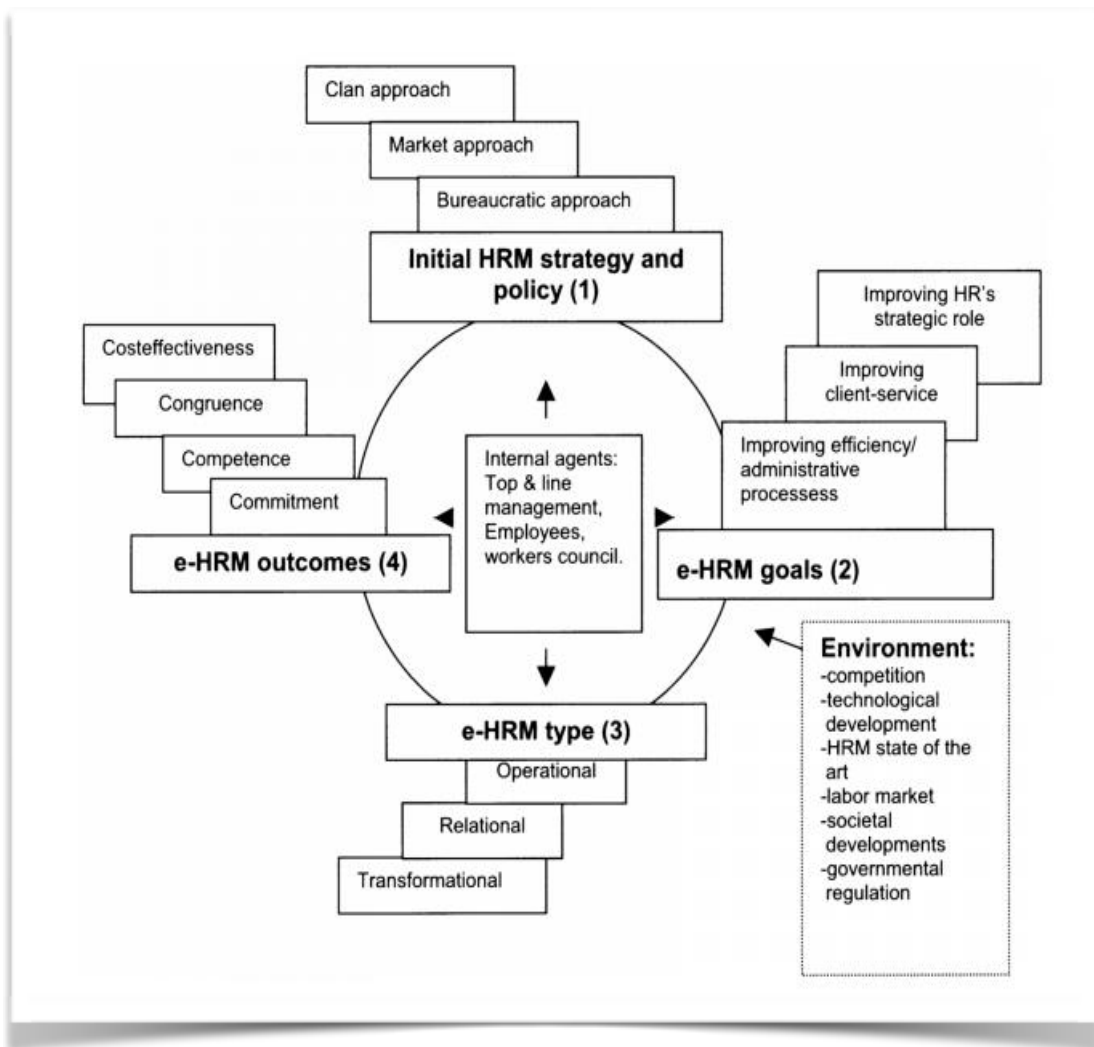


Figure 3: **The original e-HRM model,**

source: Ruël, H., Looise, J., and Bondarouk, T. (2004), pg. 370

Girard and Fallery (2010) extended this model applying it to the sole process of e-recruitment. The following figure (Figure 4.) is their representation.
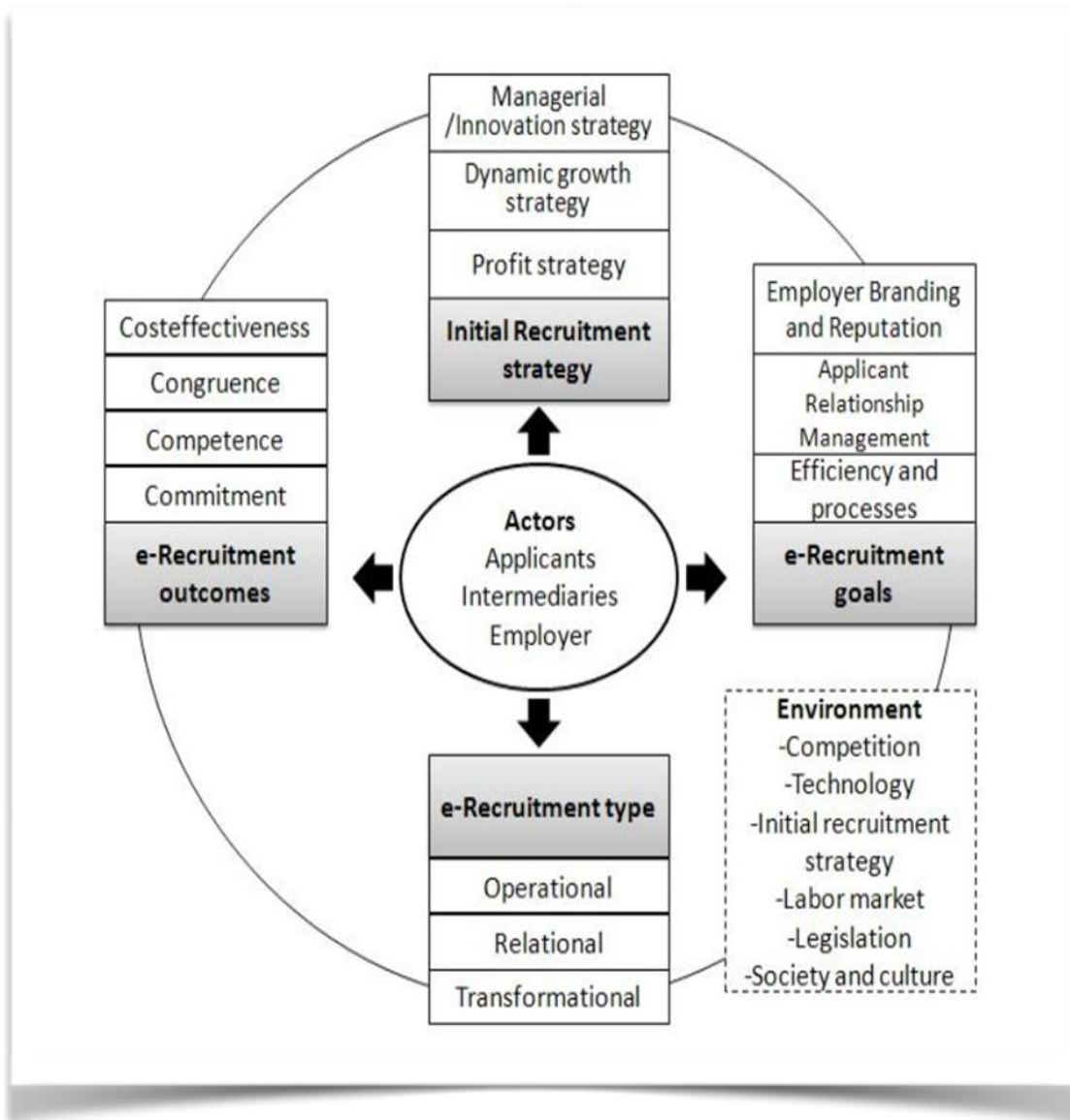


Figure 4: **E-Recruitment model, adapted from Ruel et al. (2004)**.; source: Girard and Fallery (2010)

Girard and Fallery (2010) further described, based on other major literature, all the categories of the model (Initial Recruitment strategy, e-Recruitment goals, e-Recruitment type and e-Recruitment outcomes).

The following is the description they (Girard and Fallery, 2010) used for the description of the types of ***Initial Recruitment strategy*** which could be implemented in a company for the means of recruitment.

- **Profit strategy**. Used in organisations with mature activities, high cost reduction and sales objectives and a lot of rules and control procedures. The recruitment process is very standardised. Career perspectives are limited. Organisations only look for people that are strictly needed. Positions are explicitly described and concern narrow range of skills. We can refer to this as recruitment by profile (Girard and Fallery, 2010).

- **Dynamic growth strategy**. Used in organisations where activities are growing quickly. Organisations have to make difficult choices between diverse priorities. There is a permanent dilemma between actual and future activities. The recruitment process is not really formalised. Recruitment is vital as it is needed to attract the best talent to facilitate the rapid development of the company. The recruitment concerns applicants with high potential and good career perspectives. Applicants are quickly operational and flexible. We can refer to this as recruitment by competence or talent, thus favouring experienced profiles (Girard and Fallery, 2010).

- **Managerial (innovation) strategy**. Used in organizations which are starting their activity or developing new ones (e.g. start-ups). Expertise and competency are the organisational value. The recruitment process is open and not really formalised. Recruitment concerns mainly young applicants with potential in key activities. There are very real career perspectives. We can refer to this as recruitment by competence or talent, but favouring young potential. (Girard and Fallery, 2010).

The ***e-Recruitment goals*** are the next category explained by Girard and Fallery, based on their adapted model of e-Recruitment.

- **Efficiency and processes**: the recruitment function, like the HR function, should work efficiently and be aware of costs. Parry and Tyson (2008) demonstrated by means of a case study that the introduction of e-recruitment systems is motivated mainly by cost reduction and efficiency gains (Girard and Fallery, 2010).

- **Applicant relationship management**: Another increasing business need is to develop better candidate relationship management practices. Technology could make it possible

to ensure better management of applications during the entire recruitment process, as well as to develop close and long-term relationships with job seekers. E-Recruitment systems - like "Candidate Relationship Management software", but also online social networks, have the potential to achieve these goals (Girard and Fallery, 2010). Based on the exploratory study that they made, Girard and Fallery (2010) concluded that Web 2.0 offers new means for engaging relationships with applicants.

- **Employer branding and reputation**: In order to acquire the best employees, organisations must be attractive. According to Martin and Hetrick (2006, cited in Gerard and Fallery, 2010), strategic HR practices and communications can shape the quality of employment relations and contribute significantly to corporate reputations and branding. Internet technology is both an opportunity and a challenge, especially for the recruitment sector. It is an opportunity, because it offers the possibility for two-way communication, interactivity, dynamism and better connectivity, particularly with new Web 2.0 media. It makes it possible to both improve the candidates' experience and develop an innovative and attractive image. But it is also a challenge, because public online postings about the organisation are easily disseminated and accessible. Employers need to respect the power gained by applicants through their online connections (Girard and Fallery, 2010).

The *e-Recruitment type*, based on Lepak and Snell (1998, as cited in Girard and Fallery, 2010), was described as follows:

- **Operational e-Recruitment**. This concerns basic e-Recruitment transactions characterised by short term applicant relationships, global messages and major automation.

- **Relational e-Recruitment**. This type of e-Recruitment is characterised by the development of "real" applicant relationships (middle-long-term) through better feed-back, the personalisation of applicant messages, and the use of Web 2.0 tools, such as social network sites.

- **Transformational e-Recruitment**. This concerns strategic e-Recruitment. It is anchored in a global talent management strategy, consisting in identifying the critical positions, knowledge and skills required for these positions and then attracting and retaining individuals who correspond to the established profile. Employer branding and reputation could be a solid support.

The *e-Recruitment outcomes*, adapted from Beer et al.'s (1984, as cited in Girard and Fallery, 2010) outcomes were presented as follows:

- **High commitment**. The workforce is motivated and understanding, and they are willing to interact with the management about organisational changes. For the recruitment function itself, such outcomes can be characterised for example in terms of: job satisfaction, psychological contract, motivation, integration.

- **High competence**. This points towards the ability employees have to learn new tasks and roles. It requires careful selection of employees from the beginning, identification of the skills and potential of future employees, for instance in terms of flexibility, learning capacity and responsibility. The development of their competencies and retaining them, will then also be critical.

- **Cost effectiveness**. This refers to the competitiveness of pay levels and employee turnover rate, and to the acceptability of costs resulting from employee resistance such as strikes. Cost effectiveness can be attained by means of recruitment activities by accurately setting initial pay levels, rigorous selection that improves initial job satisfaction and initial job performance, and thus reduces turnover rate.

- **Higher congruence** concerns the internal organisation, the reward system, and the 'input, throughput, and output' of personnel, which need to be structured in the interests of all stakeholders. Recruitment represents an 'input' of personnel, which is the basis for developing a coherent and satisfying workforce organisation.

As Girard and Fallery (2010) state, this model makes it possible to obtain a global view of e-recruitment issues.

## 1.2.5. Major trends in the recruitment practice

Kaplan and Haenlein (2010, cited in Broughton A., et al., 2013) define *social media* as "a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0, and that allow the creation and exchange of user-generated content". Social media refers to the Web sites, which enable people to exchange and work together on digital content in virtual communities (networks). Some of the most popular include the Facebook, Blogger, Twitter, WordPress, LinkedIn, Pinterest, Google+, MySpace and Wikipedia (Sinha and Thaly, 2013). All types of social media (collaborative projects, blogs, content communities, social networking sites, virtual game worlds, or virtual social worlds) are designed for interaction and communication with other users who might have similar interests (Bondarouk T., Olivas-Lujan M. R., 2012, p. xii). Although they seem similar in their overall purpose, each of them is unique and offers different opportunities for recruitment. Collaborative projects are designed for knowledge-sharing; the expression "Wikipedia says so…" is already commonly heard (Bondarouk T., Olivas-Lujan M. R., 2012, p. xii). Blogs are a form of personal diary accessible to everyone and an alternative for personal websites, which take more time and money. Content communities are strictly designed for sharing media content between users. Social networking sites allow you to connect with partners whom you rigorously select, while virtual game and social worlds offer the possibility of playing/interacting at the same time with people all over the world instead of on your own. Social media have opened various means of communication that were formerly either impossible or destined for a particular segment of users (Bondarouk T., Olivas-Lujan M. R., 2012, pg. xii). What social media bring to the world of recruitment and hiring is the unique possibility that every single individual or organisation can easily participate in any of the types mentioned above. Moreover, it has come to a point where peer-to-peer communication is proved to be more trustworthy than top-down messages, turning to "people like us" to get input and advice on products and services (Fichter, 2007, cited in Bondarouk T., Olivas-Lujan M. R., 2012, pg. xii).

As the CareerBuilder[3] Survey[4] (2014) finds, 43 percent of employers use social networking sites to research job candidates, up from 39 percent in 2013 and 36 percent in the 2012. Additionally, 12 percent of employers don't currently research candidates on social media, but plan to start, according to the national survey (CareerBuilder Survey, 2014)

The 2014 Jobvite Social Recruiting Survey[5] Results demonstrates the employers' plans about increasing investment in a range of recruiting methods. The results stated that 73% of the employers plan to invest in social networks, 63% would invest in referrals, 60% would invest in their corporate career site, 57% in direct sourcing and 51% would invest in their mobile career site. As they further explain, "Social media enables recruiters to find quality hires bi targeting talent, engaging candidates, evaluating applicants and showcasing employer brand" (Jobvite Social Recruiting Survey, 2014). This is obviously the reason why so many (73%) employers plan to invest more in social networks, as they can see the potential that these novel techniques could provide their firms with. Their potential is also demonstrated through the results that were able to be captured by Jobvite (2014). The questioned professionals (specifically, 1855 of them) responded that since implementing social recruiting, the following factors have improved in their firm:

• Quality of candidates (44%)

• Quantity of candidates (44%)

• Time-to-hire (34%)

• Employee referrals (30%)

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[3] CareerBuilder® is a global leader in human capital solutions, with an online career site which is the largest in the United States with more than 24 million unique visitors and 1 million jobs. It is owned by Gannett Co., Inc., Tribune Company and the McClatchy Company.

[4] National survey, which was conducted online by Harris Poll on behalf of CareerBuilder (www.careerbuilder.com) among 2,138 hiring managers and human resource professionals and 3,022 workers ages 18 and over (employed ful-time, not self-employed, non-government) between February 10 and March 4, 2014.

[5] Jobvite's annual Social Recruiting Survey is the most comprehensive survey of its kind. The online survey was conducted in August 2014. The survey was completed by 1855 recruiting and human resources professionals spanning across industries (www.jobvite.com, sourced: February, 2015).

Another survey, with a similar topic was conducted by the 2013 Acas online panel survey of HR decision makers. Respondents whose organisation *had* used social media in recruitment were asked to explain why (and could select as many reasons as applied). A wide range of motivations were put forward, with the two most commonly-cited reasons being:

- the need to access a wider range of candidates than with traditional recruitment methods (chosen by 65 per cent of these respondents)

- ease of use (64 per cent)

- cost (54 per cent) and

- targeting niche candidates (46 per cent).

One quarter (25 per cent) of respondents also confirmed that their organisation had used social media to find out information about candidates that would not be possible using other means. For details, see Figure 3 below. When these respondents were asked to single out the one most important reason for having used social media in the recruitment process, accessing a wider range of candidates than with traditional recruitment methods emerged as the most popular reason, being selected by 36 per cent of respondents.
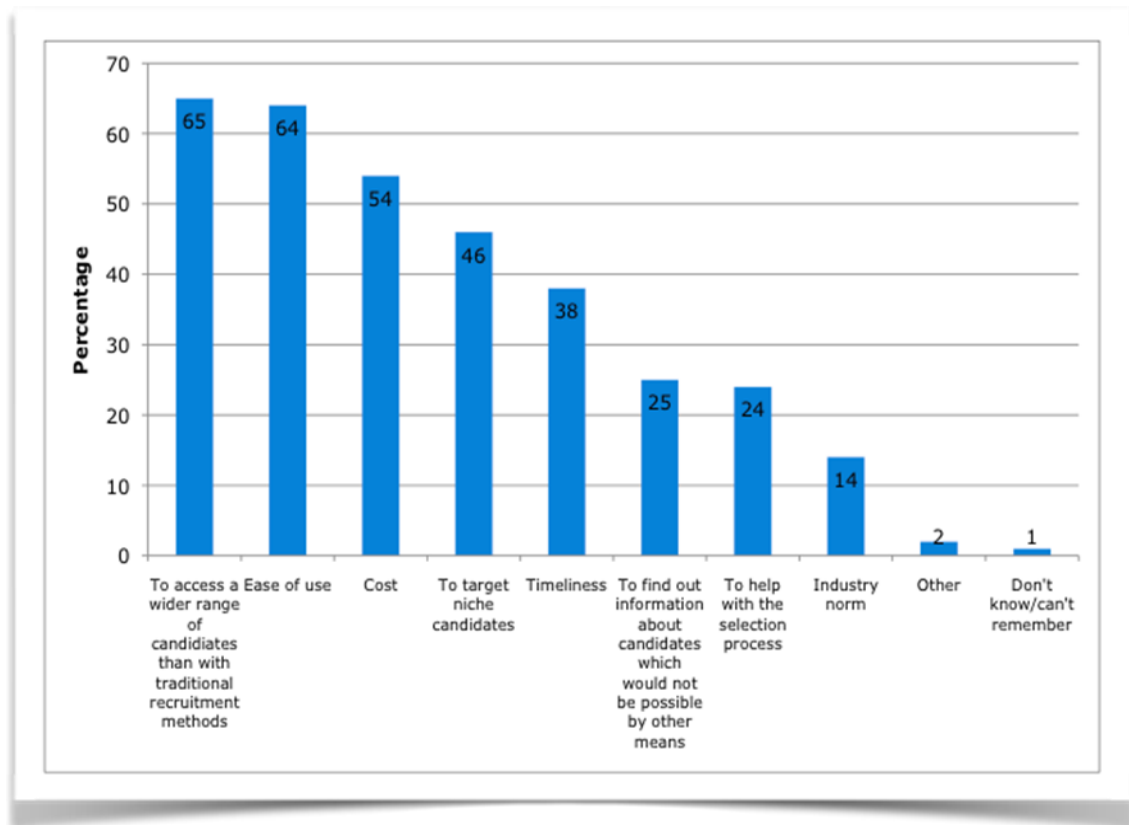
Figure 5: **Reasons for companies to make use of social media for recruitment**

The Jobvite study (Jobvite Social Recruiting Survey, 2014) also demonstrated that the most frequently used social networks for recruitment by the words of 1855 recruiting and human resources professionals questioned in the Survey are:

1. LinkedIn (94%)

2. Facebook (66%)

3. Twitter (52%)

4. Google+ (21%)

5. RSS feeds (20%), and

• YouTube (15%).

The Jobvite study further explores the recruiters' mostly used tactics associated with each of the most frequently used social network. The results are presented in Figure 6.

Figure 6. **Jobvite Survey Question: Which of the following tactics do you use for recruiting on social networks?** Source: Jobvite Social Recruiting Survey, 2014 (www.jobvite.com, retrieved: February, 2015)

It can be read from the figure that LinkedIn is mostly used for candidate sourcing, contacting, screening and job advert posting, while Facebook and Twitter are mostly used for employer branding, generating employee referrals, posting job adverts, and in a minor part for (potential) applicant screening and candidate sourcing.

The major trends associated with social network use today are presented in the following pages.

## 1.2.5.1 Employer Branding

Along with the interest in using social media for human resources management, there arose the interest of using them in behavioural and psychological studies. Following Ervin Goffman's (1959, cited in Bondarouk T., Olivas-Lujan M. R., 2012, pg. xii) idea of *self-presentation* in everyday life, psychological studies suggest that social media allow the

individual to self-present in a way that would influence or control the opinion that others might have about them. This matter is the focus of impression management, according to which an individual attempts to control the impression or image someone might have about him (Leavy & Kowalski, 1990, cited in Bondarouk T., Olivas-Lujan M. R., 2012, pg. xii). The idea of self-presentation is transferred to the organisational environment; if companies decide to use social media, then they could self-present themselves in a way that should create a positive impression for online customers and also a unique image to emphasise their distinctiveness (Bondarouk T., Olivas-Lujan M. R., 2012, pg. xii). Creating an image of a desirable and unique employer through social media has been a focus of attention in the last few years, producing a new "hot" HRM topic: **employer branding** (Bondarouk T., Olivas-Lujan M. R., 2012, pg.  24). The growing interest in and power of social media seem to be important for companies that want to make themselves known as interesting employers and to recruit prospective employees, using techniques that are more common to job seekers and recruiters. Employer branding "cuts across many traditional human resources specialists and becomes an umbrella program that provides structure to previously separate policies and practices (Edwards, 2010, p. 5, cited Bondarouk T., Olivas-Lujan M. R., 2012, p.25). The attractiveness of employer branding enhanced through the social media is rooted in the great opportunities for recruitment professionals to get involved in activities beyond their traditional tasks.

The 2014 Jobvite study, a survey of  1855 recruiting and human resources professionals, explored the issue of employer branding in more detail. They stated that employer brand matters, as 73% of companies are highlighting company culture to attract top talent. The same percentage (73%) of companies use  social networks for highlighting their company culture in order to compete against other competition (Jobvite Social Recruiting Survey, 2014).

This draws further attention to the employer branding as an important factor to implement regularly in the process of recruitment.

Although social media can generate positive content on the internet, which helps companies to foster their corporate image, it also provides a platform for criticism and negative remarks, which can spread quickly and easily.

Brand democratisation is the invitation to consumers to participate in creating and then experiencing a brand's meaning, particularly within a social context (Bondarouk T., Olivas-Lujan M. R., 2012). Consumers embrace roles. They become content creators, storytellers, advocates, and communication vehicles. They seek out opportunities to immerse themselves in imaginary worlds, social fiction, and games, which are fortified, sponsored, and enhanced by brands (Bondarouk T., Olivas-Lujan M. R., 2012). This is the promise of advertising in social media (Bondarouk T., Olivas-Lujan M. R., 2012). Brands develop a reputation for embracing a social culture characterised by an appreciation for authenticity, transparency, participation, infectiousness, and advocacy. Brands enter online social communities - social networks, virtual worlds, social news sites, community review sites, and communities of gamers - as contributing members, as sponsors, as friends (Bondarouk T., Olivas-Lujan M. R., 2012).

## 1.2.5.2 Social Networking Websites Screening

As a screening tool, social media tools:

*"... provide a readily available public forum to research candidates while incurring minimal cost, allowing even small businesses to engage in such practices... Potential employers may have access to detailed information that would allow them to draw conclusions or make inferences about the applicant's character or personality that might not be as easily or economically obtained through traditional means." (Brown and Vaughn, 2011)*.

It is widely established that many hiring managers view social networking websites (SNWs) such as LinkedIn and/or Facebook in the employment selection process, leading to the acceptance  or rejection of job applicants. Various surveys have been conducted in recent years that offer to elucidate current practice regarding **social networking websites screening (i.e. *job applicants screening*)**. As the Jobvite Study (Jobvite Social Recruiting Survey, 2014) brings, *93% of recruiters will review a candidate's social profile before making a hiring decision.* What they mostly look for in a candidate on social networks is: professional experience (97%), length of professional tenure (96%), industry-related posts (88%), mutual connections (93%), specific hard skills (95%), cultural fit (80%) and examples of written or design work (83%). The results are specifically related to the use of

social network Linkedin, as it is previously stated that it is the most frequently used one for recruitment purposes.

Assessing personality via social networking websites is likely one of the primary uses by hiring managers (Davison et al., 2012; Pike, 2011; cited in Bondarouk T., Olivas-Lujan M. R., 2012, pg. 15). It has also been suggested that social networking websites might be able to assess particular aspects of knowledge, skills, abilities, and other characteristics beyond personality traits. Possible  knowledge, skills, abilities and other characteristics that might be assessed via social networking websites include fluency in a particular language, technical proficiencies, creative outlets, teamwork skills, network ability, creativity, communication, interpersonal, leadership, persuasion, and negotiation skills (Roth et al., 2012a, cited in Bondarouk T., Olivas-Lujan M. R., 2012, pg. 16). Written communication, including grammar, spelling and composition may be assessed, though informal writing may not represent the applicant's workplace communication style (Davidson et al., 2012, cited in Bondarouk T., Olivas-Lujan M. R., 2012, pg. 16). It is widely acknowledged that hiring managers may try to measure person - organization fit via social networking website screening (Davison et al., 2012, cited in Bondarouk T., Olivas-Lujan M. R., 2012, pg. 16). However, this approach likely tends to be more subjective than other approaches discussed here, so demonstrating criterion-related validity in the social networking websites context presents a challenge, particularly considering the legal issues associated with social networking website screening. Probably the most common current approach to social networking website screening is to view profiles for potential disqualifying information. This approach resembles a type of *background check*. The Jobvite 2014 Study (Jobvite Social Recruiting Survey, 2014) states that 55 percent of recruiters have reconsidered a candidate based on their social profile, while 61 percent of those reconsiderations being negative. Another survey has been made by the CareerBuilder (2014)[6] and it found that 51 percent of employers who research job candidates on social media said they have found content that caused them *not to hire the candidate* (up from 43 percent in 2013 and 34

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[6] national survey, which was conducted online by Harris Poll on behalf of CareerBuilder (www.careerbuilder.com) among 2,138 hiring managers and human resource professionals and 3,022 workers ages 18 and over (employed ful-time, not self-employed, non-government) between February 10 and March 4, 2014. CareerBuilder® is a global leader in human capital solutions, with an online career site which is the largest in the United States with more than 24 million unique visitors and 1 million jobs. It is owned by Gannett Co., Inc., Tribune Company and the McClatchy Company.

percent in 2012). So what are employers finding on social media that is prompting them to eliminate candidates from consideration? CareerBuilder (2014) discovered with the following reasons:

- Job candidate posted provocative or inappropriate photographs or information (46 percent)

- Job candidate posted information about them drinking or using drugs (41 percent)

- Job candidates bad-mouthed their previous company or fellow employee (36 percent)

- Job candidate had poor communication skills (32 percent)

- Job candidate had discriminatory comments related to race, gender, religion etc. (28 percent)

- Job candidate lied about qualifications (25 percent)

- Job candidate shared confidential information from previous employers (24 percent)

- Job candidate was linked to criminal behaviour (22 percent)

- Job candidate's screen name was unprofessional (21 percent)

- Job candidate lied about an absence (13 percent).


While it seems feasible that applicants with social networking website information pertaining to drug use, discriminatory comments, misrepresented qualifications, or shared confidential information about a current employer might provide a strong basis to reject an applicant, particularly when considering the potential for deviant workplace behaviours. In this vein, a primary concern of some organisation may be related to public relations, such that potential employees have a clean online presence not likely to harm the organisation if public access information is viewed by company stakeholders. However, other information used to disqualify candidates might be more idiosyncratic and subjective. Eliminating candidates based on a subjective opinion is less likely to be valid and more likely to involve disparate treatment or adverse impact (Bondarouk T., Olivas-Lujan M. R., 2012, pg. 17).

However, as CareerBuilder (2014) further elaborates, one third (33 percent) of employers who research candidates on social networking sites say they have found content that made

them *more likely to hire a candidate*. Moreover, nearly a quarter (23 percent) found content that directly led to them to hiring the candidate, up from 19 percent last year.

Some of the most common reasons employers hired a candidate based on their social networking presence included (CareerBuilder, 2014):

• Got a good feel for the job candidate's personality, could see a good fit within the company culture (46 percent)

• Job candidate's background information supported their professional qualifications for the job (45 percent)

• Job candidate's site conveyed a professional image (43 percent)

• Job candidate was well-rounded, showed a wide range of interests (40 percent)

• Job candidate had great communication skills (40 percent)

• Job candidate was creative (36 percent)

• Job candidate received awards and accolades (31 percent)

• Other people posted great references about the job candidate (30 percent)

• Job candidate had interacted with my company's social media accounts (24 percent)

• Job candidate had a large amount of followers or subscribers (14 percent)

As noted previously, however, there are potential risks, in terms of possible breaches of privacy, and the validity and reliability of the results gleaned. Individuals may not know that their online profiles are being viewed and may have objections to this. Further, employers cannot be certain that the content of online profiles is accurate – for example, individuals may create profiles expressly for potential employers to view. To prevent some of the disadvantages of the use of social media in recruitment purposes, human resource-driven social networking websites screening policies appear to be on the rise (Bondarouk T., Olivas-Lujan M. R., 2012).

## 1.2.5.3 Mobile Recruiting

Several surveys have found significant benefits from the implementation of mobile applications in their firms for recruitment purposes. comScore[7] data (2013) shows that 6 million people searched for jobs via mobile in January 2013, up from 2.3 million in March 2012. This trend seems to be tremendously rising with the outspread of mobile devices today (smartphones, tablets etc).

However, as Jobvite (2014) study shows, despite the 43 percent of job seekers who are using mobile in their job search, 59 percent of recruiters currently invest nothing in mobile career sites. CareerBuilder's site data shows, when a mobile candidate is notified they are about to encounter a non-mobile friendly apply process, 40 percent will drop off (CareerBuilder 2013). Having a technology barrier is particularly worrisome for employers who are competing for high skill, in-demand talent (CareerBuilder 2013). Twenty-eight percent of employers said they have open positions for which they can't find qualified candidates (CareerBuilder 2012, cited in CareerBuilder 2013), and 23 percent stated they have lost revenue due to extended vacancies (CareerBuilder 2012, cited in CareerBuilder 2013)

For those who are leveraging the power of mobile, they are already reaping the benefits from its impact on candidate engagement. The statistics (Jobvite, 2014) demonstrate that it mostly improves:

- the quality of hires (19 percent),
- time-to-hire (14 percent),
- quality of candidate (13 percent) and
- quality and/or quantity of referrals (10 percent).

Adding a further point based on the results of the Jobvite (2014) study, 51 percent of recruiters planed to increase their investment in mobile recruiting in 2014.

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[7] comScore is a leading internet technology company that measures what people do as they navigate the digital world.

Companies who are mobile-optimised have a distinct advantage (CareerBuilder, 2013). Out of the companies who have mobile-optimised career sites, one-in-five said that more than 20 percent of their applications come through mobile devices. Nearly one-in-ten said mobile accounts for at least half of their applications (CareerBuilder, 2013).

CareerBuilder has enhanced their mobile-apply process, so the vast majority of their jobs are mobile-optimised (CareerBuilder, 2013). The statistics show that since the launch of the new mobile apply features, mobile applications on CareerBuilder had increased by 50 percent (CareerBuilder, 2013). The mobile-friendly features allows the applicant to:

- Apply to jobs via phone using either the CareerBuilder app or the Web.
- Instantly sign in, so applicants don't have to re-enter their information each time they search.
- Choose an option to only see jobs that the specific applicants can apply to using their phone.
- "Mobile" designation is located next to job postings, making it easier to identify mobile-apply enabled jobs.
- Instantly apply with a resume already saved in the CareerBuilder database.
- Choose "Apply without a resume" option for those who aren't a CareerBuilder user or don't have an applicable resume. This leads you to a brief form with questions about the applicant's background and experience, which takes around one minute to complete. The applicant can also save his/her information, so they don't have to fill it out again for any future mobile applies on CareerBuilder. (CareerBuilder, 2013).

The widespread of smartphones and tablets, the must-haves across the generational divide (particularly important for the Generation Y consumers), combined with the fast-paced lifestyle that our current economy demands, produce a majority of users trying to balance their time constraints. They want to look for a job whenever their schedule allows: on the train or bus, while shopping for groceries, waiting for a dentists appointment or while working out at the gym. Having the ease to send a resume whenever and wherever, gives many job-seekers an edge over their competition. The way job-seekers find jobs today is much different than before. Wi-Fi is so accessible that it makes searching and sending

resume effortless from almost anywhere. Furthermore, most companies today accept resumes only submitted electronically. Having a mobile application for a hiring website allows for ease and transparency. The user experience is simplified so both employers and applicants are more likely to complete their actions and use it as a competitive advantage. Mobile applications allow for ease in the access to information. Smartphones have changed the way we do everything, so it only makes sense that they change the way we find jobs and recruit as well. Naturally, trends will ebb and flow, but our society and culture has sent the message loud and clear: "if you want me to read it, put it in my hands" (K. Kasper, 2014).

## 1.2.6. Legal and Ethical Issues arising from e-Recruitment

As previously revised, employers' review of applicants' and employees' social media sites can be an extremely valuable tool. However, it should be used in a manner consistent with lawful hiring and separation practices (O'Shea, 2012). The multiple rationales behind individuals' social media use and the substantial percentage of online adults frequenting social media networking sites inevitably led to the emergence of social media use as a workplace issue. The legal issues accompanying this development are significant; there are risks associated with resolving a social media dispute arising in the employment context for both the employer and the employee and the law itself is unsettled and emerging (Hidy and McDonald, 2013). The legal landscape is confronted with a wide array of issues ranging from:

• the evidentiary admissibility of social media postings;

• the use of social media histories, both public and password-protected, to screen prospective candidates;

• the termination of employees for Twitter and Facebook posts;

• the unauthorised access by employers to private social media accounts;

• ownership disputes between employers and employees over social media accounts; and

• the protections surrounding social media postings under various federal laws (Hidy and McDonald, 2013).

While both employers and employees use social media in order to connect skills and talents with career opportunities, these same sites are exploited and mined for information about prospective job candidates to determine whether a candidate's social media history should disqualify him or her from being considered for a position. There are diverse cases where employers have charged employees with violations of intellectual property rights over Linkedln accounts and employees have sued employers for privacy violations for for example MySpace eavesdropping. Also, an employee's social media account might be reviewed for evidence of employee misconduct, such as theft or misuse of company property (Hidy and McDonald, 2013). Social media monitoring is a tool frequently used by the employer to screen job applicants whose online behaviour may raise red flags (Hidy and McDonald, 2013). This topic is well covered in the chapter 1.3.4.2. of this thesis. Legal disputes between an employer and employee over ownership rights in social media accounts or profiles are also on the rise, fuelling litigation over who owns a social media account when the employment relationship ends (Hidy and McDonald, 2013).

The surge in job firings triggered by employer's use of social media websites in screening job applicants has given birth to a new term used to describe such terminations; ***"Facebook Fired"*** (Hidy and McDonald, 2013). As previously discussed, in the chapter 1.3.4.2. of this thesis, the so called "social networking websites screening for job applicants" is introduced in many companies and as a consequence of it's implementation, it is leading either to the acceptance or rejection of job applicants.

The recent Jobvite Study (Jobvite Social Recruiting Survey, 2014) brings that 93 percent of recruiters will review a candidate's social profile before making a hiring decision. The Jobvite Study (2014) further elaborates that 55 percent of recruiters have reconsidered a candidate based on their social profile, while 61 percent of those reconsiderations being negative. Another survey has been made by the CareerBuilder (2014) and it found that 51 percent of employers who research job candidates on social media said they have found content that caused them not to hire the candidate. In 2008, the recruitment firm Manpower Inc. reported on the findings of a study that they conducted regarding the use of social networking websites in employee recruitment by companies. The study found that 43 percent of social network users considered it unethical for employers to use the sites to find potential and existing employees. Moreover, 28 percent of social network subscribers have limited their personal information available on the Web, while 78 percent expect to do the same in the future. However, the research suggested that 17 percent use the sites to look for

potential employers while 10 percent for networking purposes. (Manpower Inc, 2008). Although the data might not be comforting for some job seekers, as they might feel as if their privacy is being invaded by potential employers, it seems more important for these individuals to learn how to use the social networking websites in a more flattering and intelligent way. The world is changing, and so should be the mindsets of the individuals. The question of what is private is changing alongside with the technological trends and while the multitasking is becoming a requirement desired in job specifications, it should also be applied to the personal lives of the individuals i.e. job seekers.

Current or prospective candidates may attack employers' pre-employment online screenings, including the screening of social media, as evidence of employment discrimination in violation of state and federal discrimination laws (Hidy and McDonald, 2013). Every time an employer decides to conduct an online search about a candidate, the employer is "processing" data. These screenings should attempt to sanitise the data gathered of any identifying information relating to a candidate's religion, race, marital status and disability (Hidy and McDonald, 2013). Employers which fail to do so, risk running afoul of *employment discrimination laws* by monitoring and screening of social media use.

There are different cultural expectations and historical realities that impact tolerance levels for social media data "digging." An article from Law360 (2011) addressed the legal limitations on background checks involving social media information by or about an applicant in select ed jurisdictions around the world. Krudewagen and Stam (Law360, 2011) list the global trends regarding the legal limitations on background checks and/or applicant selection:

1.  *Data privacy laws* in most jurisdictions limit not only the amount of online information an organization can mine about a potential candidate, but also the transfer of such data, particularly when it comes to data originating in the European Union; and

2.  *Discrimination and employment laws* tend to restrict the gathering, and more often the use, of social media information.

In the European Union, privacy laws prohibit data information from flowing across a border unless the originating European country is satisfied that the other jurisdiction offers

adequate protection for personal information (Law360, 2011). This example highlights the importance of developing a global approach that understands the nuances of each jurisdiction.

The Law360 (2011) article addressed the diverse laws and legislations regarding applicant screening i.e. background checks of the potential applicants as well as current employees by the hiring companies. As they (Krudewagen and Stam for Law360, 2011) explain, background checks in the European Union are subject to numerous restrictions, mainly due to very stringent data privacy laws in the EU. The same is true when it comes to social media background checks, which many EU jurisdictions view as violating an employee's right to privacy (Krudewagen and Stam, Law360, 2011). Even where permissible, numerous safeguards must be met not only to collect such information, but also to transfer it to jurisdictions that the EU views "unsafe" from a data privacy perspective, such as the United States (Krudewagen and Stam for Law360, 2011).

Bondarouk, Olivas-Lujan (2013), Gustafson (2012), Clark and Roberts (2010), Massey (2009) and others have addressed the ethical and legal issues potentially rising from the implementation of e-recruitment major trends in the process of recruitment. The following chapter describes the issues mostly related to social networking websites screening.


## 1.2.6.1 Issues mostly related to social networking websites screening

### 1.2.6.1.1 The Privacy Issue

As Bondarouk and Olivas-Lujan (2013) state, there is a disagreement as to what is private and what is public within social networking websites. Applicants may view obtaining such information as an invasion of privacy, while organisations may view social networking websites as legitimate public information (Gustafson, 2012). To add further confusion, expectations of the privacy depend in part on the nature of the job, while job applicants have a reduced expectation of privacy from that of current employees (Gustafson, 2012). Organisations that fail to conduct thorough background investigations may be liable for damages under the tort of negligent hiring, particularly for higher level and other sensitive positions. So, on the one hand, employers have a duty to protect stakeholders from injury initiated by employee that the employer knows or should have known may pose a risk to others (Bondarouk, Olivas-Lujan, 2013). Clark and Roberts (2010) further elaborate on the

concept of the "Legal right to privacy". As they state, several countries have created or clarified a right to privacy related to human dignity as a fundamental right in their constitutions or laws. UK, for example, had enacted the *Human Rights Act of 1998* which provides a person with ''the right to have one's private life respected'' (Jeffery, 2002b, p. 304, as cited in Clark and Roberts, 2010). France refers to Article 8 of the *European Convention on Human Rights* for a right to personal privacy (Vigneau, 2002). Historically, courts in the USA have interpreted the existence of a right to privacy stemming from nature and guaranteed from several constitutional amendments (*freedom of speech, freedom of religion, and freedom from unreasonable search and seizures*) (DeCew, 1997, cited in Clark and Roberts, 2010). Whether there is a legal right to privacy varies greatly depending on the jurisdiction. Each country and smaller jurisdictions within each country have different rules as to what information is deemed private and out of the purview of the employer to consider (Clark and Roberts, 2010).

*The European Union's Privacy Directive* (Directive 95/46/EC) of 1995 extends to social networking websites and requires consent by EU applicants (Massey, 2009). The directive specifies minimum standards of data protection that must be granted by all member states and any other state where data may go (Jeffery, 2002a, cited in Clark and Roberts, 2010). The directive requires that personal data be processed fairly and lawfully, obtained for a specific purpose, accurate, and stored securely (Jeffery, 2002a, cited in Clark and Roberts, 2010). Directive 95/46/EC has led to new legislation and court interpretations which strengthen workplace privacy in France, UK, Spain, Germany, and Italy (Clark and Roberts, 2010). Other entities, including the *Organization for Economic Cooperation and Development*, the *Council of Europe*, the *International Labour Office*, and the *United Nations*, have also passed directives which protect an individual's right to privacy (Jeffery, 2002a, cited in Clark and Roberts, 2010).

Still, confusion over privacy settings and terms of service agreements in social media platforms leave social media users vulnerable in job searches because users may be unaware that data has become publicly-available and the target of pre-employment information fishing expeditions (Hidy and McDonald, 2013). As Bondarouk, Olivas-Lujan (2013) explain, social networking website screening for employment purposes could also violate the particular website's terms of use. There are multiple ways employers can gain access to social networking websites such as Facebook even if pages are set as private, such as „friending" applicants, asking current employees to report on friends, or hiring

students who are from the same university as a way of gaining access to applicant profiles. As Bondarouk and Olivas-Lujan (2013) elaborate, recent media reports of companies asking applicants for social networking websites login information, as well a tactic termed *„over the shoulder" screening,* in which applicants are required to log on so that hiring managers can review private online information. These actions have led to applicant anger and frustration, resulting in a wide range of recent legislation and guidance on the issue (Bondarouk, Olivas-Lujan, 2013). However, if social media accounts are maintained as private accounts and are password protected, the hunt for information does not intrude on these accounts unless the password is requested. Employers' practice of asking or, in some instances, requiring prospective and current employees to divulge their passwords to their private social media accounts in order to screen or monitor these individuals is not believed to be widespread (Hidy and McDonald, 2013). Employment specialists say that if an employer asks for such private information, the request puts the potential employee in a difficult situation, as he or she might be risking a new job position by rejecting the employer's request (Scherer, 2012)[8]. Not surprisingly, the social media industry has joined this debate (Hidy and McDonald, 2013). Facebook welcomed legislative restrictions on employers requesting passwords to private social media accounts (Scherer, 2012). Facebook has jumped to the defence of its users, threatening legal action against any employer who asks their employees or potential employees to hand over their user name and password (Scott, 2012)[9]. In her own blog post, Erin Egan, Facebook's chief privacy officer for policy stated categorically that is "*a violation of Facebook's Statement of Rights and Responsibilities to share or solicit a Facebook password*" (Scott, 2012). In March 2012, Facebook issued a warning to employers regarding the practice of requesting password information to Facebook sites and threatened to consider possible legal action if its policy forbidding password sharing was violated. Facebook (as cited by Scherer, 2012) stated:

*"We don't think employers should be asking prospective employees to provide their passwords because we don't think it's the right thing to do. While we do not have any immediate plans to take legal action against any specific employers, we look forward to*

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[8] Ron Scherer. 2012. Facebook Privacy: Can Firms Legally Demand Password From Job Applicants? CHRISTIAN SCI. MONITOR. (www.csmonitor.com)
[9] Katie Scott. 2012. Facebook takes on employers over forced access to staff accounts. www.wired.co.uk

*engaging with policymakers and other stakeholders, to help better safeguard the privacy of our uses".*

Clark and Roberts (2010) provide an overview of some of the major differences in these jurisdictions. Some legal systems, such as Spain's, strongly protect a personal realm of privacy that seems to trump an employer's interest in considering personal information when making employment decisions (Arranda, 2002, cited in Clark and Roberts, 2010). Other jurisdictions (i.e., Brazil and Italy) guarantee that a person has the right of self-determination, which includes prior notice and consent as to how his or her personal data will be processed by an employer (Faleri, 2002; Filho and Leonel de Rezende Alvim, 2002, cited in Clark and Roberts, 2010). Others interpret privacy in terms of a balance between protecting the employee's information and the legitimate needs of an employer to consider the information (Jeffery, 2002a, cited in Clark and Roberts, 2010). Some jurisdictions, as Germany and UK, hold that it is most important to protect the contractual agreement made between two private individuals (employer and employee), acknowledging that an employee can walk away from the employment relationship if he or she does not want to provide the information (Jeffery, 2002a, b; Reinhard, 2002, cited in Clark and Roberts, 2010). The US courts often take this position, citing the doctrine of *employment at will* (Finkin, 2002, cited in Clark and Roberts, 2010). Other jurisdictions take the position that employees should not lose basic rights of citizenship (rights to privacy) when they walk through an employer's door (Jeffery, 2002a, cited in Clark and Roberts, 2010). This latter position is held by France and has been repeated in recent directives by the European Union (Jeffery, 2002a; Vigneau, 2002, Clark and Roberts, 2010).

It is unclear how privacy laws will be interpreted when it comes to information an individual posts on a social networking websites. Key legal questions are whether the individual consented to the information being made available to everyone, whether the information is relevant to the employment decision, and whether the information falls within a protected realm of personal privacy even if a person makes the information available to many people or does not use provided privacy settings. Legally it is debated where the line is drawn between an employer's right to access information and an employee's right to keep certain information private. Advances in technology make it possible to store lots of information about people and to access that information quickly,

cheaply, and without knowledge that such information has been accessed (Miller and Weckert, 2000, cited in Clark and Roberts, 2010).

Moving the argument along, as Hidy and McDonald (2013) state, firms are increasingly creating S*ocial Media Policies* to address both what is posted on social media (the content of the tweets, for instance) and when it is posted (the productivity slide when employees are posting and tweeting during work). These policies cover a range of issues arising from social media use in the workplace involving the following: privacy, intellectual property, protection of confidential, non-public information, and contact with media or governmental agencies. Davison et al (2012) point out that:

*"Until very recently, there has been little guidance for HR professionals in dealing with these emerging Internet screening practices ... Thus, managers and HR professionals are using these technologies with limited policy guidance in place. The size of this problem is illustrated by a SHRM (2008) survey, which found that 72 per cent of organizations (out of the 571 surveyed) do not have a formal or informal policy about using websites for applicant screening. Perhaps even more troubling is SHRM's finding that 89 per cent of organizations did not even plan to implement a policy."* (Davison et al, 2012)

Davison et al (2012) recommend the use of specific policies to address the risks associated with online recruitment. They highlight some of the most significant questions that these kinds of policies will need to address. The use of screening and its risks and benefits is the issue most frequently raised. Davison, Maraist and Bing (2011) encourage employers to review their procedures in this area and exercise care:

*"At this time, we are cautious about the use of this medium for gathering information in a selection context unless it can be done in a manner that follows best selection practices and conforms to our current standards of testing and assessment."* (Davison, Maraist and Bing, 2011)

They point out that most organisations do not have these kinds of policies in place and that there is little scientific research available to serve as guidance. One issue that a policy could address, for example, would be procedures around the use of social media tools and particularly password protocols to ensure that organisations are not vulnerable to a situation in which one key member of staff holds all the passwords to social networking sites.

### *1.2.6.1.2 The Discrimination Issue*

The SHRM survey (2011) indicates that 66% of HR managers are concerned about legal risks associated with social networking website screening; issues about protected characteristics such as age, race, gender, religious affiliation, etc. (Bondarouk, Olivas-Lujan, 2013). As described by Bondarouk and Olivas-Lujan (2013), there are two basic forms in which discrimination can occur in the selection contest:

• *disparate treatment* (when an applicant is treated differently based on a protected class status) and

• *adverse impact* (a facially neutral employment practice that has the result of disproportionally affecting an underrepresented group).

Social Networking Websites screening creates a greater possibility of disparate treatment than many other selection methods due to protected class information prevalent on social networking websites, such as religion or certain disabilities which cannot usually be found in a resume or in-person interviews (Davison et al., 2012, as cited in Bondarouk, Olivas-Lujan, 2013). The social networking website screenings should attempt to sanitise the data gathered of any identifying information relating to a candidate's religion, race, marital status, disability, or any other factor that might run afoul of employment discrimination laws (Hidy and McDonald, 2013). Employers which fail to do so, risk running afoul of **employment discrimination laws** by monitoring and screening of social media use. Current or prospective candidates may attack employers' pre-employment online screenings, including the screening of social media, as evidence of employment discrimination in violation of state and federal discrimination laws. In the United States of America, the primary *U.S. Federal Laws* relate to social networking website discrimination on the basis of race, color, religion, sex, gender, nation of origin, disabiliy, and age in the *Title VII of the Civil Right Act*, the *Americans with Disabilities Act,* and the *Age Discrimination in Employment Act* (Bondarouk, Olivas-Lujan, 2013). Bondarouk and Olivas-Lujan (2013) further explain that the title VII dictates that preemployment inquiries are not lawful if they disproportionately screen out applicants based on protected class status not justified through business/job relatedness (Woska, 2007, cited in Bondarouk and Olivas-Lujan, 2013). Beyond U.S. Federal law, most states have established legal protection for sexual orientation as well as other characteristics and though legal protection differ by country,

many countries provide similar or expanded legal protection from employment discrimination (Bondarouk and Olivas-Lujan, 2013).

Due to the prevalencee of social networking website screening and the likelihood that discrimination occurs in the social networking website screening context, it is likely that social networking website-related discrimination cases will arise (Gustafson, 2012).

Other issues of discrimination are addressed by governmental bodies, like for example the protection of immigrants, migrants and other vulnerable workers. An article from The HR Specialist (February 2014), points out that in the United States of America, **e**mployee claims of national-origin bias have nearly doubled in the past decade, jumping particularly quickly after the terrorist attacks of September 11, 2001. It is expected that those numbers will rise as the number of ethnic minorities is increasing and the EEOC (Equal Employment Opportunity Commission) continues its campaign through coordinated enforcement, outreach and training efforts on the issue (The HR Specialist, 2014). The HR Specialist (2014) highlights the following forms of discrimination, as the ones EEOC has currently been addressing to:

• *Language discrimination*

*T*he EEOC says English-only rules for employees are allowed only "if it is needed to ensure the safe or efficient operations of the employer's business and is put in place for nondiscriminatory reasons." (EEOC, cited in The HR Specialist, 2014). So banning the speaking of ones motherwtounge in the break room is not legit. The EEOC sets rules on what counts as a "business necessity" for an English-only rule. *Examples:* communications with customers, co-workers or supervisors who speak only English; or in safety situations in which workers must speak a common language; for cooperative work assignment. The EEOC says employers can only require employees to speak fluent English "if fluency in English is necessary to perform the job effectively."

• *Religious discrimination*

In many cases, national origin or ethnicity is closely related to religion and race. It's important to remember you are obligated to provide reasonable accommodation to employees' religious practices when it's possible to do so with no more than a minimum of hardship.

### *1.2.6.1.3 The Negligent Hiring Issue*

There are two sides to screening applicants by using social networking websites screening. Although this action can provide applicant privacy intrusion as well as grounds for discrimination lawsuits, failing to do a background check on a future employee can lead to a lawsuit for *negligent hiring*. Bondarouk and Olivas-Lujan (2013) argue that organisations should conduct reasonable background checks when screening applicants because failure to do so incurs legal liability for employers. In particular, organisations involved in public safety may find themselves defending a lawsuit when employees engage in illegal behaviour and it is discovered that information about prior illegal behaviour was available at the time of hire (Bondarouk, Olivas-Lujan, 2013). Thus, if an employer identifies (or should have identified) negative social networking websites information about a job applicant but still hires the individual, the employer could be sued for negligent hiring if the employees later harms a coworker or customer (Bondarouk, Olivas-Lujan, 2013).

## 1.2.6.2 Social Media Policies

Moving the argument along, as Hidy and McDonald (2013) state, firms are increasingly creating S*ocial Media Policies* to address both *what is posted on social media* (the content of the tweets, for instance) and *when it is posted* (the productivity slide when employees are posting and tweeting during work). These policies cover a range of issues arising from social media use in the workplace involving the following: privacy, intellectual property, protection of confidential, non-public information, and contact with media or governmental agencies. Davison et al (2012) point out that:

*"Until very recently, there has been little guidance for HR professionals in dealing with these emerging Internet screening practices... Thus, managers and HR professionals are using these technologies with limited policy guidance in place. The size of this problem is illustrated by a SHRM (2008) survey, which found that 72 per cent of organizations (out of the 571 surveyed) do not have a formal or informal policy about using websites for applicant screening. Perhaps even more troubling is SHRM's finding that 89 per cent of organizations did not even plan to implement a policy."* (Davison et al, 2012)

Davison et al (2012) recommend the use of specific policies to address the risks associated with online recruitment. They highlight some of the most important questions that these

kinds of policies would need to address. The use of screening and its risks and benefits is the issue most frequently raised. Davison, Maraist and Bing (2011) state that employers should review their procedures in the area of candidate screening through use of social media networks;

*"At this time, we are cautious about the use of this medium for gathering information in a selection context unless it can be done in a manner that follows best selection practices and conforms to our current standards of testing and assessment."* (Davison, Maraist and Bing, 2011). They further point out that most organisations do not have these kinds of policies in place and that there is little scientific research available to serve as guidance.

The 2013 Acas online panel survey of HR decision makers found that the majority of respondents did *not* have a formal policy covering the use of social media when recruiting staff – 55 per cent of respondents did not have a policy, compared with 37 per cent who did (9 per cent did not know or could not remember). The 2013 Acas online panel survey found that none of the case study organisations in research had a specific policy in place for using social media for recruitment, although they did have policies on the use of social media and online conduct in general. The reason for not implementing a specific policy for using social media for recruitment, but just general policies on the use of social media and online conduct, was that they were learning as they went along, and wanted to be able to respond quickly to situations as they arose.

Davison et al (2012) believe employers should focus more on weighing up the risks and benefits of SNS screening and argue that, in any case, it should not be used as a substitute for traditional background checks.

# 2. GAMIFICATION

## 2.1. What is Gamification?

Games tap into our natural competitive drive and our need to make sense of the world through storytelling (Roberts / HR Magazine, 2014). Advances in technology and social media have only multiplied the options, making it possible for people to cultivate their own virtual farms or play Scrabble with a friend in another country.

The definition of gamification has been a topic of many authors, from diverse backgrounds and fields of study.

The term "gamification" first appeared in 2008 originating in the digital media industry and did not gain widespread recognition until approximately 2010 (Kapp, 2012). While the term is relatively new, there seems to be general agreement about the basic tenants of gamification. Gamification has been defined as the *"process of using game thinking and mechanics to engage audiences and solve problems"* (Zichermann, 2010), as *"using game-based mechanics, aesthetics and game thinking to engage people, motivate action, promote learning, and solve problems"* (Kapp, 2012) as well as *"the use of game design elements in non-game contexts"* (Deterding et al, 2011, p.1), just to name a few. Gamification encompasses many disciplines including game design, psychology, marketing, economics and computers. It provides companies and organisations a mechanism to learn about human behaviour and ultimately influence that behaviour. Although the *modern gamification* exists for about five to ten years, the very concept of the importance of making work enjoyable has been recognised in 1973 by Coonradt (2007) who founded "Games of Work" in that year (The Game of Work, 2015). Coonradt has been called the "Grandfather of Gamification" in a Forbes article from 2012 (Ken Krogue, 2012). He created the above mentioned organization in order to study the reason behind why companies in the US were experiencing productivity losses in the workplace (Coonradt, 2007). In 1983, Coonradt (2007) wrote his first book, where he asked *"Why would people pay for the privilege of working harder at their chosen sport or recreational pursuit than they would work at a job where they are being paid?"*. This question has led Coonradt to the development of his five principles, which are now considered to be the ***building blocks of modern gamification***.

The Coonradt's five principles are as follows:

1. Clearly defined goals
2. Better scorekeeping and scorecards
3. More frequent feedback
4. A higher degree of personal choice of methods
5. Consistent coaching (Coonradt, 2007).

The Game of Work (2015) reports on its client list which today includes many Fortune 500 companies; companies that have successfully utilised and implemented Coonradt's unique concepts. These firms include Pepsi, US Postal Service, General Foods, Leslie's Poolmart, Nordstrom, The US Air Force, Boeing, American Express, Marker Bindings, Molina Healthcare, Coca-Cola Consolidated, The Chicago Tribune, Coors Brewing and International Paper (The Game of Work, 2015).

Today's gamification is based on principles that were developed approximately 40 years ago. The development of today's technology allows the delivery of gamification to a broader audience of potential users. Although the idea that work and play cannot coexist is still a widely accepted truth, smart companies, as well as nonprofits and governments, are, as demonstrated above, increasingly turning to play and games as a way of radically reinventing their organisations. (Zichermann and Linder, 2013). This change in organisational strategy is a result of a series of changes in demographics, technology, and the competitive landscape. Companies are engaging customers in different ways, aligning employees, and driving innovation that seemed virtually impossible only a decade ago (Zichermann and Linder, 2013). The smart companies have realised that their strength is in marshalling the intelligence, motivation, and - most critically - *engagement* of their communities to drive their business objectives (Zichermann and Linder, 2013). Zichermann and Linder (2013) have defined gamification as: *"implementing design concepts from games, loyalty programs, and behavioural economics to drive user engagement"* (Zichermann and Linder, 2013).

Figure 7. **Gamification, s**ource: G. Zichermann and J. Linder (2013)

As Zichermann and Linder (2013) explain, gamified design leverages the best of game design, loyalty program design, and behavioural economics to solve critical problems and drive engagement. They came up with the following definition of gamification:

"*Gamification is about allocating and delivering fun and enjoyment in a wide range of contexts by using concepts that are intrinsically and extrinsically motivating. It enables building experiences which provoke built in meaning and trigger the motivation of employees and customers*" (Zichermann and Linder, 2013).

The concepts of engagement, motivation and fun are the highlighting points of gamificational implications and will be further explained and elaborated on in the following chapters of this thesis.

Zichermann and Linder (2013) have finally decided to simply define gamification as *"the use of game thinking and game mechanics to engage people and solve problems"*. Governments, businesses and organisations of all sized and types embrace game thinking and mechanics, with to goal to be better at engaging their audiences, cutting through the noise, driving innovation and, ultimately, increasing their revenue (Zichermann and Linder, 2013). Professor Kevin Werbach explains in his online course about Gamification (Werbach, 2015) that it is important to study and understand gamification because:

1. gamification is an *emerging business practice* which is used both by companies, non profits and governmental organizations. The articles from famous newspapers

("Fortune", "Wall Street Journal" etc.) have been writing for years now about the "Hot new business concept, with many of the most admired companies signing on" (Fortune, October 17, 2011).

2.  games are powerful means of engaging the audience and provoking intrinsic motivation - sentences such as "Time just flew by" and "Wow, I'm really addicted to it" are often heard in association to playing games and this is to be evaluated as a good starting point when considering application of gameful design into a company, for motivational purposes

3.  gamification teaches us lessons from psychology, design-strategy and technology. Games have been around "forever", but today, they are able to enable interactions, they are a powerful tool in online services, technology startups and can be implemented in almost any kind of business, always for the sake of bringing a better, more engaging, kind of experience to the user.

4.  games are harder than it seems, which is why it is important to study their meaning and implications to business practices. Games are not easy and it is not that obvious; doing gamification well, ethically et cetera, requires a lot of knowledge (Werbach, 2015).

Whitney Cook (2013) gives five reasons why leaders can't ignore gamification and its potential to empower businesses:

1.  Gamification improves knowledge. Knowledge retention is a big part of an employee's daily life, so promoting the most effective types of learning is not just important for the employee, it is essential to an organisation's growth. Interactive learning games can increase long-term retention rates by up to 10 times, which is a significant statistic when considering knowledge retention (Jeanne Meis- ter - author of Corporate Universities, cited in Cook, 2013).

2.  Gamification gives employees (as well as employers) the power to actively measure their performance. Leaders increasingly find that employees perform better, learn more quickly and correct behaviours when they receive immediate, real-time feedback, and this is what gamification provides.

3.  Gamification boosts achievement across the board. Allowing employees to become skilled masters in their particular roles and creating a community that openly recognises their accomplishments will not only facilitate overall workforce development, it will ultimately help an organisation reach its business goals.

4. Gamification builds engagement and can promote emotional connections with others. Gaming creates a virtual world where fun is incorporated into the workplace, which fosters productivity and a better work environment.
5. Gamification emphasizes learning and development - many companies are embracing gamification as a way to encourage innovation among their employees.

Statistics demonstrate the recent trends' strong influence. According to Gartner (2012), the world's leading information technology research and advisory company, gamification will be in 25% of redesigned business processes by 2015, will grow to a $2.8 billion business by 2016 and 70% of of the world's largest companies will have at least one "gamified" application by 2014. It was predicted that by the same year, hundreds of thousands of start-ups, nonprofits, and governmental organisations will also be leveraging the best ideas from games, loyalty programs, and behavioural economics to drive attention, engagement and results (Zichermann and Linder, 2013). There is also strong evidence to suggest that HR departments are amongst the main functions within enterprises to adopt the principles of game mechanics and gamification and benefit from them (Sands, 2013). From what has been evidenced, there is widespread data available on what gamification is and how it is being utilized. Industry experts like the Gartner are making predictions stating that it gamification is the "best big thing" and M2 research addressed the same issue, and predicted that by the end of the decade (2020), U.S. companies alone will be spending $3 billion per year on gamification technologies and services (Zichermann and Linder, 2013). In a recent Pew Internet/Elon University report entitled "The Future of Gamification", 1021 Internet experts were interviewed with some university researchers suggesting that the principles of gamification could actually improve learning, creativity and participation (as cited in Zichermann and Linder, 2013). Internet experts in a sample of 53 percent predict there will be significant advances in the usage and adoption of gamification in the workplace by 2020 with uses ranging from education, to wellness, marketing and communications motivation (Zichermann and Linder, 2013).

Karl Kapp (2012) points out that the key to gamification is how addictive it can become across all generations of people. Kapp states that the rewards that are part of the gamification encourage users to stay engaged and interact with each other, building relationships that will draw them back (Kapp, 2012).

The runaway success of gamification, as Zichermann and Linder (2013) highlight it in their book "The Gamification Revolution", is that *"without employee and customer*

*engagement, the best laid strategies and tactics are doomed to fail"*. Resulting from this, engagement is the most valuable resource an employee or customer has to give to an organization. It is a huge competitive advantage of a company if it succeeds to make customer and employee experiences as fun and engaging as possible. Gamification presents the best tools humanity has ever invented to create and sustain engagement in people (Zichermann and Linder, 2013). Morever, it can be proven by examples of the world's best organizations (such as Nike, SAP, Pearson, Salesforce, Cisco, United Airlines, Microsoft, Target, Spotify, Siemens, GE, IBM, McDonald's, as well as Adecco and many many more). They are increasingly using the gamification techniques to challenge competitors, reimagine their strategies, deliver unprecedented loyalty, and recruit, retain, and drive exceptional achievers and innovators (Zichermann and Linder, 2013).

It might be more simple to understand the meaning of the term and the very concept if the applications of the phenomenon are explained on some examples. Werbach and Hunter (2012), in their book "For the Win: How Game Thinking can Revolutionize your Business" explain in a very detailed, but yet simplistic way the concept of gamification and its implications and applications to a variety of categories where it is possible for gamification to add value. Werbach and Hunter (2012) point out the following gamification categories:

## 1. *Internal Gamification*

Internal gamification is sometimes called enterprise gamification, but not only large enterprises can use it. Small companies and startups can apply game-design techniques as well. In this scenario, companies and organisations use gamification to improve productivity within the organization in order to foster innovation, and otherwise derive positive business results through their own employees. Internal gamification is used for *HR activities* such as training and recruitment, but can also include productivity enhancements in activities such as collaboration (Werbach and Hunter, 2012). Gamification elements such as leaderboards and reward points can be used for employees to see where they stand in relation to their work group or team. These techniques are used in order to enhance the motivation of the users, which leads to higher engagement with the work activities. As

Werbach and Hunter (2012) describe it, *"the motivational dynamics must interact with the firm's existing management and reward structures"*.

Other field where internal gamification adds value is *crowdsourcing* (Werbach, 2015). Improved collaboration among virtual teams is just one of the benefits of introducing games into the workplace. It enhances motivation which encourages the users to participate in creating innovation and adding value to the company by building a community and at supporting the sharing of knowledge.

## 2. *External Gamification*

External gamification involves firm's customers i.e. potential customers (Werbach and Hunter, 2012). It is usually used in marketing, sales and customer services applications. It can be applied to credit cards or other customer loyalty programs that offer points and induce a customer to spend. Gamification, in this case, is a way to improve the relationships between businesses and customers, producing increased engagement, identification with the product, stronger loyalty, and ultimately higher revenues (Werbach et al, 2012). As a form of marketing, external gamification can take advantage of all the sophistication of modern data-driven marketing practices (Werbach and Hunter, 2012). Gamification elements provide a rich toolkit to understand and stimulate customer motivation.

## 3. *Behaviour-Change Gamification*

Behaviour change Gamification is designed to form beneficial new habits among a population. These habits can involve anything from encouraging people to make better health choices, such as eating healthier food or working out more, to redesigning the classroom to make kids learn more while actually enjoying school, or building systems that help people save more money for retirement without lecturing them about how poor they are going to be in a few year's time. Generally, these new habits produce desirable societal outcomes: less obesity, lower medical expenses, a more effective educational system, better financial decisions and similar. Although behaviour-change gamification programs can create private benefits, they are often run or sponsored by nonprofits and governments (Werbach et al, 2012). Motivation is at the heart of sustained behaviour change, and games are again among the most powerful motivational tools.

Figure 8. **Relationship between different gamification categories,** source: Werbach and
Hunter (2012)

Figure 8. (Werbach and Hunter, 2012) describes the relationship between previously
explained gamification categories. As it can be read through the graph, internal
gamification is applied to employees or communities in order to add value to the
organisation. External gamification is more focused on individuals, all for the sake of
organisational benefit. Behaviour change gamification category is, however, focused on
the personal benefit of either employees/communities or individuals, which is why it is
very often run and sponsored by non-profits and governmental organizations. The common
factor in the three categories of gamification is the fact that it always enhances users'
motivation, encourages them to participate in the firm's actions and results in users'
engagement, which is the critical point of every well-working business.

Kevin Werbach, in his online course about gamification (Werbach, 2015), teaches that
gamification is:

• listening to what games can teach us (i.e. understanding powerful mechanisms to achieve
  great business results)

• learning from game design (and psychology i.e. human behaviour, management,
  marketing, economics)

• appreciating *fun,* acknowledging that games create this sense.

From business perspective, introduction of game mechanics into an organisation might seem abstract to implement into a traditionally organised workplace. Werbach and Hunter (2012) suggest that the following four core questions should be considered in figuring out if the concept of gamification might fit a company's needs:

1. *Motivation*: In which segment would encouraging behaviour add value to the selected firm? Gamification is a means to get people interested in behaving a certain way. Generally, more engaged customers purchase more of the good i.e. service, and more engaged workers perform better. As Werbach et al (2012) further explain, there are three main kinds of activities for which motivation is particularly important: creative work, mundane tasks and behaviour change. Some tasks could be motivated by emotional connections, unique skills, creativity, and teamwork. These are all game elements which will be explained thoroughly in the following chapters. These elements are the high-value-added activities or customer relationships that make an outsized contribution to competitive advantage, and they are also great candidates for gamification (Werbach et al, 2012). Gamification can give a satisfying, individual, ongoing rewarding experience, which involves behaviour-change scenarios which challenges habitual activities.

2. *Meaningful choices*: Are the target activities imposed by the firm sufficiently interesting? If not, gamification might enhance this segment. Successful games require player autonomy (Werbach et al, 2012) and meaningful choices mean options that give the player some freedom of choice, and noticeable consequences flowing from those decision. *"A gamified system that offers rewards but no choices will quickly feel disempowering and boring for most players"* (Werbach et al, 2012).

3. *Structure*: Could the desired behaviours be modelled through a set of algorithms? The main difference between games and gamification is that games unleash the ineffable quality of fun, but gamification requires algorithms to measure and respond to actions. This makes it a great implementation to business contexts, if the measurement of behaviours fits a company's needs. All gamified systems require some way to model options algorithmically (Werbach et al, 2012).

*4. Potential Conflicts*: Could the game design avoid conflicts with existing motivational structures? As is will be further explained in the chapter about the game elements, studies have shown that game mechanics such as leaderboards can actually demotivate workers when the mechanic is connected with traditional rewards such as salary and bonuses. It might seem impossible for a worker to reach the upper levels of the leaderboards, which would in this case make them want to give up from even trying. Werbach et al (2012) suggests that it is important to identify all the existing ways it is possible to motivate the target population, while thinking through how these ways would function alongside gamification by asking what kind of message is the organisation keen on sending.

The four questions can be considered as design goals for implementation of gamification to a firm. Success with gamification has driven smaller organisations to create products and pivot strategies to account for changing markets and opportunities (Zichermann and Linder, 2013). Larger organisations recognised the success with gamification techniques can help create centers of excellence that drive employee, product and customer behaviour beyond traditional methods (Zichermann and Linder, 2013).

## 2.2.   What is a Game?

It is only when the root of the main word (gamification) is described, that the nature and the meaningfulness of the whole concept could be understood. There have been many different attempts at defining the term "game". Katie Salen and Eric Zimmerman, in their book "Rules of Play: Game Design Fundamentals" described it as: *"a system in which players engage in an artificial conflict, defined by rules, that results in a quantifiable outcome."*

Raph Koster, in his seminal work "A Theory of Fun", added the concept of emotional reaction based on the idea of **fun**:

*"A game is a **system** in which **players** engage in an **abstract challenge**, defined by **rules**, **interactivity** and **feedback**, that results in a **quantifiable outcome** often eliciting an **emotional reaction**."*

Karl Kapp (2012) has used the Koster's (2004) definition to describe the main elements of fun. Each element of the definition is defined as follows:

- *System*: A set of interconnected elements occur within the "space" of the game. A score is related to behaviours and activities that, in turn, are elated to a strategy or movement of pieces. The system aspect is the idea that each part of a game impacts and is integrated with other parts of the game. Scores are linked to actions, and actions are limited by rules.

- *Players*: Games involve a person interacting with the game content or with other players. This happens in first-person shooters, board games, and games like "Tetris". The person playing the game is the player.

- *Abstract*: Games typically involve an abstraction of reality and typically take place in a narrowly defined "game space". This means that a game contains elements of a realistic situation but is not an exact replica. As Kapp (2012) explains, this is true of the game Monopoly, which mimics some of the essence of real estate transactions and business dealings, but is not an accurate portrayal of those transactions.

- *Challenge*: Games challenge players to achieve goals and outcomes that are not simple or straightforward. A game becomes boring when the challenge no longer exists.

- *Rules*: The rules of the game define the game. They are the structure that allows the artificial construct to occur. They define the sequence of play, the winning state, and what is "fair" and what is "not fair" within the confines of the game environment.

- *Interactivity*: Games involve interaction. Players with one another, with the system, and with the content presented during the game. Interactivity is a large part of the games.

- *Feedback*: A hallmark of games is the feedback they provide to players. Feedback within game is typically instant, direct, and clear. Players are able to take in the feedback and attempt corrections or changes based on both the positive feedback they receive as well as negative feedback.

- *Quantifiable Outcome*: Games are designed in such a manner that the winning state is concrete. The results of a well-designed game is that the player clearly knows when he or she has won or lost. There is no ambiguity. The score, level, or a winning state

(checkmate) that defines the clear outcome. This is one element that distinguishes games from a state of "play", which has no defined end state or quantifiable outcome.

- *Emotional reaction*: Games typically involve emotion. From the "thrill of victory" to "the agony of defeat", a wide range of emotions enter into games. The feeling of completing a game in many cases is as exhilarating as is the actual playing of the game. But at times frustration, anger, and sadness can be part of a game as well. Games, more than most human interactions, evoke strong emotions on many levels.

Kapp (2012), based on the elements from the previous definition comes up with a description of the game process, and defines it as follows:

*"A player gets caught up in playing a game because the instant feedback and constant interaction are related to the challenges of the game, which is defined by the rules, which all work within the system to provoke an emotional reaction and, finally, result in a quantifiable outcome within abstract version of a larger system."*

Although games themselves are not new - they have been played in the earliest civilisations - there has been reached a confluence of technology and design where games have become ubiquitous and seem to have a unique ability to engage when mostly needed (Kapp, 2012).

The positive outcomes of game playing eventually provoke engagement, which is organizations's competitive advantage, and one of the three compelling reasons why every business should at least consider implementation of "gamification" into their business practices (Kapp, 2012). Later in the chapter, all of the three reasons will be further elaborated and discussed.

Werbach and Hunter (2012) point out that, for business applications, it is necessary to have a good understanding go games in order to usefully develop real-world systems. One important aspect is that games are ***voluntary*** (Werbach et al, 2012). An individual cannot be forced to have fun, because in this case, the perception of fun would be changed. Secondly, games require those who play to make choices, and those choices have consequences that ***produce feedback*** (Werbach, et al, 2012). Kapp (2012), as written above, explains the concept of "feedback" as well. The decisions (choices) made in the game affect the players experience playing the game. Werbach (2012) quoted Sid Meier, a

legendary designer of the Civilization series of games, who defined a game as simply *"a series of meaningful choices"*. Contingent choices highlight the connection between games and autonomy (Werbach, 2012). Players usually feel a sense of control in games that is deeply empowering. What is even more essential is the fact that the games seem somehow different from mundane reality, meaning that even when the player is unambiguously sitting in an ordinary chair, in an ordinary office, doing an ordinary job, he or she can experience a pull that seems to originate somewhere else. That's what can make a gamified customer engagement system more effective. Kevin Werbach, in his online lectures on *Coursera* (February 2015 - March 2015), cites Jessie Schell in stating that a game is *"a problem solving activity, approached with a playful attitude"*.

Werbach (2012) proposed the theory of the early twentieth-century Dutch thinker Johan Huizinga, which is very interestingly put in order to explain the space in which a player finds himself while introduced to a game. John Hazing, in his classic book *Homo Ludens* (as cited in Werbach et al, 2012)*,* introduced the concept of the *"magic circle"*. The magic circle is a specially marked space that separates a game from the rest of the world. Players of a game step across this boundary into the magic circle, and by doing so, voluntarily suspend the rules of the real world and accept the rules of the game. The boundary can be physical or virtual; what matters is that players perceive the game to be real up to some point. A game has some rules, and some objectives, and some obstacles to overcome in order to achieve those objectives; but the crucial element is the players' willingness to accept all of the requirements and conform to them. "*A game is what happens in the magic circle"* (Johan Huizinga, cited in Werbach et al, 2012). If the thinking about the magic circle is applied to a business context, a "world" is created to serve a company's strategic objectives and it becomes meaningful to other people such as visitors to a company's website or staff in a company's HR department (Werbach, 2012). The game should be designed in such a matter that it pulls the users toward the goals a company has defined, not because they have been forced to do so, but because they want to be pulled toward it. Werbach (2012) points out that doing this successfully is difficult, and it comes with a set of responsibilities.

## 2.2.1. Video Games

People are playing games in epidemic numbers (Zichermann and Linder, 2013). From the casual games that they are using to unwind between meetings (such as *Tetris* or *Words with Friends)* to the M*assively Multiplayer Online Games* i.e. MMOGs (Zichermann and Linder, 2013), that they are playing at night in lieu of sleeping (such as the community-based *World of Warcraft*) to the console games that they play to the detriment of their social lives (such as the violent but popular *Call of Duty, Unreal Tournament, Counter Strike*). While these players are thinking about accruing points, winning prizes, or advancing on a leaderboard, they are not thinking about any brands or products. And Zichermann and Linder (2013) keen to think this environment provides a challenge for any organisation to enhance their customer's engagement with their brand and products. To develop further this argument, mobile games, especially social and casual games (like Angry Birds, Cut the Rope and Tiny Wings), are rapidly taking over where console and MMOGs were once ruling (Zichermann and Linder, 2013).

According to the Entertainment Software Association's 2013 report "Gamers Over 50 Study: You're Never Too Old to Play," (cited in Kapp, 2014) 48 percent of adults aged 50 and older say they play video games. Some 80 percent of those play weekly, while 45 percent play daily (Kapp, 2014). As Kapp (2014) elaborates, the report indicated that gamers who are 50 years old preferred games that mimicked traditional forms of play such as card or tile games (56 percent), puzzle/logic games (52 percent), and trivia, word and board games (27 percent).

A recent study from MocoSpace (cited in Zichermann and Linder, 2013) found that while 80 percent of social gamers play while commuting or waiting to begin appointments, a whopping 96 percent admit that they are playing these games at home, from their couch, bed, or front porch. In 2009, the research firm TNS Global, reported that over 60 percent of the population in the western world - including the United States - played computer and/pr video games on a regular basis. These hundreds of million of players (and the numbers are growing all the time) are changing the way we think about games and the gamers, and they are demanding a more gamelike experience from the rest of their world (Zichermann and Linder, 2013).

Games have driven an extraordinary amount of engagement, clearly to the detriment of all other activities, and the trend is accelerating (Zichermann and Linder, 2013). The point is that the customer is changing. Casual game leader PopCap commissioned a study in late

2010 (cited in Zichermann and Linder, 2013), and the study revealed that the average gamer is no longer a 13 to 34-year-old male, but instead, She is a 43-year-old woman. And the trend is no different in the rapidly growing mobile channel. Flurry, the mobile analytics firm (cited in Zichermann and Linder, 2013), found that women are 53 percent more likely to be playing games than men-up to three times per day on average.

The spread of games to a wider population than ever before is an even huger phenomenon - the long-term demographic shift is in fact propelling us toward an ever more gamelike future (Zichermann and Linder, 2013). Naturally, as more women and seniors take up gaming, so do those demographics which are most expected to play games. Teens, as Zichermann and Linder (2013) explain, are not only playing games, they are actually living them. Today's kids are being raised on games, a reality which is profoundly changing both their brains and our world. Today, some children are interacting with technology from even before they can talk. This trend has been been widely accepted and broadened since the advent of iOS devices like iPads and other mobile technologies. Common Sense Media (CSM, cited in Zichermann and Linder, 2013) research has shown that 70 percent of parents allow their toddlers and young kids to use these technologies. The same research (CSM) has also shown that as of 2010, 38 percent of all kids under the age of eight have used a smartphone or tablet, including 10 percent of children under the age of one (CSM, cited in Zichermann and Linder, 2013). The CSM study has further shown that 23 percent of five to eight - year - olds use more than one technology medium at a time. This information suggests that by the time this generation comes of age, they will most probably need more stimulation and excitement than any other generation in history (Zichermann and Linder, 2013). If we consider these children as the future employees and/or customers, it seems there is an inevitable chance the businesses will need to learn how to "get into the game". It seems that the new generation's need and their evolving brains (Zichermann and Linder, 2013) will most probably change our world, whether we are ready for it or not. This fundamental shift in people's behaviour has them leading the trend toward gamification - and making its arrival an inevitability (Zichermann and Linder, 2013). Zichermann and Linder (2013) further argue that any businesses success depends on getting and keeping the attention of both their customers and their employees. However, getting the attention in the first place is becoming increasingly more difficult to accomplish. Even though this is the reality, there is one industry that seems to be immune to the shattering of focus, and this industry is: games (Zichermann and Linder, 2013). Zichermann and Linder (2013) elaborate that games are the one place where we are

increasingly finding ourselves both connecting and enjoying our connection. To highlight the growing trend some more, the Census Bureau (data range from 2002 to 2012)[10] (cited in Zichermann and Linder, 2013) estimated that the total time playing video games doubled in the U.S. adult population. Furthermore, this data is likely to vastly underreport actual game usage: it excludes children aged 12 and younger, and most likely also misses social and mobile players who don't think of themselves as gamers (but nonetheless play games) (Zichermann and Linder, 2013). Facebook reports that players of its site's games spend an average of $50 a year to play them (cited in Zichermann and Linder, 2013). A Today's Gamer Survey from 2010 (cited in Zichermann and Linder, 2013) found that $25.3 billion was spent on game play the previous year, a number that is clearly on the rise. People like playing games; they are fun and engaging. In fact, a survey made by Saatchi and Saatchi (2011) demonstrated that 55 percent of people would be interested in working for a company that offered games as a way to increase productivity. Games give experiences meaning, they provide a set of boundaries within a "safe" environment to explore, think and "try things out". Games provide motivation to succeed and reduce sting of failure. The described trends strongly suggest that games have been cannibalising other forms of entertainment. Classic models of engagement will soon no longer scale a world dominated by extreme multitasking and increasing numbers of gemlike distractions. In this new environment, humans will come to expect heightened rewards, stimulation, and feedback.

Zichermann and Linder (2013) develop three deeply interrelated and meaningful truths to describe the today's world and its game-prone nature:

1. The world will not return to the calm, focused ways of the past. Employee and customer multitasking is here to stay.
2. Engagement is the most valuable resource a firm's employees and customers have to give. The organisation's success or failure will depend on how much engagement it manages to get.

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[10] The Census Bureau is part of the U.S. Department of Commerce. The U.S. Census Bureau is overseen by the Economics and Statistics Administration (ESA) within the Department of Commerce. The Economics and Statistics Administration provides high-quality economic analysis and fosters the missions of the U.S. Census Bureau and the Bureau of Economic Analysis (source: http://census.gov/about/who.html).

3. The best way to beat the competition is to make employee and customer experience as fun and engaging as possible.

As the world becomes more gamified - through demographic and cultural trends - the organisations must learn to do the same in order to survive.

## 2.2.2. Serious Games

It is important to notice that the background of the "game" concept holds some other forms of game implications to engage people into playing for diverse purposes instead of just fun. As prof. Werbach (2015) explains in his online "Gamification" course at the Coursera[11] Website, that games started being used for non-game purposes in 2002 with the *Serious Game Movement*. Kapp (2012) defines; ***"a serious game is an experience designed using game mechanics and game thinking to educate individuals in a specific content domain"***.

There are serious games for leadership, sale techniques, and other business topics, as well as many serious games in the realm of healthcare (Kapp, 2012). People in these fields are approaching serious games as a noble use of game elements and game mechanics and a way to engage and interact with their clients, customers and/or current or future employees (Kapp, 2012). Kapp (2012) explains that serious games usually possess following elements as parts of the game activities:

- an ***intrinsic*** *goal (the feeling of accomplishment, self-fulfilment, greater depth of things etc.), and*
- an ***extrinsic*** *element* (money reward, high grade at school/university, a certificate, badge etc.)
- a ***clear end point*** (end of the game), and

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[11] Coursera is a for-profit educational technology company founded by computer science professors Andrew Ng and Daphne Koller from Stanford University. Coursera offers massive open online courses (MOOCs). It works with universities to make some of their courses available online, and it offers courses in physics, engineering, humanities, medicine, biology, social sciences, mathematics, business, computer science and other. As of May 2015, it offered more than 1000 courses from 119 institutions. (reference: "Coursera - Free Online Courses From Top Universities". Coursera. Retrieved 2015-05-16.)

- each is designed specifically to illicit a ***serious outcome*** (performing the action for a rational/beneficial goal).

From this description, it might seem difficult to differentiate serious games from gamification. On the basis they both use game elements and mechanics in order to engage the users to enhance their contribution to either studying, working, or any other kind of personal development with the beneficial output for the game designer., and of course, their own selves. The goals of serious games and gamification are basically the same. They are both trying to solve a problem, motivate people, and promote learning using game-based thinking and techniques (Kapp, 2012). The main difference between the two is that serious games tend to take the approach of using a game within a ***well-defined game space*** like a game board or within a computer browser, while gamification tends to take the use of a game *outside of a well-defined space* and apply the concept to items like walking up steps, tracking the number of miles run, or making sales calls (Kapp, 2012). Serious Games*,* according to Werbach (2012), while not strictly Gamification, mirror real world activities such as Military Operations, flying simulations and medical operations (but all is done in the realm of a well-defined game space). The idea behind a serious game is not to enhance a job performance, but to fully immerse a user in an experience which provides a safe environment in which to learn. Unlike games or systems that include elements of gamification, serious games are not meant to entertain or add an element of playfulness. However, Kapp (2012) argues that the creation of a serious game falls under the process of gamification, because all of the mentioned processes fit under the definition of using game-based mechanic, aesthetics, and game thinking, in order to engage people, motivate action, promote learning and solve problems.
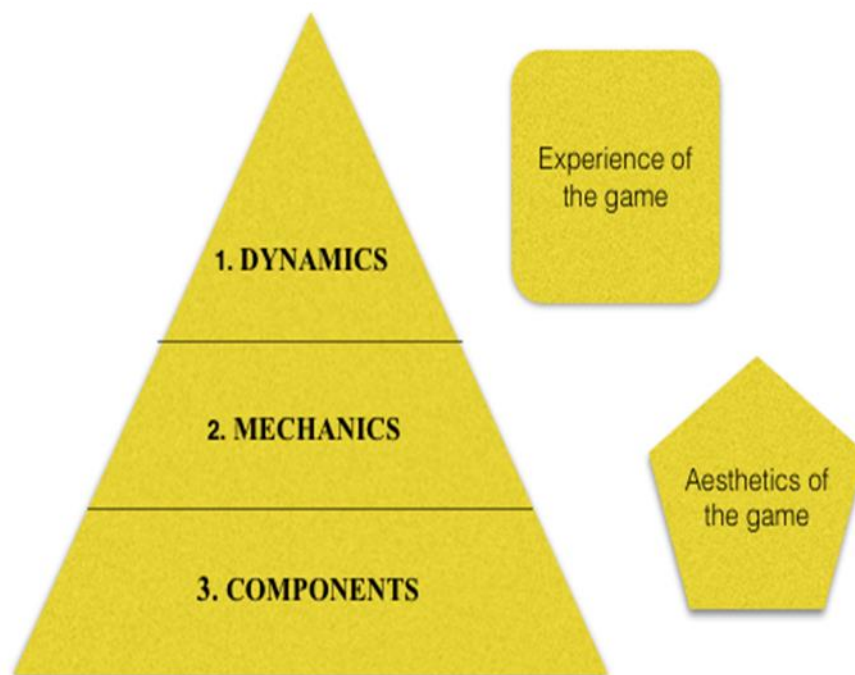
## 2.3. Game Elements

A game consists of elements and there are many ways to break down and classify the many elements that form it (Schell, 2008). Jessie Schell (2008), a rewarded game designer who wrote the book "The Art of Game Design: A Book of Lenses."; came up with four categories of game elements, which he calls *"the elemental tetrad"*. He divided the game elements into:

1. *Mechanics*
2. *Story*
3. *Aesthetics*
4. *Technology* (Schell, 2008).

Professor Werbach from the University of Pensilvania in his online course at Coursera[12] (attendance: January 26th - March 2nd, 2015) describes game elements as a "toolbox for gamification" (Werbach, 2015). More specifically, he points out that "game elements are specific characteristics of games that can be applied in gamification" (Werbach and Hunter, 2012). He builds on the four categories previously cited from Schell (2008) and develops a "pyramid of gamification elements framework". Professor Werbach further explains the framework of gamification elements i.e. the common elements found in gamification and structure around them. The following figure (Figure 9) is a pyramid of the framework of gamification elements, re-designed on the basis of the professor Werbach's online Coursera.org lecture about Gamification (Werbach, 2015). One reason to review the pyramid of elements is to recognise the variety of options for a gamification design (Werbach, 2015). All of the game elements exist in hierarchy, as it is shown below. There are different features among each category, and the combinations of these different features can result in an interesting and powerful gamification design.

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[12] "Gamification" lecture at Coursera.org, held by professor Kevin Werbach on "Game Elements" (January - March, 2015).

**Figure 9. Framework of Gamification Elements,** source: Werbach (2015)

There are three categories to game elements that are relevant to gamification: *dynamics, mechanics* and *components*. They are organised in decreasing order of abstraction. Each mechanic is tied to one or more dynamics, and each component is tied to one or more higher-level elements. What surrounds the gamification elements is the experience of the game, which is an individual level of perception of the game and its benefits and/or disadvantages to oneself. Aesthetics of the game are the visual experiences, sounds and all that makes the game real to players (Werbach, 2015).

As Werbach and Hunter (2012) explain in their book "For the Win: How Game Thinking Can Revolutionize Your Business", at the highest level of abstraction are dynamics. *Dynamics* are the big-picture aspects of the gamified system that has to be considered and managed but which cannot directly enter into the game (Werbach and Hunter, 2012). The most important **game dynamics** are (Werbach and Hunter, 2012):

1. Constraints (limitations or forced trade-offs)
2. Emotions (curiosity, competitiveness, frustration, happiness, and so on)

3. Narrative (a consistent, ongoing storyline)

4. Progression (the player's growth and development)

5. Relationship (social interactions generating feelings of camaraderie, status, altruism, and so on).

Analogies in the management world would be employee development, creating an innovation culture, or pretty much any other large-scale objective in business. Good business leaders and managers create desired dynamics in their organisations. Rarely do they actually have the opportunity to sit outside the business and design it from scratch. Instead, they have to push an existing organisation in the right direction through hiring and promotion, management practices, leading by example, and so forth. When creating a gamified system, on the other hand, one can "play God" (Werbach and Hunter, 2012). The way to think outside the box in gamification is to build a better box (Werbach and Hunter, 2012).

*Game mechanics* are the second aspect of a gamified system. They are the basic processes that drive the action forward and generate player engagement (Werbach and Hunter, 2012). Werbach and Hunter (2012) have identified ten important game mechanics:

1. Challenges (puzzles or other tasks that require effort to solve)

2. Chance (elements of randomness)

3. Competition (one player or group wins, and the other loses)

4. Cooperation (players must work together to achieve a shared goal)

5. Feedback (information about how the player is doing)

6. Resource Acquisition (obtaining useful or collectible items)

7. Rewards (benefits for some action or achievement)

8. Transactions (trading between players, directly or through intermediaries)

9. Turns (sequential participation by alternating players)

10. Win States (objectives that make one player or group the winner - draw and loss states are related concepts)

Werbach and Hunter (2012) explain that each mechanic is a way of achieving one or more of the dynamics described. A random event, such as an award that pops up without warning, may stimulate players' sense of fun and curiosity. It might also be a way of

getting new participants to "onboard" or keeping experienced players involved (interest curves).

*Components* are another category of game elements relevant to gamification. Components are more-specific forms that mechanics or dynamics can take (Werbach and Hunter, 2012). The fifteen important game components, as listed by Werbach and Hunter (2012) are:

1. Achievements (defined objectives)
2. Avatars (visual representations of a player's character)
3. Badges (visual representations of achievements)
4. Boss Fights (especially hard challenges at the culmination of a level)
5. Collections (sets of items or badges to accumulate)
6. Combat (a defined battle, typically short-lived)
7. Content Unlocking (aspects available only when players reach objectives)
8. Gifting (opportunities to share resources with others)
9. Leaderboards (visual displays of player progression and achievement)
10. Levels (defined steps in player progression)
11. Points (numerical representations of game progression)
12. Quests (predefined challenges with objectives and rewards)
13. Social Graphs (representation of players' social network within a game)
14. Teams (defined groups of players working together for a common goal)
15. Virtual Goods (game assets with perceived or real-money value)

Just as each mechanic ties to one or more dynamics, each component ties to one or more higher-level elements.

One reason to review the pyramid of elements is to recognise the variety of options for a gamification design (Werbach and Hunter, 2012). Schell (2008) highlights that it is important to understand that *"none of the elements is more important than the others"*. He states that, however, all of the four categories of elements (aesthetics, story, technology, mechanics) are essential when designing a game (Schell, 2008). Each has an equally powerful effect on the player's experience of the game, and each requires equal attention when developing a gamified system (Schell, 2008). Another lesson learnt from the pyramid is that the lower levels tend to implement one or more higher level concepts (Werbach, 2015). The structure is, as it can be seen, narrow at the top and broader at the bottom.

Putting all these elements together is the central task of gamification design, and having knowledge of these game elements will make any gamification project compelling. However, no gamification project would include all these elements. In fact, it is unlikely that all the items within any on the mentioned categories would be utilised. However, a large set of possible options need to be considered at some stage of a design process, otherwise the gamification will suffer. Werbach and Hunter (2012) argue that building an engaging gamified service takes more than just checking off the right boxes. It should be ensured that the elements match the particular demands of the situation, and they need to be well implemented. An example of this are Facebook and MySpace. Both are social networking sites with similar basic capabilities, but one made billions and the other cratered after its acquisition.

Among the listed components, there are three particular kinds which are commonly used in gamification. These three components are points, badges and leaderboards (PBLs). As professor Werbach describes in his presentations (Werbach, 2015), gamification should not start and end with these three elements, or it will have a boring and shallow effect on the players.

## 2.3.1. The PBL Triad

Werbach and Hunter (2012) conducted a research where they examined over 100 implementations of gamification. What they found out is that the vast majority of these systems start with the same three elements: *points, badges,* and *leaderboards*. Werbach and Hunter (2012) state that PBLs are so common within gamification that they are often described as though they are gamification. As they suggest, PBLs are not gamification, but they are a good place to start. PBLs link gamification to well-known enterprise features like loyalty programs, reputation systems, and employee competition. If they are used well, they can be powerful, practical and relevant elements. They can also be used in significantly more sophisticated ways that one might imagine (Werbach and Hunter, 2012). On the other hand, PBLs have important limitations (Werbach and Hunter, 2012). Werbach and Hunter (2012) suggest to start building a gamification toolkit from PBLs, and further explain that one cannot build a successful gamification system without understanding their positive and negative sides.

• *Points*

Zichermann and Linder (2013) describe points as *"systems to track behaviour, keep score, and provide feedback"*. Points are often used to encourage people to do things by collecting them. The assumption is that people will buy more widgets or work harder in exchange for points. This is a simple approach that occasionally works to motivate people who like collecting things or for those who like competing against others. But points can also be used in many other ways.

Werbach and Hunter (2012) have identified six different ways that points are used in gamification:

1. K*eeping score.* This is the typical way they are used in gamification systems. Points are aimed at informing players on how they are progressing in the game. They can also demarcate levels. They can define progress from the beginning of the game to its objectives.

2. *Determining win states*. If there is a prize to be given away as a result of the play, points can create a win condition.

3. C*reating a connection between progression in the game and extrinsic rewards*. It is common in all manner of marketing and promotional devices that have been used for years that they offer some real-world prizes for reaching certain levels or for redeeming virtual points in a gamified system.

4. *Providing feedback.* Explicit and frequent feedback is a key element in most good game design, and points provide feedback quickly and easily. Points are among the most gradual of feedback mechanisms. Each point gives the user a tiny bit of feedback, saying that he is doing well and progressing in the game.

5. *Displaying progress.* When used in a multiplayer game, or in an environment in which members of the community or workplace can see each other's scores, points are a demonstration of how each individual of the community or workplace is doing. That can be significant as a marker of a status.

6. *Providing data for the game designer.* The points that used earn are able to be tracked and stored very easily. This allows the designer to analyse the important metrics about the system.

If the nature of points is well understood, points can be used in ways that meet the objectives of a certain gamified system. If the goal is to encourage competition, then points can be used as scores. If the goal is to engage customers by providing constant feedback, then points can be used to give them a sense of mastery and progression, without showing them how others are doing. However, points are pretty limited. They are uniform, abstract and interchangeable. Simply said, each additional point simply indicates a greater magnitude, and nothing more. For this reason, badges are often found in conjunction with points systems.

• *Badges*

A badge is a visual representation of achieving a certain level of game (Werbach and Hunter, 2012). Some badges are a demarcation of a certain level of points, and other signify different kinds of activities. Within game design, they are part of the generic category "achievements", along with the trophies and other symbols of accomplishment (Zichermann and Linder, 2013). Badges have always been popular in gamification of certain actions and performances, even before the modern technology was introduced, in cases of the military, Girl Scouts and other organisations, making heavy use of the concept. Achievements are very compelling because they give the user the sensation of feeling successful and accomplished, which is an advantage of the gamified system, compared to the traditional systems followed by the less innovative firms.

An example of the use of badges is provided by Foursquare, a service that engages users with local businesses by encouraging them to check in to a location with their cellphone. Foursquare has numerous badges for all manner of achievements for their users. Users unlock the "Adventurer" badge as soon as they check into ten places registered with the Foursquare system, and they receive the "Crunked" badge for checking into four bars in one night.

Researchers Judd Antin and Elizabeth Churchill (cited in Werbach and Hunter, 2012) suggest that a well- designed badge system has five motivational characteristics:

*1.* Badges can enhance users' motivation, by providing a goal for users to strive toward.

*2.* Badges are an important feature for getting the user engaged with the system or "onboarding", as they provide guidance to what is possible within a system and generate a kind of shorthand of what the system is supposed to do.

*3.* Badges can be seen as a visual marker of a user's reputation i.e. a means of demonstrating his capabilities and know-how. They are a signal of what a user cares about and how he performed.

*4.* Badges operate as a virtual status symbol and affirmations of the personal journey of the user through the gamification system.

*5.* A clever gamification design can connect the badges with a system of group identification, meaning that a user who has some of the same badges as other users will feel a sense of identity with that group.

One of the most important attributes of badges is their flexibility. Many different kinds of badges can be awarded for many different kinds of activity, and the range of badges is limited only by the imagination of the gamification designer and the needs of the business. This allows the gamified service to engage a more diverse group of users and to appeal to their interests in ways that a single points system cannot.

Badges can serve a credentialing function. Badges as credentials are infinitely flexible. A badge can be received for anything, from the silly to the serious. Some organisations are even looking to badges as a foundation for new forms of online education and training (for example: a diploma from an elite university is a kind of a badge that holds out the promise of a certain level of skill and achievement on the part of the diploma holder.

In internal gamification contexts, credentialing badges can be a way for your employees to demonstrate certain skills. Every large enterprise has extensive corporate training programs, and employees participate in more training outside the firm. Badge systems are useful in this context.

• *Leaderboards*

Leaderboards are the third part of the PBL triad, and they are described by Werbach and Hunter (2012) as the most troublesome for implementation in gamified systems. Leaderboards (also known as scoreboards), are designed to show a ranked list of users in descending order from highest scoring to lowest scoring (Zichermann and Linder, 2013). Leaderboards can be a powerful incentive, as they provide a clear and instantaneous

understanding of rank. On one hand, players often want to know where they stand in relation to their peers. A leaderboard gives context to progression in a way the points or badges cannot (Werbach and Hunter, 2012). If performance is of relevance in the game, the leaderboard makes it visible for public to see. Leaderboards can be powerful motivators, pushing players to work harder as by collecting enough points they can usufruct the benefits of moving up a slot or even emerging on top of a leaderboard which provides a status symbol among other peers or other motivational factors (Werbach and Hunter, 2012). In his online lecture at coursera.org, professor Werbach highlights that leaderboards in real environments are mostly used for sales competition (Werbach, 2015). However, leaderboards can be powerfully demotivating as well. They can act as powerful disincentives, particularly if they show only the top 10 or 20 players at a time. This strategy can demotivate those players at lower rungs or those just entering the game, as it might seem there is a lack of mobility in the system (Zichermann and Linder, 2013). The issue is amplified because users cannot suppose how long or how hard they will need to engage before reaching the top. Being far behind the top players can cause a player to check out and stop trying. Several studies have shown that introducing a leaderboard alone in a business environment will usually reduce performance rather than enhance it (Werbach and Hunter, 2012). Although the previous is true, there are still various ways to make leaderboards useful for a gamified system. A leaderboard shouldn't be a static scoreboard, and it need not only one attribute (Werbach and Hunter, 2012). In gamification, leaderboards should be implemented to track any feature of features the designer wants to emphasise (Werbach and Hunter, 2012). Zichermann and Linder (2013) state that today's leaderboards have become social and relative, usually placing the player in the middle of the rankings (instead of at the absolute rank) and more regularly amid their friends and contacts. Players feel that there is a potential for mobility so this kind of a design offers a better incentive for them to reengage. On the other hand, super competitive players, as well as team-based environments, tend to be more amenable to straightforward leaderboards, benefiting from the competitive spirit they provoke (Zichermann and Linder, 2013). It is common to introduce multiple leaderboards to measure different attributes or leaderboards that are custom made for diverse participants. Leaderboards are also commonly tied to social networks to provide more contextual, and less troubling, information about how players are faring (Werbach and Hunter, 2012).

As valuable as they are, relying only on PBLs is not a very clever strategy. Werbach and Hunter (2012) argue that PBLs are not right for every project, and they are most certainly not the only features that can be deployed in a gamified system. In order to extract the maximum value from gamification, they say, it is necessary to move beyond PBLs.

Kapp (2014) in an "Chief Learning Officer" article from March, 2014, states that gamification is more that just points, badges and leaderboards. In fact, he points out that these are the least exciting elements of any game (Kapp, 2014). *"People don't play a game just for points, they play for mastery, to overcome challenges and to socialise with others."* (Kapp, 2014) The most effective gamification efforts, as Kapp (2014) further explains, contain elements of story, challenge and continual feedback as well as a high level of interactivity, as these are the most engaging elements in games, and they can have a big effect on the organisation (Kapp, 2014). The point is that the game elements are not the game; what makes a gamified system a successful one, is how the diverse gamification elements are tied together (Werbach, 2015).

Zichermann and Linder (2013) introduce other two game elements as very valuable for the implementation of the gamified system. These are levels and rewards.

• *Levels*

Zichermann and Linder (2013) describe levels as "structured hierarchies of progress, usually represented by ascending numbers or values (for example: bronze, silver and gold)". In general, levels provide users with a sense of progress and accomplishment, acting as a shorthand for the points achieved in a given system (for example: bachelor's, master's, and doctorate degrees). They can be used for roughly explaining how the system progress works and what users can expect to achieve if they continue "playing" within it. Levels and badges go "hand-in-hand" most of the time, although it is not necessary that they are both incorporated in a gamified system. However, they are both powerful tools that are especially useful when designing systems with a great deal of intrinsic structure, like workplace hierarchies.

• *Rewards*

Rewards are one of the most important elements of a gamified system. Broadly speaking, they can be categorised into *intrinsic* and *extrinsic* rewards, i.e. self-generated and externally delivered (Zichermann and Linder, 2013). A good gamified system aims at offering a set of rewards that would activate the users' intrinsic desires, while leveraging external incentives and pressure where appropriate. Zichermann and Linder (2013) describe the acronym SAPS as the clearest model for understanding the elements of reward programs. The following list of potential rewards to users is in order of most meaningful to least meaningful one, and the cheapest to the most expensive one. SAPS stands for:

1. Status - utilising tools such as titles and color-coded levels
2. Access - providing exclusive opportunities to engage with the company, such as lunch with the CEO and similar
3. Power - exercising control over others, in the real or virtual world, with the purpose of motivating the individual (example: team leader)
4. Stuff - offering free things, such as giveaways, cash, or gift cards

One of the benefits of the "Rewards" approach in gamification is a substantial reduction in hard costs from incentive programs (Zichermann and Linder, 2013). While standard incentive systems prefer offering cash and prizes ("Stuff"), gamified systems lean heavily on psychological and virtual rewards for driving meaningful behaviour. Gamified systems are able to achieve incredible results with minimal or no cash incentives (Zichermann and Linder, 2013). The key in doing so is to align between the players, the company and the system.

Gamification elements (dynamics, mechanics and components) and the various combinations between them, as mentioned previously in the chapter, provide a more profound and potentially more successful implementation of gamification for business purposes. Schell (2008) highlights that it is important to understand that *"none of the elements is more important than the others"*. He states that, however, all of the four categories of elements (aesthetics, story, technology, mechanics) are essential when designing a game (Schell, 2008). Each has an equally powerful effect on the player's experience of the game, and each requires equal attention when developing a gamified

system (Schell, 2008). Although the previous is true, Werbach (2015) presents the limitations to elements of gamification. He states that game elements are a starting point for gamification, the raw material and tools that can be used and deployed, and simply having them, gives an idea of what is needed to know about the application of gamification into the business practice. However, as he puts out, *"not all rewards are fun; not all fun is rewarding"* (Werbach, 2015), meaning that the elements are not the game, i.e. what makes the elements successful is how they are tied together.

## 2.4. Gamification as Motivational Design

Gamification can be used to provoke motivation in users, and motivation leads to better performance and engagement with the activity, product and/or firm, depending on the goals of the gamified system. Brian Burke (2015) elaborated on the topic of gamification for motivation in a Forbes article; "How Gamification Motivates the Masses", where he points out that gamification is able to package motivation and engage many different audiences in many different activities. *G*amification helps in building self-esteem and re-enforcing it with peer recognition, and this is a powerful means of unlocking motivation. The psychology of motivation is a complicated topic with lots of theories. To understand how gamification works it is necessary to provide a basic understanding of some theories of motivation.

### 2.4.1. The Theories of Motivation

Motivation theories are built on a set of assumptions about the nature of people and about the factors that give impetus to action (Deci and Ryan, 1985, p. 3) The word "motivation" comes from the Latin word "motivus", which means *"serving to move"* (Webach and Hunter, 2012). To be motivated means to be *moved* to do something. Werbach and Hunter (2012) explain that people are like objects, they have a certain intertia that needs to be overcome for them to move. A person who feels no impetus or inspiration to move is characterised as unmotivated, whereas someone who is energised or activated toward an end is considered motivated (Ryan and Deci, 2000). Motivation is not a unitary phenomenon; people are motivated by different kinds of motivation and they are motivated

in different amounts of the feeling. Deci and Ryan (1985, cited in Ryan and Deci, 2000) have distinguished between different types of motivation based on the different reasons or goals that give rise to an action. They introduced the **Self-Determination Theory (SDT)** in 1985, and it is accepted as a macro theory of human motivation and personality, concerning people's inherent growth tendencies and their innate psychological needs (Ryan and Deci, 2000). The Self-Determination Theory distinguishes between different types of motivation based on the different reasons or goals that give rise to an action (Ryan and Deci, 2000). The most basic distinction is between *intrinsic* and *extrinsic* motivation. When the difference between the two is understood, it is halfway to understanding what type of mechanisms could be used to motivate users while building the gamified systems (Werbach and Hunter, 2012). Both types are explained below.

## 2.4.1.1 Intrinsic Motivation

Intrinsic motivation is defined as "*the doing of an activity for its inherent satisfactions rather than for some separable consequence*" (Ryan and Deci, 2000). When a person is intrinsically motivated, he or she is moved to act for the fun or challenge entailed, rather than because of external prods, pressures or rewards (Ryan and Deci, 2000). Intrinsic motivation refers to behaviour that is driven by internal rewards. The individual perceives that the engagement in a certain behaviour is intrinsically rewarding and this is why he or she is motivated to do so. For example, if a person says "I love my job so much, I would do it for free", this is an example of intrinsically motivated person to do his or her job. From a business perspective, it is of course a goal of the employer to provoke this kind of feeling in their employees and/or customers, for as motivation is tightly bounded with user engagement.

*"Intrinsic motivation occurs when we act without any obvious external rewards. We simply enjoy an activity or see it as an opportunity to explore, learn, and actualise our potentials."* (Coon and Mitterer, 2010)[13].

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[13] Coon, Dennis., Mitterer, John O., Talbot, Shawn.Vanchella, Christine M. Introduction To Psychology: Gateways To Mind And Behavior. Belmont, Calif. : Wadsworth Cengage Learning, 2010.

Ryan and Deci (2000) argue that this natural tendency is a critical element in cognitive, social, and physical development because it is through acting on one's inherent interests that one grows in knowledge and skill. This growth is referred to development in all aspects of a person's life, and this is why it is important to study motivational theories with a particular focus on intrinsically rewarding users, employees and/or customers, when dealing with gamification implications for any business means. It is clear that intrinsic motivation exists in the nexus between a person and a task. Motivation involves an interaction between a person and a task, in a situation and at a time (Werbach, 2012). Ryan and Deci (2000) suggest that human beings are inherently proactive, with a strong internal desire for growth, but the external environment must support this internal desire or otherwise, the internal motivators will be prevented. Referring back to gamification, it is necessary to focus on the underlying theory that explains why certain kinds of intrinsic motivators work and explains what kinds of situations and conditions actually lead to intrinsic motivation. Self-Determination Theory (SDT) suggests that intrinsic needs fall into following three categories (Ryan and Deci, 2000):

- ***Competence***
- ***Relatedness***
- ***Autonomy***



Figure 10. **Categories of Self-Determination Theory** (Ryan and Deci, 2010)

• *Competence* or mastery (Werbach, 2012) refers to being effective in dealing with the external environment. In gamification, the feeling of competence can be enacted through

game elements such as levels - a person feels competent while levelling up in a gamified system.

• *Relatedness* involves social connection and the universal desire to interact and socialise with others; engaging with the community i.e. family, friends and similar. It can also manifest itself as a desire for higher purpose (Werbach, 2012).

• *Autonomy* is the need to feel in charge of one's life and to be doing that is perceived to be meaningful and in harmony with one's values. In gamification, autonomy can be provided by setting up many choices from which player can personalise the game which releases a feeling of freedom and independence to the player (Werbach, 2015).

The theory of intrinsic motivation provides a ground for gamification, as by building a gamified system for enhancing certain behaviour, it is possible to provoke engagement by intrinsically motivating the users. Ryan and Rigby (2011), in their book "Glued to Games: How Video Games Draw Us In and Hold Us Spellbound" applied self-determination theory to video games. They made a research on how video games can activate the three motivators of Self-Determination Theory: competence, relatedness and autonomy. Ideally, every gamification implementation would be based on some attempt to engage these aspects of intrinsic motivation which Self-Determination Theory outlines.

## 2.4.1.2 Extrinsic Motivation

"*Extrinsic motivation is a construct that pertains whenever an activity is done in order to attain some separable outcome*" (Ryan and Deci, 2000). This means that a person engages with an action for some other benefit which is not the benefit of doing the action itself (contrary to intrinsic motivation). However, Self-Determination Theory proposes that extrinsic motivation can vary greatly in the degree to which it is autonomous (Ryan and Deci, 2000). The following is a table made according to Ryan and Deci's (2000, p. 61) figure about taxonomy of human motivation, followed by examples from professor Werbach's online lectures at Coursera (Werbach, 2015).

| AMOTIVATION | EXTRINSIC MOTIVATION | INTRINSIC MOTIVATION |
|---|---|---|
| A person does the action but he or she is not motivated at all to do it. Processes associated with it: <br>• non-contingency <br>• low competence <br>• non-relevance <br>• non-intentionality(Ryan and Deci, 2000) | **1. EXTERNAL REGULATION** <br>A person is pushed by another, by an extrinsic reward or punishment and he/she does the job for extrinsically motivating reasons. | This is the *strongest form of motivation.* <br>Processes associated with this type of motivation are: <br>• interest <br>• enjoyment <br>• satisfaction (Ryan and Deci, 2000) |
| | **2. INTRAJECTION** <br>A person does the task because he or she seeks approval from oneself or others. Acquiring a Status might be an extrinsic reward associated with this kind of motivation. | |
| | **3. IDENTIFICATION** <br>A kind of motivator in this case is *somewhat internal.* A person involved in activity is finding personal value of the task, for example, the task is valuable for one's professional career. It is a form of self-endorsement of goals (Ryan and Deci, 2000) | |
| | **4. INTEGRATION** <br>In this case, the person considers the action to be useful for oneself. He/she wants to perform the action because it is something that is beneficial for him/her, but he/she needs a push from the external environment to do it. (example: *exercising*) | |

Table 1. **The Motivational Spectrum** (Werbach, 2015 and Ryan and Deci, 2000)

As Werbach (2015) points out, all of these motivators are considered as potentially relevant in a gamified system. What is important is to learn how to utilise all of these different kinds of motivations appropriately for the situation and to push them towards the process which is more intrinsically motivating, where a person involved would find a higher purpose in occupying with the task which would eventually lead to engagement with the activity i.e. product or service. As it has been previously explained, extrinsic motivation is about the reward and not the action itself. The goal of a good gamified system is to offer a set of rewards that activate the user's intrinsic desires, while leveraging external incentives and pressure where appropriate (Zichermann and Linder, 2013). Zichermann and Linder (2013) introduced four different categories of rewards by the acronym SAPS:

- *Status* - utilising tools such as titles and colour-coded levels
- *Access* - providing exclusive opportunities for engagement, such as lunch with raw CEO
- *Power* - exercising control over others in the real or virtual world, such as being put as a team leader
- *Stuff* - tangible rewards, such as giveaways, cash or gift cards.

This categorisation of rewards has already been explained in detail in the chapter *2.1.2. Game Elements.* Concerning the sole game elements, it might seem that most of them fall into the category of extrinsic motivators, which Werbach (2015) argues is not true. Werbach (2015) points out that game elements, such as points and badges, can be both intrinsic and extrinsic; depending on the context, the overall system and on what specifically is being rewarded. Sometimes, rewards such as points and badges can represent a certain status for the player, and in other cases it might just provide an element of fun for the user, a sense of enjoyment by just having it. In this last case, the reward is actually intrinsic (Werbach, 2015). One of the benefits of introduction of rewards into a gamified system is a substantial reduction in hard costs from incentive programs (Zichermann and Linder, 2013). However, there is a danger associated with reward systems used in gamification (or any other kind of system that involves rewards). In literature, this danger is called the ***"Overjustification Effect"*** (Werbach, 2015). In cases where rewards substitute the intrinsic motivation, they are actually perceived de-

motivating. Simply said, when a person decides to perform an action, he or she is already motivated, and the reward might make them less likely to proceed with the action in the same sense. This happens because rewards acting like extrinsic motivators crowd out the intrinsic motivation that was already present and person gets so caught up with chasing the reward that he/she feels that the rewards it the very reason for performing the activity which leaves him/her with a lack of intrinsic motivation that was there before (Werbach, 2015). The ultimate result is that the person is less motivated than when he/she started the activity. This kind of cases are usually present in internal, enterprise examples of gamification than in external, marketing ones (Werbach, 2015). In cases where the goal is to motivate people, where innovation and creativity are the goals for the "players", the reward might actually push them away from it. The extrinsic rewards might actually make the users of a gamified system less motivated in performing the task and they might in consequence produce worse results than intended.

When compared, intrinsic motivation is a more effective way to encourage people to act in certain manner (Ryan and Deci, 2000), but however, the key with any kind of motivators is to build alignment between the players, the company and the system (Zichermann and Linder, 2013). Motivational models are an important element of game design, because without motivation, a player would not be interested in progressing further within the game. This is why it is important to distinguish the different motivational categories as well as the rewards systems associated with them. The motivational structure of games is central to the gamification trend. The following are some lessons useful for gamification, drawn on the basis of the previous text;

1. Extrinsic motivators should not be mindlessly attached to activities that could possibly be motivated using intrinsic regulators
2. Extrinsic reward systems work for non intrinsically engaging activities
3. It is possible to design extrinsic motivators that are introjected, internalised or integrated and in this way they become more compelling to the user. Points and leaderboards are good examples of this kind of implications.

## 2.5. Game Design Techniques

Gamification requires a "fusion of art and science" (Werbach and Hunter, 2012). It's main point involves emotional concepts such as fun, play and user experience, while certainly being designed on engineering measurable and sustainable systems to serve concrete business objectives (Werbach and Hunter, 2012). By developing a good design process, it is possible to meld creativity and structure and to match people's needs with technical feasibility and business realities. Werbach and Hunter (2012) define *six steps to developing a gamified system*, which are described bellow.

*1. Defining business objectives.*

Werbach and Hunter (2012) suggest that in order to avoid the pitfalls of gamification implementation into business practices, it is necessary to make a list of all potential objectives. It is important to develop a well understanding of the targeted performance goals of a gamified system, such as increasing customer retention, building brand loyalty, or improving employee productivity (Werbach and Hunter, 2013). Once the reason for gamification implementation has been defined (the business objectives), it is necessary to focus on the what the firm wants to attain from its players (target behaviours), and how it will be able to measure these actions.

*2. Delineating target behaviours.*

Werbach and Hunter (2012) propose that target behaviours should be concrete and specific, like for example signing up for an account at the company's website (increasing customer retention), posting a comment on a discussion board, sharing information about the company's service (building brand loyalty), and similar. Once the desired behaviours have been listed, the activities can be translated into numbers and these numbers are used to generate feedback (Werbach and Hunter, 2012). These numbers might and might not be transparent to the player. "Win states" are a form of success metrics as well, but this is discussable, as from a design standpoint, winning is problematic (like for example in the case of leaderboards implementation). The players who haven't won, may be turned off from continuing to participate in the game, and those who have won, precept the game to be over at that point. This is why it is important to implement the game design in a

meaningful and intelligent way. Cases like these have been described in chapter 2.1.2. of this thesis, written about the elements of gamification.

*3. Describing the targeted players.*

It is important to identify the targeted players, to learn what motivates and demotivates them, i.e. what makes them likely (or less likely) to complete a relevant task (Werbach and Hunter, 2012). This is achieved through analysing the intrinsic and extrinsic motivators which can most effectively be addressed through a desired gamified system. As Werbach and Hunter (2012) further elaborate, there are several models of player types that game designers use as starting points for segmentation. They quote Bartle (Werbach and Hunter, 2012), who distinguished four player types:

- *achievers* - players which enjoy the rush of levelling up or earning a badge;
- *explorers* - players who are keen on finding new content;
- *socialisers* - players which wish to engage with other players/friends; and
- *killers* - players which impose their will on others, typically by vanquishing them.

The best games and gamified systems have something to offer to each category of the players, keeping in mind that each of the player types possesses the elements of other archetypes as well. The player types are frequently associated with avatars, with a name and a story. Avatars are virtual representations of someone and they represent a detailed description of character models which ground design activities. The **player lifecycle** is the final dimension of describing the targeted players. It starts with **novice** (newbie or noob") player, who is just learning the basic rules of the game. Once the novice becomes a **regular**, he or she needs novelty in order to stick with the activity. Finally, the player becomes an **expert**. Experts need challenges that are hard enough to keep them engaged. It is necessary to offer opportunities for players at all stages in order to get the best out of the gamified design. This process is described in the following pages, through "Activity cycles" i.e. "Progression stairs".

*4. Devising activity cycles.*

**Activity cycles** are the most useful ways to model actions in a gamified systems (Werbach and Hunter, 2012). They are also referred to as "Player's journey" in the literature.

Werbach and Hunter (2012) point out two kinds of cycles to develop: engagement loops and progression stairs. Both shall be explained in *chapter 2.3.2. Activity Cycles.*

*5. Implementing the elements of fun.*

Although gamification done right is serious business, the elements of fun should never be neglected. The fun element makes users keen on going back to the experience. Nicole Lazzaro (2004)[14], introduced four distinct kinds of fun in studying a group of game players.

- *Hard fun* - a challenge or puzzle, which is fun because of the pleasure of overcoming it.
- *Easy fun* - a casual enjoyment, for keeping someone's mind of from problems, in recreational purposes.
- *Experimental fun* or "Altered States of Fun" - the enjoyment of trying new personas and experiences.
- *Social Fun* or the "People Factor" - fun which depends on interaction with others, even if competitive.

Werbach (2015) argues that fun can and should be designed, although it can be challenging as things might be fun in diverse ways. The goal is to make a product / service attractive in different kinds of fun. The type of fun that is to be implemented in a certain gamified system, depends on the context. The best games, however, offer a broad spectrum of fun (Werbach and Hunter, 2012). Werbach and Hunter (2012) suggest that firms should build the gamified system and then test it and refine it through a rigorous design process.

*6. Deploying the appropriate tools for the job.*

This stage is about pulling together the overall experience for the players. It is about picking the appropriate, previously analysed mechanics and components and coding them into the firm's systems. To do gamification well, it is necessary to build up a *team* with a variety of skills (Werbach and Linder, 2012). Jessie Schell (2008) also highlights the importance of building a team for designer purposes. He points out that good team communication is the main point in building a gamified system (Schell, 2008). The team

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[14] Nicole Lazzaro is a game designer and consultant, also an expert on the emotional aspects of games.

should, as Werbach and Linder (2012) suggest, be built out of people from following expertise:

- People who understand the business goals of the project
- People who understand the target group of players and the basics of psychology
- Game designers, or people who can functions them
- Analytics experts able to make sense of the data that the firm's gamified systems generate
- Technologists able to implement the firm's vision

Gamification doesn't require technology, any more than games do (Werbach, 2012).. However, it can perfectly fit into the online systems framework, as already demonstrated by many successful examples. But in order to design a gamified system, it is first of all important to create a *mind-set* required to deploy fun in a considered and directed way. This mind-set is called "Game Thinking" (Werbach and Hunter, 2012) and it will be further explained in the following chapter of this thesis.

## 2.5.1.    Game Thinking

Game thinking is a term associated with the right mind-set required to deploy fun in a considered and directed way (Werbach and Hunter, 2012). What is important to understand is that by implementing this kind of a mind-set, it is not necessary to actually become a game designer. Instead, what is essential is to learn to *think like a game designer* (Werbach and Hunter, 2012). Jessie Schell (2008) further explains that thinking like a game designer is looking at the problem from the viewpoint of the game designer, which is different from actually being the game designer, and it is also different from thinking like a gamer (Jessie Schell, 2008). Thinking like a game designer means distancing oneself from the other two perspectives (being the game designer or being a gamer), but keeping in mind the two main goals of a game designer (Jessie Schell, 2008):

1. *getting people into the game;*
2. *keep them interested (playing).*

Game thinking means using all the resources available in order to create an engaging experience that motivates "player's" desired behaviour (Werbach and Hunter, 2012). Game thinking is targeted at some activities such as these listed below:

• encouraging problem solving,

• sustaining interest from novice to expert to master,

• breaking down big challenges into manageable steps,

• promoting teamwork,

• giving players a sense of control,

• personalising the experience to each participant,

• rewarding out-of-the box thinking,

• reducing the fear of failure that inhibits innovative experimentation,

• supporting diverse interests and skillsets, and

• cultivating a confident, optimistic attitude (Werbach, 2012).


As it can be seen, these are not problems associated strictly to the technological characteristics of games, but provoke *business objectives* from which game thinking takes advantage by *understanding* the need for implementation of game design. Again, it is not necessary to think like a gamer, but to apply game design into the field of focus.

Werbach (2012) argues that people are already used to thinking like gamers because they all play games, and they understand that when they are engaging in a game they care about, they naturally try to succeed at it, whether that means vanquishing their rivals ("killer" type of player) or earning the admiration of their friends ("socialiser" type of player). Considered from this perspective, applying gamification to solve business or other non-game problems puts a person more in the role of the game designer, than in the role of a game player. Simply said, ***"gamers try to win; game designers try to make gamers play"*** (Werbach, 2012), and this is what is the business objective of any company or organisation that wishes to implement and succeed at the application of gamification into their business strategy. When an effective gamified system is built, the players (customers, employees, potential employees or similar) will attempt to hit the targets that the game offers them. The business which is a game thinker will care about those targets only as a proxy for other things (Werbach and Hunter, 2012). Their baseline goal will be to get the players playing and keep them playing, in order to generate desired business benefits. This is one reason why many video games involve levels, increasingly challenging stages which players pass as they progress in the game (Werbach and Hunter, 2012). Reaching a new level signifies

progress and offers opportunities for encouraging feedback. Without levels, players may lose interest because they have no *measurable sense of progress* (Werbach and Hunter, 2012). Although not all video games have explicit levels, it is necessary for them to posses a sense of *progression*. In the opposite case, the games would quickly become static, stagnant and boring. ***"Games are a process, not an outcome"*** (Werbach, 2012). Thinking like a game designer means acknowledging that players (i.e. customers, current or potential employees, clients etc.) are the centre of the game, and they wish to have a sense of being in control. They are attracted to the gamified experience because of the excitement that comes from the player's sense of autonomy,all for the goal of provoking user engagement. In the following chapter, the activity cycles will be explained in order to clarify the game actions modelled through engagement loops and player's journey - two perspectives of the player's progression though the game, important in order to design a meaningful gamified system.

## 2.5.2.　Activity cycles

As described in the main chapter (*2.3. Game Design Techniques*), creating a model of activity cycles is one of the first steps in developing a successful gamified system, as it is the most useful way to model actions in a gamified systems (Werbach and Hunter, 2012). *Figure 11* describes the activity cycle.

What can be read from the activity cycle is that player actions result from motivation and in turn produce feedback in the form of responses from the system, such as awarding points (Werbach and Hunter, 2012) The feedback in turn motivates the user to take further actions, and so forth. The key element in the cycle is the feedback. It is a part of what makes games so effective as motivators. Actions immediately produce visible responses. This kind of system is what provokes user engagement and it is very well explained through "Engagement loops" examples on the following page.

Werbach and Hunter (2012) point out two kinds of cycles to develop: *"engagement loops"* and *"progression stairs"*.

## 2.5.2.1 Engagement Loops

As it is has already been mentioned throughout the previous chapters, in today's consumers are increasingly distracted. Zichermann and Linder (2013) explain that if a company doesn't make a deliberate effort to engage the consumers on a regular basis, odds are that they will lose interest in the company's product or service. It is necessary to consider what drives the consumers' behaviour, to design an attractive system that would bring them to the company's product, and then allow the consumers to express a social action, to which the company again responds to trigger them back to the firm (Zichermann and Linder, 2013). Zichermann and Linder (2013) explain these actions through a "virtuous cycle", on the example of social network Instagram (Figure 11). This virtuous cycle is what Werbach and Hunter (2012) refer to as "activity cycles", i.e. "engagement loops". Engagement loops describe, at a micro level, what the players are doing, their motivation to do so, and what the system does in response (Werbach and Hunter, 2012). This concept has gained traction in describing social media and social networking services (Werbach and Hunter, 2012). The following figure (figure 11) demonstrates a possible sequence of actions and re-actions in cases of social networks, and is further explained on the cases of Instagram and Facebook.
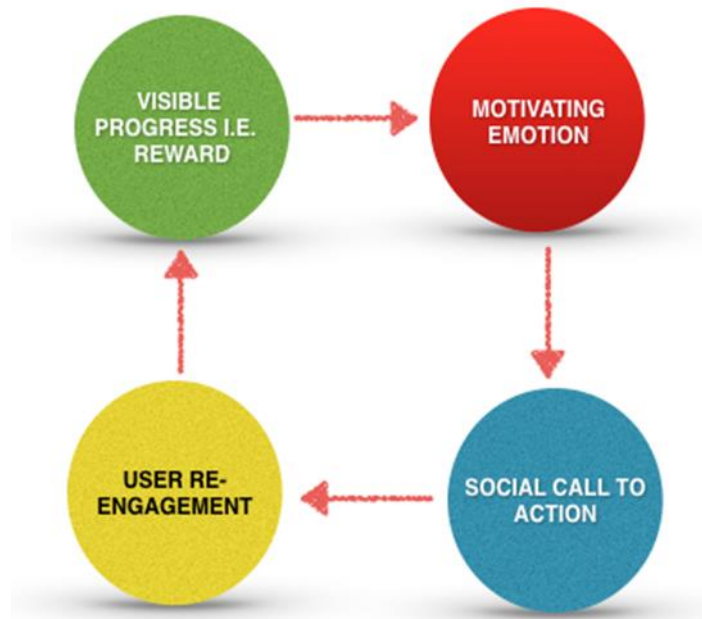
Figure 12: **Engagement loop for the photosharing in social networks (Zichermann and Linder, 2013)**

Zichermann and Linder (2013) explain the engagement loop of social network Instagram. The following is the cycle of photosharing activity, and it explains in which way the user develops engagement towards the network. It is a good example of user engagement, which is often imitated by other social networking websites which provide a similar service to the user.

Zichermann and Linder (2013) explain the sequence of ***Instagram's photosharing*** in four steps:

*Motivating emotion.* Users are given an opportunity to act on the desire to express themselves through posting pictures and sharing them with other users i.e. their (Instagram) friends which allows them to express their creative thoughts. This allows them to demonstrate their character i.e. their sense of aesthetic beauty, sense of humour or creative flair by posting pictures edited by a series of available photo filters. This provides

a sense of autonomy for the "players", which serves its purpose in Instagram's goal: engaging the users with the product.

*Social call to action.* The interaction with other account holders is provided by the system which is designed in a way which allows them to scroll through their friends' photos, like them and comment on them. This provokes a sense of engagement towards the system.

*User re-engagement.* Each time any of the user's Instagram friends likes or comments on his/her photo, a notification is sent by the system. This system of notifications brings the user back to the application and he/she is re-engaged with it.

*Visible progress and rewards.* The Instagram's system provides information about the total likes and comments on each photo, the number of followers and their aggregate number of posts (Zichermann and Linder, 2013). By building their account consisted of posts, likes, followers and comments, the user feels rewarded for his/her efforts which leads to further engagement with the product and virtuous cycle continues.

The Instagram's engagement loop is an example of an engagement process well integrated into user experience. Users are brought back to the application in a continuous cycle of content consumption and creation that activates their intrinsic desire to engage with other users. This is an example of a gamified system which facilitates both customer acquisition and retention and helps create content, which is a key element in a successful gamification strategy (Zichermann and Linder, 2013).

Facebook is another example of a system led by an activity cycle. The following is a possible description of the sequence of actions while **photosharing on Facebook.**

*Motivating emotion.* A user is provided the chance to share a photo through his/her Facebook account, and to edit it by using various filters, commenting on the event by using stickers to demonstrate their feelings related to the photo/event and stating other characteristics of the photo, like for example where it was taken and who the user was sharing the experience with (by "tagging" other users present at the photo). In this way, the user is able to share their memories with their Facebook friends.

*Social call to action.* The interaction with other Facebook account holders is provided by the system which is designed in a way that it allows the users to scroll through their

"newsfeed", and comment and/or like the other users' statuses (containing pictures, videos, links etc.), sending them messages and similar. This provokes a sense of engagement towards the well-designed, multifunctional system that allows users to communicate on different levels.

*User re-engagement.* After the user posts a picture/status on Facebook, their Facebook friends are able to see it and like it/comment on it. Each like/comment/message, sends a notification to the user about the other user's action. This system of notifications brings the users back to the application and they are re-engaged with it every time it happens.

*Visible progress and rewards.* Facebook's system provides information about the total likes and comments on each photo, and the user feels he/she is socialising and building relationships in this way. They feel a sense of approval for their actions, which is intrinsically motivating for the individual. They perceives this as a visible progress and a reward for their efforts in building the social media account, which leads to users' engagement with the system.

Werbach and Hunter (2012) point out another kind of activity cycle and this one describes the player's progression through the system and explains how the games are usually designed to keep the users engaged with them. This is referred to as "Progression Stairs" (Werbach and Hunter, 2013), or simply the "Player's Journey" (most commonly used in the literature).

The Player's Journey

The Player's Journey is a meaningful process of steps which guide the player through diverse phases of the game. Werbach and Hunter (2012) refer to this process as "Progression stairs", while Zichermann and Linder (2013) call it "Progression to Mastery".

The player (i.e. customer, client, employee) of a gamified system goes through a sort of a "journey" while playing the game. The journey is actually a conceptual path that the player follows through the game, from start to end. Werbach (2015) describes this journey by the following steps:

*Onboarding* - getting the player into the game as quickly and as easily as possible

*Scaffolding* - the game provides simplicity and guidance through complexities that would otherwise get the user stuck in the game, not knowing which path to take next

*Pathways to Mastery* - possibility of achieving real skills, real accomplishments within the framework of the game (Werbach, 2015).

Jessie Schell (2008) argues that a game shouldn't be too easy, but neither should it be too difficult for the player. A *balance* should be ensured (Jessie Schell, 2008). There shouldn't be too many, but neither should there be too few choices. A sense of competition should be present, so that either player could win the game. It is important to apply the "experience" act of gamification in a very clear and interesting way. The designer creates this experience (Schell, 2008) and, as it has been elaborate before, it is necessary to think like a game designer (Werbach and Hunter, 2012) in order to be able to create a good gamified system. Werbach (2015) calls this a *"real gamified experience".*

Werbach (2012) has depicted the Player's Journey as visual representation in a form of Progression Stairs. Progression stairs demonstrate the changes in the game experience as the player moves through it (Werbach and Hunter, 2012). Player's journey is explained as a collection of short-term missions and long-term goals, which play out as a rolling series of progressions (Werbach and Hunter, 2012). The following figure (*Figure 8*) demonstrates the Werbach's (2012) model of Progression Stairs.
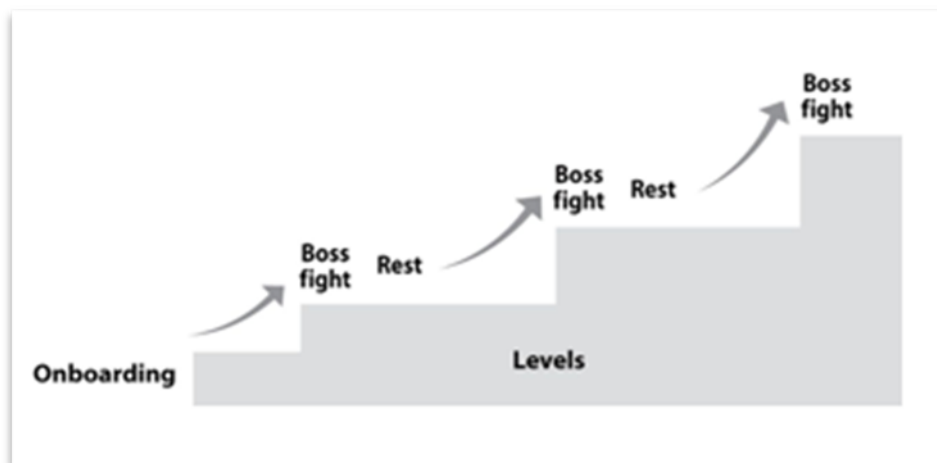


Figure 13. **Progression Stairs**, source: Werbach and Hunter (2012)

The levels in the progression stairs process are described by Werbach and Hunter (2012) as following:

1. The *"Onboarding stair"* - this step draws the player into the game, so it needs to be very simple and guided (Werbach and Hunter, 2012). It might be the most important step as (like previously mentioned) it is pretty difficult to keep the player interested and engaged into the game.

2. *Steadily increasing difficulty* - the model used in most games involves steadily increasing difficulty, all with the goal to keep the player interested in playing, while keeping the game balanced.

3. *Major challenge* - at the end of each segment the game provides the player with a sensation that they have become an expert at some part of the game. This is to keep them engaged and playing.

4. *Relative ease* or the *Rest period* - allows the players to "catch their breath". It also lets them experience the satisfaction of mastery. There are often a series of small cycles of this sort.

5. *Boss fight* - the final challenge of the game provides for a different experience of mastery. The greatest challenges, which players can just barely surmount, are the ones that produce the explosion of positive emotions that in game terms is called an *"epic win"*.

Zichermann and Linder (2013) refer to the last step go the Player's Journey as **"Mastery"**. They argue that in order to move the players from progression to mastery, it is needed to construct a gamified system that moves them through these six steps:

1. *Desire*
2. *Incentive*
3. *Achievement/Reward*
4. *Feedback*
5. *Mastery*

What is important to notice is that mastery is not winning - because winning is about achieving a goal, and mastery is about acquiring knowledge and demonstrating control in a steady and consistent progression (Zichermann and Linder, 2013). Simply said, *"mastery is a continuous improvement process, whereas winning is a destination"* (Zichermann and Linder, 2013). The point is that few people can win but an unlimited number of people can achieve mastery, which, if applied to a work environment, gives potential to make more employees and customers happy, and for a longer period, with the goal of driving unprecedented performance (Zichermann and Linder). In his seminal book, "A Theory of

Fun", entrepreneur and game designer Raph Koster (2010) argues that mastery is the main point in making games fun in the first place. Nicole Lazzaro (2004) who was previously quoted for describing the 4 key types of fun, expanded Koster's (2010) theory with a research where she found that one of the most important parts of good design is actually mastery (which she refers to as "hard fun"). As players progress through the level and begin to accomplish challenges of the game, the experience (and their investment in it) becomes more fun and in the same way, more important. This is what produces user engagement, which is, as already elaborated through the thesis, the number one issue organisations which to resolve or support (Meloni and Gruener, 2012).

## 2.6. Gamification in Recruitment

### 2.6.1. Describing the Trend: Introduction of Gamification into Recruitment Practices

Organisations today are striving for unique and innovative ways in order to gain competitive advantage in this changing business environment (Sands, 2013). Recently, a number of organisations have employed the use of gamification for the purpose of employee recruitment (Chow, 2014). Results of these gamified recruitment processes are reportedly positive, although no clear statistics have been provided to objectively gauge its effectiveness. Chow (2014) states that gamification of the recruitment process may be conceptualised as a system of persuasive design; used to attract a wide range of potential job applicants, engaging them and directing their attention to pertinent organisational information  (Chow, 2014). Once the first part of the process - attraction - has been fulfilled, Chow (2014) states that gamification affects applicants through influencing their states of decisive attention, changing their attitude towards the firm. Attitude changes towards an organization may possibly lead to job pursuit behaviours, or greater awareness of an organization. In literature, this is related to the concept of Employer Branding (Chow, 2014)

Literature, media and the gamification industry players suggests that gamification concepts are currently being used by global corporations within HR processes in areas as such as Social and Collaborative Learning, Digital Executive Training Programmes, Employee

Recognition, Employee Engagement, Reward and Motivation, Facilitation of Virtual Working, Recruitment and Health and Wellbeing promotion (Sands, 2013). The trend involves using game mechanics (including points, badges and leaderboards) in making the firm's HR connections more interactive and rewarding staff and applicants for their contributions (The HR Specialist, 2014). *"Gamification taps into the social desire of humans for self-esteem and desire to interact"* (The HR Specialist, 2014). This yields intrinsic motivation in the users, which is a particularly important element which provokes a high degree of user engagement with the task, product, service and/or firm (depending on the goal designed in the gamified system).

To give more credibility to the phenomenon of gamification, research published by the leading information technology research and advisory company Gartner states that:

• By 2014, a gamified service for consumer goods marketing and customer retention will become as important as Facebook, eBay or Amazon

• By 2015 gamification will be in 25% of redesigned business processes

• By 2015, more than 70% of global businesses will utilise at least one gamified application (The HR Specialist, 2014).

• By the same year, more than 50% of organisations that manage innovation processes will gamify those processes (Gartner report, cited in Kapp's article ???).

The HR Specialist's article also elaborates on the trend by pointing out that small and midsize businesses can both take on the examples of their large competitors, who are increasingly using online games to recruit, educate and energise their staffs. (HR Specialist, 2014)

Frank Kalman's (2012) article in "Chief Learning Officer", regards the use of game design in recruitment. Kalman (2012) presents the following statistics:

• the estimated 2012 market spending in gamification, applying game mechanics and behavioural analytics in *non-traditional job applications* is $242 million.

• the current percentage of gaming market revenue derived from enterprise is 38 percent (followed by only 9 percent in 2011)

- a percentage of respondents to a 2011 M2 vendor survey who said "user engagement" was the main goal in developing game platforms is 47 percent

- the estimated total size of the gamification industry is $2.8 billion by 2016.

These statistics, although a few years old, demonstrate however the highly growing trend of gamification, and it's potency and potential as well as the most important motive for which companies usually apply gamification into their recruitment efforts: *engagement.* However, a growing number of organisations are finding that adding gamification to their HR, benefits and talent management programmes is a fun and entertaining way to not only boost engagement, employee morale and investment but also to improve compliance and efficiency in HR processes (Crawford, 2014). The article at HR Specialist (2014) suggests using recruiting games to assess soft skills and personality of the job candidates. Paul Jacobs, in his article in Human Resources Magazine, states that technology will humanise HR, and the HR profession should be ready to spearhead and champion this cause (Jacobs, 2012). Jacobs (2012) suggests that many areas of HR could be gamified, from talent sourcing through to performance management. As he further points out, gamification introduction to the recruitment process ideally involves blowing up existing processes and starting again with user motivation, challenge and reward uppermost in mind (Jacobs, 2012). Phil Roebuck (2012), in his article in "Recruiter" magazine, adds that *"the rise of digital technology in the recruitment industry will see crowdsourcing and gamification become the new buzz words on everyone's lips".* Roebuck (2012) explains that the way digital technology connects and interacts with companies has changed drastically and the way recruitment messages are projected and the candidates are sourced has evolved as well. The Recruitment 2.0.'s rise in social media as a tool to attract top talent has certainly been noticed as it has enabled companies to build their own communities under a strong brand; the so called Employer Branding is enacted. But Roebuck (2012) argues that as the digital world continues to advance, communities are evolving in a way that allows recruitment to be executed by *crowdsourcing;* "taking an aspect of a business which is normally carried out internally (new product ideas, for example) and outsourcing it to the public in an engaging manner which generates a solution for the organisation" (Roebuck, 2012). And crowdsourcing is tightly connected with gamification, or it should be, as it will be further explained in chapter 2.4.3. Gamification for Engagement, Crowdsourcing and Learning.

## 2.6.2.   The targeted "Players" for Gamification for Recruitment

With the change in the recruitment process, the evolution of the technological aspects provided for candidate sourcing, and job applications being available in many more ways than before, it is clear that candidate approach and approaching candidates has become easier than previously. But despite this fact, finding and retaining employees today is not easy. Wall Street Journal and Visage International have found that *31 percent of small businesses report major obstacles in finding qualified workers*, despite the challenging economy (cited in Zichermann and Linder, 2013, p. 217).  And although there is a big demand for white-collar skills, other fields are unable to find qualified workers neither. Zichermann and Linder (2013, p. 217) provide the following statistics about the current job market:

- 41 percent of the manufacturing industry and
- 30 percent in the service industry are unable to find qualified workers
- 29 percent of retail sector companies are facing increased challenges when looking for employees to move into jobs without extensive (and expensive) training (Zichermann and Linder, 2013).

Using gamification to recruit engineers, technology experts, and other highly skilled candidates, is only the tip of the iceberg. Companies seeking unskilled, or less skilled, labor are also introducing gamified strategies to help build a committed employee base. As Zichermann and Linder (2013) point out, even businesses that consider themselves overwhelmed with candidates still have to jump through recruitment hoops in order to find reliable, trustworthy, and hardworking prospective members of their teams.
Carly Chenoweth (2014) in her article at "People Management" suggests organisations should look at what the data is telling them about candidate trends, about where people are going and what interests them.

One of the challenges of the recruitment industry today is to get in contact with the *"passive candidates".* Passive candidates are the highly qualified employees already employed in other companies, valuable for their extensive knowledge of a sector (Zichermann and Linder, 2013) These candidates are not applying to job offers announced

through traditional recruitment sources, but are likely to consider an offer if approached through a right recruitment means (Zichermann and Linder, 2013). Employee retention is actually becoming a big challenge for the companies since the recruitment agencies have started implying this strategy. CareerBuilder.com (cited in Zichermann and Linder, 2013, p.217) reports that:

- *76 percent of employees would leave their current position if the right opportunity came along*

and MetLife (cited in Zichermann and Linder, 2013, p. 218), found that:

- *one in three employees reported an intention to leave his or her job by the end of the year.*

Zichermann and Linder (2013) say that the main reason why people consider leaving their jobs is that they are unhappy at their workplace. Conversely, employees who feel purposeful, motivated and connected to their work - by getting timely *feedback*, working in a pleasant, friendly environment, and finding *fun in* what they are doing - work harder, bring better results and stay employed at the same position longer. Feedback is an important element in employee retention, and it can also be better developed through gamified systems. However, employee retention is not the topic of this chapter, but what is important to notice is the talent pool available through this unconventional type of potential job candidates, also called *"pactive candidates"*. Harrington (2012) describes them as the passive/active majority who are satisfied with their job but who, if approached with the right opportunity, would turn active. Harrington (2012), in his article "Think afresh to reach talent" (HR magazine) cites that:

- *10 percent of the labor market account for the traditional job seeker, while*
- *90 percent comprise the passive/active candidates who are still employed but are waiting to be approached with the right job opportunity* (Harrington, 2012).

Matthew Jeffery, the SAP vice president, global head of sourcing and employment brand, is quoted in Harrington's article in HR magazine (Harrington, 2012) saying that:

*"Too many recruiters still rely on active jobseekers, pursuing Recruitment 1.0 and 2.0 strategies, based on traditional recruiting, agencies and online job boards and CV searches. The candidates they are reaching – those who are registered with agencies, applying for jobs and watching job boards – make up only 10% of the labour market. With*

*everyone seeking the best talent, it means employers are fighting for it in a small pool of active jobseekers".*

In order to engage the 90% of "pactive" candidates, recruiters would need to demonstrate the unique selling point of their company (Harrington, 2012). Matthew Jeffery[15], made an interesting statement by saying that it is recruiters' job to *create* job candidates (Harrington, 2012). In this fast paced world, it might not be easy to differentiate and attract applicants in that way, but the available tactics for employer branding are for example building communities in order to reach "pactive" candidates. And although there might be many in those communities who will not be right as employees, they will add value to a company as employment brand champions (Matthew Jeffery, cited in Harrington, 2012). Gamification is able to change the game in recruitment by enabling to surface the best quality candidates quickly, by extending the pre-employment testing regime to core skills, and making recruitment more social (Zichermann and Linder, 2013). While gamification isn't new in strategic planning, an increasing focus on making the process itself fun and rewarding, while raising the abilities of those involved, has made the gamification strategy more important than ever (Zichermann and Linder, 2013).

## 2.6.3.  Gamification for solving Recruitment 2.0 Problems

There are many Recruitment 2.0 social platforms out there which allow to promote a company's brand. They enable employer branding, and potential employees are able to to get an insight into what it is like to work for a particular organisation, compared to others. This should benefit the employer in acquiring a larger pool of good quality job applicants. But the problem with Recruitment 2.0 is that many employers and recruitment agencies are using these channels to merely broadcast messages rather than *build conversation* (Jacobs, 2012) This is a ***problem with communicating*** which is an often issue with implying the Recruitment 2.0 techniques channels, such as social media. By applying old media advertising techniques to new sources of recruitment, the organisations are typically not resonating or emotionally connecting with the audience. And the misuse of the

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[15] Matthew Jeffery is SAP vice president, global head of sourcing and employment brand.

communication systems (i.e. not communicating with the audience) cannot provoke user engagement - which is be one of the main points of a successful business and one of the main reasons why the most successful companies are implying gamification. Jacobs (2012) points out that is is necessary to be passionate about being social. To succeed in this space, as Jacobs (2012) says, the new breed of HR professional will be part psychologist, part sociologist and part anthropologist. If gamification is applied for the same purpose, than being able to think as a game designer would be added to this list.

Carly Chenoweth (2014) further elaborates in the topic of misuse of the technology in recruitment. She says that there is a certain aspect of "dehumanisation" in this. This dehumanisation is also connected with the problem with communication in the companies, but in this sense it refers to *communicating with the job applicants and  employees*. As Chenoweth (2014) finds, the most drastical examples are those where companies lay off staff by text message, and not responding to unsuccessful candidates has become a routine by many companies. Technology creates more efficiency, which should result in having more time to respond to people adequately. By using what technology has to offer, companies are suggested to at least send standard information messages automatically (Chenoweth, 2014) Not doing so can be damaging to the employer brand, Chenoweth (2014) points out. Ideally, the candidates would be informed about not only that they haven't got the role, but also where they did not meet the required standard. This allows them to acquire the necessary experience and reapply for the position in some period time (Chenoweth, 2014). In a commercial sense, candidates are likely to become customers too. It is important to keep a good company reputation either way, because this is how employer brand is built and the candidates (as well as those "passive" candidates mentioned in the previous chapter) are more likely to approach a company known for its sympathy and humanised strategy of dealing with them.

Another problem that is likely to occur in the environment of Recruitment 2.0, is the problem with receiving ***too many job applications*** through the technology means provided by such recruitment sources. Chenoweth (2014) finds that the technology possibly makes recruitment processes too easy, which leads to an infinitely multiplied number of candidates in the market, many of them pushed forward by automated systems in a zero-sum game that benefits neither employer nor jobseeker (Chenoweth, 2014).

The solution to the mentioned recruitment problems is Gamification. Gamification, is a Recruitment 4.0 tool, which:

- allows companies to demonstrate that they are fun and engaging places to work in (Zichermann and Linder, 2013). This is a way for companies to attract a bigger pool of top candidates.

- is capable of helping organisations to filter candidates at an extraordinary scale with the use of gamified systems particularly designed for a certain objective. This makes it such an effective recruitment tool (Zichermann and Linder, 2013).

- is one of the most powerful tools in talent acquisition today (Matthew Jeffery in Harrington's article - Harrington, 2012).

- personalises, humanises and adds fun to the recruitment process and, in doing so, encourages candidates to engage with organisation (Weekes, 2014).

Gamification can be integrated in recruitment processes by introducing quizzes around industry challenges, company related quests, behavioural quizzes and similar. This allows to check candidates' attitudes, time management, creative thinking, general knowledge, job related knowledge, problem solving capabilities or any other characteristic which may be relevant for the job. Gamification encourages the candidate to engage with the company by providing a simulation of the work environment. It also helps the candidate to grasp the company information i.e. characteristics and policies, while having fun playing the proposed game. Chenoweth (2014) further introduced that, if employed correctly, technology can even help the self-selection process. By allowing the candidates to learn about the company or the job through technology and media provided, they can understand their culture and get a realistic preview of the job. With this, they can "self-selection" themselves, as Chenoweth (2014) points out, because the information they gain about the position will allow them to picture themselves in performance, and depending on wether they like it or not, they will be able to choose if they wish to continue with the application. This kind of a system for recruitment is time-saving for both parties; candidates and recruiters, and this is why is makes it so effective.

However, the use of gamification, and its implications are often misunderstood (Weekes, 2014). Harrington (2012) cites Matthew Jeffery, who points out that:

*"People rushed in and thought it was about adding a game to the recruitment process, which wasn't quite right,"*

Similar to uses in other areas, gamification in recruitment needs to be designed with a specific goal of its implications. To yield the best results, clear objectives of the system need to be established, and this will possibly be the use of game elements such as points and leaderboards, but it should not be based solely on that as in that case it will not result positively for the system.

## 2.6.4. Gamification for Employer Branding, Engagement and Crowdsourcing

### 2.6.4.1 Gamified systems for enhancing Employer Branding

It has been seen that companies generally use gaming principle for intensifying customer and employee interest in their employer brand and to deepen their engagement with the company i.e. service. Gamification technologies can be seen on most of the top company profiles nowadays, either through profile ratings, loyalty programs, wrapper game prizes, employee-of-the-month schemes or any other program which involves customer or employee interaction. Gamified recruitment allows the best companies to demonstrate to top candidates that they are fun and engaging places to work in (Zichermann and Linder, 2013). Weekes (2014) states that games are able to draw the player in and feature characters that the player identifies with. In a recruitment context, this means letting employees tell their stories (Weekes, 2014). This is what connects the whole company built web community, designed to provoke communication in all the possible directions, which allows for a well positioned employer brand, for potential as well as current employees' use. Companies should work on building these communities and learn to communicate by engaging, listening and joining the real conversations on the Web (Harrington, 2012). As Karl Kapp (2014) writes in an "Chief Learning Officer article" from March, 2014, gamification can also help new employees get to know one another through activities that foster collaboration and cooperation, and learn about the company's policies, vision, mission and products (Kapp, 2014). App (2014) provides an example of

such a cause with the Software company SAP, which used gamification to keep recruited students in India interested in the onboarding process by inviting new hires to participate and win medals by answering trivia questions about the company (Kapp, 2014).

Siemens' Industry Journal (2012) highlights that it is easier to attract employees when a company takes a clear position as an employer. The consultancy Kienbaum conducted a study among 26 international companies. The Industry Journal article (2012), cites the Kienbaum concultancy's results on a study it conducted among 26 international companies. The study showed that a recognisable appearance helps in the recruitment of specialists, especially in the BRIC[16] countries, where:

• 60 percent of the businesses are convinced that employer branding is a must.

In the U.S., however:

• 40 percent of the businesses agree i.e. one-third less than in BRIC.

In Eastern and Western Europe the statistic represent:

• 30 percent of business consider employer branding a necessity, which is only half compared to BRIC.

By employing "employer branding", a company defines its identity as an employer as well as what it desires from and offers to employees (Industry Journal, 2012). The next step is to communicate these messages consistently.

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[16] In economics, BRIC is a grouping acronym that refers to the countries of Brazil, Russia, India and China, which are all deemed to be at a similar stage of newly advanced economic development. It is typically rendered as "the BRICs" or "the BRIC countries" or "the BRIC economies" or alternatively as the "Big Four". A related acronym, BRICS, includes South Africa. (source: en.wikipedia.org)

## 2.6.4.2 Gamification for building Engagement

Weekes (2014) explains that *"a great computer game ingrains itself into the consciousness and subconscious of the player to make them have one more play. We need to take that philosophy and work out how we can apply it in recruitment."*

What Weekes (2014) was referring to are the dynamics of engagement. He suggests that recruitment firms should build gamification into a number of candidate touch-points and exploit its use to inspire engagement through introducing simple, interactive, stimulating and entertaining content through their social media channels and career sites (Weekes, 2014). The impact and interaction of candidates could be enhanced through opinion polls, candidate surveys and page ratings, while league table and leaderboards might be used to ensure an element of competition (Weekes, 2014). Gamification strategies must have targets built into them, and the candidates must be encouraged to meet these targets. A well designed gamified system must provide for this in the first place. LinkedIn is a good example of a gamified system which has targets built in it, and in the same way these targets act as service's elements for user engagement. To explain it in more detail; each LinkedIn profile has a profile strength bar on it. Profile strength bar serves to encourage reaching a new goal and improving the profile status by performing tasks to provide with better quality information about the user.

Gamification serves not only for candidate engagement, but it also serves to engage the employees, i.e. the recruiters. One of the tactics for engaging recruiters in candidate sourcing, as Weekes (2014) points out, is gamification of referral schemes. Gamification of referral schemes works by rewarding the recruiter with points every time they refer someone, and in case the referred candidate gets an interview with the client firm, the recruiter receives more points (Weekes, 2014). This is just one of many ways gamification can be used to motivate the employees in working harder and performing better. The mentioned example motivates the employee extrinsically, but the true benefits of the gamification implications are seen through building up systems which are able to provoke intrinsic motivation, in current as well as potential employees. Intrinsic motivation, in case of recruitment companies, can be reached by giving a timely feedback to the employees i.e. potential employees about their performances. Timely and well-organised *system of feedback* is the key in keeping the current and/or future employees satisfied, feeling

purposeful and motivated. As it was mentioned in the previous chapter, employee retention is difficult if the employees feel unhappy at their workplace and their engagement with the tasks will certainly result in much lower performances than expected. Job applicants require as well a certain form of feedback about their performances in the job application process. For this purpose, many companies have reinvented their performance feedback systems using new gamified approaches that deliver instant, social rewards and recognition for a job application well done. This as well results in user engagement, as it is able to differentiate the recruitment company from others, by building a system which provides a feeling of care and sympathy for its applicants.

However, another things Weekes (2014) suggests is to measure the goals of the gamified system. This means a company should be aware of which characteristics it wishes to measure with gamification; does it want to use trackable elements such as likes, shares, leagues and leaderboards to create a buzz, brand awareness and to drive traffic at their websites; or it wishes to encourage people to go through the career sites and explore the opportunities offered by the company? Weekes (2014) suggests it is important to have clear goals and objectives about what the company wants to succeed with the gamified system implied.

## 2.6.4.3 Crowdsourcing for Recruitment through Gamification

To shortly introduce the theory of crowdsourcing, I will paraphrase Phill Roebuck (2012) who explained that companies are intensively using communities to their advantage by reaping the benefits they provide, which include: innovative ideas, improved employee skills and the ability to reach fresh talent. Roebuck (2012) proposes that the most popular way for implementing crowdsourcing is through gamification. The theory explains that by applying the same principles that inspire people to play games, such as achievements, status and rewards, businesses can drive deeper engagement and use this to attract and retain employees, as well as improve staff and business performance (Roebuck, 2012). Big brands are already realising the benefits of crowdsourcing and gamification. For example, Cisco Systems held an I-Prize contest in which teams using collaborative technologies created innovative business plans (Roebuck, 2012). The winners demonstrated how IP technology could be used to increase energy efficiency. More than 2,500 people from 104 countries entered the competition which is a significant pool of potential talent for the

organisation that may not have been reached without this technique, Roebuck (2012) explained. Another example of a company which reaped the benefits of crowdsourcing is IBM, who collected more than 37,000 ideas for potential areas for innovation from brainstorming with its customers, employees and family members through a crowdsourcing initiative.

The future of recruitment suggests using techniques such as Gamification and Crowdsourcing on a daily basis for all the possible recruitment activities. It will be discussed in more detail in the last sub-chapter of this chapter, called "The Future of Recruitment".

## 2.6.5. Popular cases of introduction of Gamification for Recruitment Purposes

The following are the cases of famous and successful introductions of gamified systems for recruitment purposes. Cases are differentiated by the objectives and goals of their implications, as well as the means and the game design introduced by each. They serve as great examples of the trend and they were all able to yield great result in terms of cost saving and efficiency, as it will be demonstrated further on.

### ✤ American Army's: "America's Army"

Zichermann and Linder (2013) explained in detail the case of American Military's first introduction of a gamified system for recruitment purposes, more specifically, for *attracting a bigger pool of applicants*.

American Military was in a period where they couldn't find any more incentives to motivate the American Youth to apply for positions in the army. They needed to develop a certain system of recruitment which would make the job more appealing to the potential applicants, and finally, in 2002 they introduced a game called *"America's Army"*, which as cited in Zichermann and Linder (2013), had changed the recruitment process forever. By changing the sourcing strategy, which included educating the prospective soldiers on the possibilities of a career in the armed forces, "America's Army" let them experience it. Using computer game technology, "America's Army" provided players with a virtual

Army experience (Zichermann and Linder, 2013). The game was designed with a goal to "put the U.S. Army into the discussion when high school grads were thinking about careers" (Colonel Wardynski - the retired U.S. Army colonel, cited in Zichermann and Linder, 2013), and to eventually convert the players into recruits. The result of this gamified system application to their recruitment process eventually led to lower acquisition cost, and *"America's Army" became the most cost-effective recruitment project in the military history* (Zichermann and Linder, 2013). Over the course of 10 years, the cost of building the game equaled a total of $33 million, and maintenance costs were substantially lower - ultimately a small drop in the $700 million annual recruitment budget of the armed forces (Zichermann and Linder, 2013). Over that period, the Army claimed in sworn congressional testimony that "America's Army" was more effective than any other approach at connecting with recruits (Zichermann and Linder, 2013). The game effected the American Army's reputation greatly, as demonstrated by a research made in 2008 by the Massachusetts Institute of Technology (MIT), which after researching the results of the game, found that 30 percent of young Americans had a more favourable opinion of the Army directly because of the game and that it had a greater impact on recruits than all other forms of Army advertising combined (Zichermann and Linder, 2013).

Image 1. **America's Army Game** source: Official "America's Army" website (www.americasarmy.com)

Picture 1 demonstrates the game. By playing it, the players were able to understand what it meant to be in the Army and, as Zichermann and Linder (2013) cite, new recruits who had played the game were far more likely to make it through the first nine volatile weeks of basic training. As the game led the players through different fazes of the Army's activities, the new recruits benefited the Army by arriving with some idea about where they belonged in the system, and in some cases, with preliminary training. For example, to become a medic in the game, players had to go through specialised training (Zichermann and Linder, 2013). This turned out to be very successful in cases where the soldiers needed to improvise in situations of high emergency.

The "America's Army" is, as reviewed previously, a complex game, that required years of development and thousands of production hours. As Zichermann and Linder (2013) highlight, not all great gamified recruitment ideas need to be so expansive. The element of *fun* was what made such an unmitigated success of the game "America's Army" (Zichermann and Linder, 2013). By making a game - or a challenge - fun, attracting players becomes substantially easier.

### ❖Google's: "Billboard Challenge"

Zichermann and Linder (2013) provide another interesting case of gaming in recruitment, with the purpose of *attracting highly qualified candidates.* Google is the main actor this time. Known as a high-technology company, Google is constantly looking for new, mathematically and technologically inspired individuals who would fit into their business needs and their company atmosphere. Google has considered using gamification as a form of recruitment strategy for this particular part of the workforce. They knew that the concept of *fun* for these, highly intellectual individuals might present something out of the scope of what is considered to be entertaining for the general public. But Google planned out a great challenge, specially designed to target the wanted recruits i.e. as they put it: "*the best engineers in the world*" (Google, cited in Zichermann and Linder, 2013, p. 106).



Image 2. **The Google Billboard Game.** source: Fillmore (2013)

In 2004, Google placed a billboard in Silicon Valley that stated "{first 10-digit prime found in consecutive digits $e$}.com." It didn't mention its name on the billboard, because the focus was on the assignment and not on the fact that such a big name is recruiting new engineers. The targeted individuals i.e. the mathematically curious, had their interest piqued by the assignment. By solving the puzzle (answer being: "7427466391.com") the "players" were led to another blank page containing another mathematical puzzle to solve.

If they were again successful in solving it, they were taken to a Google Labs page where they read the following:

*"One thing we learned while building Google is that it's easier to find what you're looking for if it comes looking for you. What we're looking for are the best engineers in the world. And here you are."* (cited in Zichermann and Linder, 2013).

The reward for the recruit's effort and accomplishment was a powerful compliment from the world's leading software company. This "secret" recruiting tool delivered in the form of a puzzle ensured that those who attempted to solve it actually had a personal and vested interest in the challenge (Zichermann and Linder, 2013). Google's tactic was to eliminate the applicants unsuitable for the job i.e. those who would not bother to solve (much less figure out) a random mathematical equation placed on a billboard. It was targeting the atypical mathematical enthusiasts and problem solvers, and that is what they got by innovation their recruitment process in this way.

By attracting the right applicant pool through its billboard challenge, Google was able to kick of its recruitment efforts with a solid base of uncommonly qualified candidates. Google's model was considered to be a great success in delivering quality engineers, which is why the challenge has been repeatedly emulated and reimagined by other companies with a goal to achieve the same results (Zichermann and Linder, 2013).

**♣L'Oréal's: "Reveal Game"**

This example of applying gamification to recruitment served as a means for attaining new employees through employer branding and crowdsourcing, implemented through gamified design.

Zichermann and Linder (2013) explain that in 2010, L'Oréal had introduced *"Reveal",* a competitive recruitment game. It needed *more qualified job candidates* to fill its positions, and it also wanted people with skill sets that weren't on the radar of a high-end makeup brand. The company was lacking talent in various fields, from programmers to engineers, but it was facing difficulty in convincing that talent to consider them as a potential new employer. This is when they decided to implement a gamified system into their recruitment efforts and the "Reveal" game was born.

Image 3. **L'Oréal Reveal Game.** source: L'Oréal's Official Web Page
([www.loreal.com/news/recruiting-a-forceful-policy.aspx](www.loreal.com/news/recruiting-a-forceful-policy.aspx))

The game was directed at graduate students and designed to give them a perception about how their working environment might feel if they chose L'Oréal as their potential new employer. The goal of L'Oréal's "Reveal" was also to teach the newly grads about the cosmetics industry. There might have been individuals with great talents, but no knowledge about the requirements of the cosmetics industry, which prevented them from being recruited for a job they might have liked. "Reveal" allowed students who didn't know where their skill set would be most valuable in the cosmetics industry, to experience and better understand everything from product design to marketing and accounting. The game also prompted recruiters to reach out to people achieving the highest scores, thereby matching potentially suitable candidates with job openings. The game helped students discover a focused career path and conversely; allowed that career path to discover the students (Zichermann and Linder, 2013). The "players" were given the opportunity to find a deeper understanding of what they would want to do, which led to their better suitability and performance when they were actually recruited for the position in the real world.

"Reveal" for sure changed the way L'Oréal recruited, and it serves as an example of a very-well designed gamified system for recruitment purposes.


♣**Marriott Hotels': "My Marriott Hotel"**


Zichermann and Linder introduced another successful introduction of gamification to recruitment. Marriott Hotels have used it in order to attract younger generation employees and to forecast the employer brand while doing so.

As they explain, in 2012, Marriott International - the parent company of the worldwide hotel chain - found itself faced with 50,000 non-U.S. job openings out of a total of 129,000 positions open at any given time (Zichermann and Linder, 2013). Recruitment outside of the United States, particularly of younger staff, was mostly providing under qualified base with high turnover. Marriott had in mind that the best potential employees might be the individuals who haven't neither considered the hospitality industry as a potential career. For this purpose, the company launched the game called "My Mariott Hotel", to help bolster its company's image, particularly in places where it might be considered a prestigious career possibility (Zichermann and Linder, 2013).

It was intended to introduce the culture of western business hospitality to countries such as China and India, where the hotel industry had only just been triggered. "My Marriott Hotel" used a model similar to Zynga's popular Facebook game "Farmville", or the casual gaming hit "Diner Dash", which allowed it to create the gamified experience.


The player's journey was described as follows:
- first time player begins with starting a restaurant
- player is able to do everything, from decorating the dining room to ordering the food and maintaining the budget (showing off their creative, managerial and accounting expertise)
- as they move through the game, the players are able to try out every position within hotel operations (which allows them to allocate the possible branch of interest, but also provides information about their performances in different roles to the recruiter)


"My Marriott Hotel" almost immediately attracted tens of thousands of active users and hundreds of thousands of page views (Zichermann and Linder, 2013). Zichermann and Linder (2013) point out that one of the most compelling pieces of the game design of "My Mariott Hotel" is a banner at the top of the page that reads simply: *"Do It For Real".*

When this banner is clicked, it takes the applicant to the list of 50,000 career opportunities as well as to recruiters who can help facilitate the beginning of a conversation / job application process.



Image 4. **My Marriott Hotel Game.** source: Blogging4Jobs - Recruting and HR Blog (www.blogging4jobs.com)

This example is very inspiring for those who wish to attract a bigger pool of applicants, especially for attainment of younger potential job candidates (also referred to as "Generation Y candidates"). By designing a gamified system, the company is able to differentiate itself, my making the recruitment process more appealing and attractive for these new job candidates who expect to achieve as much meaning in their working life as they have in their lives outside the office. And for them, a game that can help them achieve a meaningful career path is a valuable asset for the businesses hoping to hire them.
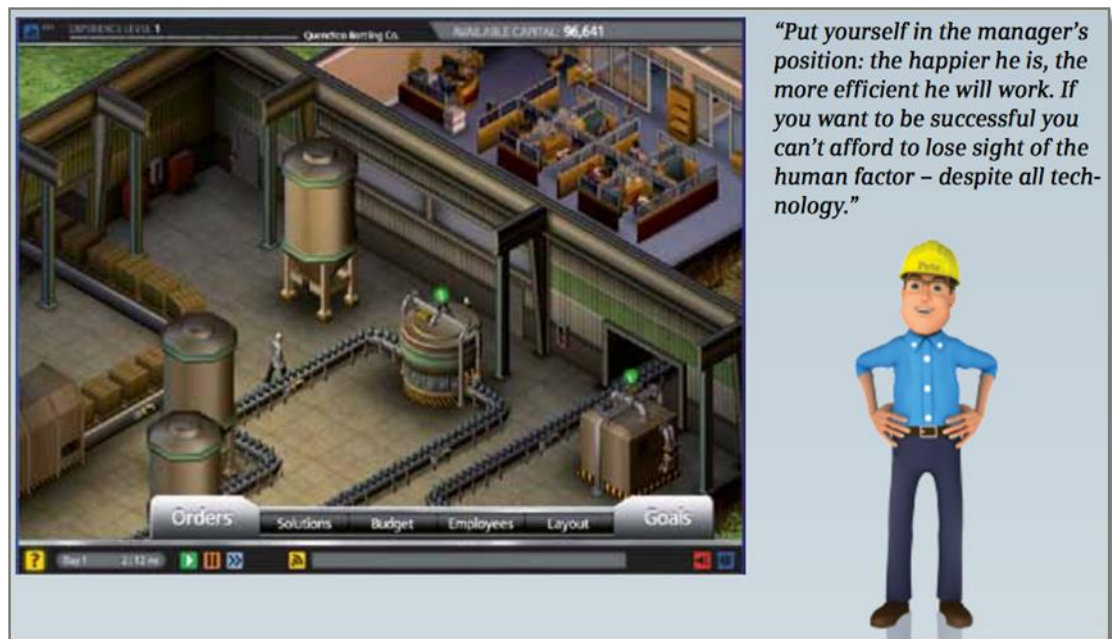
**♣Siemens': "Plantville"**



Image 5. **Plantville,** source: Siemens, Industry Journal (2012)

Picture 1 demonstrates the game design of "Plantville", the online-gaming platform developed by Siemens. The game is about the optimal management of production plants. It simulates the experience of being a plant manager. Players are faced with the opportunity and a challenge of running a virtual factory, maintaining the operation of their plant and trying to improve the productivity, efficiency, sustainability and overall health of their facility (Siemens - Industry Journal, 2012).

Some of the tasks capture:
• the evaluation of key performance indicators,
• allocation of scarce capital funds,
• and the ability to improve process efficiency with the purchase and installation of more Siemens equipment.

Factory managers in Plantville are obliged to:
• hire and deploy workers,
• balance worker safety and satisfaction against production delivery schedules, and
• continuously adapt strategies to changing external conditions.

The game serves as a kind of marketing tool to help educate the public, current employees, and potential customers about Siemens products. However, the executives at Siemens see Plantville as a part of their employee recruiting strategy as well (Steve Boese, 2011). In a recent *Business Week* article, about the increasing use of games in various business scenarios; Siemens' head of marketing communications, Tom Varney,  stated:

*"With Plantville, we think there's a big educational play with colleges and high schools. (…) We have about 3,000 jobs posted in the U.S. at Siemens, many in technology or manufacturing (…) We're hoping to inspire a new generation of plant managers."*

Siemens' strategy with gaming systems centres its goals towards making manufacturing more attractive to young people. Siemens uses gamification in its recruitment efforts in order to reach high-skilled and high-tech candidates. With it's interactive game, it reaches out to capture the energy, attention and fascination of this young people. The game cost approximately $1 million, and it took 9 months to build it.

Game design elements used in "Planville" are:

• Leaderboards
• Narrative
• Role play
• Avatar

As the player spends hours in virtually running a factory, he is potentially able to perform better in real terms as by playing the game, he already gets familiar with the whole process. This is very beneficial for the company as well.

## 2.6.6. Critical overview of the concept of Gamification

Gamification has been a huge sensation, in the media and in the recent literature. But the question that is still unanswered is *"Does it actually work?"*. The truth is that there isn't a tremendous amount of research proving the effectiveness of gamification. And the landscape is changing practically on a daily basis. Furthermore, Gartner predicted that 70% of the world's top 2000 companies will be using gamification in some form by 2014, but just 12 months after, it released another report saying that "gamification is currently being driven by novelty and hype". By 2014, it predicted in this report that 80% of gamification applications will fail to deliver "because of poor design" (source: gartner.com). Numerous critics argue if gamification is just a rehash of old ideas, they state that it might be exploitative, and potentially actually undermine motivation as well as provoke addiction.

The promise of gamification is to learn from games, to draw on what makes games powerful and apply it in other context (Werbach, 2015). The question is not if gamification actually works, but how it should be implemented and for which purposes and objectives, explained professor Werbach in his online lecture at Coursera (Werbach, 2015). Brian Burke, research vice president at Gartner pointed said that many attempts to gamify situations are let down by people who do not understand games in the first place. He explained:

*"Poor game design is one of the key failings of many gamified applications today," Burke explains. "The focus is on the obvious game mechanics, such as points, badges and leader boards, rather than the more subtle and more important game design elements, such as balancing competition and collaboration, or defining a meaningful game economy."*

So, one of the critics is targeted at the use of game mechanics such as points, badges and leaderboards, instead of the more important game design elements which are actually able to provoke the sense of motivation and engagement in the users. This situation is commonly referred to as "Pointsification". The most frequent critiques on the concept of gamification are listed below.


*1. Pointsification*

It is argued that gamification should actually be termed pointification, because what most organisations introduce to their businesses is actually just points and badges. The term was coined by Margaret Robertson, British Game Developer. In her blog "Hide & Seek" Robertson wrote:

*"Gamification isn't gamification at all. What we're currently terming gamification is in fact the process of taking the thing that is least essential to games and representing it as the core of the experience."* (source: Hide & Seek Blog; http://hideandseek.net/2010/10/06/cant-play-wont-play/)

What she is trying to say is that gamification relies only on the surface aspects of games, the mechanics and other elements. Robertson says that gamification is not using the best that games have to offer, which is getting people to play while stimulating a powerful set go motivational aspects. Instead, using points and badges and similar elements don't necessarily produce the sense of true engagement and intrinsic motivation, which is very important in the change of behaviour and sustaining results that are beneficial for the people involved in the system. So, if gamification is reduced to pointsification, according to Robertson it reduces the chance of sustained, deep engagement that is necessary to drive real business results and real behaviour change.

The truth is that, as previously mentioned, there isn't a tremendous amount of data proving effectiveness of gamification. There are many examples of good practice which suggest that gamification is valid and can work if designed and applied appropriately, but it is not possible to know what the data really shows in large scale practical deployments (Werbach, 2015).

Another critique of pointsification is that, if gamification is really based on it, there is a risk that it might spike the engagement at first but that this feeling will eventually decay. Points and badges represent a kind of extrinsic reward system, and as it has been seen, it was proven that extrinsic motivation is not as effective as intrinsic for motivating employee performances and engagement.

This is also termed as *"Overjustification"* or *"Crowding Out"* which highlights that gamification can fall into all the dangers of extrinsic awards if applied by pointsification only.

Werbach (2015) also argues that if we rely too much on simplistic, external rewards based systems, it will potentially push people away from the true, intrinsic motivation; passion for the activity, for the task, of the process. Gamification is not just applying point systems

and game elements in situations where they are not really appropriate, said Werbach (2015). Werbach (2015) also pointed out that it should be always keept in mind that there is a difference between pontification and gamification and to recognise the bite that this criticism has.

## 2. *Expolitationware*

This critique goes around the opinion that gamification is potentially too effective and is possible to make people do things that are not necessarily in their interests. The term was coined by Ian Bogost, who is a video game designer, critic and researcher (source; www.bogost.com/writing/expolitationware.shtml).

Bogost and the other critics on the topic of gamification state that gamification intentionally makes people do and act in ways which they otherwise wouldn't. Gamification can seduce people into ignoring the actual conditions of their workplace, as oppose to focusing on the actual compensation, meaningfulness and rewarding aspects of the job (Bogost on his Webpage). Gamification fundamentally undermines the nature of economic and social exchange between employees and their employers.

The critic is about the opinion that gamification proposes to replace real incentives with fictional ones. Real incentives come at cost but they provide value for both the employer and employee, based on a relationship of trust. By contrast, pretend incentives reduce or eliminate cost but they strip away the relationship i.e. value and trust among the employers and employees.

Exploitationware, as well as Pointsification is a legitimate criticism, and is one that the successful and thoughtful gamification designers nwwd to be aware of (Werbach, 2015).

## 3. *Idea of Addiction*

Perhaps the biggest concern around gamification is around the ***idea of addiction***.

Zicherman and Linder (2013) mentioned Skinner's experiments from 1940s and 1950s, which demonstrated that in order to get a rat hooked to pressing a lever the best way is to make the number of times it has to press a lever before receiving a pellet random rather than fixed. This technique is known to psychologists as a *variable schedule of rewards* (Zichermann and Linder, 2013). Game designers are well aware of this and design in uncertainty to help make their products compulsive. So what is to stop those making gamified applications doing the same thing to encourage addictive behaviours which they wish to promote, critics ask.

"If we deliver undefined rewards of variable sizes at undefined intervals, people can become addicted," said Zichermann.

That's one of the main reasons Zichermann is pushing the industry to draw up a voluntary code of ethics which he hopes will state applications should not be designed to be addictive and that users must be told when a system they are using involves gamification. Only time will tell if it is adopted. (source: http://www.bbc.com/future/story/20121204-can-gaming-transform-your-life)

Estimates suggest that nine-15 million Americans are problem gamblers and 1.8 million are addicts.

# 3. CASE STUDIES

## 3.1. Methodology

### 3.1.1.   Research Aims and Objectives

The overall aim of this thesis is to explore the use of e-recruitment platforms in the new candidate sourcing process by employment agencies. Particular focus is given to the use of Gamification platforms as a function of candidate and employee engagement and motivational tool with the goal of new candidate attainment.  Three research objectives have been set in order to provide an informed discussion:

1. Examine the published literature on the topic of evolution of recruitment process and its sources as well as the concept of Gamification as a tool to drive increased user engagement and motivation.

2. Identify, on the basis of available literature, how the e-recruitment sources along with gamification, affect the recruitment process of today, with a particular regard to their implications to the sourcing part of candidate recruitment in employment agencies.

3. Collect empirical data from two very well established recruitment agencies by applying the knowledge gained by the previous two objectives in order to confirm the change in the recruitment process, the various strategies each has introduced and how they are used by the two cases in order to gain competitive advantage in reaching the high quality candidates.

The literature has shown the shift from traditional recruitment sources to e-recruitment sources, and all the benefits in terms of efficiency; better time management, cost reduction and similar positive trends that were triggered by this evolution. It has also shown strong evidence to suggest the great potential of the principles of game mechanics and gamification for the companies which adopt them.

The main research objectives have been to analyse the use of e-recruitment sources and gamification by recruitment specialists currently using them within their recruitment process of candidate sourcing.

The overall aim of this research is to determine to which extent the empirical evidences demonstrate the characteristics proposed by the literature, with particular interest in gamification implications to the sourcing part of the recruitment process.

## 3.1.2. Research Methodology

The research methodology refers to the overall strategy which was carried out in order to answer the research questions posed in the thesis.

The topic of e-recruitment and its sources has already been thoroughly researched by the academic literature, leaving little grounds for further explorations. However, one of the recent evolutions in recruitment has been a "Recruitment 4.0" tool; Gamification. The concept of gamification in business is a new but growing phenomenon, and the academic research and articles have only started exploring its benefits for recruitment in the recent few years. Furthermore, this dynamic topic is grounded in technology industry, which is one of the fastest moving industries today. As this trend is still emerging, the purpose of this research has been to get a more in-depth understanding of the topic and its applications for business goals. It was necessary to constantly interact with the newly arising literature in order to ensure new trends and changes were captured to satisfy the requirements of the research objectives.

For this reason, the qualitative research approach has been found as the more appropriate one than the quantitative approach. Qualitative approaches "understand phenomena in context specific settings" (Golafshani, 2003) and these approaches are specifically helpful when a connection between the theoretical and practical reality is to be analysed. The connection of theory and its application to the real world, is one of the main research aims of this thesis. The qualitative research method aims to answer questions about the "what", "how" or "why" of a phenomenon, rather than "how many" or "how much", which are answered by quantitative methods (Brikci and Green, 2007) The research aim of this thesis is to find out the benefits that the new recruitment trends bring to the whole recruitment process, and its goal is to answer the questions about:

• "*what* is the change that occurred in the recent recruitment environment",

• "*how* did it manifest itself (which are the products of its evolution)" and

• *"why* is this beneficial or not for the candidate sourcing part of the recruitment process".

The qualitative method is used in order to answer these questions and to understand the perspectives of the participants (interviewees) as well as to explore the meaning that they give to the researched phenomenon. This allows to observe the new process of recruitment more thoroughly and to understand how the different strategies can be implied to produce the better performance of the overall systems.

*"Unlike quantitative researchers who seek causal determination, prediction, and generalization of findings, qualitative researchers seek instead illumination, understanding, and extrapolation to similar situations"* (Hoepfl, 1997, cited in Golafshani, 2003, p. 600). Golafshani (2003) explains that the qualitative analysis argues from the underlying philosophical nature of each paradigm, enjoying detailed interviewing; while the quantitative method focuses on the apparent compatibility of the research methods (Golafshani, 2003). From this it results that the methods such as interviews and observations are dominant in the naturalist (interpretive) paradigm, and they are different from the ones used in the positive paradigm (quantitative method), where the use of survey serves to explain the research question (Golafshani, 2007).

So, for the benefits of this research, a qualitative research with a naturalist (interpretive) paradigm has been used as a research method. This research is based on a theoretical part where all the main indications of the trends have been imposed, and it follows with explaining the phenomenon through case studies where companies have been interviewed in order to confirm the research question and objectives. According to YIN (2003a, cited in Kohlbacher F., 2006) there are six possible sources of evidence for case studies: documents, archival records, interviews, direct observation, participant-observation, and physical artefacts (Yin, 2003a, pp.83, 85-96). For the purpose of this thesis, interviews were conducted with representatives of two recruitment companies in order to collect the information for the two Case Studies. As a research strategy, the case study contributes to our knowledge of individual, group, organisational, social, political, and related phenomenon (Yin, 1989). The case study method is used to allow the researchers to keep hold of the interconnected and meaningful characteristics of real-life events - such as individual life cycles, organisational and managerial processes, neighbourhood change, international relations, and the maturation of industries (Yin, 1989).

The case studies conducted in this research have examined two companies in recruitment industry. Both companies are recruitment consultancies, one located in London, United Kingdom (*BRUIN Financial*) and the other is a branch of the world's leading provider of HR solutions, located in Zagreb, Croatia (*Adecco Group*). The interviewed persons were respectively; Ana Maria Tuliak - Vice President Consultant (BRUIN Financial) and Martina Špiljak - Permanent Placement Manager / Director of Candidate Sourcing and Selection (Adecco, Zagreb). The interviews with the representatives were conducted through Skype calls (BRUIN Financial) and inside the company's offices in Zagreb (Adecco). The interview questions have been designed in a way to allow the interviewees to talk in their own words about their experiences, while the interview process leading them towards answering the research specific problematics. The interviewees were contacted in advance, when the research aim was explained to them, as well as the topics that will be carried out in the interview. The same interview guide was designed for both companies, in order to make it possible to compare the answers of the two, which would serve as a comparison of the similarities and differences in the approach to recruitment i.e. candidate sourcing process and sources used. The *interview guide* initiated with questions about the recruitment process of each company. The interviewees were asked to explain the recruitment process in detail, while focusing on the more innovative parts of the process, such as the use of e-recruitment sources; social networking websites, and the potential use of gamification elements inside the firms (for employee and candidate motivation and engagement). Some general, firms specific questions have been asked as well. The first part of the interviews was conducted by asking questions related to the use of different kinds of recruitment sources for reaching potential candidates. The questions were asked both from the perspective of the recruiter and from the perspective of potential candidate (for example; how does a candidate find out about a certain job posting). Interviewees were asked about their opinions concerning the change in the recruitment that occurred - if it occurred in their companies in the recent period. This question was meant to outline the positive and negative effects of recruitment evolution towards electronic recruitment pushed by the advances in technology. Interviewees were also asked about the investments their companies made in the recent periods in order to enhance their recruitment processes. This question aimed at explaining the benefits of the introduced investments, as well as the pitfalls of the old system. Interviewees were then asked about the risks and ethical issues related to the use of social networking websites for candidate screening. They were lead to talk about their perceptions of this issue and their opinion of

the overall topic, from the perspective of recruiters. The second part of the interview was aimed at explaining the use of game elements for user engagement and motivation by the two companies. A list of game elements was shared with the interviewees and they were asked to point out which game dynamics, mechanics and / or components were used by their companies, in which way were they used and for which purposes. The interviewees were encouraged to talk about the gamification of their workplaces, both for employee and potential candidate engagement and motivation. They were asked to explain  in detail the use of game elements by their companies, leading them to talk about the "player's journey", i.e. explaining the process of "motivation - action - feedback" in relation to their employees, but also regarding the job applicants. Both interviews were carried out in approximately one hour. The interview with BRUIN Financial representative was realised by two Skype calls in diverse periods, while the interview with Adecco was finalised with one meeting at their offices in Zagreb. The communication preceded and succeeded with conversation through email messages, where the representatives provided me with research related materials which thoroughly explain some of the processes carried out by the firms. At some point, Ms. Tuliak (BRUIN Financial's representative) suggested me to contact another Ms. Julia Smith, FISER Group's Marketing Manager, in order to answer to some questions which were more marketing related. Ms. Smith, who is responsible for FISER Group's (and BRUIN's in this context) brand strategy and communication was contacted through email and she provided me with answers regarding the employer branding strategies, as well as gaming elements by which BRUIN motivates its employees and candidates. She has also shared a document which outlines the recent investments made by BRUIN. The information is elaborated and described in the Case Studies (*chapter 3 of this thesis*).

Another research tool was employed and it allowed to collect even more accurate and relevant data; *Observation*. The observing phenomenon is an element of the qualitative method approach which is used as a strategy to gain insight into how and why the certain phenomena takes place. It is based on real events where the actual behaviour is observed, not verbal responses as in a questionnaire. Observation was conducted in company BRUIN Financial during a work experience which was executed through 3 months (February 21st - May 25th, 2014). While working on a "Researcher" position, I was able to gain insight into the company's candidate sourcing process from first hand. I had the opportunity to observe the whole recruitment process, while being as active part of it. I have experienced the

company's culture and the different mechanics of its behaviour, which was often introducing elements of game design as well. So, by the time the interview with the representatives was conducted, I already had a good perception of the topic and its implications to the recruitment environment.

In summary, the research methodology proposed by this thesis was purposed at outlining the overall strategy adopted to answer the research question posed. The central research question of this master thesis regards the present trends occurring in the recruitment industry, with particular focus on the recruitment process's part of candidate sourcing. The main question is referred to the use and benefits of Web 2.0 sources, as well as the arising Recruitment 4.0 trend; Gamification. The research should clearly explain the advanced recruitment process by taking two very successful recruitment firms as examples. The problem addressed in this dissertation regards the question of motivation as well. Which are the means which could serve as motivational patterns for the recruitment companies' employees and potential candidates' engagement? As seen through the theoretical part (chapter 2 of the thesis), motivation is what drives the employees towards acquiring the company goals. And the goal of recruitment firms is certainly attracting high quality candidates to fill their job openings. Employee motivation will be addressed in a certain amount, but the research is mostly based on motivational techniques applied to reaching and acquiring job candidates. What are the employment agencies doing in order to attract job applicants? How are they able to get their attention? How can they attain a bigger pool of applicants for a certain position? And how can they reach the high quality, job specific candidates that aren't even looking i.e. the "passive candidates"? Reaching younger generation candidates is another objective to take a look at. But to sum it all up, the main problem which is to be resolved through this dissertation is the change in the recruitment process and the way it influences positively (or negatively) the today's recruitment companies' performances.

## 3.2. Adecco Group

Adecco Group is a Swiss multinational human resource consulting company based in Glattbrugg, Switzerland. It was founded by Adia in 1957 in Switzerland and merged with Ecco to form Adecco in 1996 (Adecco Finland Official Website). Adecco is the world's leading provider of recruitment solutions and HR services (Adecco Group Official Website), and has leading positions in Europe, North America, Asia-Pacific and Latin America (Adecco Group Company Report, 2014). With more than 33,000 FTE[17] employees and a network of 5,600 branches, in over 60 countries and territories around the world, Adecco connects close to 750,000 associates with over 100,000 clients daily, making it one of the ten largest employers globally (Adecco Finland Official Website). Adecco Group is a *Fortune Global 500* company (Adecco Group Official Website).

Adecco offers the following categories of services (Adecco Group Official Website):

- *temporary staffing*

- *permanent placement*

- *career transition*

- *talent development*

- *outsourcing*

- *consulting*.

What makes Adecco unique is its global reach and its broad, comprehensive range of leading services and solutions. Adecco is one of the leading forces shaping the change in today's world of work (Adecco Group Official Website), with its efficient and responsive recruitment process providing flexible, tailor-made solutions in both temporary and permanent placement.

They have developed two distinct approaches to the market:

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[17] FTE - the ratio of temporary workers (source: Adecco Group Company Report 2014).

- For positions that require general skills, Adecco offers to its clients tailored solutions, focusing on industry know-how and cost leadership. A continuity and nurturing long-term relationship with associates is ensured by this strategy.

- For positions that require specialised professional skills, Adecco provides experts who are able to find the right candidates. Their aim is to provide consecutive assignments, ensuring talent retention and skill enhancement for their associates.

*"As the global leader in HR services, we are aware that traditional patterns of employment will continue to evolve in the years to come. We therefore encourage present and future generations to see change as opportunity in its multiple forms. We invite people to accept tomorrow's challenges with confidence and to join us in shaping the future of the workplace"* (Adecco Group Official Website)

Adecco's moto *"better work, better life"* refers to their aim in building a company that will make a positive difference in the way people work, by helping organisations get the most out of their talent and helping talented people get the most out of their careers (Adecco Group Official Website).

*"We are dedicated to earning the trust and loyalty of our associates, clients, customers, shareholders, the communities in which we operate and one another, by performing our work in accordance with our Code of Conduct and our core values of team spirit, customer focus, passion, responsibility and entrepreneurship." (Adecco Group Company Website).*

### 3.2.1. Adecco Croatia

Adecco has been present on Croatian market since the year 2003, through three legal persons in line with the specific needs of Adecco clients and the provisions of Croatian labor legislation:

- Adecco Ltd for temporary employment[18]

- Adecco Croatia Ltd for intermediation in employment[19]

- Adecco Outsourcing Ltd (Adecco Croatia Official Website).

- Adecco Croatia is represented through two brands; Adecco and Lee Hecht Harrison[20] (Adecco Croatia, Power Point Presentation 2015).

Currently, the Croatian branch of Adecco employs twenty-two temporary employees, dispersed through offices in three Croatian cities (Zagreb - main office, Rijeka and Pula). Adecco Croatia provides more than 1,100 associates and serves more than a 100 clients on a daily basis. Is also has access to a database of 20,000 candidates (AdeccoWeb) which covers all the Eastern European countries.

| Brands | Adecco, Lee Hecht Harrison |
|---|---|
| Temporarily Employed | 22 |
| Market Share | 21% |
| Associates provided daily | 1100+ |
| National coverage | Offices in Zagreb, Rijeka and Pula |
| Clients served daily | 100+ |
| Candidates in database | 20.000+ |

Table 2. **Adecco in Croatia.** source: Adecco Croatia Power Point Presentation (2015)

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[18] Originally in Croatian: *"Adecco d.o.o. za privremeno zapošljavanje"*

[19] Originally in Croatian: *"Adecco Hrvatska d.o.o. za posredovanje pri zapošljavanju"*

[20] Lee Hecht Harrison (LHH) is a part of Adecco Group and a global leader in providing outplacement services to companies that are facing increasing pressures on their businesses resulting from demographic shifts, productivity demands and changing global business requirements (Lee Hecht Harrison Official Website).

Adecco Croatia has twenty-two temporarily employed people, out of which nine are full-time consultants for the process of candidate sourcing and selection in Croatia (Figure 14), and they all function as one team.
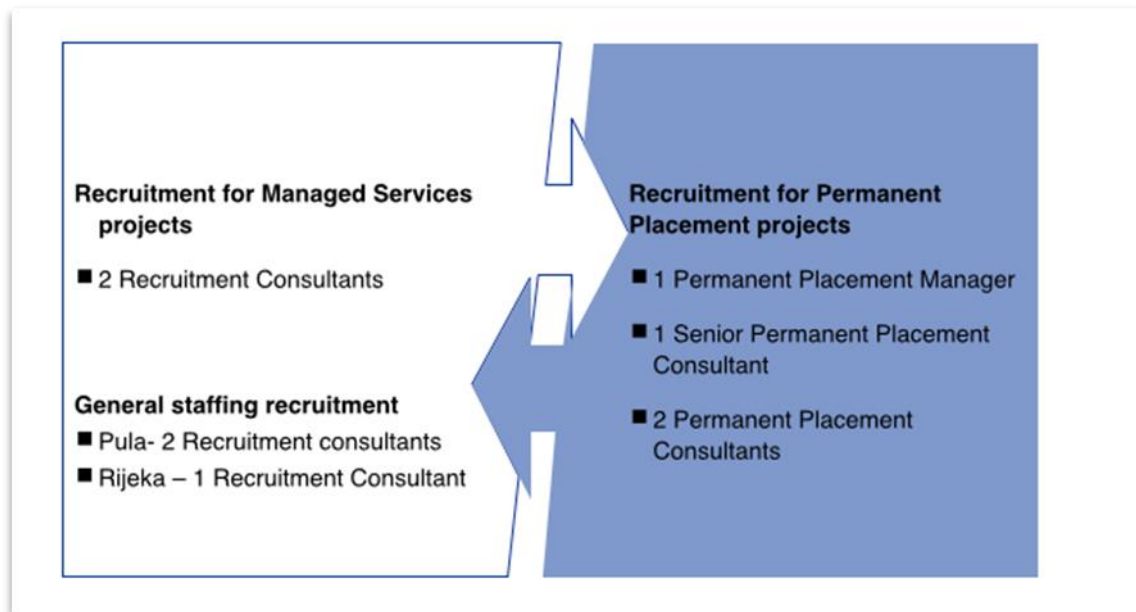


**Recruitment for Managed Services projects**
■ 2 Recruitment Consultants

**General staffing recruitment**
■ Pula- 2 Recruitment consultants
■ Rijeka – 1 Recruitment Consultant

**Recruitment for Permanent Placement projects**
■ 1 Permanent Placement Manager
■ 1 Senior Permanent Placement Consultant
■ 2 Permanent Placement Consultants

Figure 14. **Candidate Search and Selection Team, Adecco Croatia.** source: Adecco Croatia Power Point Presentation (February 5, 2015).

As it can be read from *Figure 14*, Adecco Croatia's Recruitment Team of 9 recruitment experts is divided into:

- two Recruitment Consultants in charge of recruitment for Managed Services projects,

- three General Staffing Recruitment Consultants, and

- one Permanent Placement Manager and three Permanent Placement Consultants for Permanent Placement projects (one being Senior Permanent Placement Consultant).

Adecco Croatia's global know-how for sourcing and selection and its experience based on a large number of projects is a competitive advantage that Adecco has at the Croatian labor market (Adecco Croatia Power Point Presentation, 2015). Adecco Croatia owns the capabilities, resources and possibilities to provide the following services (on a local and global level):

• *Temporary and Permanent Staffing services*

General Staffing (Office and Industrial)

Professional Staffing (Information Technology, Engineering and Technical, Finance and Legal, Medial and Sciences)

• *Workforce Management Solutions*

Workforce Management Solutions (Managed services programs, Recruitment Process Outsourcing, Vendor Management Systems)

Career Transition and Talent Development Solution (Outplacement, Leadership, Development, Career Development, Change Management solutions, Training and Consulting)

For the purposes of this thesis, the focus will be set on explaining the temporary and permanent staffing services of Adecco, with the aim of defining the candidate recruitment process and the diverse Adecco particularities in it.

## 3.2.2.    Adecco's Recruitment Process

The following information is mostly based on the data acquired through interview conducted with Adecco Croatia's representative, Ms. Martina Špiljak, Permanent Placement Manager at Adecco Zagreb.

Ms. Špiljak pointed out that Adecco has always had its own, particular way of dealing with candidate recruitment. The traditional methods were often replaced by other, original ideas, which is one of the characteristics of this modern company.

The recruitment process usually starts with the job candidate specification from the side of the client (demand side of the process). Adecco then designs a detailed list of questions targeted towards the clients with a goal of making a detailed candidate profile.

When the detailed candidate profile is constructed, Adecco decides on the selection process which will be implied for that certain case. The recruitment process in Adecco is

not standardised, but varies from case to case, while comprising different methods and strategies in all its stages.

The Candidate Sourcing and Selection Process is usually structured in the following way; while always being faced with numerous choices in the strategy implemented.

| RECRUITMENT SOURCES | • Job Portals Advertisments,<br>• AdeccoWeb Database,<br>• Social Networking Websites,<br>• Reference List of prestigious contacts in specific industries |
|---|---|
| CANDIDATE PRESELECTION | • Certified consultants,<br>• Selection interview,<br>• Verification of motivation and availability of the candidate |
| TECHNICAL SKILLS EVALUATION | • Presentation of client (profile, values) to the candidates,<br>• Xpert Tests (languages, computer skills, specialised knowledge tests) |
| PERSONAL INTERVIEW | • Detailed behavioural and structural interview with Adecco's dedicated consultants<br>• Other evaluation of motivation and competencies<br>• Validation of candidate references |
| DELIVERY OF THE SERVICE | • Short list of potential candidates for the client<br>• Final interviews with clients (presence of Adecco consultants)<br>• A recap of the final interview and results; providing help with presenting the offer to the candidate |

Table 3. **Adecco Recruitment Process.** source: Adecco Croatia Power Point Presentation, 2015

Table 3 outlines the recruitment process at Adecco (Croatia). The process usually starts with candidate sourcing. Recruiters are faced with diverse recruitment sources to reach for the right candidate pool. Depending on the job specification i.e. candidate requirements, Adecco Croatia'a recruiters will choose the recruitment source. The process of candidate sourcing is explained below.

## 1. Candidate Sourcing at Adecco

In order to reach their candidates, Adecco staff uses several recruitment sources. In the interview carried out with Adecco Croatia's representative, the following sources have been outlined as the most important ones; starting from the most frequently used and continuing in descending order.

Source 1: **Advertising Job offers** - reaching a big pool of potential candidates

The first phase in the candidate sourcing process at Adecco would be advertising job offers. This is a way Adecco is able to acquire a big pool of potential candidates, by receiving job applications to the posted job ads. Job adverts are posted on Online Job Portals and Adecco Croatia's Official Webpage. Also, a mobile application was recently designed for this purpose.

Job Portals (moj-posao.net - Croatian employment website i.e. job board) and

Adecco Croatia's Official Webpage (www.adecco.hr), as well as

the mobile application available for the users ("*Adecco Jobs in Croatia*").

Source 2: *Adecco Web* - database of candidate CVs and profiles

Adecco Croatia's candidate base is a common database for all Eastern European countries. This allows Adecco's recruiters to access around 17,000 active CVs, comprising the candidates of neighbouring countries. Although Adecco Croatia usually contacts Croatian candidates for their job openings, in cases where specialistic knowledge and skills are required, such as for informatics' and engineers' positions, the firm accesses the wider range of potential candidates and spreads to look at the CVs from the neighbouring countries as well. Adduce Web allows the users to register online to Adecco's database, by completing information about their skills, work experience, interests and type of work they are looking for. Additionally, the users can attach current CV and a covering letter addressed to Adecco. Furthermore, Adecco Web is an automated system; each new job opening is automatically sent to the right candidate profile's email address. The new job offers are usually presented through SMS, e-mails and social media.

❖ Source 3: **Social Media Networks** - reaching potential candidates as well as the "passive candidates"

Social Media Networks are used for candidate sourcing, screening, job advertising and employer branding.

The Adecco Global Study 2014[21] found that in 2013, more than half of all recruitment activity involved the Internet (53%), and the percentage for 2014 was forecasted to continue to grow (61%). The survey has forecasted that in 2014, the greatest usage rates of social media will be by the recruitment industry.

Adecco usually advertises its new jobs through LinkedIn, Facebook and Twitter, for candidate sourcing purposes. It also uses Instagram to showcase some new company initiatives and actions.

• *LinkedIn* is very useful for Adecco's candidate searching process. Adecco Croatia has access to LinkedIn's Recruiter License (an on-going investment), which allows it to directly contact all LinkedIn candidates without seeking approval first. The Recruiter License makes it possible to virtually organise the numerous LinkedIn members more systematically, while placing the diverse groups of candidates into folders, which is a time saving process for the recruiters. LinkedIn is very easy to use because it allows to filter the candidates by specific industries, locations and/or companies, while at the same time marking out certain skills and characteristic needed for the role. LinkedIn is very often used by Adecco Recruiters for ***headhunting***[22] passive candidates.

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[21] The Adecco Global Study 2014 titled: "Job Search, Digital Reputation and HR Practices in the social media age"), was gathered on the answers from 17,000 job seekers and more than 1,500 recruiters from 24 countries and developed in partnership with the Catholic University of Milan, Italy. The PDF version of the study can be found on: http://www.adecco.com/en-US/Industry-Insights/Documents/social-recruiting/adecco-global-social-recruiting-survey-global-report.pdf (sourced: 12 March, 2015).
[22] Headhunting (also known as Executive Search) is the process of recruiting individuals to fill executive positions in organisations. (source: https://www.wikijob.co.uk/wiki/what-headhunting)

• *Facebook* and *Twitter* are used for advertising new job offers, but they also serve as a tool for **candidate screening**. The interviewed Adecco's representative stated that they often check potential candidate's image at the Web - by "googling" one's name and then checking all the information available. Recruiters look for insights into candidates' personalities. The Adecco Global Study 2014 found that approximately one third of them admit that they have rejected a potential candidate as a consequence of the content or the pictures posted on his or her profile. Particular attention is paid to the comments posted, especially in relation to activities which may violate university or workplace policies. However, the vast majority of job seekers underestimate the professional relevance of their personal social networks (Adecco Global Study 2014). Candidate screening through social media is a way the company makes sure that the candidate has a matching personality to the job offer as well as an attitude which will not potentially harm their organisation. The Adecco's representative also stated that the information found at the Internet is very important in their final decision regarding the candidate selection. The Web image of a person needs to be checked and verified, the same way it is done with their references. Adecco's recruiters are responsible for keeping a good company reputation, and they are liable to preserve the image of their clients as well. In case of an oversight in candidate screening process, Adecco might be liable for negligent hiring. In order to reduce the number of candidates disqualified based on their social networking websites image, Adecco has been an often visitor of Croatian Universities, where they present and discuss all the benefits and possible pitfalls of the use of social media. Considering the high unemployment rate of Croatian young people (45%[23]), it is very important for them to understand how social media should be used, and Adecco is doing an effort in explaining them their candidate sourcing process and how important the information found on Internet is for their final decision regarding the hiring of the individuals. Adecco's General Terms and Policies regard the employees' use of social media. Adecco's employees are obliged to keep a good reputable online image of themselves as Adecco's representatives. However, Adecco doesn't impose any social media policies regarding candidate screening process. The interviewed representative has however mentioned some cases of perceived discrimination from the part of applicants, but these accusations were not strictly connected to the use of social media and were in

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[23] Youth Unemployment Rate in Croatia. source: http://ec.europa.eu/eurostat/statistics-explained/index.php/Unemployment_statistics

most cases discharged. The interviewee also pointed out that social media is probably the main source through which potential candidates find out about Adecco and its job offers.

- *Instagram* is used for employer branding - showcasing companies activities, initiatives and culture for developing a good reputation among the followers which might be their potential job applicants.

❖ Source 4: **References** - sourcing candidates with particular, industry related skills i.e. high quality candidates

Adecco has over 1,100 collaborators and employees in Croatia. In order to reach the good quality candidates, the recruiters often contact the present and/or previous Adecco collaborators and candidates for references. Adecco possesses a rich reference list of contacts from diverse industries, which allows them to source candidates with particular industry related skills. Adecco has a specialised contact network - each sourcing and selection consultant is trained for a certain industry and he possesses contacts of authorities in dedicated industries. For very specific candidate requirements, the contact authorities are used as alternative sources of new candidates with very particular knowledge and skills.

❖ Source 4: *Headhunting* - sourcing the "passive candidates"

Adecco's recruiters use the techniques of headhunting mostly in cases where executive positions need to be filled for their clients' organisations. Headhunting is used for sourcing candidates with particular skills suited to a specified job vacancy. It allows to source the so called *passive candidates,* i.e. highly qualified candidates who are not necessarily looking for a new position, but may be interested if the right job offer came along.

The process of candidate sourcing through headhunting is slightly different. It starts when the client gives a detailed description of the type of candidate they are looking for. The clients then list approximately 20 companies which have the kind of employees which would fit the description. Adecco then uses this list to allocate and contact the potential candidates required for the specific role. In this process, they use sources such as LinkedIn and listed companies' official webpages, as in some cases, companies list their employees'

names on their webpages and this makes it easier for headhunters to reach their potential candidates. The candidate selection process which follows varies from case to case and is not standardised.

## 2. Candidate Preselection

Candidate preselection is the second step in Adecco's recruitment process. The aim of the preselection process is to find a certain number of potential candidates that fit the candidate specification requirements. The employee selection part is left to the client's decision and Adecco has just a consulting influence in that process.

Certified Adecco consultants deal with candidate preselection by conducting selection interviews where candidates' motivation and responsibilities are verified. Depending on the role, they might be subject to competency tests and evaluations, if it is in line with the requirements of the candidate profile.

## 3. Technical Skills Evaluation

In this part of recruitment process, Adecco's consultants will present the client's profil and values to the candidates. Candidates will potentially be subject to different kinds of tests that Adecco designs for the purpose of candidate selection. Adecco's tests can validate a person's skills, attitude, behaviour and "cultural fit", by utilising a variety of psychometric evaluations and skills testing methods to quantify and qualify the knowledge and skill level of their applicants. Tests are usually introduced when some specialised profession roles are looking to be filled, and they  should verify candidate's competencies. They are also implemented when a middle management role is outlined as a job specification, where tests should demonstrate the candidate's leadership skills, proactivity and similar. Adecco doesn't imply tests for the senior management positions; instead, an interview is conducted where consultants go through a candidate's CV while leading the candidate to talk about his or her experiences and  trying to evaluate their previous actions and how they would fit to the job role. Adecco uses the following tests for technical skills evaluation.

❖ *Xpert Tests* - candidate skills and knowledge evaluation tool

Adecco uses the Xpert tests to improve the quality of placements for both its clients and applicants. Xpert is a global, fully integrated, proprietary skills assessment application.

It permits testing of a candidate's skills, motivation, attitude and work environment preferences. Xpert promotes anytime-anywhere access with 24/7 recruitment capability. Applicants and associates can take evaluations at a time convenient to them and update their skills respectively. This online product allows Adecco recruiters to reach more candidates while enhancing their ability to cost-effectively serve their customers with accurate placements from accurate employee evaluations. Xpert is designed around a methodology that evaluates candidates not only for the specific skills that are necessary for the role, but it also studies their motivation and ability to fit into the company's culture. A three-focused approach is adopted: *Can Do* - to understand present level of skills and knowledge; *Will Do* - to understand personal motivation and conduct; *Will Fit*- to understand preferences in the work environment (Adecco Xpert Presentation, 2011).
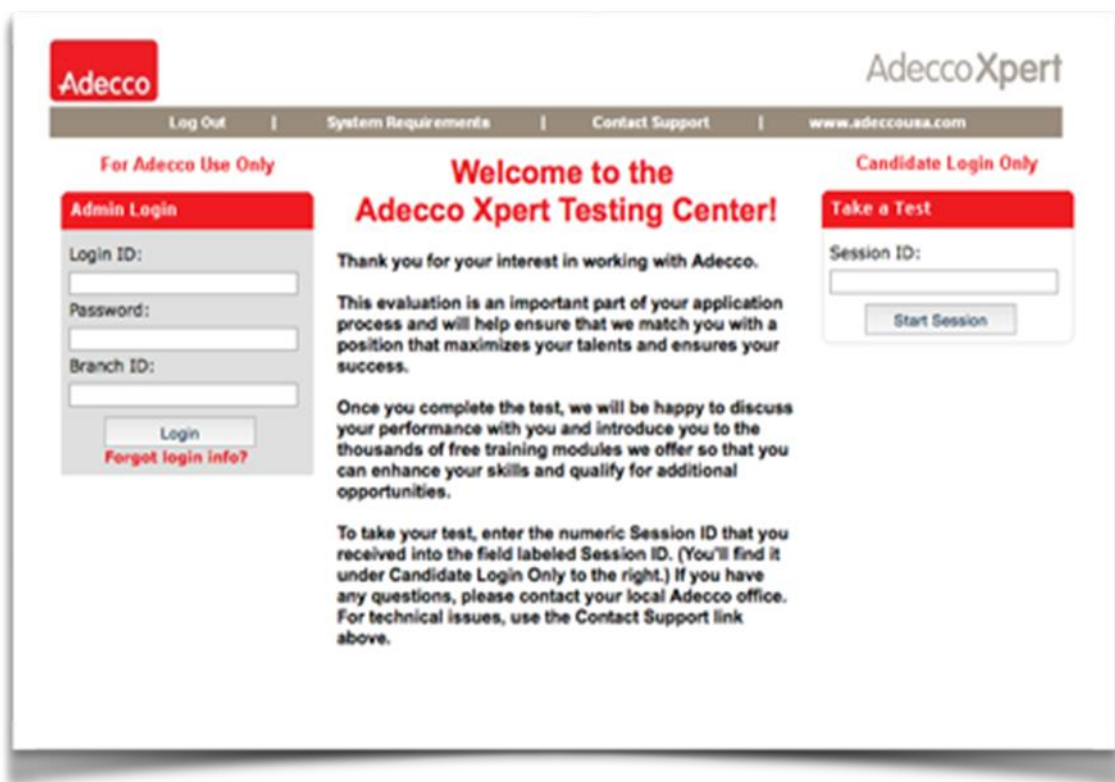


Image 6. Adecco Xpert Testing Center (source: http://www.proveit2.com/adeccousa)

❖ *Work Competency Questionnaire* - candidate competencies evaluation tool

Recently, Adecco has implemented another selection tool; "Work Competency Questionnaire". This selection tool serves for evaluating the required candidate competencies and it is an online solution for dealing with this process. Work Competency Questionnaire verifies 11 competencies through 24 dimensions, and it gives a detailed picture about the candidate. The client gives a set of competencies which are in their opinion relevant for the position, and the test is then designed by Adecco's recruitment experts, in assistance with Adecco's psychologist. The role of Adecco's psychologist in this case is to point out certain characteristics that should be present in future employee. Some firms (usually international companies) have the candidate profiles already settled, their system is standardised, and they give Adecco indications to which competencies should be addressed to in the Work Competency Questionnaire. After designing the questionnaire, with different competencies and levels of required competencies, an access code is created and the Work Competency Questionnaire is sent to the candidate. The candidate than has certain time limit in which he or she can answer the questionnaire. More specifically, the Work Competency Questionnaire is sent with a certain time limit to be open and a certain time limit to be solved after opening it. The solved questionnaire provides a detailed report about the individual's competencies regarding a certain job position. A person can be highly ranged, which means he or she should be positioned on a more senior role than the proposed; he or she can be medium ranged, which means that the competencies fit perfectly to the outlined candidate requirements; or he or she could be low ranged, and in this case the person will not be adequate for the position. In the last case, it is possible that the candidate develops certain skills and competencies through training and education, but it depends on the job specifications. Work Competency Questionnaire is a recently introduced innovation in Adecco's recruitment process but it has proved to be very useful in the candidate selection process.

## 4. Personal Interview - candidate motivation and competencies evaluation tool

The next step in the recruitment process is a detailed behavioural and structural interview with Adecco's dedicated sourcing and selection consultant. The consultant additionally evaluates candidate's motivation and competencies at this step, while also verifying

candidate's references. This step is the final one before presenting the candidate to the client.

**5. Delivery of the Service**

In this last step of candidate sourcing and selection, a shortlist of job candidates is made for the client. The candidate is presented to the client, and a dina interview is conducted, often in the presence of an Adecco consultant. Final interview and results are then elaborated and the Adecco consultant helps to present the final job offer to the candidate. Adecco's consultants often participate in the process of negotiating between two parties (client-candidate), if the client needs this service. Adecco managers can also help clients to put up Induction Letters, legal advice, work contracts and similar. The recruitment process ends when the recruited candidate starts working i.e. when he or she starts with the education or training.

## 3.2.3. Issues related to candidate sourcing and selection

While interviewing the Adecco Croatia's representative, Ms. Martina Špiljak, she stated that Adecco is making a huge effort in filling their job vacancies, as there is a lack of good quality and highly competent candidates at the Croatian labor market. Ms. Špiljak pointed out that the faculties probably have a great role in forming their future candidates, and that it seems there are many pitfalls in their approach to the whole system.

First of all, Ms. Špiljak suggested that the future students should be better informed about the labor market demand, and choose their fields of study depending on that.

Secondly, young people are not well informed about the recruitment procedure or the job specification of their future roles, which leaves them very unmotivated and in lack of enthusiasm when they approach Adecco for the first time.

Although there is a very high unemployment rate in Croatia, the candidates are not motivated and they are very picky regarding their first job experiences. They often don't want to make that extra mile for the benefit of their progression. For example, an engineer

is supposed to be a certain kind of consultant as well. His role will probably include attending meetings once in a while, where his company's products are going to be presented and he will be expected to bring-in to the sale of this product by showing his engineer know-how. The point is that the job specification goes beyond the traditional description of the job role. Ms. Špiljak suggests that a person should be aware that he or she will need to bring some kind of value to the firm, and the director will in most cases see this value in financial terms. In her opinion, people's awareness should be changed in Croatia, and universities have a major role in this process.

Ms. Špiljak pointed out that a solution to this problem might be a collaboration of Adecco with universities, and development of young people's competencies proportionally to the demands of the market.

Another issue that Ms. Špiljak addressed in the interview is the potential need for a better relationship building model with Adecco's recruited candidates. Ms. Špiljak stated that it might be useful for Adecco to keep a good relationship with its ex-candidates, as they represent Adecco's ambassadors in a certain sense; they went through the whole recruitment process and it is supposed and expected that they are satisfied with the position to which Adecco recruited them. As Adecco's ambassadors, they might be willing to share their Adecco experience with their colleagues, coworkers, acquaintances and friends, which could be a good way for Adecco to build a bigger pool of good quality candidates. The recruited candidates could also be a good quality source of referrals.

Adecco's representative, Ms. Špiljak suggests Adecco could build a system of a more frequent contact with their ex-candidates, to develop a sympathy and caring relationship with them. The ex-candidates could, as she suggests, be contacted after approximately 6 months from their new employment and asked about their satisfaction and progression at their new workplace. Ms. Špiljak finds building good relationships with recruited candidates pretty important, but it is pretty rarely possible to apply it to Adecco's day-to-day activities because of the big scope of work that is already at their day schedules. However, it could be an initiative that could provoke good results in high quality candidate sourcing through ex-candidate's referrals (direct or indirect).

Adecco is always striving to timely adopt to the market, and the global Adecco Group's know-how is poured into their local subsidiaries (like Adecco Croatia), and adjusted to the

market requirements. Change is a frequent occurrence in Adecco. So, for the purpose of enhancing candidate sourcing and selection process, Adecco has recently invested in multiple solutions.

The following is a list of *Adecco's investments for candidate sourcing and selection purposes*:

• *New and adapted official company website* - new jobs are highlighted at the front page and it is designed in such a way that the application for the job is much more simplified. This should allow for a bigger number of potential candidates to apply for jobs and register with Adecco.

• *Adecco mobile application* ("Adecco Jobs in Croatia") - this mobile application is the staffing industry's premier tool for job searching and applying for new openings. Once a job is found, users can apply to it using their current Adecco account. The Adecco Jobs application also allows the users to save favourites, email jobs to a personal email account, share across their favourite social media sites, and even locate their local Adecco branch office. Adecco's application also delivers the latest career news, advice and insight straight to mobile devices, which keeps the individual always in track of the newest events.

• *Adecco Xpert Solution* - Xpert is a global, fully integrated, proprietary skills assessment application which permits testing of a candidate's skills, motivation, attitude and work environment preferences. It was developed by Adecco Group and it currently possesses 3,000 tests used in candidate selection process. Apart from candidate testing, it also serves as an employee educational tool. It is an extensive catalogue of online training for diverse fields such as computer skills, HR, Marketing and customer service.

• *Work Competency Questionnaire* - this selection tool serves for evaluating the required candidate competencies and it is an online solution for dealing with this process.

• *LinkedIn Recruiter License* - allows recruiters to view and contact anyone on LinkedIn, reaching out to top talent with InMail; finding the right people faster with the help of powerful search tools which include a ton of recruiting-specific filters; stocking the perfect talent pool i.e. saving candidates to shortlists to easily reach them later (source:

LinkedIn        Business        Solutions;        *https://business.linkedin.com/biz/talent-solutions/recruiter*).

Ms. Špiljak stated that the Croatian labor market is pretty small, and the initiative for new recruitment solutions is usually weighted down by the main branch when the new methods and techniques are distributed to all the subsidiaries via educations, materials and trainings, and then implemented to their subsidiary as well.

## 3.2.4. Adecco and Gamification

Adecco is very prone to using game elements for enhancing employee and candidate motivation with a goal of engaging them in its services and enhancing their performances. As it has been seen in the previous chapter, Adecco is very innovative in its recruitment sources, where it often implements gamified solutions. The interview with Adecco's representative Ms. Martina Špiljak has been a great source of information regarding Adecco Croatia's use of game elements for recruitment purposes.

### 3.2.4.1 Gamification for Candidate Sourcing and Selection

Adecco uses several gamified systems in order to either source, select, or motivate candidate engagement with the organisation.

❋  *Adecco Assessment Center –* candidate selection tool

The Assessment Centre is a set of systematic activities (role-playing, group discussions, simulations, interviews, psychological testing) allowing Adecco's managers to observe the candidates' behavioural patterns and examine their competences for performing certain work assignments. Group activities as well as individual exercises can be performed, depending on the goals of the assessment. In group activities, "players" are encouraged to take on diverse roles in the game; they are put in groups of 3-5 people and they need to work as a team in order to find the solution to the problem. It is a competitive as well as team work. The observed behaviour falls into the following categories: taking on the roles in the team, communicational skills, rapidity, attention to detail, way of solving problems, remembering important information, initiative, entrepreneurial spirit, adaptation to the situation, getting a hold of stress (there is a time limit for solving the problems). Individual

exercises are often presented in forms of business simulations, such as case studies and *"in basket"*, for dealing with problems in some concrete situations. In the "in basket" test, the candidates need to make a list of priorities of reports, warrants, electronic messages and records, depending on the ir importance and urgency. The candidate needs to explain which actions would he take hold of and in which sequence. This test allows to assess candidates' behaviour and competencies, based on their abilities to capture the main information, setting the priorities, dealing with stress, their knowledge of the subject, organisational skills, structuring, communicational skills,  ability to explain the problem and suggest the solution, delegation. The Assessment Centre tasks are always adapted to the requirements of a specific position; they allow Adecco's managers to establish the presence of competences that are essential for success in a certain position. *"Behaviour we notice in a candidate today is a good prediction of their expected behaviour in the future"* (Adecco Group Official Website). The Assessment Centre allows to obtain information on a candidate that would be difficult to do with only interviews or psychometric testing. This provides Adecco's recruiters with a comprehensive assessment of the candidate's actual competences and behavioural patterns. Ms. Špiljak explains that, when it is difficult to decide between two candidates, an assessment is organised in duration of one or half a day and, depending on the required competencies, candidate behavioural patterns and other systematic activities are examined. This is a selective use of assessment centres, but there is also a career assessment, which is used for employee advancement inside the firm, in terms of promotions and similar.

✳ *CEO for One Month* – candidate sourcing and employer branding



Adecco's CEO for One Month is one of the initiatives from Adecco Way to Work Program, which is targeted at young graduates in seek of their first real job experiences that will kick start their careers (Adecco Way To Work website; https://www.adeccowaytowork.com). Adecco wants to inform the young people about the world of work and share their know-how with them in order to form good quality potential candidates in the future. This initiative is actually a candidate sourcing tool for Adecco, as well as a media tool for employer branding purposes. As part of the Adecco Way to Work™ programme, Adecco is offering the unique opportunity to become the CEO of Adecco Group for one month, under the direct supervision of the Adecco Group CEO. The selected CEO for One Month will get a taste of how to run a multinational company with

32,000 employees and 19.5 billion euros in revenue. The highly qualifying experience could be a huge boost to any career. CEO for One Month will launch in over 30 countries, where the first step will be for candidates to apply to become Adecco Country CEO for One Month in their country of residence, before making it to a shortlist of 10 top performers. Of the final 10 candidates, 1 will be chosen to become CEO for One Month. The applications for CEO for One Month are entirely done via CEO For One Month mobile application. The application guides the user to resolve three types of tests, where general knowledge, self-knowledge and resistance to stress will be evaluated. The candidate's CV is also uploaded through the system of application and this terminates the application process. Ms. Špiljak pointed out that CEO For One Month is a great opportunity for a young person to acquire knowledge, as he or she will be able to go through the whole process and where they show more passion and interest, they will be further educated and trained.
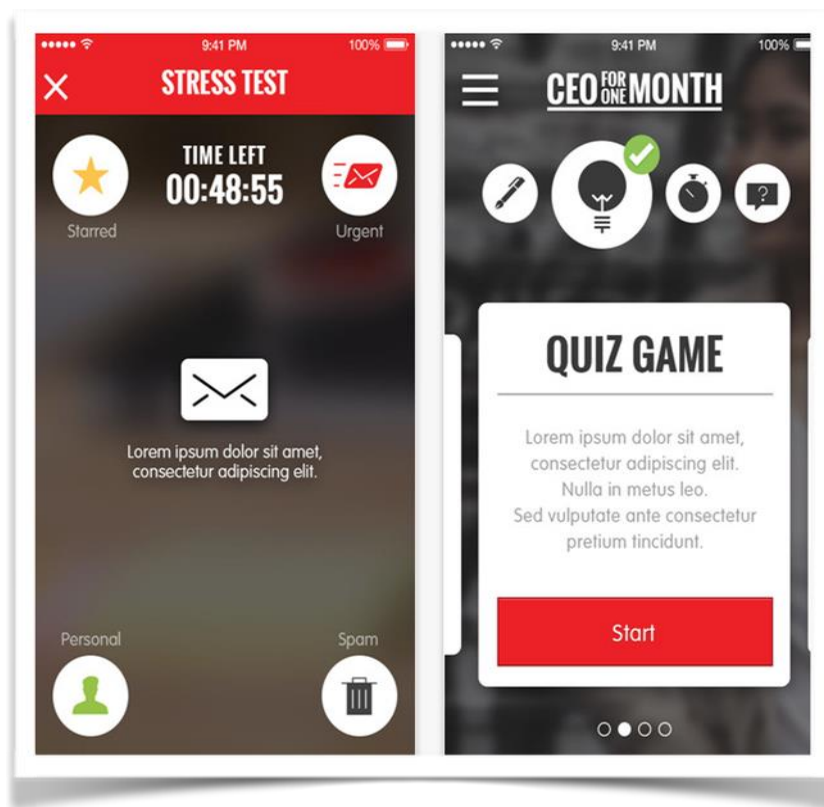


Image 7. **CEO For One Month Mobile Application** (source: Apple Store, https://itunes.apple.com/us/app/adecco-ceo-for-one-month/id967224313?mt=8, sourced: 14 April, 2015)

✳ ***Work Competency Questionnaire** –* candidate evaluation / selection tool

This tool for candidate selection has already been thoroughly explained in the Adecco's recruitment process part of the thesis. It represents a gamified form of candidate competencies evaluation. The candidate is given a certain time limitation to solve the questionnaire which is a challenge - an element of game mechanics. More specifically, the Work Competency Questionnaire is sent with a certain time limit to be open and a certain time limit to be solved after opening it. The solved questionnaire provides a detailed report about the individual's competencies regarding a certain job position, and it is a feedback about his or her performances.

✳ ***Adecco Xpert** –* candidate evaluation / selection tool

The already explained AdeccoXpert tool is used for the process of candidate selection. Specialised AdeccoXpert tests for knowledge and competencies evaluation are required to be solved for some certain positions and are solved online. They can be used in a supervised environment or individually. Adecco sends a request with necessary information and indications to candidates' email, and then he or she is given a certain time period to open it and to solve it.

✳ ***Adecco (Virtual) Agent*** – candidate sourcing and engagement with product i.e. service

Adecco Web allows creating ones own profile at Adecco's Website and by uploading CVs and other requirements, one can directly apply for new job openings in just a few steps. It allows for creating lists of interests which are implemented and shared with *"Adecco Agents"*. The Adecco Virtual Agent allows users to choose the virtual agent's name, and this makes the process of application somewhat personalised. It is a form of gamification, and it is designed with intention of making the application process more interesting and more personal, which should lead to engagement with the product i.e. service provided. The Adecco Agent will regularly notify the user about new job openings which are in line with one's interests and listed criteria. This kind of a process keeps the person in the loop with current news at the job market and it allows Adecco to come up with a big pool of applicants shortly after posting the job adverts. Making this process personalised by

creating one's own agent, should provoke a sense of belonging and engagement with the service.

## 3.2.4.2 Gamification applied to other recruitment processes

Gaming elements such as points, leaderboards and rewards are applied to day-to-day activities at Adecco. The following are the descriptions of their applications to the recruiting workplace environment, mostly for employee engagement, motivation, learning and training.

✳ **KPI's**

A certain kind of system of *points* applied to enhance employee motivation at Adecco is called **KPI**'s[24]. Each employee at Adecco is tracked by KPI's which allows measuring their performances. Depending on how their schemes are designed, the employees receive *bonuses,* on a monthly and / or annual basis. KPI's in Adecco are targeted to day-to-day activities; for example, they track the number of interviews carries out, the number of CVs presented for the client and similar. These are all daily activities, but employees are motivated by this system to perform better and to be more active and proactive. KPI's are formed strictly to motivate the individuals and cannot be extremely difficult to acquire because it would be demotivating and finally result in an opposite effect from the one desired by the organisation. This kind of a system is a representation of another gaming component: *Quest.* Quests are predefined challenges with objectives and rewards (Werbach and Hunter, 2012) which is exactly what KPI's represent, as the good performance in collecting KPI's results in bonuses and rewards. KPI's represent a system of *progression* and *challenge* as well, which are game dynamics and mechanics, respectively.

✳ **Leaderboards**

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[24] KPI's (Key Performance Indicators) or also called KSI's (Key Success Indicators), help organisations define and measure progress towards organisational goals.

Adecco HR announces all their activities on the leaderboard placed in the employee common area. They present the KPI's on the leaderboard, as well as the tests for improvement of knowledge and skills (Adecco Xpert Solution). The leaderboard is an interactive space in Adecco where for example employees can share their common photographs from team building events, dinners and similar. This fills their common space with a pleasant, friendly atmosphere which provokes teamwork and collegiality.

## ✳ Rewards - Adecco Incentive Programs

Adecco's employees are *rewarded* for their good performances. This is one of the gaming strategies for enhancing employee motivation. Adduce rewards its employees on a quarterly and / or annual basis. Employees who perform remarkably well get rewarded with a travel that year to some exotic location and all expenses are fully payed by the company (for example, last year one of the recruiters went to Bahamas). Quarterly, employees are rewarded with relaxing weekends or similar incentives (for example, wellness weekend with their better half).

As a certain kind of employee retention strategy, Adecco also rewards its employees every 10 years, which is solely based on the time period of their employment and not on their performances. The employee in this case receives a fully payed vacation to some nice location.

Employees are also rewarded as teams when they reach good overall performance. The company then takes the whole team to dinner, or some other kind of socialising event is organised. The same happens when employees have birthdays; they meet the last Thursday of the month to celebrate. This is a way to make employees engage with each other, and finally, with their workplace and their job.

## ✳ Teambuilding Activities - *Adecco Win For Youth*

Adecco Win for Youth is a global sports initiative organised to raise money for youth foundations while living Adecco's core values (team spirit, customer focus, passion, responsibility and entrepreneurship) actively. After running, cycling and triathlon from 2010 to 2014 the programme celebrates its 6th anniversary. In 2015, the project concentrates on achieving the ambitious goal of 1,750,000 km by triathlon. All Adeccos's

colleagues, associates and clients in more than 60 countries throughout the company are invited to organise their own triathlon events and to participate in locally organised and official events. For all the kilometres covered by colleagues, clients and associates, Adecco Group has committed money to selected youth projects in Australia, Belgium, Brazil, Bulgaria, Cambodia, Colombia, Greece and the US. Adecco's employees can all participate in the sports activities and note their results in terms of kilometres in the Adecco's Win4Youth mobile application. Each kilometre will be summarised at the end of the initiative and given to charity. Moreover, the Adecco Win4Youth 2015 team of 70 ambassadors will be trained to face a triathlon in Spain. Adecco's ambassadors will have the full support of 32,000 colleagues in more than 60 countries that will also be swimming, cycling and running throughout the year to ensure we reach the goal (Adecco Win4Youth, source: http://tracking.win4youth.com/help.html).
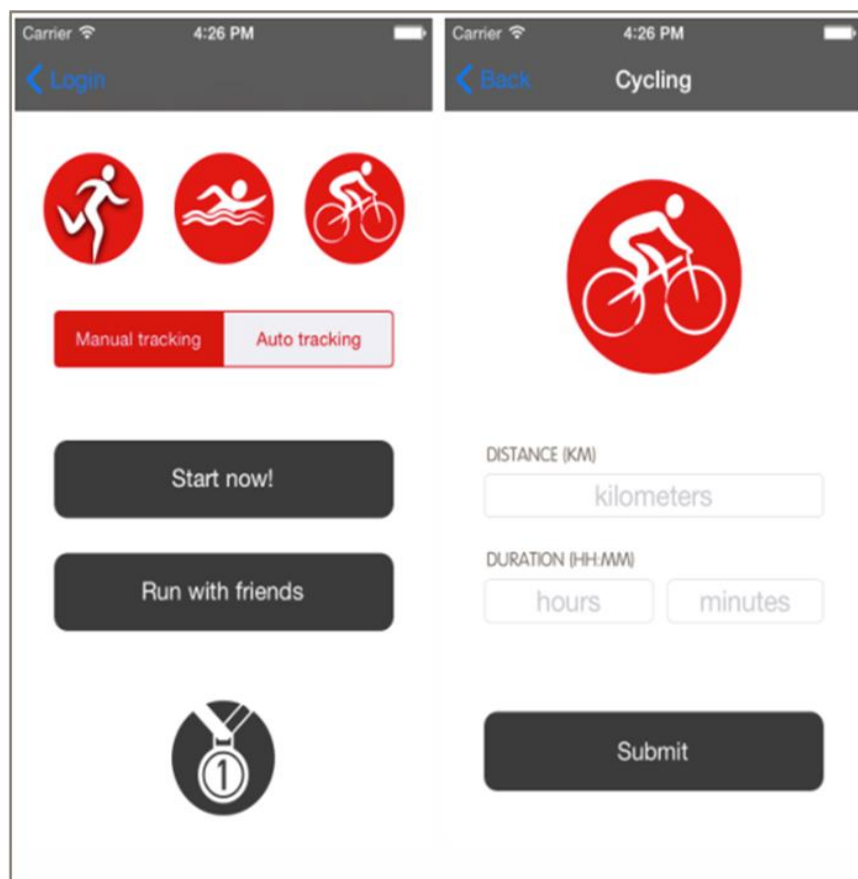


Image 8. **Adecco Win For Youth Mobile Application** (source: Adecco Win4Youth; http://tracking.win4youth.com/help.html)

This initiative makes employees feel like they are a part of a larger social welfare and it provokes a feeling of engagement with the company as well as to the employees one-another. Furthermore, while they are making a good thing for the society, they are also doing well for their health, which makes them perform better at work.

Adecco Croatia's employees last year drove in several occasions few kilometres around Jarun lake in Zagreb, as a part of their contribution to the Win For Youth Program.

## ✳ Employee Feedback

Feedback is one of the game mechanics and it is applied to Adecco's employees in order to inform them about their performances, but also to check their satisfaction and desired progression i.e. career path. It is done on a quarterly and annual basis. Quarterly, an one-to-one interview is done where employees are questioned about their satisfaction and their desires in terms of the way in which they would like to progress. Annually, a questionnaire regarding employee satisfaction is presented. It tracks employee satisfaction related to their work and is able to see, on a global level, what could be changed to drive more user motivation and engagement (*"happy employees are more engaged"*). At the end of each year, a *Performance Appraisal Interview* is performed individually with each employee. The manager then goes through employee's KPI's and the values of the company. Company values are often referred to by the employees, and they hold on to them especially in the cases where they are unsure on how to react to certain situations. They are a certain kind of guidance for the employees.

## ✳ Employee Education and Training

Adecco's employees have the possibility to be further educated and trained to upskill and develop their knowledge and competencies. The education and training is done through the above mentioned "AdeccoXpert" system. Xpert also provides great incentives for those looking to progress their careers. Through this gamified system, courses can be completed anywhere, anytime (using the Web). Over 400 online training titles are grouped under 3 key categories – Business Skills, Desktop Skills and I.T Skills. Employees can choose from courses on MS Office packages (Word, Excel etc.), Leadership, Management, LEAN Manufacturing, Professional Effectiveness, Finance and Accounting, Human Resources, Customer Service including Call centre, Marketing, Sales and many more.

## 3.3. BRUIN Financial

BRUIN Financial is a leading recruitment consultancy (BRUIN Financial Official Website), headquartered in central London. It was established in 2010, as a company which specialises exclusively in financial services across London, the United Kingdom and Europe. It is a part of FISER Group, a privately owned company which encompasses BRUIN Financial, IBAM Consulting and LUDGATE Search (FISER Group Official Website). BRUIN today counts approximately 50 employees, which categorises it as a small enterprise. Its leadership team and consultants are all specialised in a particular area of financial services, which allows them to bring vast experience and expertise to the diverse divisions (BRUIN Financial Brochure Online, 2011 source: slideshare.net), which differentiates BRUIN from the more generalist consultancies. BRUIN Financial provides services for the following sectors:

- *Finance and Accountancy*
- *Operations*
- *Secretarial and Support*
- *Wealth and Asset Management*
- *Credit and Risk Management*
- *Compliance*
- *Projects and Change Management*
- *Sales and Marketing*

Its staff receives a range of internal and external training to improve their core skill base and the quality of their performances. Permanent, temporary and interim recruitment solutions are supplied by the company, employing proven executive search methodologies within a contingent marketplace (BRUIN Financial Brochure Online, source: slideshare.net). Its clients are many of the world's leading investment banks and financial services institutions. BRUIN Financial's operational model is argued to be rarely seen in financial services recruitment and their niche firm specification is considered to be their competitive advantage (BRUIN Financial Brochure Online, source: slideshare.net). They tailor all their activities to deliver proactive solutions to their clients' human capital

requirements and to deliver the highest levels of service. BRUIN Financial's moto is *"Tomorrow's talent, today"*, which is a promise BRUIN makes to its clients regarding sourcing of the high quality candidates in terms of qualifications, experience and cultural fit (BRUIN Financial Official Website). BRUIN Financial is committed to providing a high quality service to its candidates and clients through its wealth of experience within the financial services sector and the unwavering adherence of BRUIN's employees to the company's core values of trust, passion, honesty and integrity (BRUIN Financial Official Website).

There are two clear and distinct strategies that potentially differentiate BRUIN Financial from its competitors:

• Firstly, BRUIN Financial is a contingent recruitment agency that utilises the business methodology and mentality of a high level executive search firm. Whilst operating in the contingent space, BRUIN undertakes all the traditional contingent practises. However, the firm is also able to proactively generate candidates from "non client" organisations. This methodology enables the company to generate candidates that are not proactively seeking other employment opportunities whilst also covering the more traditional contingent methods of database search and online/offline advertising.

• Secondly, BRUIN Financial operates solely in the financial services contingent market. This sector specialism enables it to become a genuine expert in this field without diluting their service offering by operating within other sectors such as the public sector or commerce. This sector specialisation, whilst not unique within the search and selection market, is unique within the contingent market place which BRUIN operates within.

BRUIN Financial is uniquely positioned to be able to headhunt from select competitors as well as to carry out traditional database search and advertising services to find the very best candidates. The company has a strong financial footing and have invested heavily in resources and infrastructure which is 100% focused on the financial services marketplace, which makes BRUIN one of the largest independent recruiters of financial services personnel in London.

The company has been shortlisted for two awards in the 2015 Recruiter Awards for Excellence[25]:

• Best Agency Leader (BRUIN's representative; Kirstin Duffy)

• Best Banking / Financial Services Recruitment Agency

## 3.3.1. BRUIN Financial's Recruitment Process

BRUIN Financial's consultant, Ms. Ana Maria Tuliak has been an employee of the company for the last three and a half years. She was an interviewee for the BRUIN Financial case study in this thesis, and she provided with a detailed insight into BRUIN's day-to-day recruitment activities. The recruitment process at BRUIN Financial is explained below, with special regards to the interview carried out with Ms. Tuliak.

The recruitment process usually starts with client's request for a certain kind of candidate to fill an open job position. Ms. Tuliak however points out that candidates searching at BRUIN is a day-to-day activity; specific roles are always in demand and BRUIN strives to fill its data base with these specific candidates so that they are ready to suggest a big pool of applicants as soon as the new job opening arrises.

BRUIN's recruitment process is described below.

### 1. Candidate Sourcing

The first part of the recruitment process is of course candidate sourcing. BRUIN Financial operates as a pro-active candidate sourcing model delivering a search service in a contingent market place. They have identified clients that they wish to work with due to previous relationships and success and, likewise, they have identified their competitors that they do not wish to work with as places that are targeted *headhunting* ground. As BRUIN has no contractual agreements with these organisations, they are able to map out their areas of business and headhunt accordingly, with no restrictions.         BRUIN Financial incorporates more traditional methods of sourcing, with cutting edge tactics to ensure that

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[25] "Established in 2002, *Recruiter* Awards for Excellence is the UK's largest event for the whole recruitment community recognising best practice from agencies, in-house teams and also use of marketing & technology to successfully achieve objectives." (source: www.recruiterawards.co.uk)

they have the competitive edge in terms of locating and recruiting diverse talent. Below is the summary of recruitment sources used by BRUIN, listed by the frequency of usage for candidate sourcing activities.

❖ Source 1: **Company's Data Base** - when a new job offer comes along, BRUIN's consultants will firstly try to extract the specific characteristic candidates from their own data base. The recruiters use Profile[26], which is the leading recruitment agency software by MicroDec. On average, at least 100 new candidates per day are added to the BRUIN's data base. The data base currently possesses over 80,000 candidates, coded by a range of criteria including skill, location and availability. Out of these, almost 30,000 are temporary candidates and over 55,000 are permanent candidates registered on BRUIN's database. This system makes it easier for all the employees to track and edit the candidate profiles which allows for a quick and proactive service.

❖ Source 2: **Advertising** – BRUIN advertises the new job vacancies through diverse sources. Online media is also the most relevant medium for advertising the BRUIN brand. The BRUIN website and their presence on job boards generally provide their candidates with an initial introduction to the organisation. BRUIN's brand is also represented by the service that they offer both to their clients and candidates. BRUIN argues that this helps drive repeat business and increases their candidate reach through referrals. The following is the list of recruitment sources for candidate sourcing at BRUIN.

• *BRUIN Financial's Company Website* - recently redesigned company website allows for a quick and easy assessment to new job postings. The new design now allows for creating user accounts, where they can upload CVs and other documents to fill their virtual profiles. Application for jobs has also been simplified with the new design, as it allows to directly apply for new jobs by signing in with one's email, LinkedIn or Twitter account. Users can also sign in to regularly receive on their emails job offers which fit their profiles. This system allows for reaching a bigger pool of potential candidates.

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[26] MicroDec Profile RPM (www.microdec-profile.com)

- *Online Job Portals* - BRUIN advertises its job openings to multiple job portals, such as e-Financial Careers (http://www.efinancialcareers.com) and CityJobs (http://www.cityjobs.com).

- *Off-line Traditional Media* - such as Financial Times and the Economist are also used for advertising new job openings.

❖    Source 3: **Internet and Social Media**

BRUIN's recruiters use multiple internet sites to advertise their new jobs, showcase their employer brand and to generate names of people in their designated areas which are targeted for specific jobs (candidate sourcing). These sites include LinkedIn, Facebook and Twitter.

- *Facebook, Twitter and LinkedIn* profiles are all connected through Hootsuite[27] platform. By using the Hootsuite platform, job add can be dispersed through all social networking websites which allows potential candidates to notice the job adverts and to apply for selected job opportunities. This is a time saving method as it permits advertising the written advert to all the mentioned social media, by just adding the accounts to the Hootsuite dashboard.

- *Facebook* and *Twitter* are sometimes used for candidate screening as well. Ms. Tuliak (the interviewee) stated that "nowadays employers can easily get access to potential candidate's personal life through Facebook and Twitter. This might sometimes be the reason why they do or do not get the offer for a new job. Thus we all need to be more aware of what we are sharing online and warn candidates to monitor their online presence. Ms. Tuliak suggested that there should be a strict line between recruitment and social media; at least in financial and professional services. "I appreciate that in other creative industries there might be different standards but in  these specific industries I believe LinkedIn should be the only social media tool." (Ana Maria Tuliak in Skype

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[27] Hootsuite is a social media management system for brand management created by Ryan Holmes in 2008. Functioning as a form of a dashboard, Hootsuite supports social network integrations for Twitter, Facebook, LinkedIn, Google+, Foursquare, MySpace, WordPress, TrendSpottr and Mixi. Additional integrations are available via Hootsuite's App Directory, including Instagram, MailChimp, Reddit, Storify, Tumblr, Vimeo and YouTube (source: Wikipedia; http://en.wikipedia.org/wiki/Hootsuite)

interview carried out on 26 April, 2015 for the purpose of acquiring information for this thesis). Furthermore, Ms. Julia Smith (FISER Group's Marketing Manager) agreed on Ms. Tuliak's attitude while stating that the social media use for candidate sourcing and screening is strictly limited to LinkedIn network, where people tend to keep information relevant to their professional rather than personal lives. Ms. Smith also pointed out that majority of candidate sourcing is done through their in-house researchers and LinkedIn is not their primary source for candidates searching so they are not planning to invest in upgraded accounts.

• *LinkedIn* is used most frequently for *headhunting* potential candidates. Ms. Tuliak pointed out that the best quality candidates are reached exactly from this recruitment source.

❖ Source 4: **Headhunting**

• *LinkedIn* is frequently used for *headhunting* activities. The platform allows for filtering candidates with certain characteristics which helps in the candidate sourcing process. The benefits of using it are reduced costs of recruitment as well as access to the desired area of the labour market. LinkedIn allows BRUIN to map competitor firms, allocate candidate profiles and track their movement and progression.

• *Other companies' websites* are also used for headhunting, as they sometimes give out the names and contacts of the employees which fit the required job role description.

• Once these names have been collated, the recruiters start *cold calling* the potential candidates. BRUIN recognises that some candidates are passive job seekers and do not have a digital footprint, and in order to track down those candidates they use traditional cold-calling methods.

• *Market Mapping* – where appropriate, BRUIN maps the entire team or department of a client's competitor to produce a thorough overview of potential candidates. LinkedIn is a useful source for this process as well.

❖ Source 5: **Networking & Referrals** – BRUIN's consultants and researchers are much involved in various groups related to their specialist areas. They regularly approach their referral sources in the market, to find exceptional candidates; either

through current clients, candidates from firm's database or other sources of contacts.

❖ Source 6: **Newspaper, Industry Polls & Other Media Sources** – at BRUIN they continue to use more traditional methods such as newspapers to identify further potential candidates. They also use sources such as industry polls, to develop a more comprehensive picture of talent within each vertical.

The interviewee, ms. Tuliak, also suggested that the best quality candidates (i.e. passive candidates) are usually reached through Linkedin, while the biggest volume of candidates is reached through job portals, such as "eFinancialCareers.com" or "Cityjobs.com".

## 2. Candidate Registration

After the list of potential candidates has been made, BRUIN Financial applies its formal process for registration and screening of candidates. Each Consultant and Researcher is trained in this process from day one and as such it is consistent across the business. Each candidate is subject to the registration process as follows;

1. Initial telephone interview with a Researcher.
2. Second round face to face meeting with a Consultant.
3. Verification of Passport, Visa and Qualifications.
4. Signing of a working time directive opt out and a criminal record disclaimer.

What I have noticed while doing work experience at BRUIN is that *communication with candidates* is at a very high level; consultants are very engaged in providing the best possible service and they are very focused on making their candidates satisfied. It is possibly so because BRUIN is a small firm, personalised and tailor made, and all the consultants are very professional and pro-active in finding the suitable roles for each particular individual. They take the time to get to know the candidate and understand what they are looking for, and this is possibly their great competitive advantage when compared to other recruitment consultancies.

BRUIN offers comprehensive advice and support throughout the hiring process, from CV preparation, to interview guidance, which continues even after placement. Their motto

*"Tomorrow's talent, today"* drives their commitment towards finding the right job for the right person at the right time in their career.

### 3. Candidate Preselection

Upon client's release of a new role, BRUIN's recruiters create a short list of candidates they believe to be a suitable fit both in terms of experience and culture. The next step is a candidate briefing over the phone on the requirements of the position. The candidate also receives the job description via email, and is requested to confirm their interest in the position. Once the consultants receive written confirmation of their interest in the role and agree a suitable salary for submission, the consultants select the best candidates for consideration.

### 4. Additional Candidate Screening

Psychometric, skills and technical testing is not undertaken as a matter of course although these can be conducted on request for specific vacancies. BRUIN states that their consulting team possesses a wealth of industry specific knowledge that is utilised to identify the best talent available in the market.

### 5. Candidate Selection and Delivery of the Service

BRUIN's consultants, at this point, select the best candidates and shortlist them to present their CVs to their clients. Under normal circumstances, the consultants select from three to five CVs to put forward for each vacancy. However, the consultant works with each client to identify and work toward their preferred approach.

| BRUIN'S RECRUITMENT PROCESS |
| :---: |
| 1. Candidate Sourcing |
| 2. Candidate Registration |
| 3. Candidate Preselection |
| 4. Additional Candidate Screening |
| 5. Candidate Selection and Delivery of the Service |

Table 4. **BRUIN Financial's Recruitment Process**

## 3.3.2.  Issues and solutions to the new recruitment process

BRUIN Financial finds great value in its CRM system; it allows consultants to administer around 12,000 candidate applications and 500 successful job placements a year. However, internet communications were not addressed using BRUIN's CRM system, although they have become the vital component of the business. For this purpose, BRUIN has recently created a new company website, which is arguably going to solve many of its recruiting problems, especially related to administrative cost savings and speeding up their processes, resulting with a competitive advantage of BRUIN in regards to its industry competitors.

In early 2014, BRUIN Financial's Chief Financial Officer, Colin Webster identified a number of inefficiencies needing to be addressed. He explained:

*"Our desktop CRM solution has grown with us over the years, but during that time Internet communications – both advertising the positions we have available and receiving candidate applications – have become a vital component of the business, and one that was not addressed using our CRM system alone."*

At that time, BRUIN Financial was using a standalone website solution, which meant significant duplication of effort when posting job listings online plus a large amount of copying and pasting when receiving candidate applications via email. Colin Webster further explained:

*"It was very clear that by integrating our website with the CRM system, we could achieve significant administrative cost savings, while at the same time speeding up our processes and becoming even more competitive. However, at the same time we recognised this was not a trivial task,."*

BRUIN Financial were introduced to Bournemouth-based online-application integration specialist Yammayap[28] and they immediately embarked upon a two pronged approach.

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[28] Yammayap is an award winning Poole and Bournemouth web design agency specialising in bespoke content management systems, graphic design, search engine optimisation (source: www.yammayap.com). BRUIN Financial used its services for the development of its new website.

The first was to create an impactful, responsive and content-managed website, as Julia Smith, Group Marketing Manager explains:

*"We wanted a great looking website that reflects our progressive culture, especially focussing on women and graduates in the financial services industry. Coupled with this, we needed to make frequent updates to the site ourselves, whilst ensuring that content is easily consumed across the many different devices that candidates and clients are using."*

In parallel, Yammayap was working closely with the CRM software vendor, to extract the maximum benefit from the existing database API and to scope the additional functionality required to meet BRUIN Financial's requirements. Yammayap also liaised with BRUIN Financial's 3rd party hosting and IT partner to setup the necessary secure connectivity between the CRM and web servers, plus a standalone staging environment required to test modifications during the build process. Colin Webster commented:

*"I am delighted by the manner in which Yammayap orchestrated communications between the various parties involved in delivering the complete solution. They took a pragmatic approach to problem solving and kept me very much in the loop, allowing me to apply just the right amount of pressure to achieve the desired result."*

The new BRUIN Financial website (www.bruinfinancial.com) went live in January 2015.

### 3.3.3.    Gamification in BRUIN Financial

BRUIN Financial is a small company consisting of a bit above 50 employees at the time. It is a niche recruitment consultancy, as it specialises specifically on the financial services sector. Although it is a small enterprise, BRUIN is very open to changes in the recruitment industry, and taking hold of the innovation imposed by the technology. In  its relationship with current employees and potential job candidates, it is prone to using game elements for enhancing their motivation and engagement with its services i.e. provoking employee engagement and satisfaction. BRUIN Financial is using gamification for candidate sourcing and selection, as well as for encouraging its employees to perform better and to engage with their jobs to produce more efficiency.

Information provided in this chapter is collected through *observation* (I have done a 3 months work experience on a position of a "Researcher*"* at BRUIN Financial), *interviews* (Skype interviews were carried out on several occasions with BRUIN's Vice President Consultant, Ms. Ana Maria Tuliak) and *email communication* with Ms. Julia Smith, FISER Group's (of which BRUIN Financial is part of) Marketing Manager.

## 3.3.3.1 Gamification for Candidate Sourcing as well as Enagagement with the services provided

✳   **Interactive Company Web Page**

• *Gamified Referrals*  - allow candidate sourcing though referrals

As important as referrals are for reaching the passive candidates, BRUIN offers candidate referrals option in the user account provided at the company's Website. The following is a screenshot of my account at the BRUIN Financial's Website, with the "Refer a Friend" outlook.
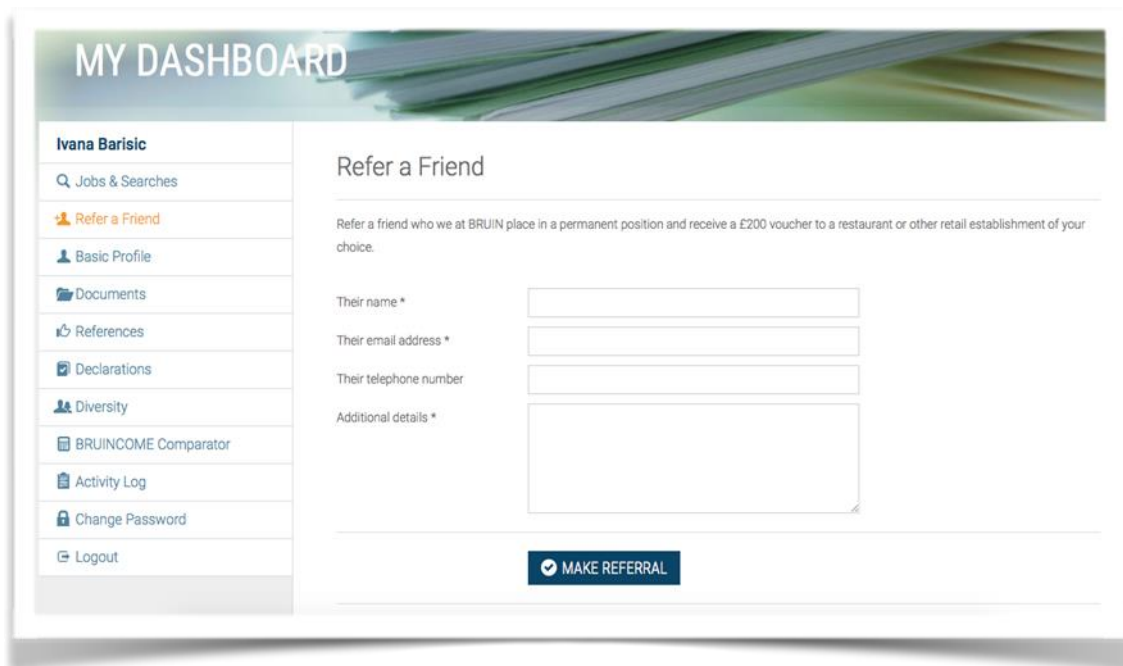
Image 9. **"Refer a Friend" Referral scheme at BRUIN's Web Page** (source: www.bruinfinancial.com)

In case of a good candidate referral, BRUIN rewards the user. This is how they motivate the users to give as many referrals as they can think of.

*"We value personal recommendations very highly. If you refer a friend or colleague to us and we are successful in helping them secure a new permanent position you will receive a £200 voucher to a restaurant, retail establishment or charity of your choice."*

*(BRUIN Financial Official Website).*

This kind of an incentive system serves to motivate the users to refer candidates to BRUIN, which is one of the candidate sourcing methods that BRUIN implies. The new company website was developed just recently and there are still no clear evidences of the functionality of the system, but it certainly is an incentive with gaming elements.

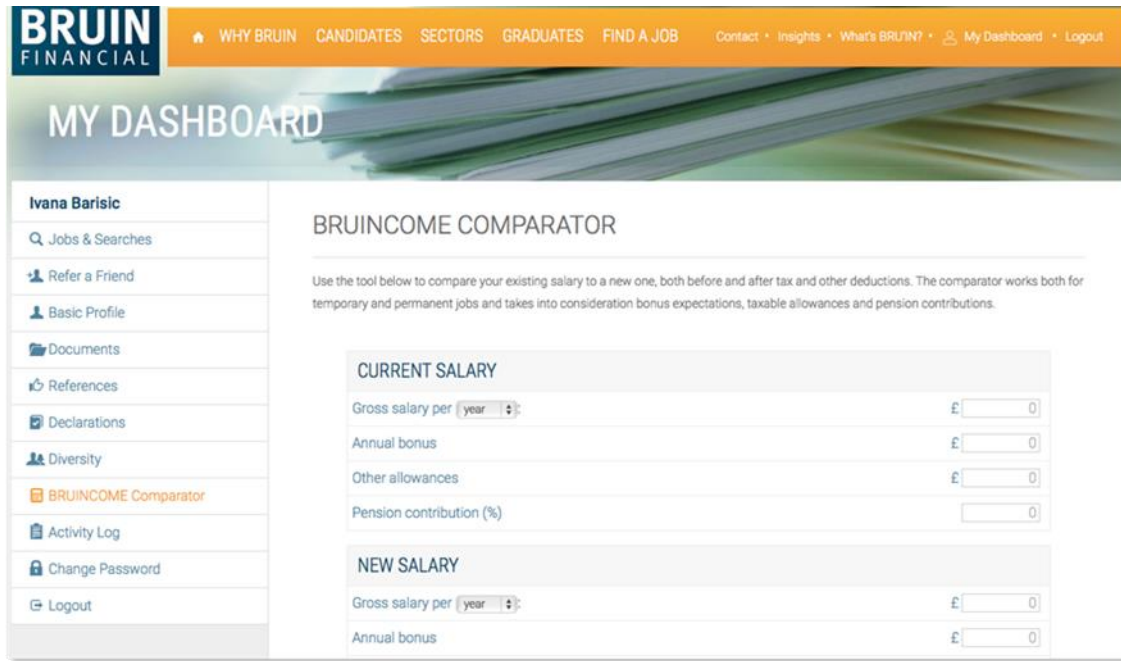- **BRUIN Comparator ("BRUINCOM")** - user engagement with the new company's website

Image 10. **BRUINCOME COMPARATOR** (source: www.bruinfinancial.com)

BRUINCOM is a salary calculator, designed for comparing ones current salary with the potential new salary if one decides to change his / her career path. This platform motivates an individual to spend more time at the website, focusing on his or her career and considering some of the offers BRUIN posted in its job vacancies i.e. registering with the agency, so it can potentially lead to new candidate sourcing, although it is not a candidate sourcing tool.

### 3.3.3.2 Gamification for Employee Motivation and Engagement

BRUIN is keen on rewarding its employees for their good performances. As recruitment industry can be tough and stressful, building a collegiate and motivating environment is critical. Gaming elements such as points, leaderboards and rewards are applied to day-to-day activities at BRUIN Financial. Teamwork is motivated, but individual performances are very motivated as well. The following is a list of gaming elements (components, dynamics and mechanics) which are applied to Adecco's employees to drive their motivation and engagement with recruitment. Each gaming element is very often associated with another. Most of them are associated with some kind of a incentive system, especially in case of recruitment consultancies.

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✳ *Points*: KPI's

In a similar fashion as Adecco, BRUIN uses Key Performance Indicatiors (KPI's) to motivate employee performances. Monthly targets are set by the KPI's which are the base for the performance appraisals done on a monthly, quarterly and yearly basis. So, KPI's are a form of employee feedback. On a monthly basis BRUIN provides a summary of activities based on the KPIs which are monitored internally, and which can be tailored against individual client requirements.  BRUIN proposes a more formal face-to-face review on a quarterly basis.

The following KPIs are reviewed on a weekly basis by the Account Manager:

- •        Number of calls made to the client
- •        Number of client meetings
- •        Number of Jobs received
- •        Number of CVs sent
- •        Number of CVs sent to each job
- •        Number of interviews requested
- •        Number of CVs sent vs number of  interview requests
- •        Number of candidates progressing  from first round interview to second round interview
- •        Number of candidates progressing from first round interview to final
- •        Number of offers to acceptances
- •        Number of placements

In addition, the Account Manager conducts Monthly KPI and client information meetings to ensure best practice is met on each job done.

✳ *Leaderboards* i.e. "Whiteboards"

At BRUIN's main room, they have placed a few big whiteboards where consultants write their placements and fees. It is connected with other gaming elements such as team songs and clapping while one is writing their successful placement on the whiteboard. This is also serves as a tool for giving recognision to the employee for his or her performances.

The leaderboard also serves to track team performances, as well as the performances of the company as a whole and it is in any case subject to rewards.

### ✳ Levels

Top Achievers List i.e. the List of Billers is ranked according to the amount of money they have made to the firm and placed on a visible place in the common office. The top ranked sellers get rewarded on a quarterly basis.

### ✳ Teams

BRUIN's teams are divided into following categories:
- Compliance
- Credit & Risk Management
- Finance & Accountancy
- Operations
- Projects & Change Management
- Sales & Marketing
- Secretarial & Support
- Wealth & Asset Management

Teams have monthly, quarterly and yearly targets outlined for everyone to see. The whole company functiones as one big team, referring candidates for roles and helping each other. However, BRUIN sometimes forms competitions between teams (permanent and temporary employment desks) to strengthen the relationships inside the specific teams. Teams are also rewarded for their contributions and accomplishments.

### ✳ Incentives i.e. Rewards

BRUIN rewards its employees for good performances on individual, team or company level. This demonstrates the significance of involvement and teamwork in this company. For outstanding annual performance, an employee will be rewarded with a trip abroad with all expenses covered by the company. Various smaller initiatives are rewarded for individual performance, such as "free stuff" from Free Fridays initiative described below.

Top 5 billers are taken out by senior level management to a luxury dinner on a quarterly period basis. Employees are also rewarded on the basis of the whole firm and this year they will be going to Spain for 3 days, which is how BRUIN rewards them for their team performance. "Team nights out" are a reward for working together on new job postings, as teams.

Employees are also "punished" for less good performances. Whoever has the least placements on the temporary placements desk (as they are usually more competitive and make more placements than the permanent desks), needs to bring drinks from the kitchen to the rest of the employees at 5pm every Friday. The Friday's drinks are offered by the company, for enhancing a friendly atmosphere at the end of the week.

- *Team songs*

When a consultant makes a placement, the whole floor claps for him whilst he is putting the fee on the whiteboard (leaderboard). Recently they have also introduced "team songs" for each placement, so with the clapping or instead of it, they put a theme song for the consultant as he goes to write his fee on the leaderboard. This makes this process more fun for everyone involved, which keeps the good atmosphere between the employees but it also serves as a encouraging and motivational pattern for the consultant and all presented.

- *Free Thursdays*

The first Thursday of every month is 'Free Thursday' at BRUIN and everybody gets a free lunch.

Free Thursday is also when they have a monthly prize draw. This is a little thank you from BRUIN to someone in the business (for anyone from support staff to directors) for going that extra mile. There's plenty of free stuff in the draw and a few prizes won recently include:

- An ipad mini
- Travelcard for 3 months
- A tailored suit
- 4 weeks grocery shopping

Finally there are free post work drinks in BRUIN's local to round off the day.

✳ **Competition**

Recruitment is a very competitive industry and BRUIN often makes diverse competitions to enhance the adrenaline rush in the employees and to prepare them for the real-world challenges.

**- *Business Development competitions***

Organised weekly, they represent a form of training for the new consultants and other employees. The competition is based on cold calling potential candidates from the lists prepared in advance. Their results are calculated on the basis of responses, acquired email contacts or mobile contacts, CVs received and similar. The best one gets a reward.

**- *BRUIN Balloon Day Olympics***

This competition aims at enhancing the team spirit at the company, while provoking good results (in financial terms) for the firm. BRUIN Balloon Day Olympics is a game where employees recruiting the temporary roles candidates compete with employees recruiting permanent roles candidates. The competition is an all-day-event. All employees are obliged to participate, while reminded to keep the day free - refraining from booking any candidates or client meetings for that day.

Balloon Day Pop List:

- *Workable Job On*

- *5* x *Business Development Calls*

- *3 x Job Leads*

- *2 x Visits Arranged*

- *10 x CV Sends*

- *5 x Candidate Meetings Booked*

- *4 x Successfully Targeted Headhuntings*

- *20 x City Horizon Surveys Completed*

- *2 x WIFI Seminar Acceptances*

- *2 x Referrals*

Each time one of the outlined activities is executed, the employee gets to pop a balloon, for example, if he or she does 5 Business Development Calls, a balloon gets popped. The participants are rewarded with prises which are disclosed at the termination of the event. There is also a penalty for the person which pops the least amount of balloons. This initiative is supposed to enhance individual performances of the employees, while performing the more or less standard recruiter jobs on a more fun and interesting way. The first Balloon day was held on May 27, 2015. It started at 10:30 and finished when all the balloons were popped. The performance that day was high in all the outlined areas, which was equal to BRUIN employees' monthly targets, i.e. KPI's. Balloon Day Olympics is one of the ways BRUIN motivates its employees to achieve their KPI's and ultimately, raise productivity (in financial terms).

✳ **Feedback**

Employees usually receive feedback on a monthly, quarterly and yearly basis. Employee feedback is usually given to employees in emails written by the senior management to the whole company, acknowledging an achievement. Feedbacks are also discussed with the line manager on a monthly or quarterly appraisal.

## 3.4.  Analysis of the Two Case Studies

The two cases, Adecco and BRUIN Financial, have been described in a detailed manner in the previous chapters, with their recruitment processes, sources they use for candidate sourcing and selection as well as all the elements of gamification that they impose for the purpose of candidate and employee motivation and engagement. This chapter outlines the similarities and differences between the two case studies; their use of recruitment sources and gamified systems. The purpose of this analysis is to capture the main trends in the recruitment practice of both firms, while taking in consideration the diverse characteristics of the two firms. The main difference between the two cases is in their size as well as industries that they specialise in. Adecco Group is a big enterprise, specialising in sectors such as Information Technology, Engineering and Technical, Finance and Legal and Medical and Sciences. It possesses a database of almost 20,000 CVs only in the area of Eastern Europe, which makes it a leading recruitment consultancy. BRUIN, on the other hand is a tailor made small company and it specialises exclusively in Financial Services. This is what differentiates BRUIN Financial from other, more generalist consultancies. Being a small company allows for a more personalised approach to their clients as well as candidates, which is rarely the  case with bigger enterprises. In addition to that, Adecco's representative pointed out that they feel more should be done concerning the communicational part of recruitment, in sense of building relationships with their current and recruited candidates, as they might be a great source for future candidate referrals.

The recruitment process of two companies is very similar, although Adecco, being a big enterprise, invests more in technology, especially applied to candidate evaluation and testing. The following two tables outline the  recruitment sources used for candidate sourcing and selection. The objective of this thesis is to capture the sourcing part of recruitment i.e. the new recruitment provided by the development of technology and internet. Table 5. compares the recruitment sources used by the two companies. Sources are outlined in sequence, starting from the most important and most frequently used one.

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| ADECCO | BRUIN Financial |
|---|---|
| **1. Advertising Job Offers**:<br><br>• Online Job Portals *(Moj-Posao)*<br>• Adecco Croatia's Official Webpage<br>• Mobile App.,*"Adecco Jobs in Croatia"* | **1. Company's Database**<br><br>• **"***Profile"* (Microdec)<br>- existent candidate sourcing<br>- candidate registration through new website |
| **2. Company's Database**<br><br>• *"Adecco Web"*<br>- existent candidate sourcing<br>- allows for candidate registration | **2. Advertising Job Offers:**<br><br>• BRUIN Financial's Official Webpage<br>• Online Job Portals (*e-FinancialCareers* and *CityJobs*)<br>• Off-line Traditional Media (Newspapers; *Financial Times* and the *Economist*) |
| **3. Social Media Networks:**<br><br>• LinkedIn (Recruiter's Licence)<br>• Facebook<br>• Twitter<br>• Instagram | **3. Social Media Networks:**<br><br>• LinkedIn<br>• Facebook<br>• Twitter<br>• The three are usually connected through *Hootsuite* for advertising new job offers |
| **4. References**:<br><br>• Rich reference list of contacts | **4. Headhunting:**<br><br>• LinkedIn<br>• Other Companies' Websites<br>• Market mapping clients' competitors |
| **5. Headhunting**:<br><br>• Client Lists<br>• LinkedIn<br>• Specific Companies' Websites | **5. References:**<br><br>• Clients<br>• Candidates<br>• *"Refer a friend"* at the Official Webpage |

Table 5. **Comparison of recruitment sources used by Adecco Croatia and BRUIN Financial**

As it can be seen from Table 4, Adecco and BRUIN are using almost the same set of sources for recruitment purposes. The frequency of use of specific sources is somewhat different in two cases although, as it was explained by the interviewed representatives of both companies, most times the recruitment process is not standardised and it will combine a mix of many different recruitment sources to reach the best quality candidates for

specific positions. What both representatives agree on is that the largest volume of candidates is usually reached through advertising job offers in online job portals, firm's website and similar; while the best quality candidates will come from headhunting i.e. LinkedIn or even referrals. Both firms use social media networks for the purpose of candidate sourcing and employer branding. Adecco uses social media extensively for candidate screening as well, while BRUIN Financial representatives state that they are not keen on screening candidates through "personal" social media, explaining that they feel that being a financial services specialised recruitment consultancy, it is not necessary for them to enter the private lives of their candidates and they will most likely use just the candidates' LinkedIn to check their references. They do however suppose that the client will eventually screen the candidates through their personal social media networks, in order to protect their employer brand and dissolve themselves from negligent hiring possibilities. Both firms have adopted the e-recruitment sources in an effective matter and made their use a standardised strategy for candidate sourcing and recruitment. However, BRUIN Financial still uses some traditional recruitment sources, such as advertising new jobs through off-line traditional media like newspapers Financial Times and The Economist. Also, the communication with candidates is almost always encouraged to be done in person, where the consultants seek to build indelible relationships throughout ones career. The candidate registration is a formal process, where in most cases candidates are called to meet BRUIN's consultants at their offices. This allows BRUIN to get a good knowledge of the candidate, his knowledge, behaviour and aspirations. Adecco, on the other hand, allows for online registration to their database, by making candidates' own profiles on "Adecco Web". BRUIN Financial has also recently implemented the possibility of making user accounts with CV upload and similar at their new and adapted company website, but they will still continue in extensive building of relationships with their candidates, as this is what is a part of their employer brand as a small company. BRUIN is trying to build a positive employer brand through the media, while doing charity work and highlighting their open-minded company policy - criticising any kind of discrimination. Recently they had a press release of their article on WiFi Index (Women in Financial Institutions Index). The Recruitment International Magazine wrote about the leading women in financial services, while explaining BRUIN Financial's incentive and their management team which is a testament to the value of women in director roles and in turn allows them to offer a unique proposition to their clients and candidates. BRUIN is perceived to be a great example of how employer branding should be done for enhancing

the company's reputation and attracting the potential candidates. Adecco, on the other hand, is a well renowned company and it might not be that necessary for it to showcase its caring character whilst being a global enterprise. Adecco actually builds on a reputation of a modern and innovative company, while making investments in candidate and employee engagement patterns through new technological possibilities. As Adecco Croatia's representative already stated, Adecco has always done things in its own specific way and this is what differentiates it from other recruitment companies. However, as it has been seen from the outlined recruitment sources table, there is not much difference between the two companies in the use of recruitment sources for the sourcing part of the recruitment process. It can be concluded that the e-recruitment sources are probably becoming a standardised practice in recruitment process throughout the recruitment consultancy companies, as the of candidate sourcing is reaching the biggest volume of potential candidates i.e. the highest quality of candidates to fill job vacancies.

The following table (Table 5) demonstrates the use of ramification by the two firms, for candidate sourcing and selection purposes. All the different technologies have been outlined in the table, and explained below in a more detailed description.

| | Adecco | BRUIN Financial |
|---|---|---|
| **Candidate Sourcing Tools** | Adecco Web | BRUIN's Adapted Company Website |
| | CEO for One Month | Gamified Referrals |
| | Adecco Virtual Agent | |
| **Candidate Selection Tools** | Adecco Assessment Centre | |
| | Work Competency Questionnaire | |
| | Adecco Expert | |

Table 6. **Gamification for candidate sourcing and selection purposes; comparison of the two case studies**

The main objective of this thesis concerns the explanation of the e-recruitment sourcing part of recruitment. Adecco and BRUIN Financial both use diverse sourcing tools which

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were developed using game elements. What is common in two case studies is that they have both developed gamified systems specifically targeted at younger generation candidates i.e. university graduates. Adecco has built a mobile application for CEO for One Month candidate applications. BRUIN Financial has two initiatives of a similar kind, one being City Talent Initiative and the other is called The Academy. Both initiatives are a part of BRUIN's Graduate Scheme. BRUIN encourages the young people to apply for internships in order to acquire knowledge and develop certain competencies, so they could more easily face the development of their career path, and potentially get interested in the recruitment industry. The young grads take on roles of their fellow recruiters in order to learn and educate themselves in a desired direction. Both initiatives potentially build well defined, high quality young candidates, which is a benefit of implying such programmes. They are eventually going to become candidates for the job vacancies, and this makes these initiatives candidate sourcing tools.

Other candidate sourcing tools have already been explained in the previous chapters. Both companies use their Official Webpages to source potential candidates. They have both developed systematic user accounts which allow the potential candidates to register themselves alone for the specific job roles and / or just simply to register to company's database to potentially receive job offers as they arise; being constantly informed about the market possibilities.

Adecco's Virtual Agent is a gamelike experience provided as part of user account at the company's website. It makes the job searching process more fun and engaging in this way. Users can choose their agent's name and this personalisation is supposed to be a fun element which will provoke a motivational pattern for job search and candidate sourcing. BRUIN Financial also provides a fun element as one of the options at its user account on the company website. Users can choose to "refer a friend" in one of the rubrics, and they will potentially get rewarded for doing so. This extrinsic reward is going to be present in monetary value, which is extrinsically motivating for the individual and a great incentive for BRUIN's acquirement of new, potentially high er quality, candidates.

As stated before, BRUIN and Adecco use a very similar approach to recruitment. However, as Adecco is a large enterpeise, it is able to invest more in the innovation and new technologies. This is why it is able to face its candidates with diverse gamified tests and evaluation systems, which are an efficient and cost and time saving way of dealing

with candidate selection. Adecco's candidate selection tools developed in gamified ways have been thoroughly explained in the chapter about Adecco Case Study, and they demonstrate an interesting way to face with candidate selection. BRUIN Financial is still very traditional with its candidate selection process. It uses face-to-face interviews and paper-pencil tests to address candidates' personalities and competencies. Both firms, however, invest much in employee motivation and engagement with their workplace. Recruitment is a harsh industry to take hold of, and employees often find themselves in stressful situations. The two case studies demonstrate how it is possible to motivate employees through gamification i.e. building gamified experiences which are able to enhance employee engagement with the tasks and produce a high level of performance. Both companies use points, leaderboards and rewards to motivate their employees. Recruitment is a competitive environment, where employees need to be able to work individually but team work is very valuable as well. Both firms impose bonuses for good individual performances, as well as other incentives, but teamwork is also rewarded.

It can be concluded that both firms, Adecco and BRUIN Financial, use a similar pattern when dealing with candidate sourcing and employee motivation and retention.

# Conclusion

The overall aim of this thesis was to explore the use of e-recruitment platforms in the new candidate sourcing process by employment agencies. Particular focus was given to the use of gamification platforms as a function of candidate and employee engagement and motivational tool with the goal of new candidate attainment. The published literature has been studied on the topic of evolution of recruitment process and its sources as well as the concept of gamification as a motivational tool. Another objective of the research was to identify, on the basis of available literature, how the e-recruitment sources along with gamification, affect the recruitment process of today, with a particular regard to their implications to the sourcing part of candidate recruitment in employment agencies. Empirical data from two very well established recruitment agencies has been collected and processed, by applying the knowledge gained by the theoretical chapters of the thesis, in order to confirm the change in the recruitment process, the various strategies each has introduced and how they are used by the two cases in order to gain competitive advantage in reaching the high quality candidates. The literature has shown the shift from traditional recruitment sources to e-recruitment sources, and all the benefits in terms of efficiency; better time management, cost reduction and similar positive trends that were triggered by this evolution. It has also shown strong evidence to suggest the great potential of the principles of game mechanics and gamification for the companies which adopt them. The overall aim of this research was to determine to which extent the empirical evidences demonstrate the characteristics proposed by the literature, with particular interest in gamification implications to the sourcing part of the recruitment process.

The traditional recruitment techniques have evolved starting with the introduction of Internet followed by the technology which is constantly evolving and regards highly to the use of social networking websites and mobile platforms in recruitment. These trends are shown to be a building block of candidate sourcing activities today, which was demonstrated through the case studies imposed for the purpose of this thesis. Gamification is an even newer concept which serves as a breakthrough solution for some of the pitfalls of the previously mentioned (Recruitment 2.0) tools. An unprecedented growth of the

concept of gamification has been foreseen by the industry experts, in the foreseeable future. This makes this research a topic of special interest.

Motivation is what drives humans towards acting in a productive and meaningful way, while being able to express themselves as individuals, which definitely produces greater productivity of the firms which implement it. The gamified system provides all the required elements of a good recruitment system; motivation, feedback and simple and interesting approach. The Recruitment 1.0 and Recruitment 2.0 systems often have pitfalls in the system of feedback that they implement to their recruitment processes. Gamification is able to provide this information to single and each user. And it forms an excellence in employer reputation i.e. employer branding. What gamification provides for the recruiter is a precise and shortened list of good quality candidates. This is an evolution from the Recruitment 2.0, where the problem was manifested through a too big of a pool of applicants. Gamification filters candidates at an extraordinary scale with the use of gamified systems particularly designed for a certain objective. However, there are some dangers when implementing gamification for business purposes. First of all, it is not so easy to introduce gamified systems to a business environment. It needs to be done with purpose and objectives at hand, otherwise it might produce opposite results from the ones intended. In order to be able to implement gamification correctly, one should get a hold of psychological understanding of motivation and its different kinds and influences on human behaviour. Engagement is mostly provoked by intrinsically motivating the users. Although this is so, and it is argued that extrinsic rewards should not be implemented in a large amount, but replaced by intrinsic ones, studies have shown that rewards can be both extrinsic and intrinsic, depending on their perceived benefits and meaning. However, the "overjustification" effect is one of the dangers of implementing the extrinsic rewards as the complete substitution of intrinsic motivation leads to a state which is actually de-motivated. What is meant by all these theories is that gamification should be thoroughly analysed and planned before its very implementation into a certain business system, otherwise the firm risks getting an opposite effect from the one it intended to get. Gamification in recruitment is mostly implemented for HR benefits as it is able to boost engagement, employee morale and investment, but also to improve compliance and efficiency in HR processes (Crawford, 2014).

The case studies evidenced in this thesis demonstrate that the recruitment consultancy companies of all sizes can implement gamified systems for the purpose of candidate

recruiting and employee engagement and retention. The research has demonstrated the diverse gamification implications to recruitment, particularly to the process of candidate sourcing. What is evidenced it that both firms use gamified systems for acquiring younger generation candidates, while they stick to the more traditional, standardised methods in approaching senior candidates. Although it was not the primary goal of this research thesis, it was evidenced that both firms extensively use gamification for influencing employee performances. And the results are highly positive. Adecco also introduces a set of gamified tests for candidate evaluation and selection.

This thesis has answered the aims and objectives imposed, and demonstrated the change in the recruitment environment influenced by the e-recruitment sources and gamification. The two case studies have been addressed individually through every specific point of the research literature, and then compared to one another in the last part of the thesis. The Case Study Analysis demonstrated the highly similar recruitment path of both companies, while outlining the different characteristics of the two companies. The interesting part of the research was to see that the small companies can actually introduce innovation as well as the large enterprises and learn and implement all of the features to grow to a position of a market leader. Adecco and BRUIN Financial have proved to be great examples of recruitment consultancy companies which are pioneers in implementation of the new recruitment trends and practices.

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