

HR revolution: screen people not paper: Case study of AkzoNobel, Unilever and Cathay Pacific

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ABSTRACT

The recruitment of highly experienced professionals is a crucial undertaking as it creates the talent pool for the organisation. Although the development and implementation of electronic recruiting applications in MNCs have been highly effective, they not only contribute to reducing candidate screening time but also effectively support employer's productivity. In other words, E-HRM is the practice of integrating HRM strategies, policies, and practices in a company through the use of web-based technology. Yet, the raising concern is how organisations in Vietnam could effectively learn and utilise e-recruitment since most companies continue to employ manually with pricey recruitment methods. The study aims to identify the fundamental concept of e-recruitment and intends to collect information regarding e-recruitment methods such as emails, corporate websites, and commercial job boards, among others, through the story of AkzoNobel, Unilever and Cathay Pacific in installing the e-recruitment system in Vietnam and in ASEAN. It covers the advantages and disadvantages of e-recruitment, as well as how local Vietnamese businesses might efficiently use it.

1. Introduction

Recruitment covers those practices and activities by the organisation in order to aim to the primary purpose of identifying and attracting potential candidates (Breaugh & Starke, 2000). It plays a critical component in the human resource management process, serving as an approach for attracting valuable resources, primarily people capital to the organisation (Barber, 1998). E-recruitment, often known as online recruiting, is a globally recognized

trend that has transformed human resources operations (Bussler & Davis, 2001). Over the past ten years, e-recruitment has developed significantly and is being used globally by both employers and job seekers (Coher & Brown, 2006).

The integration of supporting information and communication technologies (ICT) has significantly improved the selection and recruitment process (Cappelli, 2001). This integration involves a combination of conventional recruitment activities, which includes job advertising, CV scanning and

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screening, candidate selection, and shortlisting candidates (Coleman, 2006). An example of advanced e-recruitment is the virtual artificial intelligence (AI) job platform. These portals often connect to external, perpetually accessible online job and CV databases, which facilitate the labor market (Heery & Noon, 2001). Those activities included video interviews, assessment, and scheduling, conversational AI or text recruitment. Some arguments have been raised that e-recruitment tools generate higher costs of the application process, leading to cost-effectiveness (Minton-Eversole, 2007).

Despite ongoing debates regarding the significance and necessity of e-recruitment in the modern HR revolution, “AI-digitalization” has been widely implemented by a number of multinational corporations to maximize time and minimise expenses. Defining the phrase e-recruitment inside local enterprises in Vietnam remains complicated. It is necessary to consider employers as well as recruiters similar to job seekers in terms of technology adoption; the process to adopt innovation into their scope of work needs to be examined carefully (Nguyen, 2021b). As the use of technology in recruitment becomes more common in developed nations, the recruitment process in Vietnam is seen to be outdated and delayed in the implementation of modern technologies that have achieved international effectiveness and efficiency. Thus, it is critical that recruiters have access to and utilize the latest technologies in order to improve the effectiveness and efficiency of their operations (Nguyen, 2021a).

In accordance with the mentioned, one of the primary goals of this paper is to clarify the meaning of the terms “e-recruitment” and “virtual HRM” as their potential application to local Viet Nam organisations and to establish the criteria and elements that comprise it (Lepak & Snell, 1998). The paper also suggests e-recruitment tools as a case of virtual organising, which is inspired by three MNCs (AkzoNobel, Unilever, Cathay Pacific) using recruitment AI tools to process their first entry of scanning and selecting candidates in the host country (Holm & Ulhøi, 2007).

2. Theoretical Background

2.1. The process of Recruitment

2.1.1. Technology Acceptance Model (TAM)

The Technology Acceptance Model (TAM) is a prevalent theoretical framework that elucidates humans’ adoption of information technology. The theory suggests that the adoption of technology is influenced by the user’s intention to use it, which is in turn influenced by their view of its effectiveness in completing a job and their impression of how easy it is to use. The main goal of TAM was to elucidate the mechanisms that support the acceptance of technology, with the aim of forecasting the behaviour and providing a theoretical rationale for the effective adoption of technology. Kashi et al. (2013) used the TAM model to investigate the adoption of E-Recruitment in Iran. It was discovered that perceived usefulness had a greater impact on influencing the user’s behavioural intentions. Additionally, it was discovered that the perception of the organisational website generated interest in the company as a possible employer, hence motivating individuals to submit job applications.

The application readiness of the TAM model is being strongly developed and pioneered by social media companies, e.g. TikTok or Facebook (Al-Azawei, 2018). The model continues to be utilised by SMCs that are on the approach to MNCs to improve the customer experience through the use of technology (Wirtz & Göttel, 2016), also mentioning TAM as a suitable model for reference in applying technology to businesses (Lorenzo-Romero, Constantinides, & Alarcón-del-Amo, 2011).

2.1.2. Recruitment Process Model

The recruiting process model is an elaborate framework that provides a comprehensive explanation of the recruiting process (Lee, 2011). The process has five distinct stages: Planning, Strategy Development, Searching, Screening, and Evaluation. The Planning step encompasses the identification of the need for a fresh employee and the delineation of the work prerequisites. The Strategy Development stage entails formulating a recruiting strategy that is in line with the aims and objectives of the firm. The Searching step entails the identification of prospective individuals by using diverse sources such as job websites, social media platforms, and employee recommendations. The Screening step includes the assessment of applicants’ resumes and the execution of interviews. Ultimately, the Evaluation step entails choosing the most qualified

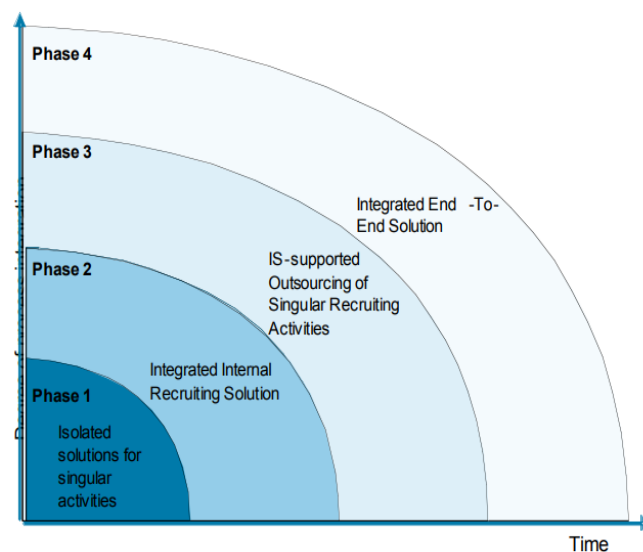


Figure 1. E-recruitment Phase Model

applicant for the position.

As employee recruitment is a fundamental function of HRM that occurs subsequent to the personnel planning phase and includes meetings during the development and retention phases (Albert, 2004; Olfert, 2003), the execution activities that occur directly during the selection phase encompass all strategies and techniques employed to acquire candidates from internal or external sources. Major recruitment tools employed within this industry include personnel leasing, personnel consultants, and both traditional and digital job advertisements, among others (Armstrong, 1996; Beck, 2002; Olfert, 2003). The statistical ratios, Malinowski et al. (2006) indicating which recruitment channels are most utilized by candidates indicate that internet job search ranks first with nearly 60 percent usage, which provides an explanation for that remarkable figure is an E-recruitment Phase Model (Figure 1) has been developed to facilitate time and cost savings by integrating each of the factors mentioned above. It is predicated on the complexity of the E-Recruitment solutions in use and functions as a criterion to distinguish between the phases. The dimension of time is not an indication that all organizations inevitably go in that manner (Malinowski, Keim, & Weitzel, 2005) and the result is found that the e-recruitment phase process order to increase the firm's competitiveness and, at the same time, provide high-quality services to qualified candidates.

2.2. The concept of Virtual Recruitment

2.2.1. ICT Model

Jimoh (2007) defines ICT as the utilization of electronic and communication devices such as computers, cameras, and telephones for the purpose of managing and manipulating information, encompassing texts, images, graphs, instructions, and other forms of data. Offodu (2007) defines ICT as the combination of electronic or computerized technology, human assistance, and interactive content. The lack of compatibility between people and technology is a significant obstacle to technological progress. According to Walker and Watson (2002), while implementing a new technology, it is important to involve influential supporters and give comprehensive operational models. The world saw a profound transformation as a result of the progress in Information and Communication Technologies (ICTs). The Information Age functions as a guiding principle for a wide range of academic endeavors, including education and individual research, serving as a contemporary meta-narrative.

Conventional HRM was characterized by an abundance of paperwork and protracted administrative procedures, leading to a slow and inefficient overall process. In this study, the term "efficiency" in HRM pertains to the organization's ability to do its activities with enhanced swiftness and decreased expenses. In order to address the current requirements, HRM is under increasing pressure to align with strategic goals and prioritise activities that generate value. As a result, the work

content and expectations placed on HR practitioners are undergoing changes.

The practical implementation of ICT has been explored in the new perspectives, so so-called new ICTs (Santoro & Usai, 2018), to store and share relevant information within intra- and inter-organizational processes. Taking advantage of technological tools grants an organization greater control over its knowledge resources, businesses have been compelled to adopt new IT practices (Alavi & Leidner, 2001; Davenport & Prusak, 1998). Hence, ICT supports the management, retention, and application of existing knowledge (Soto-Acosta & Cegarra-Navarro, 2016; Soto-Acosta & Meroño-Cerdan, 2008; Soto-Acosta, Popa, & Palacios-Marqués, 2017), as well as the extraction of higher value from essential intangible assets for the firm's renewal.

3. Case of Company AkzoNobel

AkzoNobel (AN) is a worldwide paint and coatings firm that has been 'bringing surfaces to life' for over 200 years. Today, AN is famous for offering high-quality paint solutions for a variety of sectors, from the aerospace and automotive industries down to domestic décor, bringing colour and creativity into homes across the globe.

Regarding recruitment process, there is a lack of compatibility between the prospects that e-recruitment focuses on and the candidates that organisations really need. Excluded from this are the specific demands and impact of the recruiting manager on the role they are seeking to fill, as well as the attributes they prioritise in a potential applicant. For companies such as AN, the use of e-recruitment may encounter some challenges due to the need for applicants with mid-level or higher abilities and experience, particularly when these candidates are not acquainted with the e-recruitment process.

The potential benefits of implementing e-recruitment and e-HRM would have to be assessed due to the industry's demands surpassing the capabilities of AI's rudimentary text-screening functionality. The difference between a manufacturing firm and other service-providing organisations is essential. Certain technical capability exams limit the accessibility of online evaluations, particularly in the paint and coating industry.

The subsequent subject matter concerns the issue

of the generation gap and its influence on users of the site. The choice to hire an employee in the recruiting process is significantly impacted by both the line manager and the team in charge of recruitment. Hence, the primary beneficiary of e-recruitment, in addition to talent acquisition, is the line manager. Therefore, it is crucial to take into account their mindset towards digitalisation and capability.

4. Case of Company Unilever

Unilever (U), a prominent player in the consumer goods industry, distributes its products in over 190 countries worldwide. Their extensive portfolio of over 400 brands caters to the diverse demands of their consumers in the areas of personal and home care, food, and other sectors. In order to address the swiftly evolving and dynamic expectations of consumers, U acknowledged the need to attract skilled individuals from all parts of the world, with a particular focus on appealing to the millennial workforce. Unilever started its recruiting makeover with the implementation of the Future Leaders Programme, a rigorous program designed for recent university graduates. This program carefully chooses 800 candidates from a vast pool of 250,000 applications. The Unilever team collaborated with several solutions to provide a comprehensive and interactive digital candidate experience. This included using e-recruitment to conduct mobile-phone-based recording interviews and interview assessments.

Participants must engage in a total of 12 distinct online games. Pymetrics has created these games to assess skills in several areas relevant to the specific job applicants are seeking. These games are primarily intended to assess a candidate's character rather than determining a clear "win" or "lose" conclusion. The desired result may differ depending on the candidate's role and the subsequent round of the procedure involves the submission of a video interview.

Artificial intelligence algorithms here assess spoken language, facial expressions, and body language of candidates through webcam or digital devices to determine whether they align with the characteristics of individuals likely to excel in the given position. Subsequently, a final selection of 3,500 applications was compiled - these individuals were invited to assessment centres, where they had

the opportunity to meet U recruiters face-to-face for the first time. Ultimately, a group of 800 individuals were chosen.

E-recruitment assessments used artificial intelligence to screen and evaluate applicants effectively by analysing data points, resulting in the identification of the most promising individuals for success at Unilever. This process enabled the filtering of up to 80% of the candidate pool. More than 80% of the applicant replies have been positive. The procedure has been significantly improved for applicants, leading to a saving in time by more than 50,000 hours. Additionally, the U's team has achieved savings of over 1 million pounds in only one year. The time taken for recruitment has been reduced by 75%, and the company has successfully recruited the biggest group of varied candidates in terms of gender and ethnicity.

Therefore, employers now need to possess digital literacy skills due to the implementation of new platform procedures and operational methods throughout the screening phase. The use of AI in recruitment is not only limited to e-recruitment or its associated applications. It is projected to be increasingly adopted, which places new responsibilities on recruitment departments, hiring managers, and even candidates. This is particularly significant for candidates who have limited exposure to interview technology.

5. Case of Company Cathay Pacific

Cathay Pacific (CP) frequently achieves high rankings as one of the top airlines in the world, mostly because of its strong focus on recruiting exceptionally skilled individuals. In order to sustain their competitive advantage, they formed a partnership with HireVue to expand their pool of prospects, enhance the capabilities of their recruiters, and secure high-calibre personnel ahead of their rivals.

Cathay Pacific gets a weekly influx of more than 300 applications for its Customer Service and Flight Attendant positions. Before using e-recruitment, they depended on a very manual screening procedure that included reviewing the CVs of several applicants, doing phone screenings, conducting group interviews, and conducting final in-person interviews. Due to the occurrence of applicant phone tags and group interview no-shows, which averaged about 30%, it

often took several months to fill these positions.

Cathay Pacific utilises an e-recruitment platform to evaluate targeted, high-priority graduates for its trainee positions. They use video as a means to establish and promote their employer brand, including their workspace and employees, and even include a personal message from the hiring manager in a pre-interview introduction video. The completion rate for students selected to participate in this interview is 90%. This demonstrates the efficacy of using the e-recruitment platform for student data preservation.

Nevertheless, the use of e-recruitment for senior jobs has not yielded definitive outcomes due to the need to address several concerns around mentality and alignment of vision and values. This aspect may not get excessive emphasis in mass recruiting or junior-level roles.

6. Limitation

A significant constraint is the presence of a generation gap inside the organization, particularly among recruiting managers. This gap subsequently results in a lack of expertise and difficulties in adapting to new technologies. For example, Ladkin and Buhalis (2016) examine the role of social media in facilitating two-way communication between the business and its existing and potential workers, while Dery et al. (2014) similarly highlight the need for a dialogic approach, cautioning against the misuse of social media. To transmit traditional communications to candidates, but also as a platform for actively interacting with them. It is noticeable that the technological adjustments made in each generation vary, which poses a constraint for both recruiting managers and possible applicants from prior generations seeking senior or managerial roles.

Additionally, the recruiting department frequently has limited financial and people resources allocated. Consequently, essential initiatives, such as strategic planning for recruitment efforts, may not be implemented. While the complexity of their work fulfilment is acknowledged, their descriptions indicate that it does not hinder them from further adapting the function and attitude of recruiting.

It is crucial to take into account that while entry-level jobs and younger employees exhibit a greater receptiveness towards technology and a greater

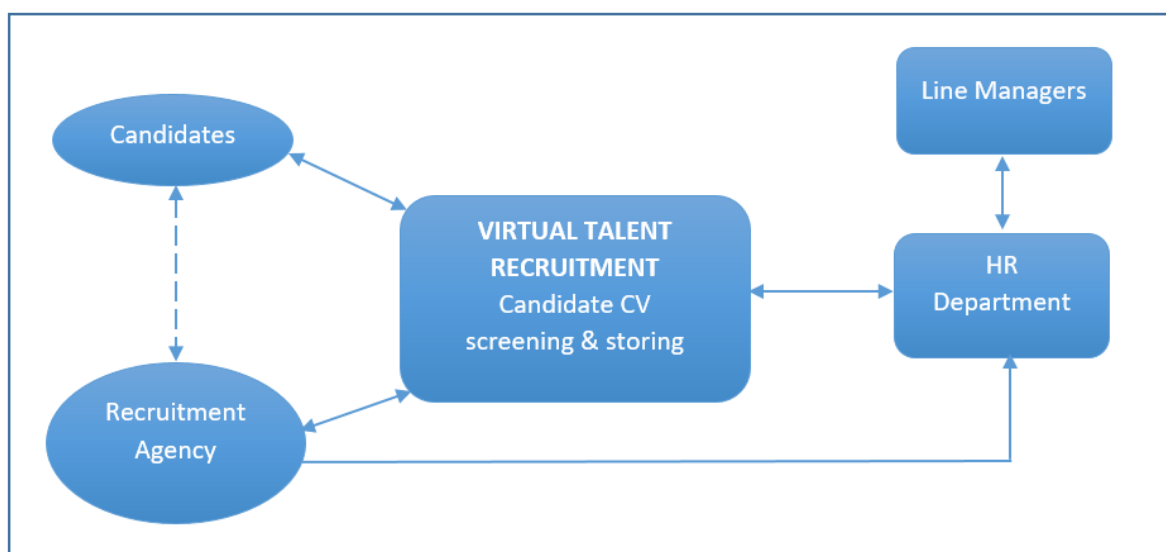


Figure 2. A linkage of E-Recruitment

readiness to utilize E-recruitment, any discomfort experienced can have a detrimental impact on their intention to use the technology (Jayabalan et al., 2019). In order to enhance the inclination of Generation Z towards E-recruitment, business organizations should augment the provision of information and elucidate the use of E-recruitment for this demographic.

7. Recommendation

The usefulness of technology in HR process is undeniable - especially in recruitment, however, properly applying the benefits of technology to generate values for businesses is a much more difficult problem. Therefore, the suggested process of virtual recruitment through the platform could be considered in the first steps of screening and selection.

When it comes to a company, the first and most important factor to take into account is the expenses incurred in operations. In order to establish an e-recruitment platform, the firm must be well-equipped to maintain a sustainable financial balance in the long run. This might vary from using full capacity to optimize the returns on an investment in a process improvement. Consequently, operations, recruiting managers, and HR departments must be prepared to embrace digitization. From an HR standpoint, ready preparation involves actively acquiring knowledge of technology, streamlining it, and effectively communicating its functionality to users, including

hiring managers and talent acquisition personnel. This is the first measure to diminish and connect the knowledge disparity among senior personnel inside the firm.

In addition to embracing technology as a whole, it is crucial to exercise discernment and selectivity while making software purchases. The software should be aligned with the specific requirements and hiring scope of the businesses. An essential need is the presence of a team that has a strong inclination towards acquiring knowledge about emerging technologies, the ability to effectively elucidate and implement these technologies inside the team, and is capable of fully harnessing the capabilities of the program. In addition, the software moderator must possess the skill and foresight to make necessary modifications and provide technical help when required. Ultimately, a comprehensive comprehension of the company is necessary in order to choose the suitable language, interface, and other relevant components.

8. Conclusion

To establish a talent pool for the organization, it is imperative to engage in the recruitment of exceptionally skilled professionals. Multinational businesses (MNCs) have found electronic recruitment applications to be particularly effective. These technologies significantly enhance employers' efficiency and reduce the time required for application screening. E-HRM refers to the utilization of

web-based technologies by a corporation to execute HRM plans, policies, and practices. Most Vietnamese firms continue to rely on costly manual recruiting techniques, making the primary obstacle to overcoming the efficient acquisition and use of e-recruitment. The primary objective of the study is to provide a clear definition of e-recruitment and gather data on its many forms, including commercial job boards, corporate websites, and email advertising.

The utilization of e-recruitment platforms by Cathay Pacific, AkzoNobel, and Unilever in Vietnam and other countries within the ASEAN region was analysed. The article subsequently discusses the advantages and disadvantages of e-recruitment, as well as provides insights on how local Vietnamese enterprises may effectively utilize this method. When assessing a company, it has been said that the most important and essential factor to take into account is the operating expenses. While it is crucial to fully embrace technology, it is as vital to exercise critical discernment and deliberate decision-making while acquiring software. The program needs to be customized to match the specific criteria and breadth of recruitment for each firm. To ensure the selection of the suitable language, interface, and other associated components, it is important to possess a comprehensive comprehension of the organization.

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