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Standards of Hiring Processes in Multinational Companies

Do automated processes pose an increasing threat to the global problem of qualification mismatch?

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<p>Employers across the globe report having difficulties finding the suitable candidates to fill vacancies, as well as retaining them. Graduates and unemployed are facing the same problem from their perspective, they state it is becoming more and more difficult to find a position matching their knowledge and experience. These problems add to reduced competitiveness and productivity, an increased employee turnover as well as low employee engagement. In many cases employers report their applicants lack soft and generic skills such as interpersonal skills, professionalism and a learning mind-set. The hiring process needs to be designed for a diversified candidate base, what an automated system alone is not able to process and analyse. The goal of this paper is to focus on researching the standards of hiring processes in multinational enterprises and is trying to find out whether the automatization of the recruitment processes has had a negative impact in finding the suitable fit for both the employee and employer.</p>	
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1 Introduction

Across countries substantial changes in skill needs are challenging labour market and training policies, and contributing to skill mismatch and shortages (OECD 2016). Employers across the globe report having difficulties finding the suitable candidates to fill vacancies, as well as retaining them. Graduates and unemployed are facing the same problem from their perspective, they state it is becoming more and more difficult to find a position matching their knowledge and experience. These problems add to reduced competitiveness and productivity, an increased employee turnover as well as low employee engagement. In many cases employers report their applicants lack soft and generic skills such as interpersonal skills, professionalism and a learning mind-set. This academic paper focuses on researching the standards of hiring processes in multinational enterprises and is trying to find out whether the automatization of the recruitment processes has had a negative impact in finding the suitable fit for both the employee and employer.

In many cases the research has shown that there is a lack, and therefore a need, for soft skills among the applicants. This paper is trying to demonstrate how an automated hiring process hinders the search for soft and generic skills, as they are not easily measured from written applications. The globalisation of labour mobility adds to the issue, as it brings along cultural and educational differences. The hiring process needs to be designed for a diversified candidate base, what an automated system alone is not able to process and analyse.

The economic crises in 2001 and 2008 in particular were the starting points for qualification mismatch as well as for the growing usage of automated recruitment programmes. Companies started to have less and less human interaction during recruiting, and relied more on computer based scans and analyses. At the same time the requirements for different vacancies became more versatile and independent from institutional education, valuing more and more knowledge gained from previous working experience. This paper aims to prove how employers are looking for skills that cannot often be found without a

human interaction and knowledge during the recruiting process, and that automated hiring systems play a great role in skill shortage found by employers and difficulties of finding the right position for graduates and the unemployed.

2 Current status of relevant literature

There are similar views among researchers on how to approach qualification mismatch. However, there are as yet no commonly used solutions on how to prevent the existing skill mismatch between what the employers require and the knowledge of employees. An OECD survey (2016) states the solving the problem should begin by understanding how countries collect and use information on skill needs. That way companies can investigate cost effective trainings and labour market policies in order to tackle skill mismatch and shortages.

Davos-Klosters (2014) shares his concerns in the report of the Global Agenda Council on Employment on how matching skills and jobs has become a high priority policy concern. The global economic crisis has affected the issue by making it more prominent, as employers in different fields and countries report year after year, how they are having difficulties in finding suitably skilled and experienced workforce. Recent graduates report having similar problems, namely finding a position which matches to their knowledge gained during higher education. Qualification mismatch, unfortunately, is not restricted only to new graduates. It affects people who are in between jobs with previous working experience, which does not match the requirements of a similar position, as well as people in countries where higher education requires a financial investment they cannot afford.

Edwards et al (2013) speculated whether multinational companies follow similar practises regardless of where they come from or are located at, or are they more shaped by their origins and local contexts. The researchers ask whether there is any evidence of adoption of global best standards to the extent that practises are similar. If multinationals would unify their standards regardless of their country of origin as well as the location of their subsidiaries, it would generate a more even and predictable grounds for both the employer and employees. The authors focus on cultural aspects of the hiring process and make statements, such as standardising these procedures between multinationals and their subsidiaries. It is left unclear which country's standards the authors find would create the most predictable environment for the mobile employees who search for vacancies across national borders. The question is whether it is possible to find a common ground for the global environment of today and how to decide which standards are the best to be universalized.

The Society for Human Resource Management (SHRM) Workplace Forecast (2015) is published every two years, and the structure of the report is based on a survey of human resource professionals on their views of key issues they feel will affect the workplace in the coming years. The report covers a wide range of topics including employment, demographics and public policy. The HR professionals interviewed for the survey share what actions they and their organizations are taking or are going to take, in order to tackle the upcoming challenges, changes and trends. The greatest challenges stated among the interviewed will be retaining and rewarding the best employees (59%) as well as developing the next generation of corporate leaders (52%). This means that the companies have to find a way to create a corporate culture that attracts the best suited employees to the organisation and finding employees with the increasingly specialised skills required from them. The forecast's findings revolve mainly around retaining employees and increasing their knowledge and expertise. One could argue these issues have much to do with soft skills, both from the side of the employer as well as the employee. After an employee is hired, the hard skills and knowledge need support from interpersonal and team working skills of that individual. It seems evident to scour for different abilities than only the specialised skills required for a certain vacancy.

The general view of the HR specialists in the SHRM report (2015) is the challenge for the companies to find suitable workers. The report focuses solely on the company aspect of qualification mismatch without addressing the fact that companies share the responsibility for creating a wider gap between the knowledge they require and the knowledge that can be attained through education or previous work experience. The organizations have to address the problem within the company and their hiring processes and acknowledge the requirements listed for an open position, which in many cases are too specific and unattainable, as well as difficult to measure especially in the beginning of the recruitment process. Potential candidates with suitable skills can be lost in the process if their skills are not adequately presented.

The report continues addressing the issues connected to the hiring process and finding a suitable fit for the company, e.g. demographic and social issues which include factors related to population, age, gender, ethnicity, language and geographical aspects such as immigration and mobility. These create a challenge for HR strategies, which influence the way organisations handle issues at the workplace. The report predicts that social and cultural factors can influence access to talent, employee relocation as well as gender

equality. This aspect of the report reflects to the fact how challenging it is to screen for intercultural fits to different organizational cultures without a human actor in the recruiting process. It is not suitable to claim that different demographics or ethnicities would result in uncontrollable challenges in the workplace. The suitability of the applicant is related to the organisational culture independent from the country or nationality, combined with the hard and soft skills of the candidate.



Figure 1. This figure shows a country specific as well as the global average of employers reporting having difficulties of filling vacancies in 2015, the average being 38%.

Manpower talent survey (2015) claims that talent strategy needs to be in line with business strategy in order to address talent shortages. The survey rightfully addresses the problem of needing new practices, as the recruitment systems clearly are not yielding the same results as they have in the past decades. It is time to create new structures and explore untapped talent pools. Manpower Group surveyed more than 41,700 hiring managers in 42 different countries to identify the proportion of employers having difficulty filling positions, which of the jobs are difficult to fill and why. It has become clear that employers need to generate a learning culture within their organisations and support on the job learning. According to the survey, not much has changed from the year 2014 as the same amount of employers' state talent shortages impact their ability to serve client

needs in 2015. There is a need for a global change, but the survey shows that more than one in five employers are still not pursuing strategies to tackle talent shortages.

20% of the employers at the global level are revising their people practises to provide more training and development for existing staff, according to Manpower (2015). Some of these practises include training to develop new skills, or training to enhance existing skills. There is also a growing trend for non-traditional recruiting practises, with a growth of 5% to the year 2014 and 8% growth compared to 2013. Some of the participants are offering enhanced benefits, higher salaries or seeking to redefine qualifying criteria to include potential employees who lack some required skills but have potential in other areas. Some employers are also seeking to explore untapped talent pools, such as young people, candidates outside their immediate region as well as potential candidates who lack some of the required skills but have potential to learn and grow.

When comparing the Manpower Group survey to the SHRM research, one can see that where Manpower is trying to find and offer solutions, SHRM is rather stating issues that arise from demographic and social perspectives, and which create problems for companies to attain a suitable workforce with their customized qualifications. It is important to acknowledge these issues, but they offer no clear solutions on how to tackle mismatch or skill shortage. Manpower Group on the other hand studied what the companies themselves are doing to shorten the gap between them and potential employees.

Donovan (2015) constructed a study about automated recruiting process and the human factor and stated that the process is generally thought to be a passive use of technology to support various aspects of the recruiting function. Social media profiles are used to search for keywords and identify people, resumes are scanned automatically in the early phases of the hiring process, and many more similar processes that run independently are used to assist with the tasks of human resource departments. Donovan states that, these processes are actually only passive assessment of the candidates. Active assessments of the candidates have in many cases been put aside and replaced with an automated analysis of them, before any physical meeting has even been put in place and often without the applicant even knowing about it. Work experience, educational background and words the applicants use to describe themselves determine whether they will proceed further. He argues that recruiting used to be a dynamic process where candidates had several interactions with the recruiters, who again could monitor, evaluate, adjust and measure the process. With an automated system, each element is detached

and separated from each other. In his opinion, this separation comes with a significant cost in terms of providing a positive candidate experience, having reliable metrics and elevating employer brands.

Ryan (2014) makes a clear statement about applicant tracking system (ATS) in her article about how technology killed recruiting. In her opinion, the most important thing is to find applicants who are smart, good communicators, flexible and reliable. An ATS system does not separate personal qualities between two people who have had the exact same position in the same company. According to the machine, after asking the applicants tasks and duties, they are two equally potential candidates. She continues that the system is not only lacking important information about the applicants, but the process itself is not inviting to job seekers. Finding the right talent for the company or position for the applicant is a global problem, the hiring process should be made more human. She compares the ATS as black holes for candidates, you put a resume in but nothing comes out. Any company's goal is to swipe in the talented and qualified, but with a system such as this one, they are only being pushed away. Her suggestion is to humanize the selection process and move away from the automated times.

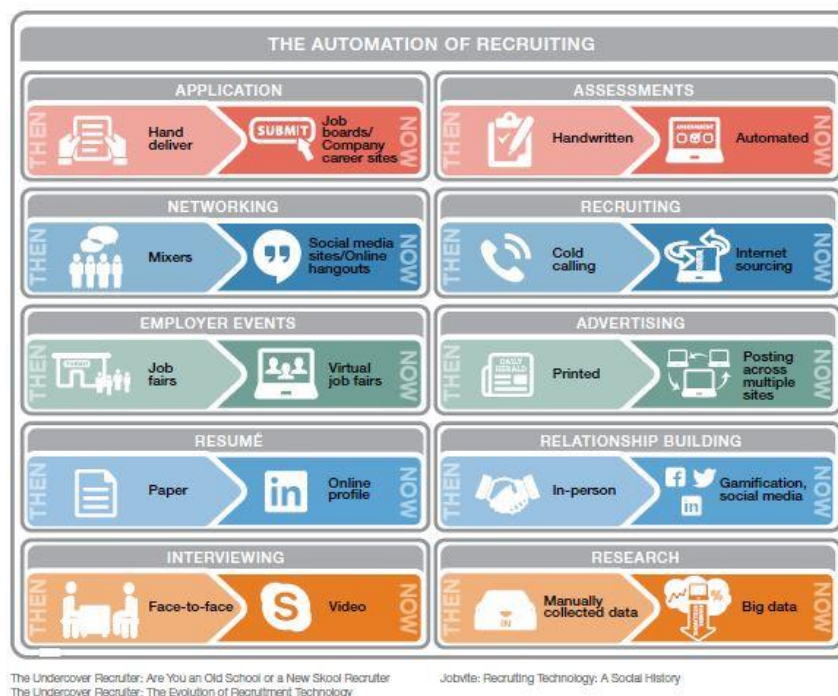


Figure 2: The figure shows how the recruiting process has changed from being an interactive process to automated systems & analyses.

Cappelli (2013) agrees with the fact that the most companies are using automated or even outsourced processes for hiring. The trend has become increased for cost-cutting reasons, but he finds it ironical as the systems were not created for only saving costs. They were created to simplify the process of finding good candidates in a tight labour market. After the major turndowns in the economy first in 2001 and again in 2008, unemployed candidates flooded employers with applications and companies had no choice but use software to process and screen them. Cappelli continues that these softwares were designed to make the first cut, after which the recruiters would carefully consider them for hiring. But during the recession many HR personnel lost their jobs themselves, as there were not many people to hire. When the economy started to grow again, many companies wanted to save in costs by automating the majority, or all of it, without the help of recruiters. In Cappelli's opinion, there is not much more important decisions a company can make than the decision of who it hires. Especially now, when high turnovers mean continual hiring. A cheap approach to hiring leads to poor hires, which eventually will lead to greater costs in comparison to higher hiring costs and continuous benefits of good hires.

Figure 3: Incidence of Over- and Underqualification

Note: The graph shows the share of workers who are over- and underqualified, and is computed by comparing each worker's highest educational attainment to the educational attainment that the worker deems necessary to get his or her own job.
Source: OECD, 2013, Survey of Adult Skills (PIAAC) www.oecd.org/sia/piac

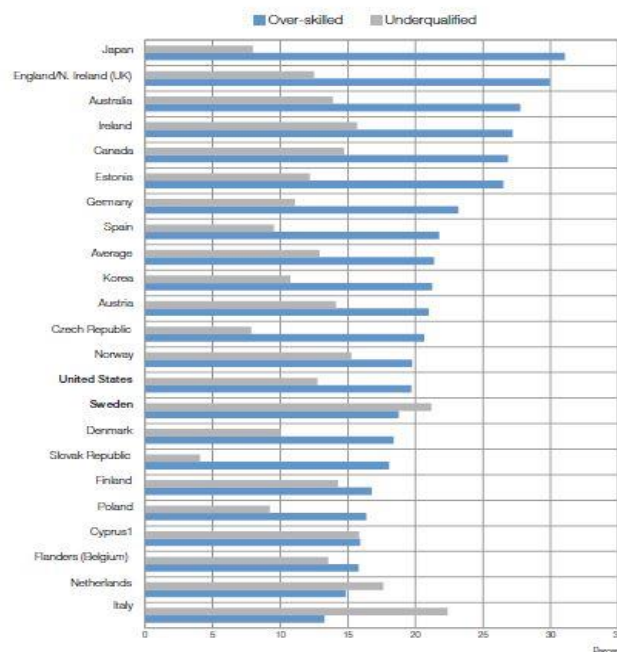


Figure 3: The figure shows the share of employees who feel they are either over or under qualified in their current position of work.

3 Conceptual model

Analysing the hiring processes of multinational enterprises is important in order to understand why qualification mismatch has become such a global problem in the past 10 to 20 years. Substantial changes in skill needs are challenging the labour market as well as training policies, and it is affecting skill mismatch and shortages. The positions of older generations are being automated whereas new positions with ever-changing requirements arise. Employees are expected to have a broad range of expertise and understanding when entering a new position, when an educational background within the field of work was enough to get a job some decades ago. Technology and automated processes have definitely made an impact to qualification mismatch, as the human element has been left out of the equation.

The costs are high for every party involved; for employers it usually means higher hiring costs if the turnover is high and employees leave the company after only a short period of time, as well as facing lower productivity level if the new employees do not have the required skills for the position. For employees this can mean lower wages if they are overqualified for the job or lower job satisfaction if they are either over- or underqualified. The economy is affected with a lower economic output and lower productivity. Some misalignment is inevitable, but in the longer run the costs become substantial.

This research focuses on comparing different qualitative secondary sources around qualification mismatch, the hiring processes of multinationals as well as finding the common factor for what employers' experience as skill shortage. This study is aiming to find out whether the automation process that is commonly found in multinational companies' hiring practises, is what is hindering the situation. The dependent variable of the study is to partly dismiss the automated parts of a hiring process and focus on the human factors, which should have a positive impact on a more accurate and precise hiring of new employees, who fit the company knowledge and experience, as well as personality wise.

The assumption of the correlation of these two factors is dependent on different actors. For this hypothesis to work it requires skilled human resource personnel with the knowledge and understanding of the company requirements as well as the company culture and atmosphere. Therefore, it is important to have the hiring process done by

recruiters instead of a fully automated process, where information is processed separately out of an important context; who is the person behind the words in their resumes. The hypothesis lies on the belief that qualification mismatch first started to occur in its masses when the hiring processes started to be done more automatically.

The independent variables of the study are the higher costs of the hiring process when automation is reduced and more personnel hours are needed to screen through potential candidates. These costs will on the other hand be reduced by the higher productivity produced by the employees with the right qualifications. Automated processes are also a regular part of multinational firms' functions, which generates the assumption of low interest in adding more to the already large amount of tasks of human resource departments.

The rapid improvements in technology in general have replaced people in activities that require only a low amount of skills, which again have changed the skill requirements of carrying out a particular job. These jobs include the screenings of resumes, where computer programs are designed to find key words and filter the candidates with the right vocabulary in their applications. This reduces the possibility of finding candidates with potential of learning by the job, who in fact are a good fit to the company. These potential candidates cannot be found through programmes, which are designed to focus on hard skills.

Candidates themselves are also an independent variable that must be considered. Free and accessible movement inside a country, not to mention globally, has created another challenge for companies screening their applicants for open positions. The amount of applications especially to well-known multinational firms can be counted in hundreds, if not thousands. This is what Cappelli (2013) also stated in his paper about automated hiring processes. After the economic crisis, when companies started to be flooded with applications, they had no choice but use software to process all of them as their recruitment teams had been cut down to the minimum. The original idea behind the software programmes to be used as help turned to be the only thing used to screen and find new employees.

If the original, assistive idea, of these programmes would be used more widely and globally, they could work together with the recruitment teams in order to combine the search for the necessary hard as well as the provably important soft skills. According to the

OECD (2016), 40% of the European employees who took part to their survey stated that they feel either over or under qualified in their current position. Over and under qualification can also be connected to the issue of relying on the resumes of applicants, as they can apply to any open position available and match their skills and education in their resume accordingly.

Without the right assessment, a candidate can seem to fit the position on paper but actually lack several key qualities the position requires. The automation process itself may be conducted in multiple layers, but as Ryan (2013) stated, many of these analyses happen without the applicant knowing about it. Without proper interaction between the candidate and the recruiter, vital information can be left out of the equation concerning skills that are not found in the applicants' resumes.

4 A Study: Hiring Standards in a Multinational Company

An interview with a Senior Recruiter, Sanne Goslinga, from a multinational e-commerce company Wayfair was conducted for this paper with the aim to gather primary and current data about the recruitment processes from a company's perspective (Appendix 1). The company is one of the largest online destinations for home (Wayfair, 2017) and has European offices in Berlin, London and Galway. The company was originally founded in the year 2002 and it opened its Berlin headquarters in the year 2012. The company had little to no visibility in Europe before its expansion, which created a challenge for the early recruitment process at the Berlin office. According to Goslinga, as a young and new company in Berlin, Wayfair went through a phase of hiring a very versatile group of applicants. In the United States the company has a well-known brand name which eases the process of attracting candidates fit for the company and its culture, but even then the hiring process can be challenging at times. Goslinga continues, that this year the office in Berlin is coming to a more stabilized situation retention wise, as the company is becoming more well-known. According to her, the people they attract now are very different to the people who they attracted two years ago.

4.1 Adjusting the Hiring Standards across National Borders

Goslinga explains, the company culture and its vision are very important in attracting and hiring applicants. Creating a job advertisement is the first step of a successful recruitment process. In Goslinga's previous position as a recruiter, her company had copy writers in the marketing department who wrote the intros to the job advertisements, which would then catch the eye of the person who they thought would fit the culture of that company. When she came to Wayfair, she continued with the idea and started to adjust the recruitment process to better fit the current markets. The job specifications were mostly copy pasted from the United States and needed to be restructured to fit the individual office cultures Wayfair had in the United Kingdom, Germany and Ireland, respectively. Although the company does have American values, each office has their own office cultures as well as differences in what and who they are looking for. These differences need to be met by determining how to appeal to these candidates.

When it comes to automated systems, Goslinga is aware of the challenges they bring. Firstly, terminology when looking for keywords is not commonly unified within the business field where Wayfair operates. There is no standard naming of particular jobs, she continues, and even then the skills that one company is looking for can be very different to those of another company. For this reason, it can be challenging for recruiters to find candidates, as e.g. graduates often look for open positions with the keywords they know or state those same keywords on their CV's or LinkedIn profiles. She gives an example suggesting a sales manager can additionally be known as a buyer, an account manager or more. Here the recruiter has a valuable task in understanding the skillset of the applicant, asking questions and testing them in order to see which skills would appear and to which position the person would actually be a good fit for.

4.2 Applicant Tracking Systems and Algorithms

Some of the weaknesses of these systems lie in their algorithms, which have not yet reached the fullest potential to connect the vast amount of keywords with each other. Goslinga gives an example of a system that matches the applicants to positions according to their skillset and previous work experience. Keywords such as team work, communication skills and work with external clients could match the applicant with sales positions, which are of no interest to that person. Her concern with the ATS systems is that companies might miss out on CV's, which an eye could select better than a computer. Nevertheless, she admits with the technology we have today, it would be very difficult for a human to access all areas of the internet to find and select candidates. It would take a tremendous amount of time to look through all CV's, but with a good algorithm we can look more precisely what is written on the applications and to what the words can be connected to or are synonyms of. She believes we are getting closer using artificial intelligence, which would act more similarly to the human brain during the recruitment process. Similar algorithms can assist the candidates on their job search, offering them positions the person has searched for in the past. However, Goslinga points out that often the candidates themselves are not completely aware of what they in fact are good at. In a way there is a human aspect, the expertise and experience of a recruiter who can match a person according to their personality and experience to a new field the applicant would not have thought of themselves. These are aspects a computer cannot see, as they do not see the person interact or see their skills in action. In fact, perhaps this could be a way for these systems to improve, in a more interactive manner, where they could discuss about the skills and potential of the candidate.

Evidently, these automated systems are tailored according to the company using them and by what they wish to attract. Some companies connect them to have direct input from LinkedIn or Xing and some require the information to be filled out on a tailored website. Goslinga points out that these kind of websites project all the data and points them to what they are looking for. They also expect, that people who want to apply for the company will take the time to go through the process.

4.3 Increasing Employee Performance and Decreasing Turnover

Wayfair facilitates a Learn and Development department that provides trainings for the employees, including core trainings which everyone should go through and some that are more specific to each position. These trainings are designed to on-board new hires in the most efficient way into their new positions. Wayfair is very performance driven and as a company they wish to help support that. New hires are sent surveys after the first week, 30 and 90 days asking about the on-boarding experience, team fit, general feedback and concerns. Ultimately, however, Goslinga believes retention and low employee turnover comes to Maslows hierarchy of needs, most specifically to the need of wanting to be socially accepted. For this reason, there is plenty of effort put into training the managers at Wayfair. They need to understand what is on the minds of their employees, help them grow and perform well, but also make them feel recognized and appreciated, particularly for the work they do. This way, she believes, the employees will stay until the next factor in their career comes along.

The interview points out, that if the employees who are hired, trained and given the tools to do their work efficiently and shown appreciation for the work they do, it is possible to narrow down the gap between what is offered on the job markets and the skills attained by the applicants. Here the soft skills of the applicants play an important role by assisting the employees to learn the specific skills needed for the position and staying motivated to do so as they feel appreciated by their managers. For this reason, it is crucial during the recruitment process to pin point the applicants who have a learning mind set, are professional and flexible (Ryan, 2014). The positions with company specific requirements, which are challenging to fill, could be adjusted by focusing more on soft and generic skills of the applicants.

A software cannot test the stated skills of the candidate like a recruiter can, Goslinga points out. In her opinion, the worst question any recruiter can ever ask is “What are your strengths and weaknesses”. The reason is, one can easily use Google to find an answer to what is leadership, teambuilding or a learning mind-set. A good recruiter uses cases or asks for examples to test these skills. When it comes to leadership, for example, it is about how they respond to the questions. The answer the recruiter is looking for also varies according to the position applied to; leadership skills wanted for a team of very young professionals are going to be different to a leader who is going to lead a team of 10 associate directors. It is important to understand what kind of leadership is looked for and how it is presented.

In the end, she believes the gap between recruitment and the candidates is not necessarily always negative. If a candidate oversells themselves slightly in the belief they truly are fit for the position, Goslinga does not find that fraudulent. At the same time, there are people who truly oversell themselves and cannot do their jobs. Most inevitably they will fall through and fail, but in the end, they will learn not to oversell themselves so much for the next time.

5 Methodological Approach to Automated Hiring Processes

For the research of this paper, secondary data was used as the main source of information. Primary data was additionally gathered in the form of an interview. To a large degree the gathered data was descriptive, and the research therefore relies mainly on qualitative information. Many of the sources were of recent nature and were conducted in the past 1-3 years. Qualification mismatch has been a growing problem for more than a decade and has been researched in many different contexts, but I found it important to focus on the latest trends and changes according to, for example, broad surveys where companies worldwide took part. The goal of this paper is to determine what standards there are in the hiring processes in multinational corporations and what can be done to tackle the growing issue of finding the right fit for both the employer and employee.

The data for this paper was gathered from qualified sources, using electronic databases such as EBSCO HOST, OECD library and ABI/INFORM complete. Google scholar also provided interesting and current researches, as well as online newspapers. World economic forum, Manpower Group and Society for human resource management have made notable research, where companies and/or professionals worldwide were interviewed in order to gather a broad spectrum of the issues around qualification mismatch.

The reader must be aware of the possible bias that can occur in the different sources. In comparison to World economic forum or Organisation for Economic Co-operation and Development (OECD), Manpower Group is an American multinational human resource consulting firm, which provides recruitment, training and career management services. One could assume it is convenient for them to make a business out of the issue of the difficulties arising from qualification mismatch and the hiring process. Thus, one could question the reliability of the research made by them.

World economic forum on the other hand is a Swiss non-profit foundation and it is committed to improving the state of the world by engaging business, political, academic, and other leaders of society to shape global, regional and industry agendas. OECD is an intergovernmental economic organisation of 35 countries and was founded to stimulate economic progress and world trade. Their research is more likely to be bias free, as both of their goal is to improve the world economy and trade.

The online newspaper, Forbes, used in this paper was mainly to bring a non-academic and fresh view to this pending issue. It is to show how relevant quality mismatch is in the daily life of the author as well as the readers'. With the experience the author has had with automated tracking systems, shows the stiff and detached way of many large companies' approach to hire new employees and the unsuccessful structure of that process.

The Harvard Business Review article continued with the same line of thought but with a more academic view, written by a professor at the Wharton School of the University of Pennsylvania. He gave a historical view to the hiring process and explained the evolution of automated software used in companies.

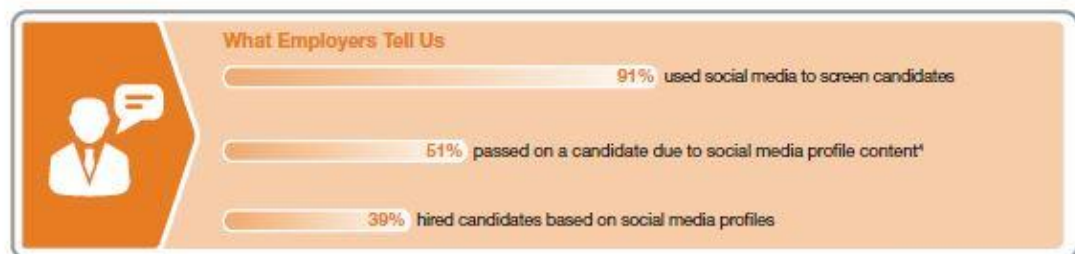
The weakness of my chosen approach is the lack of primary data, which would have given the paper more precise information on the chosen topic. On the other hand, given the extent of the research question, in order to gather the necessary reliable data, the primary research should have been executed on a multinational level. A questionnaire, for example, should have been sent to a large number of multinational companies operating in different countries, and the received data would have been very extensive to operate with in such a short period of time. For that reason, secondary data was decided to give an accurate enough information about the topic at hand. Combining different sources proved to give a broad view to the topic, in the lack of a more precise and customized research.

For future research a primary data research would be relevant. In order to thoroughly analyse the effects of automated hiring processes, it would be necessary to obtain data through surveys, interviews or direct observations. That way more current and relevant information about automated processes can be gathered and compared in the light of the research that has already been done. The processes could also be compared between different continents, to see whether there are similarities and differences between them. The study for this paper of multinational corporations focused more in the hiring processes of larger companies and the automated processes for hiring new employees that occurred through research. For future research it could be relevant to see what the similarities and differences are, and state whether it would be relevant to create standardized procedures across different countries and whether that would be productive, taking cultural differences and systems into account.

6 Qualification Mismatch Hindering Recruitment

Qualification mismatch and skills shortage are topics that are well known to researchers around the world. There are multiple studies about over and under qualification of job seekers, future challenges facing employers with finding suitable workers, and these statements are made worldwide. The larger studies researched for this paper mainly focused on the global situation and its analysis, and many of them lacked criticism about the hiring processes of today. There are quality articles about the automated recruitment processes, but there is still room for more research about the topic. Many articles and research studies focus on the educational aspect of the issue, leaving the company and employee interaction during recruitment to lesser attention. Employers report about the low number of qualified employees, often without structured suggestions on how to improve the situation.

Skill gaps usually reported by employers around the globe include a lack of generic or soft skills, namely team work, interpersonal skills, leadership, knowledge of foreign languages, readiness to learn and problem solving skills (Davos-Klostors 2014). As many multinational companies rely on automated hiring processes, soft and generic skills are often left unnoticed. These skills are nonetheless vital. According to Davos-Klostors matching skills and jobs has become a high priority policy concern across the world, which the economic crisis that affected countries everywhere, made even more prominent. Years after years the issue has not improved and has become even worse in some countries.



⁴ Hartley, D. "You Did WHAT?! More Employers Eliminate Candidates Based on Social Media Activity." June 30, 2014. CareerBuilder. <http://cb.com/TPvs50>

Figure 4: Employers screen candidates across their social media profiles and make selections based on their findings.

The economic costs for skills mismatch and shortages become extensive in the long run, when extra resources need to be used in order to aim to be profitable. There is quantified evidence of mismatch in selected countries, and there needs to be responsiveness to the skill supply and demand (OECD 2016). Anticipations and assessments made by OECD, Manpower Group or SHRM offer no clear solutions what there are to be made for improvement.

6.1 Challenges for Automated Systems

The articles in Forbes and Harvard Business Review criticized the automated systems, and how they have created a distance between the recruiter and the applicant in the hiring processes many multinationals use today. Finding the right person for the company out of two applicants with the same previous position and similar tasks, is a decision which is impossible for a machine. (Ryan 2014) Companies with human interaction manage to find suitable candidates with better results, than the ones who rely on automated software throughout the hiring process. (Cappelli 2013) The most important investments a firm makes on a daily basis, are the ones where they decide who work for the company and create its profitability or destruction. This investment cannot be taken lightly and made without all the information the company can receive and gather. Automated processes are perceived as the ultimate tool of gathering information, and the weaknesses of these softwares are not recognised. Companies save costs where they can and it is a challenge to make them go back from the assistance of advanced technology and invest in human resources. Technology has created the opportunity to cut costs with the expense of lacking in quality employees.



Figure 5: The table indicates that there are 38% of employers who report difficulties finding suitable employees. After the 2008 economic crisis there were less people to employ, but after the economy started improving the issue has kept growing.

6.2 Retention through Workplace Specific Training

The issue of mismatch is expected to increase towards 2020 (SHRM 2013). Human resource professionals state finding suitably qualified workers as one of the main issues companies will have to deal with now and in the future. It is a global problem that companies report facing nationwide. Education and changing requirements for vacancies together with new job descriptions are creating issues to find the person with the exact right skillset. Improved technology replaces tasks that require minimal or medium skilled workers, increasing positions with more specialised requirements (SHRM 2013). Companies with multiple requirements need to change their organisational strategies to gain competitive workforce. Learning beside the job and training are the crucial necessities what companies will have to provide their employees.

40% of European employee's state they are either over or under qualified for the position they are at the moment (OECD 2016). This means employees who have been analysed and hired to the position where they are working in. They are employees who have been selected from several applicants and given a position in a company. A high percentage as 40% indicates there is something wrong in the hiring process. Automated systems cannot replace human interaction and analysis. Technology can bring the recruitment process only so far without compromising to miss important information that is difficult to measure and search from written applications and resumes. These processes were not meant to replace the interactive core of recruitment between the HR personnel and job seekers, and it is clear the companies are paying the price for that decision.

7 Adjustment of Automatization in Multinational Companies

There is a discussion on whether multinationals should follow similar practises regardless of where they come from or are located at, and whether that would create an equal ground for employers and employees (Edwards et al 2013). The analysis does not give an answer what kind of practises should be standardized. Automated hiring processes have become globally used and accepted, but they have not created an equal ground for neither employers nor employees. Standardization itself is not the answer, it depends on the process that is going to be used and to what extent. There must be left room for country specific standards and customs, as one model cannot fit to different cultures and processes. A lesser use of automatization as a standard would be the first better step in tackling the qualification mismatch problem.

Some of the greatest challenges according to HR specialists for the next years will be retaining and rewarding the best employees, as well as developing the next generation of corporate leaders. (SHRM 2015) The general view of the report is the challenge for companies to find suitable workers. Social and cultural issues are mentioned as a challenge for workplaces as well. These issues revolve around finding suitable workers and retaining the ones already hired. The underlying problem is over or under qualification of the current employees, who need to be rewarded and retained in order to keep the employee turnover down, as well as preventing them to find a position which matches to their qualifications. In situation where an employee feels the position matches his or her skills and knowledge, there is a low risk of them leaving the company. The second issue of finding suitable workers revolves around the problems of the recruitment process. The costs arising from employee turnovers and rewards could be relocated in recruiting and that would bring benefits to the company in the longer run.

7.1 Overcoming Talent Shortages by Adjusting Standards

There should also be a trend in creating new structures and explore untapped talent pools. Talent strategy should be in line with business strategy, in order to properly address talent shortages. (Manpower Talent Survey 2015) Employers should engage more in creating a learning culture within their organisations, which would ease the strict requirements for candidates for vacancies. If companies would support on the job learning,

suitable candidates with a will to learn and adapt could be hired more often than they are now. Candidates with the specific requirements are very difficult to find and in the end, they might still not be the right fit for both parties. Learning on the job together with a functioning hiring system can turn companies' profits around. Manpower Talent Survey shows there is a need for a global change, but there are companies who are not taking any measures to tackle the issue.

“Passive assessment of candidates” is what Donovan (2015) thinks of automated recruiting processes. He states that active assessments have been put aside and replaced with automated analysis of them. The human factor has been minimized, whereas applicant tracking systems scan social media profiles for keywords together with other programmes that run independently during recruiting. Donovan calls these systems passive, as they do not have any or little interaction between the recruitment team and the candidates applying for open positions. They run passively, in many cases without the knowledge of the applicants. When there is no interaction, the candidates are not able to present themselves or showcase their experience with their own words. Even when an interview would take place in the later phases of the recruitment, the employers have made prior decisions of the applicants based on the analyses the programmes have prepared for them. They might become immune to information that would speak against the potential fit of the candidate, which arises after the final few have been screened and deemed suitable for the company according to their education and experience.

7.2 Personalising the Application Process per Company and Location

Applicant tracking systems (ATS) behave in a similar way as black holes for applicants. (Ryan 2014) The rise of technology and the increasing amount of automated tasks have made recruiting what it is today. Smart, flexible, reliable people who are also good communicators are what employers are looking for, according to Ryan. The process of finding new and potential employees is not only problematic from the employer's perspective, but also from the employee's. ATS systems often require the applicants to fill tens of boxes with information about their education, work experience, tasks performed together with other questions. People searching for a job have to fill out many of these, all similar to one another, a process that is not inviting for job seekers. After finishing one, they disappear into the interminable very much like in space. The discussion is whether companies should be more personalized and create more inviting processes for the candidates in order to be more appealing and interesting. Companies should differentiate

themselves for the interest of job seekers. In that way, they could attract more suitable candidates, who genuinely are interested and motivated to work for them. Moreover, the candidates who truly have the desire to work for a company together with a humanized recruitment process can minimize the qualification mismatch and skill shortage. A personalised job advertisement could thus focus on finding the people with the right skill set. The talented and qualified could be scooped in more precisely, than with a standardized job advertisement and automated recruitment process.

Automated or outsourced hiring processes have become the most common ways for companies to find applicants. The reason for companies to use less money on human capital and focus on technology to do their job, is for cost cutting reasons. (Cappelli 2013) Computers scan resumes and applications faster than a team of recruiters could, which has made softwares the most popular way to search through hundreds of job seekers' messages. When the programmes became more popular and available for the majority in the 1990's they were designed to assist the recruiters with the search for potential employees as they were more scares, and there were not as many platforms or social media sites to find people from. The effectiveness of the softwares helped lessen the workload of human resource departments with great success, but the economic crises turned the situation around. The amount of employees was reduced, especially in HR departments companies needed to lay off personnel instead of hiring more of it.

7.3 Soft and Generic Skills a Bridge for Skill Requirements and Shortages

There is a dogma between the requirements wanted from employees and the hiring process where these skills are screened. Often these positions require multiple skills and experiences, which are best attained by interpersonal skills, readiness to learn and problem solving skills. The soft and generic skills, which employers often report lacking from their applicants. The automated hiring process does not screen these skills very precisely, as it focuses mainly on education, work experience and the tasks appointed to the employee in his or her previous positions. It is difficult to differ from two people with the exact same experience when you compare them only in paper. For this reason, the minimized use of automated tracking systems and hiring processes should lead to a more precise fit of the applicants for the companies during recruitment.

The processes should be brought back to the original idea for their usage as it was before the millennium, an assistive touch to help the recruitment team to scan potential candidates through several hundreds of applicants.

7.4 Challenges of Future Research for Automated Processes

There is recent research about automated hiring processes concerning the qualification mismatch issue. However, the articles that discuss critically about the effects of automated systems do not have much academic research to support their hypotheses. It would be important to conduct more research around the topic and find more possible solutions to battle qualification mismatch.

The hypothesis and the main argument of this paper matches with the findings and research conducted for the paper. The surveys and reports made by OECD, Manpower Group, SHMR along with the Harvard Business Review article support the idea of automated hiring processes being a part, if not a crucial part, of the difficulties in hiring processes that have to do with qualification mismatch reported by employers and employees. The automated hiring process has become a standard of many multinational companies with cost cutting interests, and they became the standard at the same time qualification mismatch started to emerge in the aftermath of the economic crises.

In the light of the research made for this paper, the hypothesis is correct. Automated hiring processes do pose a threat to the global problem of qualification mismatch.

8 Conclusion

Qualification mismatch is an issue that has been affecting employers and employees worldwide for more than a decade. Employers and employees across the world report difficulties in finding either suitable workers with the skillset required or a vacancy that matches job seekers' education and knowledge. The issues that arise from this problem are an over or underqualified workforce, skill shortage where there are not enough applicants with the right requirements or difficulties finding suitable employers.

The hiring process has been performed interactively between the recruiter and the applicants, until the rapid technological development that took place in the end of the 20th century. Automated hiring processes were created to aid and assist the recruitment process, when employees were scarce. The economic crises in 2001 and 2008 left the economy drained and insecure and many employees were let go. Human resource departments were the first to be downsized as there were less personnel to manage. After the economy started to grow, human resource departments lacked personnel but the automated processes were still there. It was a cost saving decision to increase the amount of tasks performed by the software if not to replace the process completely. What this research is trying to find out whether it is that development that has created the qualification mismatch that we experience today so powerfully.

The automated hiring process minimizes the human contact between the recruiter and the applicants. It is debatable how well a programmed software can analyse and detect the ideal candidates based mainly on their resumes and written applications. How to spot the difference between two candidates with the same experience and education? The soft and generic skills as not as measurable as institutional education or work history. Whether the applicant has team working skills, behaves professionally and is reliable is hard for a machine to determine. For this it is necessary to have human perspective and knowledge, as well as critical thinking abilities. If the trend is to continue with these processes and automated programmes, it is debatable what kind of changes can be attained in the near future to solve the issue of qualification mismatch.

The main source of information for this research was secondary data; reports, surveys, academic journals as well as newspaper articles. Primary data was gathered through an interview with a senior recruiter at Wayfair, a large American e-commerce company

based in Berlin, Germany. The data was largely descriptive, except for quantitative data which was included in some of the reports and surveys. Therefore, this research relied mainly on descriptive, i.e. qualitative information. Many of the researches were conducted between 2013-2016, which allowed the research to focus on recent events and findings. Even though qualification mismatch, skill shortage and over- and under qualification have been a growing problem since 2001, studying the more recent data was relevant in order to tackle the issue to what it has evolved to since the millennium. The recent studies and surveys made it possible to focus on the aspects that have not been researched to the fullest and to the weaknesses in the previous studies that have not yet been resolved. The goal of this paper was to determine what kind of standards there are in multinational companies concerning the hiring process, and whether the automated processes found in some are what is causing the mismatch issue between employers and employees.

This research adds the acknowledgement of the negative aspects of automated recruiting processes to the existing literature. It is important to find a solution to one of the biggest challenges that is facing the economy and the job seekers in general. Reducing the usage of these systems is a concrete suggestion in overcoming mismatch. In the research that was conducted for this paper, the suggestions that arose from previous surveys were broad ideas that take a long time to be implemented. Some of these ideas included understanding how countries collect and use the information about mismatch (OECD 2016). It is crucial to understand and collect more country specific information on what else can cause qualification mismatch, but it is important as well to search for solutions that can be implemented and tried out in a shorter time frame.

The limitations of this research is the lack of primary data, as well as the secondary data that was not accessible for the researcher. The hypothesis of the paper is that qualification mismatch would decline if automated recruiting systems were to be reduced. To be certain of the accuracy of the hypothesis, it would be helpful to conduct a research of groups consisting of a recruiter and a team of applicants for a vacancy created by the researcher, as well as an automated programme which would analyse the applicants and finally compare the results between these two research groups and see whether there are differences, where they are and why they occur. It would still be a challenge to decide which decision is better than the other, without the chosen applicant actually performing the tasks he or she is hired to do.

Further research of the topic would clarify these questions and help the progress of finding a solution to this issue that is effecting the global economy.

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Interview with Sanne Goslinga, Wayfair

Interview with Sanne Goslinga, Senior Recruiter at Wayfair (Berlin, Germany), 27th January 2017

Me: The hypothesis of my Bachelors Thesis is that automated processes are challenging the way to find employees who fit in the company. My questions for you are statements from my thesis with specified questions to those statements. According to some studies, employers state they are having difficulties finding employees to fill their open vacancies, and on the other hand recent graduates state they have difficulties finding a position that matches their education and qualifications, which creates a mismatch on the market. Also, the employers state their applicants lack in soft and generic skills. How would you see the situation at Wayfair and do you think you have trouble finding the right candidates for your open positions?

Sanne: Yes, I think Wayfair has challenges as any other company, that is very difficult to fulfil certain positions and others much easier and that has often to do with the skillset that is on the market or not. I think with that comes the soft skills you mentioned. Every company has a different set of soft skills that they are looking for, a software firm looks for different skills than to what we at Wayfair will be looking for, which are also different to what a start-up would be looking for. I think that it's definitely a challenge and we are no other than any other company that has difficulties finding the best people. We all say we want to hire the best people however I think for each company that is a bit different as in who the best people are.

Do you have a specific method in writing a job advertisements and how do you appeal to the right candidates? Do you have a certain structure to do that?

Sanne: Yes, so interestingly enough, when I came to Wayfair at my old company I was also responsible of recruitment. And there we actually had copy writers in marketing writing our job advertisements for us. Not the specific details of the skills and experience needed, but more the intro that would catch the eye of the person we thought would fit the culture of what we were at that company. And when I came to Wayfair we did a similar thing, we started to adjust things a little bit more to fit our current markets, our job specifications were too copy pasted from the US, which was, even though Wayfair as a

whole, we are a US company and we have that kind of culture, each office, whether that be in the UK or here in Berlin or in Ireland, we still have our office culture as well to what we're looking for and who we're looking for. And how you look for those candidates is very different in the way that you try to appeal to them and what you are searching for. Now as you said in the beginning, if automated systems, or even non automated systems, that's very difficult, as you might use as team collaboration, I might say is something different, so the terminology that you're using is sometimes very difficult. If I am saying I'm looking for a sales manager, in another company it might be called a Buyer, or an Account Manager or what not. I think the difficulty is that there are no standard naming of particular jobs and even then skills that one company is looking for are different to what another company is looking for. Therefore, it's difficult to answer your question, for graduates to find that right position because they are searching on the keywords that they know and also why it's difficult sometimes for us as a company to find candidates because the candidates might again on their CV's or on their LinkedIn or Xing profiles only states the keywords that they know. That is why it's the job of the recruiter to try to get a better understanding and to dig deeper to understand that, maybe this person would actually have very good skills for "so and so", they just haven't written it in that way, but we could ask questions, test them to see if those skills would appear and then they would match them up.

Me: That is also a point of my thesis, that if there are keywords missing, you might lose potential candidates because of that.

Sanne: When you look at these systems, they obviously use algorithms to match you up, keywords to match you up. If you put the right keyword, they will match you up with "this and that". Now, if I put in the keyword team work, my communication skills are great, I've had some experience on the phone, I have been talking to a lot of external clients, maybe I am an external recruiter or an agency recruiter, that might pair me up with sales positions, with what I am not interested in at all. I think, therefore, as much as at the moment, many people are working on getting more automated systems rolling out, I think the danger of that is as well that we might miss out on CV's on which an eye can select better than a computer. A computer is based on algorithms that have keywords that make them link. Nevertheless you can go further and what is so difficult is that when you look at the human being, for humans it's very difficult to access all areas of the internet atmosphere. So, what I mean with that is it would take us a tremendous amount of time to look through

all CV's so if you do have a good algorithm, which matches with perhaps not just who can think more like the human brain and I think we are getting closer to that, where we can use artificial intelligence to look more exactly at, if this person has written down these kinds of keywords, they are similar synonymes for these types of words. Then we could put in steps more and more so, to link things up. And you can see as well, that as a candidate perhaps looks through the ads and clicks away certain ones, is the same thing that happens with your Facebook feed. If you're looking at your Facebook feed, you are always looking at those pop-ups from the next fitness studio around the corner, or you're having pop-ups of flea markets that are around the corner, now if you keep clicking on the flea market one's, and not on the fitness one, you will get more of those rather than the fitness ones of course. So that is how this could work as well, to kind of help you select. But I still think that there is always that human aspect that could say, because even you as a candidate, you don't always know in what you are good at. You don't always know with what you could match up with, and I think I am the perfect example of that myself. Having studied sports management first, and having done an internship in a company where my manager said have you thought about human resources and I think you would be great at it. Those are things that a computer will not see, because they don't see you interact, they don't see your skills being in action. That is only a human who can identify that and say, hey have you thought about so and so. Now, of course a computer can look into your CV and could see, you have all these skills listed, great skills, have you ever thought of doing this or that. That's also probably how they should be asking you that, "hey you're clicking away these sales positions, but have you ever thought about doing sales, do you understand what sales entails" and then you can get people more intrigued.

Me: That is very interesting, I have not thought about it this way. Because, the struggle is that, in a multinational company you get so many applications that you can't go through them with a human eye, so to find this kind of way how to tackle the problem even while saying automated processes are bad, is very interesting. The next question is, for Way-fair what would you think, as we here in the Berlin office are really international, do you think you have a different kind of hiring system to tackle the cultural and educational differences than a company that would hire **pääasiallisesti** Germans, for example.

Sanne: I do think that the hiring process is usually specific to each company, but it doesn't mean that our hiring processes are not similar to other companies. We use Jobvite, which

is a tracking tool that we use, and ATS that are used by many other companies. The challenge I think for these tools, that develop more and more, is this international aspect. Does this adhere to international law, for instance. So for instance Jobvite is an American tool meant for the US market, but it has gained a lot of international exposure and is now used by many international companies, but in Germany for instance what you have is a privacy act that you cannot save someone's CV for a certain amount of time. So, how do you build around that and what can you build into the system to allow for that to either be the case and delete all those CVs. So, it's not only from the human itself and their behaviour, it is also technical and legal aspects, that we need to think about. Then if we look at Wayfair itself, most of these ATS systems you can alter to fit your company, for the questions you want to ask and the information you want to get and what not. I think, these systems are starting to automate more and more, so you can have a direct input from your LinkedIn or your Xing profile into this system, rather than having to type up your whole CV again. This, I think, helps a lot for the ease of the applicants, because the last thing they want to do after writing a cover letter and CV, tailored it to fit the position, and then having to go through this massive online tool that will put them through a process of getting a job. But, for some companies this is very important, because it projects all the data and points them to what they are looking for. They also expect, that people who want to apply for that company, will take the time to go through a process like that. When I think of Wayfair and Google, where they get so many applications, how do you go through that? Wayfair gets tons of applications, but the amount that Google gets on a daily basis is 10 or 20 fold of the amount that we get probably. A start up on the other hand would get only a handful of applications. These systems are tailored to, who we want to attract and how we want to attract them.

Me: The next question is about the Learning and Development team. According to a study, the greatest challenges stated among the interviewed will be retaining and rewarding the best employees (59%) as well as developing the next generation of corporate leaders (52%). This means that the companies have to find a way to create a corporate culture that attracts the best suited employees to the organisation and finding employees with the increasingly specialised skills required from them. The forecast's findings revolve mainly around retaining employees and increasing their knowledge and expertise. (The Society for Human Resource Management (SHRM) Workplace Forecast (2015). Do you feel Wayfair's strong corporate culture attracts a certain type of applicants? When did you create the Learning & Development team and why?

Sanne: The Learning and Development (L&D) team has been in the US for a long time, but in Europe it hasn't really physically been here until June last year (2016), so they only have been here for about six months, which is quite short. But, what's interesting is, that what you said that what is important is retention. Retention is always difficult and it is also constantly changing. It depends on the people you wish to attract. And as a young company here in Berlin, for Wayfair we also went through a quite a, and now this year we can see we are coming to a more stabilizing point, but the people we attracted or wanted to attract two years ago is different to who we are attracting now. Two years ago, not to say we would have hired anyone, in Wayfair here in Berlin particularly, but it was because our name was not that big yet. Where as in the US we have a huge brand name. There it is quite easy for us to find candidates and even then it can be challenging at times. I think for us in the beginning here, we took many candidates on and we have a culture of this tight net community, all bunch of fun and so forth, but it cannot stay fun and games, you need to increase the professionalism of your team, you need to bring in more leadership, so you can get your teams to really perform the right way. Wayfair is a very performance driven and it does not suit everyone. You need to deliver results. There are rewards for that as well, but if you are not a person who is looking for that, you will not progress at Wayfair. That is how we are built and what we focus on, we are very data driven and very heavy on data. But what's important is that people understand that they need to push themselves, to get there or to the next place. To take those opportunities and to create opportunities, to show how they are performing well so that they can go to that next step. I think, that is different to other companies in Berlin where it's more important to just keep the ball rolling and have fun.

Me: Do you have the learning and development team to, I mean it is there for the employees to learn more and to grow in their positions and –

Sanne: We look at how can we best and how can we on-board our people the quickest way into their jobs. We have certain core trainings that we think everyone should go through and we have other trainings that are more specific per job, that Andrea and her team is working on, so that we can make sure that people are on-board very quickly, but also with the full detail they need to do their jobs, because we all know we only have a very short period of time, six months to be exact, to evaluate the performance of this individual and to make the decision would the company hire this person again yes or no.

If the answer is yes, great, and if the answer is no then not so great. But then again, we are performance driven so that is what we need to look at. But we as a company also need to help support that, so we are constantly thinking how can we improve, so once you start at Wayfair, after the first week you get a survey asking was your on-boarding experience, we learn from that and we take things from that. Also later on, on the 30-day and 90-day survey we have the same setup so we can continuously improve. It is important to look at what kind of trainings can they provide and that overall it will have a positive impact on the business. It is not that we will do a fun course in topic x or y, really, that has no impact on the business. Of course we do Wellness weeks every now and then, but of course informing people that wellness has an impact, say, on sick leave, which will then in turn have an impact on the business again. There is always a thoughtful way of thinking why we are doing something, we are not just doing it for the fun of it. But coming back to retention, what you were saying in the beginning, each generation, y or x or z, the millennials and what not, it seems that every decade again we have, there are different things that companies use to attract talent. Ultimately the motivation I think, still comes to the basics of Maslows hierarchy of needs, which is wanting to be accepted, of course you need the basics of water and food, which you have, there are enough snacks and coffee and tea, there's a roof above your head, and the next thing is love, to feel socially accepted. Where does that come from, by making sure we train our managers to become very good managers, who understand what is going on in the minds of their employees, how can they help them grow and perform well, how can they help them feel good and make sure they are not looked at as a number who performs but can also ask "How is your mom doing, she was sick the other day". This is really important, and I think when employees feel respected and accepted, feel recognized by their manager, particularly for the work they do, then they will also stay in the job until perhaps the next factor comes in. But the main factor is that motivation comes from the feeling accepted and feeling recognized for the work that they do.

Me: The next question is about soft and generic skills. Skill gaps usually reported by employers around the globe include a lack of generic or soft skills, namely team work, interpersonal skills, leadership, knowledge of foreign languages, readiness to learn and problem solving skills (Davos-Klosters 2014). As many multinational companies rely on automated hiring processes, soft and generic skills are often left unnoticed. How would you tackle this in the recruitment process, as these are not so easily spotted from the applications?

Sanne: The worst question any recruiter can ever ask is what are your strengths and weaknesses. The reason is, the things you mentioned, leadership, teambuilding, having an extra language, all these things are things people can google an answer to. That's not what you're looking for. If you are a good recruiter, what you are looking for is using cases or asking for examples, or providing a case where you ask for an answer. By asking the right questions you can test these skills, so of course, if you state you have German language skills let's speak some German. But when it comes to leadership, there are certain questions you can also ask, you can ask them to carry a conversation about a certain process, they have 5 minutes and they can press a button when they are ready to start. Then I can look at you and say how is this person going to tackle it, do they press the button and start thinking and then describe the process or are they going to think first and then press the button. I can also throw in a curveball and start talking about their grandmother, something completely different, and will they within the 5 minutes be able to come back to the topic and their point of the process they were talking about. It's about how do they respond to these things. Also for each position that will be different. Leadership skills that you want to have in a team of very young professionals is going to be very different to a leader who is going to lead a team of 10 associate directors. We need to understand what kind of leadership are you looking for each skill.

Me: My last question is that 40% of European employee's state they are either over or under qualified for the position they are at the moment (OECD 2016). This means employees who have been analysed and hired to the position where they are working in. They are employees who have been selected from several applicants and given a position in a company. What do you think of this statement, not necessarily at Wayfair but in the recruitment field in general?

Sanne: I actually think 40% is still pretty low in my perception. I'll tell you why. I think if I were to ask anyone in this company right now, they will never say I am exactly at that level. So I think there will always be that idea that I am higher or lower, which is why I think 40% is quite low in that sense.

Me: So do you think that is a good thing?

Sanne: I think it is a good thing. Or I'd actually challenge that and say is it really a bad thing to feel you are too high of a level or too low of a level. What I think, it would be more interesting or better to look at, is, are we doing something with that? If people, or if I would feel I am overqualified for my position, are we utilising ourselves and our skills as much as possible or could we utilize ourselves and our skills in other areas. Also, even though a person is overqualified it does not have to mean they are unhappy with their jobs. I also think I am overqualified in certain aspects of my job, absolutely, but I do them and I don't really mind. Could my time be better used elsewhere, yes, but right now we don't have those resources, so as a team and as a company you balance that out and say OK, yes of course if I have someone who is a directive who orders all the supplies I would say that is a waste of time and money, as it will be an expensive hours or ordering supplies. But maybe I don't have an option, as my office has only 10 people. Therefore, it is perfectly fine that a director is actually doing this because they need to control the budget as well. But for an office of 400 people that is a different story of course. Therefore, we have a facilities team who takes care of that. But coming back to your question, I think that is not high and I think it's normal, and it also depends on what questions were asked in the study exactly and how they were asked. But if you look at it in black and white, for the underqualified people I'd say hey, a great challenge, maybe the L&D team need to work on certain areas to help people learn more so that they feel more at ease. But also it shows that there will be a learning curve for them to continuously keep learning certain things and hopefully pass that. And unfortunately yes, there will be people who, in particularly a performance environment like ours, who will fail at their job and that's ok. It is ok to also fail, we live in a culture where you're not supposed to fail, but if you do you will get out stronger and will understand better what to do the next time. At least that is my personal thinking and I think if you can overcome those bridges, and say that did not work out for me, then ask what will work out for me and what should I focus on. What am I good at and understanding that. So, I don't think there is always a gap between recruitment and the candidates, because candidates can also very often oversell themselves and I think it's not very bad that I you feel you have the capabilities to fill that role, to make your cover letter a bit nicer to bring that point out. At the same time, you also have people who really oversell themselves and can't do their job. Then they will fall through and they will fail, and that is ok because they will learn for the next time not to oversell themselves so much. For those who are on the other side of the scale, the ones who

think they are overqualified, well either they need to find another job and if they are motivated and feel good, talk to their boss and if there is not anything additional they can do, it's fine.

Me: Thank you for bringing those points out, now that you said it, it feels very obvious.

Sanne: Well I think what's obvious is not very obvious. We always follow, as let's not forget people are like sheep, we always follow the leader. That's what it said in the study, that's what it is. That's how we interpreted it, but what if we interpret it differently than what it says, and have we looked at this. That's the best thing about having research, you get to challenge that research again, because as much as we believe in science, science is what it is until it's proven it's not.

