



UNIVERSITY OF GOTHENBURG

Master Thesis in Strategic HRM and Labour Relations

Social Capital and Legitimate Recruitment

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Semester: Spring 2016

ABSTRACT

Title: Social Capital and Legitimate Recruitment

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Purpose: When it comes to hire new employees, organisations can resort to different sources, contacts and acquaintances being among the most important ones. This thesis studies the legitimate use that recruiters make of the organisation's social capital and its consequences. To do this, the author introduces the concepts of institution, legitimacy, social capital and recruitment and uses them as a theoretical base in order to contribute to this topic.

Methodology: This study has a qualitative approach through eight interviews carried out in eight different organisations. Also, the author supported his findings with the information obtained on the companies' websites.

Results: The findings show that the legitimacy of the use of social capital in recruitment lies on the candidate's competences. If the candidate is qualified enough for the job, contacts and relationship do not represent but a benefit for the own candidate and for the company. The perceived consequences are internal and external: internally, illegitimacy worsens the working environment and the organisations' performance; externally, the organisations' reputation deteriorates, both regarding its activity and as employer.

Key words: institution, legitimacy, social capital, recruitment, talent management, nepotism

Acknowledgments

There are so many people who helped me during these months... My gratitude to my friends, who made me start, resume and finish this work. To my family, who has always been there, and will always be. To Bertil, who inspired me to choose this topic. To my supervisor Sara Brorström for her comments and patience. To the participants, and to my classmates.

Thanks, thanks a lot

Mario López Albarracín

Gothenburg, June 2nd 2016

Table of contents

Abstract	2
1. Introduction	7
<i>1.1.Organisations' relationships</i>	<i>7</i>
<i>1.2.Talent Management.....</i>	<i>8</i>
<i>1.3.The use of social capital</i>	<i>8</i>
<i>1.4.Legitimacy is necessary</i>	<i>8</i>
<i>1.5.Scarcity of studies</i>	<i>9</i>
<i>1.6.Research questions</i>	<i>9</i>
<i>1.7.Dispositions</i>	<i>10</i>
2. Literature Review	10
<i>2.1.Institutional theory</i>	<i>11</i>
2.1.1. <i>Institution as the opposite to economic explanations.....</i>	<i>11</i>
2.1.2. <i>Institutional adaptation and fields</i>	<i>11</i>
<i>2.2.Achievement of legitimacy.....</i>	<i>12</i>
<i>2.3.The study of social capital.....</i>	<i>12</i>
2.3.1. <i>Social capital versus institutions.....</i>	<i>13</i>
<i>2.4.Recruitment literature</i>	<i>13</i>
2.4.1. <i>Recruitment in the management of talents</i>	<i>13</i>
2.4.2. <i>Employer branding.....</i>	<i>14</i>
2.4.3. <i>Nepotism.....</i>	<i>14</i>
<i>2.5.Final considerations</i>	<i>15</i>
3. Theoretical framework	15
<i>3.1.Institution and legitimacy.....</i>	<i>15</i>
3.1.1. <i>Boundaries</i>	<i>16</i>
3.1.2. <i>Institutional forces.....</i>	<i>16</i>
3.1.3. <i>Legitimacy, status and reputation</i>	<i>17</i>
<i>3.2.Social capital.....</i>	<i>18</i>
3.2.1. <i>Adverse effects.....</i>	<i>18</i>
3.2.2. <i>Reasons for social capital</i>	<i>18</i>
<i>3.3.Recruitment.....</i>	<i>19</i>
3.3.1. <i>Aim and purposes of recruitment</i>	<i>19</i>
3.3.2. <i>Recruitment sources</i>	<i>19</i>

4. Methodology	20
4.1. Research approach	20
4.2. Empirical data	20
4.3. Meet the interviewees	22
4.4. Data analysis	23
4.5. Author’s information management	24
4.5.1. <i>Additional information gathered in the organisations’ websites</i>	24
4.6. Ethical considerations	25
4.7. Limitations	25
4.7.1. <i>Sensitive information</i>	25
5. Results	26
5.1. The importance of previous relationships	26
5.2. Building relationships	29
5.3. Talent management	32
5.4. Recruitment practices	33
5.5. Legitimacy and consequences	34
6. Analysis	37
6.1. Institution and legitimacy	37
6.1.1. <i>Boundaries</i>	37
6.1.2. <i>Institutional forces</i>	39
6.1.3. <i>Legitimacy, status and reputation</i>	39
6.2. Social capital	40
6.2.1. <i>Adverse effects</i>	41
6.2.2. <i>Reasons for social capital</i>	41
6.3. Recruitment	42
6.3.1. <i>Aim and purposes of recruitment</i>	42
6.3.2. <i>Recruitment sources</i>	44
7. Conclusions	45
7.1. Research questions	45
7.2. Discussion	48
7.3. Recommendations for further study	49
References	50

Appendices

Appendix 1: Interview guide	56
Appendix 2: Interviewees' profiles	59
Appendix 3: Coding process	60

Table of figures

Figure 1. Choice set within an institution.....	16
Figure 2. The interrelation between legitimacy, reputation, and status.....	17

1. Introduction

1.1. Organisations' relationships

As with people, organisations need to relate to others within society (Pfeffer & Salancik 2003). Today, relationships between organisations and different actors of society itself, or between organisations themselves, are more common than have ever been (Bachmann & Witteloostuijn 2006). Firms can collaborate with each other, exchange information or maintain a business relationship (Melin & Axelsson 2011). In the last two decades, the proliferation of the Internet has proven to be an essential tool for creating and maintaining those relationships (Rossignoli & Ricciardi 2015). Organisations want to take advantage with these relationships, not only between organisations themselves, but also between organisations and other actors belonging to society, and these ties, which determine their importance in society and the outcomes they will get as a result of that, are the so-called organisation's social capital (Noteboom 2007).

Social capital can be a key element for an organisation's recruitment (Lin 2001). The existence of previous relationships with the candidate, either direct or indirect, can be an advantage for the organisation which, this way, can easily and inexpensively find the perfect candidate to fill a vacancy (Portes 1998). For example, regarding the use of the Internet, organisations have made a notable advance with its usage as well as social media. Since the nineties, organisations have been increasingly giving more importance to the Internet and nowadays organisations' investment for recruitment of new hires through the Internet is greater than the investment they carry out in traditional media such as newspapers. Not surprisingly, the Internet has become the main place where companies and jobseekers meet (Millar 2007). These recruiting actions through the Internet, also called e-recruiting among other terms, can be performed in different ways. Organisations can manage their recruiting activities through third party portals, which, like traditional newspapers, gather the vacancies that organisations want to advertise (Millar 2007). Also, there is the organisation's participation in social media, which has become an important tool for enhancing its social capital (Ryan et al. 2008). As a supplementary source of social capital (Wellman et al. 2001), social media brings companies and candidates together, and they also allow the interaction between the organisations themselves (Bologna 2014).

1.2. Talent Management

Recruitment has a great importance for organisations' talent management (Thunnissen 2015). Talent management can be understood as those practices that an organisation performs for the purpose of attracting, selecting, developing and retaining employees. These employees have a key importance within the firm because of their abilities, the position that they are working in or their potential, which has a major role in the organisation's proper functioning (Scullion & Collings 2011; Thunnissen 2015).

Talent management tries through recruiting to meet the quantitative and qualitative needs of staffing, which can be reflected in an enhancement of the organisation's performance (Thunnissen 2015). On the other side, a poor talent management turns into an uneven occupation of the key positions within an organisation, which harms the firm's efficiency as well as its reputation (Longenecker & Fink 2013).

1.3. The use of social capital

Since social capital can be considered as a tool for achieving goals, its use can be either ideal or quite the opposite. In case of a bad use of social capital, not only its positive outcomes would vanish, but some detrimental results would appear (Stone et al. 2007; Portes 1998). Also, a good recruiting policy can bring many benefits to the firm. By getting the right candidate, an organisation's objectives will be met more efficiently. In the same way, a good management of social capital is important for the firm's image and prestige (Wiley 1992). In connection to the above, the Internet has increased the possibilities in the fields of recruitment and relationship-building with candidates and potential candidates. It is expected then that their development and management is going to become more and more advanced as time goes, so it is necessary to study the relationship between social capital and recruitment and its implications.

1.4. Legitimacy is necessary

It is important to emphasise that the desired outcomes from an organisational -or economic- point of view are different from the ones in the institutional –sociological- point of view. In an organisational view, the firm pursues efficiency and the economic benefit. In the institutional view, the organisation acts in a limited way in a society with boundaries, and its final goal is to fit in the institution that it belongs to, thus achieving legitimacy (Zucherman 1999; Roberts 2008). For that matter, those rules and customs

determine the institution to which an organisation belongs, and those practices that can be comprised within what its institution sets, they are considered as legitimate (Williamson 2000; Zucherman 1999). If a company seeks legitimacy from its actions, it is then necessary to know what uses of social capital regarding recruitment can be considered legitimate, which cannot, and what are the consequences of it.

It is also necessary to understand why actors want to have legitimacy. An action's legitimacy gives to the one who performed it support for keeping doing those actions, as well as these actions are presumed to be more effective (Burnell 2006; Börzel & Hüllen 2014). In the case of recruiters, their performance will act as a support for their actions and decisions, which leads organisations to be seen as appropriate or even as desirable employers (Williamson 2000). One of the aims of this purpose is to note these consequences, as well as the ones that recruiters and organisations face when they do not act in a legitimate way in the recruiting field.

1.5. Scarcity of studies

The literature about legitimacy of organisation in their recruitment activities is almost non-existent, and none of them have linked it to the use of social capital for such a practice. In any case, the only phenomenon –barely- studied before is nepotism. Nepotism is a paradigmatic case of illegitimate use of contacts for the organisation's recruitment (Bellow 2003), but this thesis is not limited to the study of nepotism as the only illegitimate practice of recruiting, but it aims to include other uses of social capital that are considered illegitimate by organisations. Thus, from the point of view of the recruiter it is important to know more about the legitimacy of their acts and what that means for the organisation. Plus, there is no literature about the consequences of illegitimate recruiting practices. It is key then to start approaching these consequences in order to test how important they are for organisations.

1.6. Research Questions

This thesis aims to analyse the legitimate uses of social capital by organisations in their recruitment practices, that is to say, to understand when recruiting practices that make use of social capital stop being legitimate and become illegitimate. This study also aims to understand the consequences derived from these illegitimate recruiting practices. Bearing in mind that there is scarce research on employer's legitimacy, plus the lack of

literature on the use of social capital for recruitment, there is an interesting gap to be filled with this thesis. Therefore, the research questions that this thesis aims to answer are:

- **Under what conditions is the use of social capital in recruitment legitimate?**
- **Which consequences are derived from practices that can be regarded as illegitimate?**

1.7. Dispositions

Chapter one introduces the topic to be researched and debates its existent gap, which is intended to be solved through the research carried out in this thesis. In addition to this, the research questions that summarise the aim of this study are formulated. Chapter two summarises the studies on the topic so far, and provides a review of the literature and authors that have contributed to the development of the addressed concepts and themes. The third chapter defines relevant concepts such as institution, legitimacy, social capital and recruiting, and serves as a source of the findings' analysis. Chapter four explains the used methods in order to obtain the information needed for the thesis, tools used for obtaining the information and how this information was processed. Also, it discusses both the ethical considerations and the limitations that are present in this study. Chapter five reflects the information obtained according to the methods previously announced. Chapter six analyses the information obtained, and links the empirical findings with the previously developed theoretical framework. Chapter seven responds to research questions that were formulated at the beginning of the thesis and states some conclusions. It finishes with some recommendations for further studies in areas that are unexplored in this thesis but equally interesting from the point of view of the author.

2. Literature Review

This chapter reviews different existing studies and articles on the main concepts studied here: institution, legitimacy, social capital and recruitment. Through this review it can be understood the development of the studies on the topic so far, and the approaches to the subject that are necessary. This chapter serves as a basis to reflect the contributions of this thesis.

2.1. Institutional theory

2.1.1. Institution as the opposite to economic explanations

The existing literature about institutional theory is vast and large. As said before, institutional theory appears as the opposite from the organisational economics theory (Roberts 2008; Biggart & Hamilton 1991), even though the institutional theory has been studied since long ago, in an attempt to explain the behaviour of organisations within a society (Thornton & Ocasio 2008). The economic theory focuses on costs and efficiency (Williamson 1981), whereas the institutional approach considers that every organisation's effort is aimed to its embeddedness in society (Djelic & Quack 2008). Nevertheless, authors like Roberts (2008) suggest that both theories are not exclusive to each other and they must be integrated into one another in order to greater the understanding of an organisation's behaviour.

According to Lawrence (2008), institutions can be found as long as they are powerful enough to shape every organisation's behaviour. This power is defined depending on how an institution controls and modify the actors' actions, how actors modify an institution's behavioural demand, and how actors can resist to both struggling forces (ibid.). These forces, as it will be explained further later, can be divided into coercive, mimetic and normative forces in order to establish which actions and behaviours belong to an institution (DiMaggio & Powell 1983; Scott 1995).

2.1.2. Institutional adaptation and fields

In any case, organisations and other actors have to adapt to institutional forces (DiMaggio & Powell 1983; Scott 1995). Boxembaun & Jonsson (2008) explain that organisations adapt to institutions in two different ways: through *isomorphism* and through *decoupling*. Isomorphic organisations become similar to each other through their adaptation to an environment. Decoupling is the organisation's answer to both institutional and economic pressures: decoupled organisations change their superficial structure in order to keep belonging to the institution, but at the same time they perform differently from what they announced in pursue of efficiency (ibid.).

Organisational institutions can also be divided into organisational fields, which, according to DiMaggio & Powell (1983) are those sets of organisations that constitute an institution by themselves, by means of sharing resources, suppliers and norms. Inside

these fields there are many distinct organisations whose common activities or objectives make them act and interact with one another (Hoffman 2001). Wooten & Hoffman (2008) affirm that the study of the organisational fields has moved in the last decades from having an institutional approach to having an approach based on the organisational theory.

2.2. Achievement of legitimacy

Complying with the expectations that an institution has set on its actors, either by accepting prohibitions and norms or just by sharing beliefs and customs, leads to legitimacy (Cattani et al. 2007), whereas not complying with these rules and beliefs means that an actor is illegitimate (Zucherman 1999). Ide et al. (2003) claim that legitimacy is a component of the organisation's reputation, and Deephouse & Suchman (2008) link legitimacy with status and reputation, stating that these concepts are different and not exclusive from one another. Contrary to what was stated before, Yang & Su (2013) propose that legitimacy and efficiency are not contradictory terms, and that in order to achieve both, organisations only must possess a deep understanding of the institution and its culture and shared beliefs.

2.3. The study of social capital

There is also an extensive literature regarding social capital. Portes (1998) provides a series of definitions of the term social capital, which can be summarised as the set of resources that an organisation obtains through its membership in a social structure, by means of partners and the interactions between them. Therefore, organisations' earnings depend on the use of social capital (Coleman 1988; Campos-Matos et al. 2015). According to Coleman (1988), thanks to the position that an organisation occupies in a social structure, or to the specific actions developed among the members of that group, it can get access to a number of resources -whether they are financial or not- that would not be accessible if the organisation did not belong to the group itself, so the term social capital must be understood as something jointly shared by several members of a group. In order to estimate social capital as such, these resources should be linked to group membership and not the organisation itself. Otherwise such membership would be considered as accessory and short of relevance in determining the firm's social capital. Thus, social capital defines the social character of the organisation (ibid.).

2.3.1. Social capital versus institutions

The relationship between social capital and institution has inspired many researchers to conduct their studies. Minten & Fafchamps (2002) suggest that social capital acts as a substitution for institutions that cannot provide an appropriate set of rules and norms for relations between actors. Ahlerup et al. (2008) state that the effect of social capital on economic growth depends on the strength of institutions, so the stronger is the institution, the weaker is the power of social capital for the organisation's goals. Contrary to this, Balamoune-Lutz (2010) affirms that social capital and institutions coexist and complement each other.

Leana & van Buren III (1999) consider that social capital can be a great resource in order to explain employment practices and to understand collective action. On the "dark" side, Portes (1998) considers that social capital itself entails a series of negative consequences, such as the exclusion of external actors, the excessive attention to group members, the restriction of the actors' individual freedom, and downward levelling norms. However, Portes (1998) does not link negative consequences with the legitimacy of its use. Besides, these consequences refer to general aspects, regardless of their importance in recruitment.

2.4. Recruitment literature

It is also easy to find literature about recruitment. Recruitment policies are those that an organisation follows in order to either increase its workforce or change its characteristic (Williamson 2000). It is believed that the source of recruitment and its method have a key role to determine the employee's performance (Breaugh & Mann 1984; Rafaeli et al. 2005; Wiley 1992).

2.4.1. Recruitment in the management of talents

Some authors have highlighted the growing importance of research about recruitment, and the weight that these decisions have on the company's prestige and efficiency (Wiley 1992; Breaugh 2008; Breaugh & Mann 1984). The selected recruiting method can predict its following results for the organisation, and it determines the candidates' qualifications and expertise (Wiley 1992). The outcomes as a result of the recruitment method can be reflected in the employees' attraction, motivation, performance and

willingness to remain in the organisation (Stone et al. 2007), which are the main purposes of the talent management of companies (Scullio & Collings 2011).

Thus, recruitment plays an important role in the talent management of organisations, which has become a priority for many organisations and a major strategic decision (Vaiman et al. 2012). According to Scullion & Collings (2011) there are different reasons for the implementation of talent management, such as its ability to determine the success of the firm, the growing competition between organisations to obtain the best talents and the need for strengthening the talents' commitment to the firm.

2.4.2. Employer Branding

According to Martin & Groen-in't-woud (2011), when talking about the recruitment and talent management, the term "employer branding" deserves to be taken into account as well, since it has a direct impact on the organisational reputation. Employer branding is defined as those efforts of an organisations intended to make the own organisation to be taken into account as a respectable employer (Sivertszen et al. 2013).

Williamson (2000) points out that if an employer is considered illegitimate by candidates, such candidates will avoid being part of the company, but the source of that illegitimacy is not specified, so those practices that make an organisation to be considered as illegitimate may have little or nothing to do with its recruitment practices. Stone et al. (2007) insist on this idea, emphasising that a clear consequence of those practices considered illegitimate is the potential loss of talent working for the organisation. Since the objective of the organisation should be to get the best workers so that they get a better performance for the company, it is important that the recruitment policy is not only effective but legitimate too (Wiley 1992; Williamson 2000). It can be said then that the more legitimate an organisation is –through an effective employer branding- the better the pool of candidates will be, and the more applicants will be willing to work for the firm. This, along with the recruitment sources selected by the organisation in order to fill a vacancy, will determine the outcomes derived from these recruiting decisions.

2.4.3. Nepotism

Regarded as the typical example of an illegitimate recruiting practice, nepotism is defined as the indiscriminate favourable treatment for relatives within a group, and has

mostly negative connotations: it implies an unequal and unfair treatment, and does not take into account the features of both beneficiaries and affected ones (Kragh 2012). According to Bellow (2003), nepotism is not clearly defined in society, despite having this negative assessment. Vinton (1998) states that nepotism is a concept that deserves further study and comprehension, which is shared by Kragh (2012) in his article published 14 years later, adding that, with the exception of what was published by Bellow, any other study of nepotism can be considered as "anecdotal".

2.5.Final considerations

This chapter has done a quick review of the literature on institutions, legitimacy, social capital and recruitment, and the relationships between these concepts. Also, some other studies on other terms such as talent management, employer branding and nepotism have been also mentioned for their link to the main topic studied here. However, this main topic, which relates recruitment practices to the use of social capital, and the legitimacy of such uses, has a lack of literature focused on it. In addition to that, there is no literature focused on the consequences of it either, so this thesis can contribute to the development of these two aspects.

3. Theoretical framework

This chapter collects various theories on institution, legitimacy, social capital and recruitment. Institutional theory focuses on limits of institutions and pressures by which institutions are spread. On legitimacy its impact on the actors' status and reputation is studied. On social capital this chapter theorises about its possible adverse effects as well as the reasons for its use. Finally, on recruitment sources and objectives are studied. All these theories are useful to analyse the empirical findings obtained.

3.1.Institution and Legitimacy

Institution can be understood as the set of legal and social norms that establish the boundaries of actuation of a society's participants, regardless of its size. It can be defined as the rules of the game. So, all actors who are included within these limits will share a set of values and principles, and the process by which an actor is adapted to these limits is called institutionalisation (Lin 2001).

3.1.1. Boundaries

The fact that actors within an institution are included in an area with defined boundaries means that the possibilities of action among members of that institution are not unlimited, but they are chosen from the set of actions allowed in that institution (Lin 2001). This means that organisations that belong to a particular institution may only perform the practices that institution allows, that is, those that are not legally sanctioned nor socially punished.

North (1991) states that institutions can be understood as those self-imposed limits within society. He also says that these limits can be divided into both formal rules, which are the constitutions, laws or property rights; and informal constraints, which consists of sanctions, taboos, customs, traditions, and codes of conduct. A third constraint can be added to these two, which is the one based on economic limitations. These three edges comprise the set of choices that an organisation can make within an institution (Figure 1).

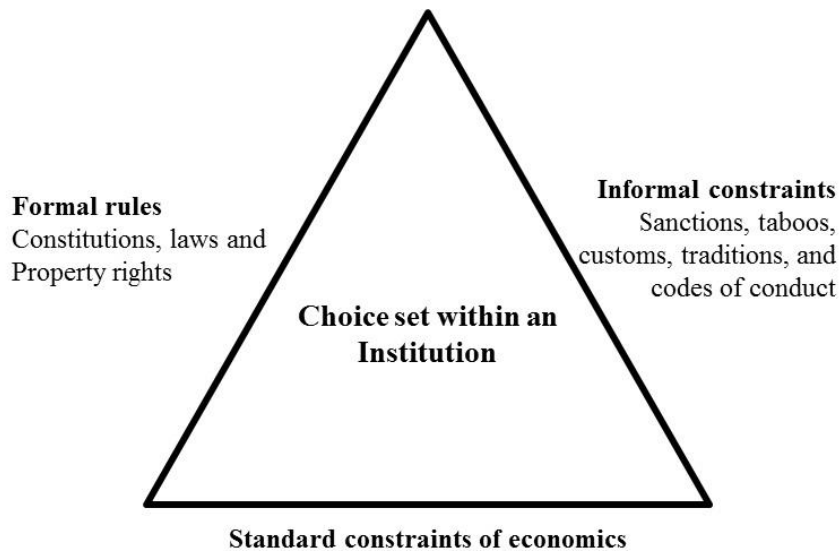


Figure 1. Choice set within an institution. Source: Own elaboration based on North (1991)

3.1.2. Institutional forces

DiMaggio and Powell (1983) listed three main processes through which these institutions are created that act as forces that make organisations belonging to such institutions to become increasingly similar: 1) *coercive* pressures, which appear as a response to the threat of sanctions and penalties as a result of not complying or meeting

with those requirements. It takes place mainly in power relations as well as through laws and regulations; on the other hand, 2) *mimetic* pressures make organisations pursue the same results as other organisations throughout the imitation of these companies' procedures and methods; finally, in the case of 3) *normative* pressures, it occurs when there are no laws that demand the adoption of procedures and methods, but nevertheless they are adopted because it is simply the "proper" or "usual" thing to do. The result of complying with the rules of the game is the legitimacy of the actor and his actions.

3.1.3. Legitimacy, status and reputation

As previously said, companies seek legitimacy when integrated into an institution, so it can be understood that legitimacy is the set of standards and rules that an organisation assumes to be accepted in an institution. Therefore, legitimacy depends on consensus among the agents of a society to decide what is acceptable and what is not. Organisations that do not conform to such standards are consequently considered as non-legitimate or illegitimate (Zucherman 1999).

Deephouse & Suchman (2008) state that legitimacy affects the status of the organisation, if the criterion to get higher on the status scale corresponds to the fulfilment of the institution's norms and values. On the other hand, legitimacy affects the organisation's reputation because it makes it to become more visible, and therefore, more respected (Figure 2).

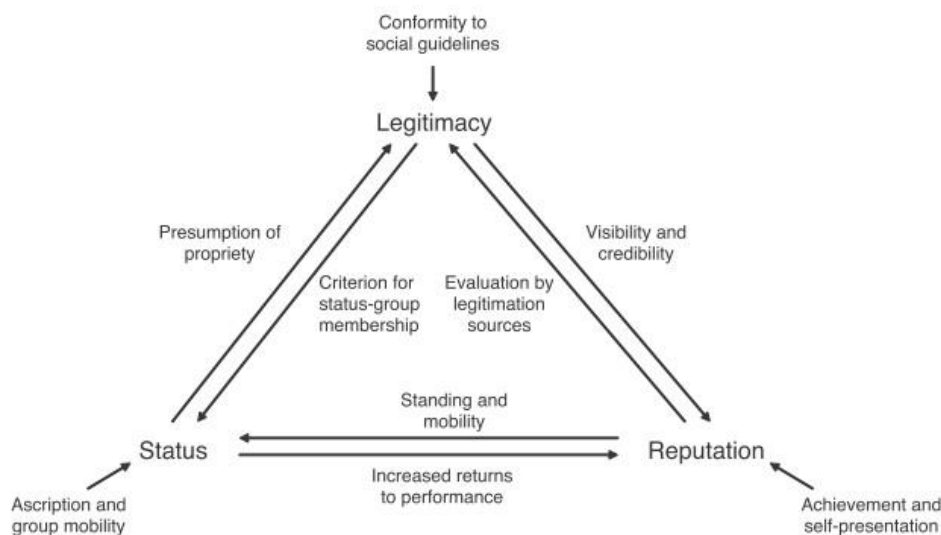


Figure 2. The interrelation between legitimacy, reputation, and status (Deephouse & Suchman 2008)

3.2.Social Capital

As said before, social capital is the assets that organisations achieve and benefit from their relationships with other actors within a society (Portes 1998). Even though social capital it is described as a positive and intangible asset that cannot be traded, some authors do not consider social capital as an exclusively positive element (Portes 1998; Campos Matos et al. 2015).

3.2.1. Adverse effects

According to Portes (1998), the adverse effects derived from social capital are: (1) *the exclusion of external actors*, by which some actors and the potential benefits from a partnership are discarded because they are not currently contacts; (2) *the excessive attention to group members*, which means that these group members are still part of their interactions and relations even they are not worthy to interact with anymore; (3) *the restriction of the actors' individual freedom* is to be tied to certain contacts and the only choices that these bonds allow; and finally (4) *downward levelling norms*, where social capital members do not want to develop their skills and capabilities, because otherwise they will not belong to the same network of contacts anymore, where the skill and capability level is not that high (ibid.).

3.2.2. Reasons for social capital

The negative consequences, as well as the positive ones, cannot be thought of as inherent to social capital itself, but will appear depending on the quality of the interactions between the actors and the characteristics of the actors who are part of an organisation. Thus, an organisation can make whether a good or a bad use of social capital, resulting in positive or negative outcomes (Campos-Matos et al. 2015). According to Lin (2001), the use of social capital usually responds to at least one of these four reasons: **a)** it facilitates the flow of information, allowing access to people and organisations that otherwise would not have been known, which saves costs; **b)** it influences the decision of certain actors who have an important weight in making decisions, which facilitates their work; **c)** it works as sort of a social credential, which is an added value to human capital that the person already has; and **d)** it reinforces the organisation's culture.

3.3. Recruitment

3.3.1. Aim and purposes of recruitment

Recruitment practices aim to, on one hand, that applicants accept to work for the organisation, and on the other hand, that such incorporation brings a good performance level on the new employee's side, which leads to a good company's performance (Breugh 2008). Gatewood et al. (2011) state three major purposes of recruitment. The first purpose is to have a sufficient amount of qualified applicants. It depends on the number of applicants accepted for the selection process. The more people that apply the bigger chance to have big pool of appropriate applicants. The second purpose is regarding meeting the organisation's legal and social obligations. According to Gatewood et al. (2011), the hires will be demographically balanced when the selection process attracts a demographically balanced set of candidates. Finally, the third purpose is to minimise costs. There are many costs derived from the recruitment practices, such as working time and materials, plus some costs derived from a poor employee performance (ibid.).

3.3.2. Recruitment sources

Wanous (1992, in Moser 2005), differentiates three sources of recruitment: internal recruitment sources, external recruitment sources and walk-ins. First, internal recruitment sources, such as rehires, referrals and internships, has as its main characteristic that the candidate has got information from within the organisation prior to their hiring. There are some advantages attached to this source: information, training and recruiting costs are lower. However, the number of candidates is limited this way, a non-adequate hiring can incur some costs in the long term and a there is a bigger feeling of injustice from those who were not selected, compared to the external recruitment source (CHRM 2009).

Second, external recruitment sources, such as job advertisements and employment agencies. Candidates from this source do not have any information from the organisation itself. External recruitment brings some benefits, especially related to the arrival of fresh and new ideas, which might turn into an economical decision and organisations can select candidates from a bigger pool of talents. On the negative side, there is less information about the candidate, his/her adaptation is on the line and the costs of recruiting and its failure are higher (MSUB 2012).

Third, there is walk-ins, also called “unsolicited applications”. Here, there is not a clear explanation of why applicants contacted the organisation, so the candidate is not aware of any existing selection process whatsoever (Moser 2005).

4. Methodology

This chapter informs about how it is obtained the information necessary for the development of this thesis. The approach is qualitative, mainly through semi-structured interviews, but also has made use of information accessed on the organisations’ websites. This chapter discusses this method’s features and why it was chosen by the author. Similarly it is explained how the information is sorted out, which in this case is through coding. Finally, ethical considerations and limitations of this study are discussed.

4.1. Research Approach

For the purpose of this thesis, a qualitative approach that reflects perceptions and understandings is necessary, and the interviewees’ views and opinions will be reflected through semi-structured interviews. Hammersley (2013) defines qualitative research as “a form of social inquiry that tends to adopt a flexible and data-driven research design, to use relatively unstructured data, to emphasise the essential role of subjectivity in the research process, to study a small number of naturally occurring cases in detail, and to use verbal rather than statistical forms of analysis.” Hence, it can be said that the qualitative approach is used to describe and explain and it is not subject to formal procedures of measuring, mainly because it takes place in the real world, rather than under controlled circumstances. Besides, the sample size of a qualitative study is smaller compared to a quantitative analysis (ibid.). The qualitative approach is considered as an interpretive approach, which gives a great importance to the observations of participants and their perceptions (Stake 2010).

4.2. Empirical Data

As mentioned before, in this thesis the information was obtained through personal semi-structured interviews. This way it was intended to obtain unique information based on the respondents’ replies. Also, in order to support the achieved information through semi-structured interviews, the author has accessed to the policies and guidelines that

the organisations here represented establish about their talent management, which was obtained by looking up on the firms' websites.

Through interviews, researchers obtain not only the interviewees' answers to questions, but also their comments or stories that provide further insight to the topic (Stake 2010). Interviews can be structured, semi-structured or open (Hammersley 2013). Structured interviews offer a limited range of responses, while semi-structured and open interviews are more flexible and can vary depending on the flow of the conversation (Willis et al. 2007). By means of personal semi-structured interviews, it was intended to obtain opinions, experiences and interviewees' points of view about what the firm is performing and what is not doing. In addition to that, with this interview approach, new questions emerged, as well as other previously considered may be discarded, as the conversation between interviewer and interviewee flows.

According to Donley (2012), semi-structured interviews are particularly recommended when certain circumstances make their appearance: First, for topics whose knowledge is scarce and need of a descriptive approach. Second, if because of the lack of previous researches the writing of quantitative questions is difficult. Third, if the sample is not big enough to be able to generalise. Finally, semi-structured interviews are also recommended in case of a low sample because of the great amount of information that each of these interviews provides. These four circumstances are present in this thesis, so the choice of carrying out semi-structured interviews seems appropriate for this study.

The obtained data comes from eight personal interviews performed with both HR professionals and recruitment managers working in eight different private organisations. Of these, four were carried out in Spanish and the remaining four interviews were held in English. The activities of the organisations involved in this research belong to industry, construction, financial sector, and consulting service. The author's intention to interview these employees responded to two main reasons: on the one hand it is believed that, as responsible for these areas, HR and recruitment professionals work with these issues on a daily basis. On the other hand, the available data from employees belonging to either lower or higher levels would not be as accurate and legitimate regarding to recruitment practices and policies. To ensure that those responsible for these areas are more familiar with the issues studied here the author sought to include only organisations that have more than 250 employees. The interviews were carried out

in the respondents' workplaces, in separate and quiet rooms, and they lasted between 30 and 45 minutes. When it comes to sort the obtained information through interviews, its questions can be divided into three distinct topics: the organisation's social capital regarding hiring new staff, its recruitment practices, and the legitimacy and consequences of a good or bad use of social capital for recruitment (Appendix 1).

As organisations are getting increasingly more presence on the Internet, consulting online documents is a task that is gaining greater importance in order to conduct a qualitative research (Hewson 2014). In addition to the semi-structured interviews, the websites of the organisations represented here have been looked up as a complementary source of information for this thesis. Accessing to this kind of information is interesting, because it lets the author the chance to check the consistency between what the organisation officially states and what interviewees think about the same topic. Thus, it also allows the author to see to what extent the goals and culture of the firm are reflected in the interviewees' responses.

In this respect, the author aimed to gather what the firms stated about their talent management practices and purposes. This information was distributed differently in the consulted websites. Thus, the author compiled the information that could be seen in the sections focusing on talent management itself, mission and vision, careers, the classic parts "working in (the company)", and some other sections where the organisation referred to its employees. Some relevant information has also been found in downloadable official documents in three organisations' websites, in two other webs there was information about their employees-related goals and achievements of previous years, and two CEOs' statements that could be found in their website were consulted as well.

4.3. Meet the interviewees

Respondents' anonymity is guaranteed. Nevertheless, it is appropriate to give a short presentation of each of the interviewees. Note that the names here presented are false. **Stella** has been for more than 10 years head of HR Development and carries out, among other tasks, recruiting practices. The industrial organisation of synthetic products where she works has over 550 employees. Currently it is a bad moment for the firm, so nowadays "we don't have a wide range of jobs to offer" compared to previous prosperous times. **Julia** is a recruiter of a HR consultant, so she rather familiar with the

topic of this thesis: “all of my work is about finding the right people for different jobs, check their worth and select them for their new workplaces”. **Liam** has worked as recruiter for more than 5 years in a financial services company. Recently his organisation has been growing rapidly, which involves a high amount of staff recruiting. “Every month at least 20 new employees are joining us temporarily, to help us out in every new assignment that we get”. **Molly** has been working as HR manager in an organisation belonging to the services sector since 1993, her organisation has grown considerable in the last 10 years, and now has over 450 employees. **Axel** is group manager in an important manufacturing firm. Although there are hundreds of employees in this company, he manages a smaller group of employees. Among other tasks, he is in charge of recruiting “his” people. **Oliver** has worked before as a recruiter, but now is HR business partner in a manufacturing industry, where about 400 people work. Since January, **Ella** is HR business partner in a manufacturing industry. She works so her company becomes more popular among potential candidates, even though there are already almost a thousand employees. **Nils** has been HR business partner for almost five years now in a construction company. Nowadays less than 700 people work in the headquarters (Appendix 2).

4.4.Data Analysis

The interviews were recorded and transcribed, albeit some of them had to be translated from their original language –Spanish- so they could be displayed in the section dedicated to results. Recording interviews allows the interviewer to focus on the interview rather than the distraction that would suppose taking notes as the conversation goes (Donley 2012). After the recording, the method used for data analysis is coding. Coding is a tool that labels and divides the obtained information into different categories of information through codes. Codes are words or short phrases that identify an aspect of the interviews’ answers (Tracy 2013). Coding enables the researcher to organise information in a flexible way, as well as can be worked with either on an early stage of the analysis or when all information has been already collected, which also allows that codes themselves can be assigned to categories and be moved to other categories as long as the analysis is taking place (Stake 2010). There are two main stages regarding coding: first, the primary-cycle coding consists of a thorough review of the obtained information and after that codes are assigned; second, the secondary-cycle coding, where codes are combined and grouped into broader categories (Tracy 2013).

4.5. Author's information management

The method followed by the author does not vary compared to what was described above. First, once considered the relevant information for the study of this thesis topic that was intended to be found, the questions that would be of use in order to obtain such information were formulated. These questions were divided into subcategories and reordered so that the interview could be carried out in a coherent and intuitive way. It must be said that, since the interviews were semi-structured, the order of the questions were affected, going from one question to another that initially would be asked later or returning to questions that had been asked before but were worthy to insist on them. Plus, some questions would be either spontaneously formulated or discarded depending on what the conversation needed. Once the interviews were recorded and transcribed – some of them translated also-, each answer was assigned a title, which would be added to one of the following categories: existence of previous relationships and acquaintances; recruitment sources; a contact in the organisation; recruitment and recruiter; consequences; reputation; and finally legitimacy (Appendix 3). This classification serves as the basis for the presentation of empirical findings, which also has been into different subcategories.

4.5.1. Additional information gathered in the organisations' websites

Five of the organisations studied - two in Spain and three from Sweden – had a section in their websites explicitly focused on talent management, while the three others did not allow the author to collect their information on talent management in a first stage. After gathering the information of the organisations that did talk about talent management, it could be seen that the companies' statements on talent management could be divided into three main themes: the objectives of talent management, actions in order to develop the potential of employees, and the importance of talent management. The objectives of talent management basically explained what attitudes and skills are expected from employees through the use of talent management practices. The theme regarding actions in order to develop the potential of employees is about those practices that belong to the talent management. Finally, the importance of talent management explains the weight that these practices have on the organisational performance. Thus, once this information was obtained and divided into these three main themes, the author chose to seek that information in the other sections and documents within the organisations' websites, not

only with regard to those organisations where there was not explicit information on talent management yet, but also with those firms where some information on talent management was already gathered. This data is jointly summarised and presented in the part of talent management included in the chapter “results”.

4.6. Ethical considerations

During the development of this study some ethical considerations were regarded. The information here pursued was regarded as sensitive by several organisations. The strategy followed then was the anonymisation of the answers. This strategy consists of placing fake names instead of the real ones, in order to prevent the confidentiality of the interviewee (Traianou 2014). Also, during the interview the respondent was assured that the obtained data would be anonymous and that the data obtained would be destroyed once the project is completed. Since the interviewees can feel more protected and can be less reluctant to express their opinions about what the organisation does, about what can be changed and what should not be happening, it is the author’s belief that anonymity warrants that the answers are honest. Accordingly, the interviewees’ names are fakes, as well as their genders have been swapped in some cases.

4.7. Limitations

There are limitations attributed to this work. Some of the interviews were conducted in English, which is not the mother language of either the interviewees or the interviewer, which could have hindered the conversation flow between them both. The pursued information is sensitive and confidential and the author’s experience when struggling to get interviews has shown him such condition.

4.7.1. Sensitive information

Through the development of this thesis, the topic studied here has proved to have a sensitive connotation. A research is considered sensitive when there might be negative consequences to those who had a participation in the in the research (Dickson-Swift et al. 2008). There are three types of topics that have a sensitive connotation. The first type involves private and stressful topics, like for instance sexuality or death. The second type might stigmatise participants or insecurity if the information is revealed. The third type involves controversial and socially conflictive topics (McCosker et al. 2001).

The information obtained here is able to reflect recruiting methods that are not socially well regarded, which has a negative consequence for the organisation's employer branding that participate in this thesis. Not surprisingly, many people asked to collaborate in this thesis have considered this participation threatening regarding their firm and themselves within the organisation. In the author's own experience, two organisations emphatically opposed to carry out the interview after the topic were explained to them, and another nine organisations, after agreeing to help, crossing emails, and getting into details, they finally stopped answering.

According to McCosker et al. (2001), the study of sensitive topics involves methodological decisions, such as a reconceptualisation of the study, dissimulation and concealment. In particular, mentioning nepotism when contacting different organisations and HR specialists has proven to be a bad strategy for the sake of this thesis. As said before, this thesis is interested in the legitimate use of social capital in recruitment rather than a study of nepotism within organisations. Therefore, in an attempt to prevent the accusative tone that questions about nepotism might bring, the author has reduced the use of this term as much as possible.

5. Results

Here the empirical findings are presented. They are divided into five subchapters and this information is presented both as interviewee's quotations and as answers' interpretations made by the author, with the exception of the subchapter focused on talent management, where the information reflected comes from the websites of the organisations represented here. The responses and information are used to develop the analysis and its latter conclusions.

5.1. The importance of a previous relationship

It looks like social capital has a great importance regarding recruiting practices. All interviewees agree that the existence of a previous relationship with the candidate is really significant. As they say, a candidate that has been recommended by a current employee or a close person to the organisation is going to be on the top of the list in the selection process.

“I think that it’s important because, if you know the candidate, or they have been referred from people belonging to the own organisation, (...) we’ll get that candidate rather than someone who has no references.” *Stella*

The candidate might have already worked for the organisation. In this case, the advantages of hiring a previous employee of the firm are clear: on the one side, this person knows about the organisation’s culture as well as its procedures. Recruiters know that former employees barely need training, which saves costs for the company. On the other side, if these people need help in their work, they will also be more familiar with whom to express doubts and whom to ask for help.

“I think that it is really important, if that person that we already know has worked with us before, who knows how we work, and how to work... it makes our job easier, you are sparing a month of training of that person (...). That person finds it easier to get help from colleagues, and has an internal network of peers right from the beginning.” *Axel*

But sometimes that relationship is not that necessary, and if the job is not demanding, it does not matter whether a candidate knows the organisation on advance. According to Nils: “It depends, sometimes looking at his experience and an interview should do it”, even though he admits that knowing a person means also knowing what they are capable of and what they are not able to do: “there’s a pro in contacting these people: you know how they work (...) but also their deficiencies.” In the same line of thinking, Julia insists in the effect that it has on the organisation’s costs. Also, she affirms that rejecting someone whose contracting would not be worthy if hired is also a way of saving money:

“Knowing beforehand a candidate makes the selection process go faster. (...).If we know that person and also about his abilities and virtues... it does saves us time and money (...). If we know that he is not worthy, we’d save time and money as well.” *Julia*

But recruiting people who already belong to the organisation’s social capital also can become an issue within the company. Sometimes firms need new people, with new ideas, so they can lead the way to innovation. That is something that someone who already belongs to the organisation’s culture is not going to do, according to the respondents.

“Hiring these people can lead to a mental block for new ideas. (...) Someone who comes with fresh blood, with fresh eyes, is a great help (...) they can be a great help in order to think different. (...). We are talking that there can be bad habits that go unnoticed unless

new people come. In the end of the day you need new blood so we can adapt to the new times.” *Axel*

People who recommended a candidate or had a special interest in someone to be hired face a challenge: they were the ones who made this contracting to take place, so their reputation now partly depends on the new employee’s performance. This makes them to be particularly aware and focused not only in their regular tasks, but also in their acquaintance’s work:

“Say that I vouch for you, to come and work for us, and you get the job, then I would be more inclined to support you, and make sure that you’re successful in your entire career (...). I think that’s a con, because I’ll be spending all my energy watching your back” *Ella*

These new employees also respond to their referrals, as Ella states: “It goes both ways, (...) the employee is obviously going to not wanna let their friend down”. “That person is bonded to you somehow, so is going to be more involved” affirms Julia, emphasising that the motivation of these new hires is higher compared to others that do not belong to the organisation’s social capital. Many of these contacts could be hired just because they have relatives inside the organisation. Respondents do not think that that is a problem, as Liam declares: “The fact that you have a relative working for us doesn’t mean you’re not going to be considered for the job. It doesn’t close doors at all”. Molly goes beyond: “if he is acceptable, and he is a relative, he will be hired”.

People belonging to an organisation’s social capital can bring a bigger commitment. These people have not only a formal agreement with the firm through the job contract, but they also come with certain expectations as a result of that previous relationship with the organisation. “The first feature that I find with these contacts is that (...) they don’t have only experience, but they also have commitment” says Nils. Actually, some of these candidates can feel that the organisation belongs somehow to them even before being hired:

“If you are as qualified as the rest, you comply with the requirements, there is no problem if you are son of whomever (...) you might even do a better job (...) We’re talking about people that has seen since they were kids their fathers going early to work, people that has grown up like that... That creates a feeling of belonging to the firm”. *Stella*

In short, the existence of a prior relationship with the employee is generally regarded as something that is positive. However, it seems that this cannot be applied to all sorts of

positions. With regard to skilled jobs, the candidate's knowledge and expertise is what make that person eligible. On the other hand, a contact can always be hired as long as they are able to learn inside the company.

"It depends on the position. If it is a very technical job that does need some competence, then competence is what matters. If we are talking about a training position where this person can learn and improve his skills, maybe then references is what matters the most."

Stella

It is necessary to distinguish between blue collar and white collar workers. White collar workers need higher qualifications for their tasks; therefore their link with the organisations takes a secondary role as opposed to their professional profile. In this sense, and it may seem obvious, recruiters have to forget about these links between employer and candidate and focus on complying with the requirements for the job, because of the position's importance and because the organisation's activity is directly dependent on a good or bad poor performance of that hired person. "A lot of white collar jobs (...) you can't take a relative, you need good, proper education. On the blue collar side, (...), machine operators, you don't basically need any education at all", as states Oliver. This also implies that the professional profile is not that important for blue collar workers. However, jobs requirements are becoming increasingly more technical and demanding, so companies need more qualified employees as time goes, rather than people who got hired just because of their relationship with the organisation.

"We are also trying to raise the level because the technical development is always continually to be more and more developed, the machines are getting more and more complex... the working life is getting more and more complex. So we need people that have some technical background, even the ones that are machine operators... and most relatives don't have it. If you're a relative and you have the technical background, fine, "welcome". But if you don't... there is the conflict between having competences and being a family company. Because we are not a family company, (...) but we want to do that (the main activity) with profits." *Oliver*

5.2. Building relationships

Where does the link between the organisation and the candidate come from? Most of them come from family ties and friendship with someone who already works for the organisation. As Oliver admits, it happens regarding not demanding positions: "The primary source was before friends and relatives, or people that managers thought were

good workers (...) So that's the primary source of how you get here as a blue collar worker." In this case that person within the organisation, after hearing of the job opening can either tell that person to take part on the selection process, usually in a position of advantage, or let the recruiter know about this person.

However, sometimes that relationship is created from scratch as a response of the recruiter to the necessity of having a network of contacts and persons who may participate in future selection processes. It can be done through the use of social media. Nils explains the main strength of this option: "This way you create a wide network of talents that eases an eventual search of personnel." Organisations can build relationships both with potential candidates and with other organisations.

Building a relationship can also be done through agreements with other institutions such as universities or schools. "It is the simplest and cheapest way to find the people that we are looking for" affirms Julia. This way, organisations are able to know first-hand how they work and their worth, as Stella states: "These people come that way, they work as interns (...) and if they are good and there's a vacancy, they're in". But recruiters not only know how they work but also they know where the talents are, and their potential. Liam remembers his experience building relationships with students: "Yeah, I was kind of a headhunter, (...) I collaborated with University students: I'd tutor their projects so I could see their potential, and then I would be the first one to offer them a job or something".

"First we choose universities, strategically, like the top 4 universities that we want, (...) the idea is to build, if we don't have them already, to build a partnership with them, relationships with universities, and secondly strengthen that relationship. (...) The headquarters told us that we shouldn't spend any more money from the budget on agencies, or external recruiters". *Ella*

External recruiters are a common collaborator for the recruitment area, as respondents admit. They facilitate the work in many cases of seeking potential candidates, especially when the profiles sought are more skilled, such as white collars. By means of this collaboration the recruiting process becomes easier for organisations, as Stella declares: "You can announce the person you're interested in, the consultant sifts the candidates that can fill the position, he gets interviewed and tested, checked his experience in similar positions, asked for references... is quite helpful." Some interviewees asserted that, they can collaborate with many agencies at the same time, depending on how many

different profiles the company is seeking in their selection processes. For instance, Axel says that “I like to work with agency which I trust, now I work with about 15 different external recruiters”

However, not everything regarding consulting firms is positive. Recruiters have seen more than once that, this way, their decision-making and judgment is diminished. "The relationship between candidate and organisation vanishes", admits Molly. Some recruiters have had negative experiences with this type of recruitment. Perhaps the effort made from the consulting firm is not as expected, or the fact that each recruiter gives importance to different aspects of the candidate makes the recruitment to fail. This might make organisations to want to regain control over those people at their disposal in order to fill an eventual vacancy. As respondents admit, working with several agencies means that they do not have information about candidates anymore, whereas these external agencies might keep and misuse the pool of potential candidates.

“We recently changed. As it before, we’d typically go external (...) this is something that we’re working on, is trying to capture all this data... what recruitment agencies are we using, what local job boards are we using, and kind of... making an inventory first, and then audit it second. Because we need to see “ok, is it paying off? Are these good partnerships that we’re building? Or should we move on? Or should we try something cheaper? But as if today actually we’ve shifted completely to try to manage things internally.” *Ella*

A poor collaboration between organisation and external agency can suppose a waste of time and resources. In order to give a good service, external agencies must know exactly what firms are looking for, and must be able to provide these sought resources.

“We had to cancel our collaboration with this agency because it wasn’t worthy. They weren’t as demanding as we would if we did it ourselves. (...) Sometimes there’s not enough communication, and they’re doing their job anyway (...). They are doing the same service to everyone else, or they just can’t get what you’re looking for”. *Liam*

A collaboration with an external agency means that the relationship with candidates is indirect, so as long as the collaboration exists, organisations will be able to access to talents and potential candidates. Obviously, it also means that when this collaboration ends, the access to those candidates will disappear. Also, candidates will not have the organisation as a potential employer anymore.

“Do you wanna manage recruitment externally or internally? (...) If we were to use an external company, a recruitment agency, that recruitment agency is that one building the network, not us. (...) At the end of the day we are building relationships, and it’s a direct relationship, so sometimes getting the candidate is not successful, but they still perhaps will know a little more about us. And maybe they can get a second shot someday”. *Ella*

Either way, sometimes it seems that these external agencies are not as independent as it might sound in the first place. Some of them just act as asked by the employer, so they select those candidates that were requested by the organisation. Axel sets an example “If I know the person I want because he has already worked with us or maybe because someone knows him, then I call the consultant firm and ask for that person.” The main reason for this practice lies, as said before, in the simplicity of recruitment method for the organisation.

5.3. Talent Management

It is interesting to take a break from what respondents said in the interviews, to introduce the importance and objectives of the organisations’ talent management policies, according with their official statements. Talent management is, as affirmed by the organisations, a key element in order to obtain the best talents for the future, which have the main responsibility in the firm’s performance. In this regard, it is also especially relevant the selection process, as it supposes the entry of talents able to enhance the organisational performance.

Possessing a good work force affects the company’s performance, which will affect its image and its attractiveness to new and talented candidates, which will raise the performance level of the staff, which also results in an improvement of the organisation’s performance, so the process feeds back to itself. In the end, a good talent management means a professional growth of employees, which enables the organisation to achieve higher goals. According to the organisations, this has a great impact for the employees’ satisfaction and commitment, something also claimed by the respondents.

The studied organisations aim to obtain by means of talent management many different objectives, but some are key for all of them. Organisations pursue to achieve a great level of employee’s performance, which means a high work quality, the employee’s ability to solve problems and an orientation to results. Furthermore, teamwork is very important for organisations too, which is explained by the support and respect in the

workplace, the leadership capacity of senior and middle managers and quantitative and qualitative aspects of cooperation among co-workers both between individuals and between work teams. Innovation, which is the ability to anticipate change to lead change itself, is also a key aspect for organisations. The commitment is vital for all firms, and through commitment companies make employees to identify with the organisation's culture and enhance job satisfaction and motivation. Finally, customer orientation is another major issue for talent management, which leads fostering employee's empathy for customers, improving communication with clients and brand loyalty.

Although not as present as the ones abovementioned, another objectives of talent management that can be extracted from organisations' statements are the knowledge and skill development for employees, their will to expanding such knowledge and skills, their personal and professional development within the organisation, and both the personal and organisational ambition of employees.

Through talent management, organisations claim to use all available means to develop internal talent and the promotion of people belonging to the organisation. Talent development and internal promotion are tools to increase the skills, knowledge and abilities of employees in the organisation. This way, dissatisfied or underskilled employees have the chance to have a professional retraining. Thus, and according to the companies, the main focus for the recruiting practice and the fill of new vacancies is the use and development of internal promotion, which the organisations think is the best source. This assumption clashes with the interviewees' responses, since they affirm that internal recruitment is in most cases an inconvenience and a constraint for the organisation's potential.

5.4. Recruitment practices

In any case, it is useful to know what it means for the respondents to make a good recruitment practice. Julia is inclined to say that "the main role of a recruiter is to prevent unwanted people to enter the organisation". Stella thinks that too: "There has to be someone who sets a limit... so people that shouldn't get hired aren't." In this approach, it seems that the recruitment function acts as a shield against any damage that the firm faces when it comes to incorporate new people into the workplace.

How does a non-wanted candidate get to be the selected one? It might be as a consequence of strategic agreements between superiors and external organisations, and it might be because superiors personal interests. Some respondents assert that they have seen that and they do not like it, but they have to accept anyway. As Stella states, “Managers decide. If they come and ask you to hire some son of whomever, you have to obey. Sometimes it works anyway, but most of the times it doesn’t”. Liam emphasises the fact that selecting for a job “someone that you didn’t want, someone that you are forced to take, even if he is not a bad employee... I’m not comfortable with that.” But sometimes it responds to internal pressures, where the selection process becomes internal, no matter if the candidates are not appropriate for the vacancy.

“Sometimes they will say "you can hire someone, but only an internal one". So sometimes you cannot find the profile you are looking for, but still have to take it, and you have to hire what is in front of you anyway.” *Axel*

Does this mean that the main asset of hiring people is the absence of the negative outcomes? “Obviously the main goal is to get a good candidate. When it doesn’t happen it is kind of a failure in a sense”, states Liam. However, some interviewees disagree: “With a bad recruitment you could ruin your whole department, but, on the other hand, you could raise your whole department with a good one. That’s how important it is” states Oliver. A good recruitment policy means that employees make their best in the position where they fit the most, which does nothing but enhance the organisation’s performance. With a good recruitment policy “you can create a perfectly specialised and efficient workplace”, as Nils declares.

“It’s very rewarding that other managers come to you and they tell you that you did great by bringing this or that person. (...) Recruitment is definitely positive. It isn’t non-negative. (...) It enables workers to do their best where they best work, which contributes to the improvement of both the organisation’s competitiveness and productivity.” *Molly*

5.5. Legitimacy and consequences

So, what recruitment practices are legitimate? If, as some respondents claim, recruitment is about avoiding bad outcomes rather than obtaining positive results, it can be said that its legitimacy is the absence of questionable practices, or the absence of illegitimacy. In this regard, recruiting illegitimacy arises when these unwanted people come as a result of their relationship with the organisation, while their qualifications,

which should be important for the position to be filled are not being taken into account. More serious is the case when people get hired because of their previous relationship with the organisation, even though there was not a vacancy in the first place.

“What I don’t like is when a person is introduced without being needed, a person whom you just have to deal with, who is the daughter of somebody or the son of whatever... Or even creating a position for that unnecessary person.” *Nils*

Interviewees agree that the relationship with the organisation by means of relatives or acquaintances should not exist in selection process, where all applicants should be treated as equal, regardless of how many people they know within the firm.

“We had different questions to sort the employees out into different categories, like “have been here before?” (...) “Do you have technical skills?”... You get a point that moves you up. And last one was “do you have a relative in [the organisation]?” And if you had, you up the ladder as well (...). We changed that this year, (...) I don’t think that’s fair, it is potentially discriminating.” *Oliver*

There is a moment when a legitimate recruiting practice turns out to become illegitimate. Again, Liam sets this limit “when the professional background doesn’t match what the company is looking for. If there’s only one person who is more qualified than this contact, well I’m sorry, but he shouldn’t work here”. Neither of the respondents alluded to any sort of law in order to set an example of what is wrong. In fact, they think that it is all about their decisions, which people they want inside the organisation and the desired firm’s performance:

“As a recruiter you have a certain amount of power, and you could use your power for good or for evil, so it really comes down to ethics. (...) You need to put your foot down as an HR professional. You need to say “ok, you are my personal contact, and I really like you and everything, but it’s not fair” It depends on what kind of person you are whether you’re gonna be ethical or not. At the end of the day, you need to look at the actual candidate because of course discrimination is real, it happens, and you could easily use your friends, because they’re similar to you, or you’re more comfortable, but you need to think about business. “Who’s gonna be the best candidate? Who’s gonna deliver what they need to achieve?” It’s about justice.” *Ella*

With regard to nepotism, a clear consensus has not been detected among respondents on what the term really means. For some, just contracting someone with a special relationship with the organisation and even their incorporation to the selection process can be considered nepotism.

"When there is a person that you know and is a candidate for the job, there's nepotism (...). It is difficult to evaluate that person the same way as the rest (...), I mean, are you sure that they both have the same background, or is it that you are just trying to justify your decision about it?." *Julia*

This opinion totally opposes to the one shown below, which further argues that nepotism emerges as an imposition, where recruiters have no decision-making capacity:

You have to set a difference between hiring contacts and nepotism. If you are forced to take one person that you don't know and you don't even need... that is nepotism. But if you have three people with similar backgrounds and competences, but you know one of them before and you hire him, then that's not nepotism, but hiring contacts. *Molly*

For other interviewees, nepotism exists when the candidate is not only hired, but they have also shown an evident incompetence for the job. On the other hand, respondents also disagree about the degree of connection between candidate and the organisation so it can be considered as nepotism. Some respondents reduce this connection to family ties, while others also consider friends, acquaintances or even former colleagues. With these answers, it is difficult to exactly know the interviewees' position regarding nepotism and whether they are the main illegitimate recruiting practice or not, since they were not able to give a consensual response about what nepotism is.

The recruiters' actions are subjected to consequences. First, the firm's reputation is on the line. Introducing unskilled people in skilled positions means that there is a greater likelihood of critical failures.

"We produce thousands (product) a day... and when something goes wrong, you need competent people to stop the machine. (...) And if you don't have the right competence, you produce 60 thousands, you brand them, you package them, and then you send them up (...) and they have to... they throw that away. (...) That damages the company, yeah." *Oliver*

This means that the organisation's quality of its products or services suffers, which hampers its reputation. According to Molly, "it is definitely bad. The consequences adversely affect the image of the company, and that affects negatively the relationship with its stakeholders." In addition to that, it also has an indirect influence on the reputation of the company as a recruiter and the employer branding. "I think that is crucial. In the end, you are selling your own company, if you are seen as a bad recruiter, people will not have a good opinion of you, and you're not appealing for new talents",

claims Stella. Ella says that she “heard that “two out three people are never going to apply a second time to a company”, imagine the amount of candidates that you are losing!”

Second, the internal working environment worsens. People introduced this way are rejected by their colleagues, who regard them as privileged ones that do not deserve to be there. Julia states that “the work environment gets worsened. There’s one person, maybe more, who aren’t supposed to be there, who might feel like they can’t be touched... That’s not fair, and employees don’t see it fair either”. Also, the new hire’s attitude is crucial: if they try to adapt to their new colleagues, they might be finally accepted within the group. Stella affirms that “if this person is arrogant just because his father is important, acting bold... he’s not gonna be a part of the group ever.”

“You can’t build a team this way. The working environment is greatly affected, which discourages the whole workplace. That does hurt, because you can’t do your job with these circumstances.” *Nils*

This may also lead to a feeling of "open season" where more people of this kind should enter. As a result, the company becomes "a family company" without being so, where if someone has a problem with one of these “family members”, it means that the whole “family” is going to get involved in that problem as well.

“Sometimes we have (...) up to 15 people that are relatives with each other, you know, cousins, brothers, sisters, fathers, mothers..., and what we’ve seen is if you’ve got a problem with one person, you have not one problem, you have 15.” *Oliver*

6. Analysis

Once the responses have been obtained in the previous chapter, and based on the theoretical framework, its analysis takes place in this chapter. Thus, aspects of the theory on institution, legitimacy, social capital and recruitment are reflected in the information obtained and are also explained.

6.1. Institution and legitimacy

6.1.1. Boundaries

As already mentioned, the legitimacy of organisations’ practices depends on the institution where they are performed. Taking as a reference the model of self-imposed

limits within a society described by North (1991), the limits regarding this topic can be identified.

The first aspect is **formal rules**. In this regard, it seems that there are no rules or laws that regulate the use of the contacts by organisations in their recruitment practices. In fact, none of the interviewees mentioned anything related to this. However, within organisations there may be rules and norms that regulate it, but that would belong to the next type of constraints.

Those are **informal constraints**. They consist of sanctions, taboos, customs, traditions and codes of conduct. Even though there is no such a thing as sanctions themselves, the respondents showed that they are concerned about the consequences of hiring staff from the firm's social capital. All interviewees agreed that recruiting a person who has a more or less direct relationship with the organisation is positive if that does not affect the expected position's performance in a negative way, at the least. Other interviewees allude to the tradition of hiring relatives in their company as a way to justify a practice that, on the other hand, they do not even consider fair, and do not believe either it to provide any benefit for the organisation. It seems that this kind of recruiting has both negative and positive consequences for the organisation's working environment. As a negative consequence, contacts can find themselves in the midst of a hostile environment where their peers reject them. As a positive consequence, these people reinforce the organisation's culture and have an optimal level of commitment.

Finally, there are the **standard constraints of economics**. It looks like that the economic aspect is especially relevant for this type of recruitment. Recruitment takes both time and resources from the organisation, so they usually resort to external agencies in order to simplify the process, so the costs attached to it are saved. But if these external collaborations are not used, recruiting people who have friends, relatives, or internal references within the organisation is an economic advantage as well, since all respondents agree that the main reason to hire already known people, such as relatives and friends, is the rapidity to access such persons as well as the costs that are saved that way. It also should be noted that economic performance as a result of the candidate's supposed motivation and commitment is also taken into account. Finally, the benefits that can be obtained if the company hires a person as a part of agreements with third parties have to be regarded as well.

6.1.2. *Institutional forces*

Di Maggio & Powell (1983) also wrote about the forces that establish the institution to which an organisation belongs. These were the *coercive* forces, as a response to possible sanctions; *mimetic* force, which is explained as an attempt to imitate successful actors; and *normative* forces that act as a logical and common reaction to circumstances. As mentioned above, there are no *coercive* forces that compel organisations to follow any kind of behaviour regarding the use of social capital for recruiting.

Regarding *mimetic* forces, respondents did not prove to be aware of the recruitment policies of other companies; it seems that the use of social capital by organisations in order to hire new staff is something that is still not sufficiently widespread or theorised between recruiters. However, the fact that they were not aware of such strategies of others does not mean that they do not imitate each other, like for instance regarding their presence in social media and their cooperation with external employment agencies, where similarities can be found. It is worth mentioning that, even though half of the interviews were carried out in Spain and half of them in Sweden, no cultural or national differences could be found regarding this topic.

Finally, *normative* forces are the ones that define actions of organisations in this topic. First, there is a shared sense of justice and equality among respondents, which makes them to give a greater priority to the candidates' merits rather than the contacts that they possess. Second, the commitment to the company is valued, not only on the candidate's side, as mentioned before, but also on the recruiter's side by taking into consideration the best for the company, so their opinion can be damaged as a result of a poor recruitment decision, in contrast with following personal preferences. Third, and since there is little theory to explain what is legitimate and what is not, recruiters do not follow any either internal/external rules or guidelines determining their decisions, so they only respond to what is common within the organisation.

6.1.3. *Legitimacy, status and reputation*

Deephouse & Suchman (2008) argue that legitimacy affects a company's status and reputation. Considering all the obtained data, it is not possible to determine whether the status of a company is affected or not by recruitment's legitimacy. With regard to the organisation's reputation, interviewees were not aware about any direct relationship

between these two concepts. All of them believe that reputation is affected, but, while some believe that only concerns recruiters and the trust that can generate, either toward their managers or for future selection processes, others believe that, as a result of a poor recruiting policy, the final product or service offered by the organisation is affected, and in the end it affects the organisation's reputation as a supplier of that product or service. In any case, the respondents were certain that if the legitimacy of their recruiting practices had an effect on the employer branding, so the organisations' attractive would be hindered if their actions are not considered fair and respectable by potential candidates to a job inside the firm.

It is interesting to note the understanding that the interviewees have about nepotism. As already mentioned, there is no consensus on the definition of nepotism, but it can be said that all respondents associate nepotism with a situation where there is a different treatment and discrimination, in this case, regarding recruiting. Thus, the interviewees try to distance themselves from such practices, aware of the negative opinion that these practices lead to. However, all of their actions that involved or would involve a favourable treatment to a candidate are justified due to reasons of preparation, motivation, and organisational culture, among others. It is necessary then to establish a clear concept of nepotism, regardless of its legitimacy in society.

6.2.Social Capital

Coleman (1988) states that a firm's social capital defines its social character, which makes it access to a range of resources. When it comes to recruiting, an organisation's social capital determines its access to a range of candidates, which will be larger or more qualified if the organisation itself makes efforts to enhance its relationships with potential employees. Social capital cannot be understood as an asset that belongs only to the organisation, but something that belongs to those actors who take part in that web of relationships (ibid.). In this case, this asset is shared by the employer, who gets an employee in excellent conditions; by candidates, who get a job in an easier way and find themselves ready to adapt to the local culture; and also by external companies, who will strengthen their relationship and businesses with the employer.

6.2.1. Adverse effects

A mismanaged social capital leads to some adverse effects (Campos-Matos et al. 2015). These adverse effects are (1) *the exclusion of external actors*, (2) *the excessive attention to group members*, (3) *the restriction of the actors' individual freedom*, and (4) *downward levelling norms* (Portes 1998).

The first effect, (1) *the exclusion of external actors*, means that any qualified applicant that is not known by the organisation would not aspire to join it, which entails a loss of talent. (2) *The excessive attention to group members* directly affects the quality of organisational performance, because it certainly gives excessive attention to people belonging to the organisation' social capital, which limits the recruiters' choices and gives up any chance of change and innovation, and more importantly, the candidate's performance and skills are not a priority anymore. (3) *The restriction of the actors' individual freedom* means that the organisation loses its ability to make decisions about whom to hire, for instance when the cooperation with an external employment agency is not managed well. On the other hand, it supposes a limitation for some employees, who, besides working on their tasks, try to help the one whom they recommended, because their reputation is on the line. Finally, (4) *downward levelling norms* means that, as said about the second factor, put the focus on the candidate's relationship with the organisation rather than his/her skills, which have a consequence over the required abilities from employees.

6.2.2. Reasons for social capital

Lin (2001) states that the use of social capital responds to four main reasons, which are: the need to facilitate the flow of information, it influences the decision of certain actors when making decisions, it acts as a social credential, and it reinforces the culture. Although Lin anticipated that these four reasons did not have to be all met in order to assess this theory as correct, all these reasons are reflected in the obtained information.

First, it facilitates the flow of information. This is one of the main reasons why organisations use social capital for their recruitment actions. After all, recruiters seek to access in the easiest and cheapest possible way the right candidates for their recruitment needs. Through the use of contacts, as well as through promoting relationships with workers, the company can know which people are available and willing to work in it in

the first place. Second, it influences the decision of certain actors, in this case recruiters. For better or worse, the fact that that person was previously known by recruiters influences their recruiting decisions. Thirdly, it acts as a social credential. Companies that want to acquire the best talents seek to increase their popularity and visibility so these talents become interested in their organisation. And four, the organisation's culture is reinforced. This is certainly another important reason why recruiters and organisations hire relatives and friends.

6.3. Recruitment

6.3.1. Aim and purposes of recruitment

Breaugh (2008) declares that the basic goals of recruitment are candidate's acceptance to work for the organisation and that the employee has a good performance. This statement can be further detailed on the one hand by saying that candidates not only must agree to work for the organisation, but also they always must aspire to belong to the organisation's workforce. All respondents agreed that it is not only mandatory that their employees have to be treated fairly, but also applicants, and let them know that they are still interesting candidates even if they have not been hired so far. Otherwise it would mean a loss of talent.

Although the basic and main objective is the incorporation of new employees, it should not be ignored that sometimes the recruiters' freedom is diminished, and sometimes their main task is preventing some unwanted people from getting hired. Recruiters want their new hires not only to have a good performance, but they also must positively contribute to the organisation's working environment and culture (Wiley 1992; Stone et al. 2007), which is what usually cannot be found from those people who are recruited with no legitimacy. Therefore it can be said that the basic objective of recruitment is that a candidate must always aspire to work in the organisation, and that its entry must have a positive significance for the workplace.

According to Gatewood et al. (2011), organisational recruitment has three main purposes: obtaining a sufficient number of qualified applicants, meeting legal and social obligations of the organisation, and minimising costs. After analysing the respondents' responses it does not seem that the second purpose (meeting obligations) is important when it comes to use social capital as a source for recruiting. As abovementioned, there are no laws or norms that regulate these practices, and it does not seem that recruiters

take into account the demographic distribution of society to determine the organisational one in their recruitment performances either.

With regard to the first purpose -a bigger pool of qualified candidates- and the third one -minimising costs-, it might appear that there is a contradiction: the higher the recruiting costs, through the increase of the company's social capital as a result of building relationships with potential candidates, the greater the number of applicants with training and adequate preparation to be chosen in the selection process. Therefore, accomplishing the first purpose means giving up the third purpose, and vice versa: when contacts of workers belonging to the company are used, recruiting costs are saved, although this is achieved at the expense of a wide variety of potential skilled and adequate candidates for the position. However, that is not always the case: recruitment practices that make use of social capital are considered legitimate means that recruiters are using contacts when they are qualified enough for the job. In this way they are saving not only costs for the selection process, but also costs derived from unskilled employees are avoided.

Recruitment, as part of the organisation's talent management, must seek certain features from candidates according to what the companies state, such as great performance, teamwork and commitment. For this, as organisations also affirm, they give a great importance to internal promotion and retraining of employees within the firm. The information obtained does not suggest, however, that this is the recruiting way preferred by respondents in order to fill their vacancies, but rather it is one of the reasons why recruitment actions can be considered as illegitimate.

Resorting to people that belong to the organisation's social capital means that, in the illegitimate cases, the professional profile cases loses its importance compared to the relationship between the candidate and the organisation, so the objectives of talent management are not even pursued to be met. If, on the other hand, recruiters have taken into account the contact's qualifications, all respondents agreed that it is enough for that person to be at least as valid as the best candidate. Therefore, the achievement of objectives set of talent management depends exclusively on the pool of candidates that the selection process is able to obtain. Thus, the objectives of talent management and the recruitment of social capital will not be in conflict only when the building the

relationship between organisation and candidate takes place once the person is known to have potential for the firm, but never before.

6.3.2. *Recruitment sources*

There are three different sources of recruitment, according to Wanous (1992, in Moser 2005): 1) internal sources, such as referrals or internships, where applicants have preliminary information from within the organisation, 2) external sources, such as job advertisements and employment agencies, where applicants have no such preliminary information, and 3) walk-ins, where it is not clear if applicants have that information, but they spontaneously apply for a job. In this particular instance, recruitment of social capital mainly belongs to internal recruitment sources: those applicants that belong to the organisation's social capital have preliminary information about the organisation either directly or through third persons. There are pros and cons associated to this source of recruitment, which coincide with the information obtained through interviews: On the one hand, costs incurred during the selection process are lower, and the person hired, which was previously known by the organisation, has greater adaptability and is more capable to learn quickly due to his/her contacts within the organisation. Furthermore, usually the hire is more committed because he/she has a connection with the organisation beyond the formal employment contract. On the other hand, if it is not managed properly, it can lead rejected candidates to feel that the selection process was unfairly managed, and the costs saved in the selection process can turn into costs incurred due to the employee's possible incompetence.

The second source, the external one can be related to the use of external recruitment agencies. The expected benefits with this source are the access to a greater number of candidates and the strengthening of the cooperation with these external companies. On the negative side, there is lack of knowledge that the employer has about the candidates, which is a risk for the organisation, if there is not fully confidence on the external employment agency.

For the third source, regarding *walk-ins*, the information obtained through interviews does not enable the author to comment on its importance for recruiters, since in this case it would correspond to candidates to say why they decided to apply for a job, or whether they knew about the vacancy.

It is important to mention the role that the Internet has in the recruitment process regarding social capital. Contrary to what was expected, Internet hardly matters in building relationships between organisation and candidates. When an organisation resorts to internal recruitment sources, recruiters choose those whose reference came from within the organisation itself. Besides, when it uses external sources, most of the contracts are carried through external employment agencies, where the Internet's role is to facilitate communication between organisations and the abovementioned external agencies. For some recruiters, like Ella, Internet has become the ideal tool to build and strengthen a direct relationship with candidates, but it seems that its use is still not sufficiently widespread among recruiters.

7. Conclusions

Finally, this chapter provides answers to research questions. The obtained information suggests that when there is a conflict between applicants' qualifications and the degree of connection with the organisation, the recruiter actions' legitimacy will be on the line. Additionally, some consequences derived from these recruitment practices are described. It also reflects on further implications of this thesis and it finishes by making some recommendations for further research.

7.1. Research questions

At the beginning of this thesis two research questions were formulated in order to state when the use of social capital by organisations can be regarded as legitimate and what consequences are expected from its use. Now it is time to answer those questions.

- Under what conditions is the use of social capital in recruitment legitimate?

Social capital is an asset, so those organisations with a larger and more developed social capital will be those that can obtain more benefits out of it. Social capital is obtained through the relationships that a company has with other actors within society, including individuals. When it comes to recruiting, it may seem obvious that the only participants in building those relationships are the organisation on one side and the candidate on the other. But since there are other organisations that intervene regarding the use of social capital, these other organisations must be taken into account as well.

On one hand are those events and agencies outside the organisation that serve as source or pool of potential workers for the firm. Job fairs and universities could act as examples of these. Respondents recognised the importance of resorting to these recruiting sources in order to meet new talents and initiate contacts with these candidates not only for current vacancies, but also for eventual ones. On the other hand, there are consultant companies that are responsible for facilitating the work of the organisations when recruiting new staff. It is necessary that consultant companies know the organisation's preferences and adjust their selection processes to the same criteria so such cooperation can be effective.

But the direct relationships between organisation and candidate can come through another means. The traditional method is through contacts and acquaintances. They are candidates who belong to the social network of any of the organisation's employees, which is the reference and the main reason why that person gets hired. Contradictory to information obtained through interviews, a modern way of maintaining this direct relationship is through Internet. Today, social media provides insight into the capabilities and experience of candidates and let these candidates to have direct contact with organisations that may need their services in the future, even though the results has not demonstrate that its use is widespread enough.

Thus, and according to the responses it can be said that legitimacy regarding the use of social capital as a source of recruitment is extensive, and the number of actions that are seen as illegitimate is small. All interviewees believe that if a person was previously known by the organisation, even if they share family or friendship ties, this person is more likely to be hired in the company. The pros obtained with these people - commitment, simplification of the selection process- seem to be more important than the cons -lack of new ideas-, so respondents have no problem saying that they do so and they would do it again, because they do not see it as something negative or to be criticised. Although there are some practices that they do not like, such as the mandatory recruitment of internal staff for a vacancy even if they do not meet the requisites for the new job, the interviewees do not think of them as questionable or condemnable, but they rather find it bothersome and rather inconvenient.

The legitimacy of these actions vanishes when the candidate either does not have the necessary qualifications or that recruitment is due to questionable operations from

managers. In the first case, when a candidate's qualification and abilities take a second position behind the references and contacts themselves, respondents show their repudiation. This situation is perceived as unfair and promotes inequality, whose consequences are negative rather than positive. The second involves the imposition of unqualified and not committed people to the organisation, which totally destroys any recruiter decision. This may also involve the creation of ad hoc positions.

- **Which consequences are derived from practices that can be regarded as illegitimate?**

The consequences derived from illegitimate practices can be divided into two different aspects: the internal aspect and the external one.

Internally it leads to the deterioration of the working environment. When the staff finds that one or more employees have been unfairly hired they show their rejection as well as their reluctance to cooperate with this new hire. At the same time, the attitude of the new employee is crucial in this regard: people who adjust themselves to the organisation's culture and working environment can eventually fit in the workplace; but those who show arrogance or do not perform according to what their job demands will not fit. Such recruiting practices may also lead to the feeling that it is "open season" to hire any contacts, family and friends within the organisation, turning out either as a worsening of the business performance because of the amount unskilled workers or as a dissatisfaction from those who could not introduce their contacts and perceives it as unfair. Finally, a problem with one of these workers means a problem with several of them, because of these strong ties that bind them.

The external aspect refers to the damage that the organisation's reputation suffers, both to its main activity and as an employer. Regarding its main activity, these types of recruiting practices that prioritise contacts over qualifications lead to a lower firm's performance, which influences the final product results in the customers' dissatisfaction. Regarding its role as an employer, potential candidates may eventually, as a result of these bad practices, stop aspiring to work for the organisation, which can lead to a high amount of potential talents that are lost because of that.

7.2. Discussion

As stated previously, the literature that studied the illegitimacy of recruitment practices has paid special attention on the eventual loss of talent as a consequence of the organisation's perception as an illegitimate employer (Williamson 2000; Wiley 1989; Stone et al. 2007). This thesis contributes to a better knowledge of the recruiting practices that can be considered as illegitimate, regarding the organisation's social capital, as well as it points out several consequences of that.

With this study it is proposed that the source of illegitimacy lies mainly in the qualification of candidate: If the candidate is qualified enough for the job, contacts and relationship do not represent but a benefit for the own candidate. In other words, illegitimacy consists of giving priority to the candidate's relationship with the organisation at the expense of the candidate's worth for the job.

Recruiters are convinced of the importance of their work in order to contribute to organisational performance. When it comes to recruit by making use of social capital, they face two different challenges: On the one hand, they want their organisation to be regarded as an attractive employer and enhance its employer branding, which it is expected to provide a bigger pool of talents applying for their vacancies, as well as reducing costs. In that respect, they want to meet the objectives of the organisation's talent management. On the other hand there are people whose main feature lies in their previous relationship with the firm, no matter how low their skills and knowledge about the position are. In these cases, the role of the recruiter will be to prevent these people from getting hired.

The perceived consequences that organisations have to face if they perform illegitimate recruiting practices can be summarised into two main outcomes: a loss of reputation and the working environment's deterioration. Reputation is believed to be affected on different levels: the recruiter's reputation declines within the organisation as a result of his/her bad decision and job performance. Since a deterioration of the workforce's skills and abilities is believed to have a direct impact on the final product or service, the organisation's prestige is also damaged. Also, the organisation's reputation as an employer will be damaged too if it is considered as unfair and illegitimate regarding its selection process, and potential candidates might give up their aspirations to be employed by the firm, which reduces the quality and quantity of applicants. Internally,

the working environment is expected to worsen as a result of illegitimate recruiting practices, since it can be felt as unfair by colleagues, which will show their rejections towards both recruiter and recruited. This is detrimental for the workforce, and damages the employee commitment to the organisation.

7.3. Recommendations for further research

For further research, it is recommended to study those organisations where there might be laws governing such practices, as it might happen to public organisations. It is also necessary to know the consequences for those public organisations. Another line of research could study the commitment of the new hires: according to the way some people are accepted in the workplace by their colleagues as well as their attitude, there seems to be a direct relationship between the legitimacy of recruiting people belonging to the organisation's social capital and their commitment. The Internet is assumed to have a key role in building relationships between organisations and potential candidates, a role that has not shown to be that crucial in this thesis. Because of that, a study of the actual and potential importance of the Internet is needed. Also, it seems that the reasons why managers would mandatorily incorporate people from other organisations or even through the creation of unnecessary positions are unknown, so this is also worthy to be researched. Finally, nepotism is the main illegitimate recruiting method known, but the literature on this concept is scarce, and –maybe- because of that the respondents were not able to state a common definition. Thus, the mere concept of nepotism needs to be studied and developed.

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Appendix 1: Interview guide

The following questions are merely a guide for the interviews that were carried out. Since these interviews were semi-structured, questions would change their order, others would not be asked and some new ones would appear depending on the conversation's flow.

Interviewee/organisation

- *What is your job?*
- *What is your previous experience in this job?*
- *Is recruitment among your tasks?*
- *What is the organisation's main activity?*
- *How many people work in here?*

Social capital

- *What are the sources that you use in order to recruit people?*
- *What are your favourite sources for recruitment? Why do you prefer those?*
- *Do you use Internet as a source for recruitment? How do you use it?*
- *Did you have any different recruitment source? What was that?*
- *Where do you think you can find a better pool of talented people?*
- *Which one of these sources is not trustworthy?*
- *Which one of these sources you would not use ever?*
- *Do you use external sources of recruitment? Do you think you lose contact with candidates this way? What do you think about that?*
- *What do you think about contacts and relatives working for the organisation?*
- *What do you think about people who get hired because they had any sort of personal referral?*
- *What do you think about these people's performance?*
- *Does being a contact close the organisation's door?*
- *What do you think about your management and use of social capital for recruiting?*
- *So for blue collar you take many relatives and friends... what about white collars?*
- *Do you make any different management of these sources depending if they are white collar or blue collar workers? How?*
- *What is your main goal by having all these contacts?*

Previous contacts

- *How important is for your organisation the existence of a relationship with the candidate prior to his contracting?*
- *Would you say that that previous relationship is positive or negative? Why?*
- *What are the tasks that your organisation performs in order to build or to maintain a relationship with actual and potential candidates?*
- *What is the best way to start a relationship with potential candidates?*
- *Would you contract people that you already know, such as friends or family?*
- *What is the main feature that the contact must have so he or she is more eligible than other candidates that are not contacts?*
- *What if this known person has not such a good professional profile compared to the other who is not known, would you contract him/her anyways?*
- *What is the feature that you will not ever accept?*
- *What are the pros of hiring contacts?*
- *What are the cons of hiring contacts?*
- *What do you think about the bond between the one who recommended and the one who got in by recommendation? How does it work within the organisation?*
- *If there was a policy that prevents any person with a contact within the organisation from getting hired, would that be a benefit or a loss? Why?*
- *Why did you change the recruitment practices and policies?*

Recruitment

- *What do you think is the most important thing that you must know in order to be a good recruiter?*
- *Do you know about any positive recruiting practice that makes use of social capital?*
- *What is your favourite recruiting method?*
- *What is your least favourite recruiting method?*
- *What are the outcomes of having a good recruitment policy?*
- *What are the outcomes of having a poorly performed recruitment policy?*
- *Do you have any memories of a good recruiting practice? How about a bad one?*
- *What did you learn from that?*
- *Do you get some kind of reward with a good recruitment performance?*
- *Do you act differently compared to other companies? What makes you different?*

- *Do you know about any other company that performs a recruiting policy that you thought it might be worth to imitate?*
- *Could you give an example of a bad recruiting practice?*
- *What are the consequences, reputation-wise?*
- *Do you, as recruiter face any consequence? What consequences?*
- *Do you think that recruiting is more about what you do not lose if you do a good recruitment policy rather than what you obtain with it?*
- *Could you draw a line between what is a good recruiting practice involving contacts and a bad one?*
- *How people in the organisation see these new colleagues, who got in just because of his/her previous relationship?*
- *Do you face any problem by having many close relatives within the organisation? What problems?*
- *Is the change of the recruitment policy affecting the working environment? How?*
- *What is the goal of this change of policy?*

Appendix 2. Interviewees' profiles

Name	Job	Sector	Number of employees
Stella	Head of HR Development	Synthetic industry	550
Julia	Recruiter	Consulting service industry	300
Liam	Recruiter	Financial service industry	1900
Molly	HR Manager	Engineering service industry	450
Axel	Group Manager	Manufacture industry	2500
Oliver	HR Business Partner	Manufacture industry	400
Ella	HR Business Partner	Assembling industry	1000
Nils	HR Business Partner	Construction industry	700

Appendix 3. Coding process

