



# GÖTEBORGS UNIVERSITET HANDELSHÖGSKOLAN

## Master Thesis Project

How do firms acquire strategic human resources for facilitating innovation

-A multiple-case study of MNCs which have headquarters in European context

Graduate School

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## **Abstract**

Nowadays, firms are required to adapt to new innovations trend which is driven by technology, products and business mode. Organizations are facing the challenge of both electrification and automation. As big players, multinational corporations (MNCs) are facing global competition in their business. To acquire the competence of innovation development, as an important resource intra organization, human resources play a crucial role. Talents who with knowledge, skills and abilities (KSA) are defined as the driver of firms' innovation. MNCs tend to implement a set of strategic human resource activities to acquire talents to facilitation its innovation. To ensure the firm's strength, innovation competence thus to acquire competitive advantage.

There was less literature which is studying how does MNCs acquire strategic human resources in European context although there is an increasement of interest in strategic human resource research recently. In our thesis, we use an inductive methodology. Through observation of a number of interviewees within the organization, from up-stream to down-streams who manage talent acquisition for MNCs, we want to analyze and contribute some implications in recruitment strategy and practice to MNCs whose headquarters located in Europe. We formed our research questions into four topics. which is strategy, attraction, selection and technology. Lastly, we suggest that it would be valuable to make deeper and longitudinal research on global organization, retention of talents and the impact of technology.

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# 1 Introduction

## 1.1 Background

In today's society and economy, the success of a business relies on the development and adoption of highly creative technology and products, and the ability to adapt its strategy to the change in the market (WIPO, 2022). To be able to do so, companies need to have the right people: the right managers to lead and defy business challenges, the right researchers to bring innovation as well as the employees who make possible that everyday operations run smoothly (Beechler & Woodward, 2009). People are the asset that determines whether a company will be successful or not, from managers to employees, their intangible knowledge, experience, wisdom and skills play a role in the firm's competitive advantage (Wright, McMahan and McWilliams, 1994). Therefore, to sustain and increase their advantage over competition, companies look for the most knowledgeable and suitable candidates who will fit in the organization and find in it the perfect environment in which use their skills to develop innovative solutions and create knowledge (Wright, McMahan and McWilliams, 1994).

“Better talent is worth fighting for.” (Chambers et al., 1998: p.45). Companies have to compete to attract and retain talent, and sometimes they have to search outside of the boundaries of their own country to find the best candidate to fill the vacancy. With this regard, the increase of globalization has allowed businesses to reach further and further across geographic and cultural barriers (Beechler & Woodward, 2009). On the other side, the increasing use of technologies in the past decades has allowed recruiters and employees to connect in fastest ways and without geographical borders, with people being more willing to relocate outside their home countries than ever before (Beechler & Woodward, 2009).

Competition for talent is particularly important for emerging industries. Beechler & Woodward (2009) claim that the regions that receive foreign direct investment (FDI) would face a labor force shortage. In some established economic regions, the emergence of new industries, frequently linked to innovative, creative, entrepreneurial activities was observed. For instance, there is a long-established automotive industry cluster which contains Volvo Group, Scania, and also attracted global investor Geely. The deep collaboration displayed vigor and innovation (Yakob, Nakamura and Ström, 2018): in Gothenburg example, the

introduction of new automotive brands in the industry cluster brought an image of innovation and creativity to the city. These new businesses bring to the local economy new growth and vitality. Recently they have also had an active role for the change in the direction of clean, sustainable, and more environmentally friendly regional development paths (Gong et al., 2022). An initial battery Northvolt was founded which designed to be the largest battery producer in Europe (Northvolt, 2021).

Beechler & Woodward (2009) examined the concept of “War for talent” by reviewing around four hundred published literatures. It addressed that at the timing of global economic crisis and downturn, firms face more pressure in selecting a fit candidate. An unqualified employee might undermine the firm's performance, destroy company culture or leave more pressure on internal training which might occupy massive resources internally. For those activities, innovation is the key and the market they serve evolves fast. They must keep up with, and in most cases anticipate the current trends and needs of the markets.

Generally, under the squeeze of aging population and new technology developing, developed countries' talent pool faces an internal structural imbalance. Which leads to a fact that they meet a shortage of talents who have KSA (Knowledge, Skills, Ability) of latest or specific knowledge. A growing share of the population in developed countries is approaching the retirement age, and even the younger population lacks the competences needed the new technology development. There is a shortage of talents who master knowledge, skills and ability of the latest technology (Nagpal, 2013). Although a global labor shift might fulfil these needs, to make a cost-efficiency, local talent pool should be continues nurtured to replace expatriates who are expensive to afford. On the other hand, in the context of global integration the global economic geography shows a shifting pattern among developed countries and developing countries (Dicken, 2011). Which leads to a geographic imbalance of talent supply. In some regions, MNCs are struggling with looking for the right talents who will contribute to firms' growth. Lastly, technology develops rapidly, while the requirement of specific skills is demanding. There is a scarcity of talent supply in global innovative context which urges firms to improve (Beechler & Woodward, 2009).



## 1.2 Problem discussion

The definition of innovation is justified as an activity to make value based on a set of implementations of new ideas, technology and business models. To implement changes inside the commercial side of the activities, the firms should aspire to acquire the competence required to develop new innovation (Kennard, 2021). Furthermore, according to Posner& Mangelsdorf (2017) innovation is not only about new things but also about new value, and an organization should create a connection between the people who have ideas and people who can commercialize them. A considerable number of studies about the acquisition of talent in developed countries disclose national policy, subsidies, or protectionism theory instead of firm-level observation (Carriquiry, Du and Timilsina, 2011; Benchekroun & Van Long, 2018).

Jiang & Messersmith (2018) addressed that there is a growing interest of research in strategic human resource field recently. Human resources, according to Boxall and Purcell (2016), are the people who provide knowledge and skills to an organization's activities. It is a full integration of their academic abilities, personal characteristics, and passions, as well as their level of physical and emotional health. Human resource management is the activity of an organization that approaches talent in order to gain their knowledge, skills, and abilities. It is a methodical approach involving policies and procedures. Strategic human resources are a concept that addresses that human resource management should be aligned with firm's business goal.

Wright, McMahan and McWilliams (1994) summarized a theoretical framework of resource-based view to firms. Specifically, they illustrate Barney's expansion of the definition of resource of firm, which contains physical resources, plants, technology, geographical locations etc. They stated that human resource is one of the resources which gives the firm a sustained competitive advantage. Firms build a direct employment relationship with talents and manage the talent pool to fulfil the requirement of the firm's development. The authors claim that scarcity, uniqueness with value and irreplaceable features would be the core characteristics for firms to choose talents, in the purpose of acquiring sustainable competitive advantage. It is acknowledged that the talent with knowledge, skill and abilities acquisition

would be a foundation of talent pool's management and foreseeable development to the firm in the future. These are the strategic human resources MNCs should look for.

In addition to operating in a fast-evolving environment, multinational companies' talent acquisition usually faces global competition for talents (Nagpal, 2013). A knowledge-driven industry innovation might face the challenge of cultural integration. A firm will benefit from the diversification of the workforce due to demographic shift but also meet the challenge of cultural fit uncertainty, organizational capability and effectiveness (Beechler & Woodward, 2009; McDonnell, 2011; Sommeret al, 2016; Kwon and Jang, 2021; Sahay, 2014). Therefore, culture and geographical location still matters (Mäkelä, Björkman and Ehrnrooth, 2010).

Lately, many researchers have focused their attention on the talent acquisition constraints in emerging industries or start-up firms in developing countries. For example, in India's innovation incubation, lack of social capital which contains financial resources, talent pool, lower brand recognition, less competitive wage and location disadvantage might be the causality of unfavorable talent acquisition (Mukul & Saini, 2021). On the other hand, managerial immaturity is addressed as predominant criteria that might impact attraction to potential talents and retention of talent pool. (Mangisa, Schultz and van Hoek, 2020; Yakob, 2018; Yakob, 2018).

According to Mudambi (2008), the competition in knowledge-intensive industries is getting fierce and location still matters. To select the right people in the right location among numerous candidates is the key to talent management. Thus, the amount of research addresses that the implementation of technology for facilitating recruitment processes, for instance, artificial intelligence has significantly increased (Albert, 2019; Johnson, Stone and Lukaszewski, 2020; Rehman et al., 2022). Hmoud & Várallyai (2021) concluded that the employers nowadays tend to trust Artificial Intelligence (AI) due to its competence and reliability.

Employer branding is constituted by the employer's presence, brand awareness, and reputation. It is emphasized by many scholars that it might impact the talent's choice. (Elving et al., 2013). Furthermore, the utilization of social media aims of improving employer branding recognition, as highlighted by many scholars (Singh and Sharma, 2014).

It is noticeable that in the context of innovative development and a shortage of talents with KSA, there is still less attention about the talent war in an emerging industry in developed countries nowadays. It would be meaningful to identify the current business situation, to address the main constraints of talent acquisition and to discuss how to secure a firm's talent pool.

### **1.3 Research question**

Hereby, our research question is:

How do firms acquire strategic human resources for innovative multinational corporations (MNCs)?

-A multiple-case study of MNCs which have headquarters in European context

### **1.4 Delimitation**

This paper will focus on the recruitment practices employed by MNCs to attract and select software developers and engineers in European countries. The study will look into the hiring strategies used by these MNCs to draw in and keep highly qualified workers who are essential to advancing innovation and enabling the electrification and digitalization of goods and services.

It is acknowledged by the authors of this paper that to get a holistic view of the global talent war, especially under the radical innovation transformation era, it is necessary for the researchers to observation in a more comprehensive, spatial view which involves as many countries in developed countries as possible. However, due to time and space constraints, this thesis will primarily concentrate on MNCs and the departments that they operate in, namely Sweden, Italy, and Denmark. The interview with an Indian recruiter, who manages hiring in India on behalf of an international team that primarily works remotely, is the only exception to this rule. This exemption was granted based on the structure of the Global Team, of which he is a member and the fact that, despite having his base in India, he recruits for teams situated in Poland and Italy.

Lastly, we decided to include in our research MNCs with different sizes and respondents from different backgrounds to have a clearer idea about this phenomenon and try to build a framework that could be the most reliable and inclusive as possible.

## **2. Research Method**

### **2.1 Methodology approach**

#### 2.1.1 A qualitative approach

We chose a qualitative approach to study our research questions to acquire narrative information. According to Boxall and Purcell (2016), human resource is defined as an activity with intrinsic nature. As McMahan & McWilliams (1994) claimed that a firm's human resource competitive advantage depends on culture, norm, team production, and firm's DNA, these might be varied and there are many contingencies that can't be controlled. Qualitative research which is designed to study the unique characteristics of the target firms should be prioritized. It is acknowledged that there is a relatively broad interpretivist in qualitative research which is used to explain and generalize the phenomenon by addressing the interpretation of the actors involved in context (Bryman et al., 2021). Therefore, in our thesis, we design to discuss strategic human resources of selected firms. To address the constraints and challenges around specific talent acquisition, there is the need for close, detailed observations. The insight of insiders would be preferred.

#### 2.1.2 A general inductive approach

Our thesis will refer to a general inductive approach when it comes to data analysis and builds an engagement between theory and practice, thus the insight can be generalized.

According to research by Thomas (2006), a general inductive approach is a methodology for qualitative evaluation. In our thesis, we want to conduct qualitative interviews with those who work for multiple MNCs. The purpose of using inductive approaches is to extract common phrases or concepts that the interviewee narrated and form a summarized format which will deliver a clear vision. Second, we want to create a link between summarized findings that derive from raw data and our research questions as empirical findings. Third, we will develop and form a new conceptual framework which is based on the evidence of data and answer our research questions in several propositions.

As Thomas (2006) claims that a general inductive approach usually offers a systematic, structured process for qualitative research. That would increase the reliability and validity of our thesis. It is a straightforward approach which is easier to manage though it is less strong compared to theory or model development work.

### 2.1.3 Multiple-case study

Bryman et al. (2021) argues that to conduct qualitative research, it is crucial to involve in the social context the research target embedded which would explain the details related to their operations, that might be include networks, interactions and both macro and microenvironment. In our thesis, we focus on firm-level research and make a multiple-case study.

We selected nine MNCs as objectives of observation. These firms were chosen because they share some similarities, such as a strong desire for innovation, with particular interest to the digitalization and electrification of their products, and they have also some variables. It facilitated us to exact common characteristics and also provided a broad version to generalize our research questions. Furthermore, it provides to what extent causality and effect of firms' practice. As Bryman et al. (2021) addressed that a multiple-case study approach can facilitate to form an emerging theory because researchers can easily to exam the causality across different or similar context.

Initially, we define MNCs, which headquarters located in developed countries as our research context if it owns a knowledge-intensive manufacturing industry firm. It is the crucial criteria of our research. The collection of the data was done mostly by conducting interviews with employees of European MNCs that operate in innovative industries under the process of electrification and digitalization of their products and process. Additional data were collected based on the reference of external sources given by the respondents, such as the mentioned software, LinkedIn profile, videos or career website of the companies that we included in the research. All the additional sources were used to have a clearer idea of the context within which the respondents operate.

In terms of organization size, the respondents fulfilled the industry landscape which covers MNCs such as ABB, IVECO, LEGO, Essity and the core players in Swedish automotive

clusters, Volvo Group, Volvo Cars, Geely Europe Innovation Center. These big employer brands are processing an on-going innovation which consistently recruits job specific talent in research and development (R&D).

We also include small-medium size player in information technology and service, as Metry and Ants Tech. With the gradual development of our research, we recognized that many MNCs outsource part of their recruitment and share the same target with their partners, which is identified as recruitment agencies and headhunters. Therefore, with the aim of investing their recruitment process in practice on software talent acquisition, some local services of acquisition firms enrolled, Synteda AB and Tachyon.

## **2.2 Data collection**

### 2.2.1 Source of interviewee

Empirical data collected 15 interviews which contains top management, HR managers, HR specialists and selected talents with job-specific knowledge, skills and ability. The sample was selected specifically developed countries based and encompassed automotive and software industries which support electricity and automation innovation or investment in automotive innovation. A focus on this thesis was to address a firm-level observation of talent acquisition both on strategy and process.

A large amount of interview invitations sent via social media LinkedIn to target interviewee, title included “HR”, “Strategy”, “Talent Acquisition” and “Tech talent”. A total of 27 responded (respond rate around 20%) and eight among them accepted interview invitations. The other seven interviewees are contacted via network referrals. In terms of position, one of the interviewees works as CEO who is expected to identify the core competence to the firm in its cluster. More than 50% of respondents work as strategic or value role (Head, Lead, Managers) are encouraged to define the corresponding strategic human capital (Hamel & Prahalad, 1993). The rest of the candidates will fulfil the process practice role (HR specialist, recruitment, engineer).

Additionally, multi roles who work in the same organization as internal stakeholders were interviewed as a snowball effect. In the case of ABB, the global recruitment team is dispersed

worldwide but interconnects with each other. According to Porter (1998), these interviewees are people who enrolled in a complete value chain composed intra organization, and they create value to their internal customers. Global acquisition who works in headquarters, global acquisition who works for global acquisition team but located in subsidiarity etc. These interviewees delivered different layers of observation and reflection concerning same strategies and internal processes. As Bryman et al. (2021) argues that the crucial concern of qualitative research is to observe a social science phenomenon through the eyes of different actors and commitments.

Thus, it would be necessary to get a holistic view of the global talent war, especially under the radical innovation transformation era, it is necessary for the researchers to observation in a more comprehensive, spatial view which involves as many countries as possible in developed countries. However, due to time and space constraints, this thesis will primarily concentrate on MNCs and the departments that they operate in, namely Sweden, Italy, and Denmark. The interview with an Indian recruiter, who manages hiring in India on behalf of an international team that primarily works remotely, is the only exception to this rule. This exemption was granted based on the structure of the Global Team, of which he is a member and the fact that, despite having his base in India, he recruits for teams situated in Poland and Italy.

Overall, we decided to include in our research MNCs with different sizes and respondents from different backgrounds to have a clearer idea about this phenomenon of strategic human resource in practice and try to build a framework that could be the most reliable and inclusive as possible.

### 2.2.2 Interview process

We formed a semi-structured interview structure which contains a set of fixed questions to the aim of consistency and, at the same time, to provide enough space for the interviewees to deliver individual insight from a different, open view. The main reason for choosing the semi structured interview is to provide necessary flexibility (Bryman et al., 2021). After the first set of interviews, some additional questions were asked to better fit the specific role of the



interviewees. The reasons behind these changes were the following. First, in qualitative research, it is expected that target interviewee might deliver further, deeper insight about the research topic in qualitative research (Bryman et al., 2021). Secondly, the roles of interviewees vary which requires more possibilities to address core concepts from different perspectives.

As an interview guide, we created an interview agenda, which was formed with core topics (competence, source, attraction and selection) to keep consistency among interviewees and follow up questions. Focal points and the way of asking questions varied due to the heterogeneous role of interviewees. For the role of top management, HR managers, and hiring manager questions tend to address strategy thinking and senior level recruitment. For the role of HR specialist, recruitment agency or head hunt, questions are more related to practical process and empirical description. The respondents were expected to deliver phenomenon of current status of recruitment, constraints and experience in the aimed of acquiring competitive advantage. To have a more complete picture of the phenomenon, we decided to interview two talents, a PhD battery test engineer and a data expert working for LEGO, to have the testimony of the recruitment process from the point of view of the candidates, and how their current employer employed them. We designed questions which related to their competence, the reason beyond joining the current company, how they learn about their current job position, their experience in the recruitment process.

90% of interviews are video interviews which are conducted via digital platforms ZOOM. Software like Microsoft Teams and ZOOM is widely used for conducting interviews remotely and receives positive feedback because of its convenience and cost saving. It provided similar quality compared to a face-to face interview (Bryman et al., 2021). Addition to that, video interviews facilitate interview globally. It helped to break through the limitation of geography economically. We are located in Gothenburg, Sweden but we interviewed with respondents who are located in Italy, Denmark and India. The interview with the CEO of Uni3 by Geely is conducted face-to-face at Uni3 building, located in Gothenburg. This office visit was motivated by the willingness to understand the cross-cultural vibe of operating a MNC cross-broader.

Although video interviews have many advantages, there are still limitations that need to be aware of. One is the technique contingency. There was one interview that was disrupted at the beginning because of a technique issue. The other one is that according to Bryman et al., 2021, video or onsite interview still has reliability problems because the respondents may be affected by the appearance of the interviewer, for instance, gender, or ethnic group.

### 2.2.3 Recording and transcription

All the interviews were recorded by recording devices. It allowed us to focus more on interviews during the process and helped to correct memory bias and also facilitates us to get inspiration of new theory strategy (Bryman et al., 2021). After interviews, recorded files are transcript by voice-to-text software Microsoft word and proofread manually by researchers shortly afterwards. Respondents have phenetic pauses and self-correction. Thus, we did an edition for correction, ease of reading and coding process afterwards. During this on-going process, we reflected about the way of asking questions and inspired the way of asking questions for the latter. ct. To make this on-going correction and analysis activities simultaneously, is also recommended by grounded theory analysis. The delimitation of recording is respondents might be aware of the effect and behaved preserved. Voice to text transcription might ignore the signal of body language (Bryman et al., 2021).

Overall, through a set of semi-structured inspections from different roles and departments, aligned with an inductive methodology, this thesis will make a structured, systemized analysis, discussion and conclusion of the competence which is recognized by business strategy, and attraction, selection process of talent acquisition. *Table 1* is intended to summarize the interviews done for this master thesis, including current company they work for, current position of the interviewee, and the day that we conducted the interview.

#	Participants	Company	Current Position	Day
1	Respondent 1	Metry	Head of people & culture	20-mar
2	Respondent 2	Volvo Cars	Material scientist, Lithium-ion Battery Engineer	23-mar
3	Respondent 3	Volvo Group	HR Business Partner Volvo Buses på Volvo Group"	31-mar
4	Respondent 4	Volvo Cars	Talent Acquisition Tech Recruiting	03-apr

5	Respondent 5	Geely	Chief Executive Officer at Geely Europe Innovation Center AB	04-apr
6	Respondent 6	ABB	Global Talent Sourcing Partner	05-apr
7	Respondent 7	Ants Tech	Senior talent acquisition	06-apr
8	Respondent 8	Metry	director of engineer	06-apr
9	Respondent 9	ABB	global talent partner	11-apr
10	Respondent 10	Iveco	HR business support	14-apr
11	Respondent 11	LEGO	Insights Manager at LEGO   Enabling Team,	18-apr
12	Respondent 12	ABB	global talent partner	19-apr
13	Respondent 13	Synteda AB	Head hunt	01-maj
14	Respondent 14	Techyon	Recruitment Engineer Manager	10-maj
15	Respondent 15	Essity	Talent Acquisition Manager	15-maj

**Table 1. List of interviews**

### 2.3 Data analysis

With the aim to have the most systematic approach to collecting and analyzing the data in our inductive research, we decided to apply a methodology framework inspired from the Grounded Theory. The Grounded Theory is often used in research on strategic studies, technological and organizational changes, therefore we found it favorable to use this method for our research. The Grounded theory formulation of new theories is based on field data, and it is developed by continuous comparison, fractionation, coding, and analysis of observational and interview data until completion is established (Fendt & Sachs, 2008). Each interview transcription and field note have to be studied and descriptive coding have to be given to the sections that stand out in the study subjects' answer and seem to have possible theoretical significance (Bell et al., 2019). The study of the previous interviews and the creation of descriptive code allowed us to know more about the subjects and make us realize the need of new data to explore the connections between the categories emerged via a second theoretical sampling.

As coding is a crucial step in the Grounded theory, we utilized the software Atlas, made available by the university. We entered the transcriptions of the interviews into software, and we began the process of open coding (Clark et al 2015) of the documents. Using this method, the researchers were able to organize the respondents' responses into lines, phrases, or paragraphs and assign keywords to various concepts (Fendt & Sachs, 2008; Magnani & Goia, 2023). The aim was to produce concepts that seem to fit the data (Eriksson & Kovalainen, 2015). After examining the interviews line by line and giving different codes to the themes, we came up with a significant amount of coding—more than 600 codes. In order to reduce the number of the code to be analyzed, we looked for similarities and differences between the various replies and coding and merge some of them to make it easier to analyze the data gathered in the semi-structured interviews and the reduced the number of the codes to be analyzed. Following the *Tables 1* in the appendix shows how the overview of codes.

The deep analysis of the codes and the reduction in the number facilitated the next step of the analysis, that consisted in the creation of the First Order Categories. These classifications were developed by identifying labels that are meaningful and indicate a more general phenomenon (Yakob, 2018). In order to obtain a more complete picture of the relationship or explanation that exists between the data and the research question, the aim of this stage is to make explicit connections between the concepts we discovered in the open coding and the categories that could express a generic concept (Eriksson & Kovalainen, 2015): we looked to answer question such us why, how come, where, when, how and with what result. These categories are created in an effort to represent real-world phenomena (Clark et al, 2021).

Then, in what the authors refer to as the second-order level of analysis, we chose a number of themes from the major categories for a more comprehensive theoretical framework, using it to compare the newly discovered data to the prior literatures, making notes on any concepts that the literature did not adequately address or any topics that stand out for their relevance (Goia, 2021). As the subject of this paper is a qualitative study and the research is based on the semi structured interviews, a considerable amount of text of the prescription of the interviews was not assigned to any category, as not relevant to the evaluation objectives (Thomas, 2006). On the other hand, some of the quotations were coded in more than one

category (Thomas, 2006). However, we made sure that the quotation was under just one of the themes. These themes serve as a framework around which the categories are organized (Eriksson & Kovalainen, 2015). As Eriksson and Kovalainen (2015) suggest, the data from the interview was utilized to test these hypotheses in order to support the theoretical framework.

To have a more clear and cohesive representation of the phenomenon, we decided to organize our framework into the four categories we used the literature framework: Strategy, Attraction, Selection and Technical tools. Having a full set of 1st-order categories and 2nd-order analysis allowed us to build the data structure, to have a graphic representation of how we operate and how the first and second orders are related (Goia et al 2013; Magnani & Goia, 2023). Understanding how all the concepts, topics, and dimensions relate to one another is made possible by the data structure. It essentially serves as a visual representation of how the research developed during analysis from terms in the original information to themes and dimensions (Goia, 2021). Following the *Tables 2* in the appendix show how the data structure has been made.

### 3. Literature Review

In the creation of a theoretical framework, we considered it is imperative to study from firm-level which contains the recognition of human resources as a key resource to facilitate innovation. To address the competence to fulfil with their business need and their strategic sourcing plan based on specific social and industry context. At an operational level, we expect to get a clear vision of ongoing recruitment process research and implementation of the latest technology.

#### 3.1 Strategy

##### 3.1.1 Innovation and a resource-based view of a firm

Green, Gavin & Aiman-Smith (1995) clarified four dimensions of the radicalness of innovation which composed by both technology perspective (uncertainty of technology, high cost of technology, lacking experience in technology) and business experience deficiency. Firm might refer to this strategy tool for implementing project or any innovation activities. A turbulent innovation at a firm level might lead to higher risk. A large amount of resource requirements might cause innovation process management problems (Koc & Bozdog, 2017).

According to Porter (1998), an organization's value chain is defined as a series of categories composed intra organization which create value to customers. Human resource is one of the support activities among five primary activities. Barney (1991) expanded the definition of resource to a firm. It is examined that firms agglomerate physical resources, organizational resources. Human resources include both managers' and employees' role, as well as their intangible knowledge, experience and wisdom. Wright, McMahan and McWilliams (1994), defined that individuals with their skills, knowledge, and ability are core resources to the organization.

Through research of varied resource-based view models, competitive advantage derives from a heterogeneous resource compared to competitors and the stability of resources (Wright et al, 1994). A sustained competitive advantage is affirmed when the criteria cannot be duplicated by its rivals (Lippman & Rumelt, 1982).

Human resources as a predominant sustained competitive advantage to a firm under the condition of individuals who have competence and directly bonded with organization, and they are aligned with firms' strategic goals (Barne,1991). Wright et al (1994) extended Barney's conceptual framework and identified the quality of human resources.

### *Valuable*

According to Wright et al (1994) a series of previous research verified that high quality human resources would contribute to high performance for the organization. Koc & Bozdog, (2017) verified that human resources ranked as the top among the other support activities to the organization in innovation transforming stage. Similarly, Mckinsey Company defined that top level employees usually impact firm deeply. Companies should be aware of a chronic or abrupt talent shortage due to the scarcity of elite people.

*Uniqueness among the counterparts* Wright et al (1994) defined that the scarcity of human resources can be justified as a sustained competitive advantage to firms. The authors justified that human resources are not scarce resource initially. First, one original talent pool might produce homogeneous individuals with the same competence. Second, a job which is simplified does not need a specific skill. Third, cognitive ability is regarded as a useful measurement tool to identify the high-quality human resources (Schmidt et al; 1979) that are dispersed normally (Jenson, 1980).

### *Hard to duplicate*

Wright et al (1994) argued that a sustained human resource refers to the hardness for rivals to duplicate. A single source or composition of human resources cannot be justified as sustained human resource to a firm although it can hire high competence talent from competitors. Beechler & Woodward (2009) argues firms might benefit from the increasing mobility to supplement talent pool in global integration era. Nowadays, a stream of talent flows intra firm's host country because of education or attracted by salary imbalance among different regions. Similarly, global talent mobility is increasing which benefits from the elimination of national and cultural boundaries. Although human resources have a phenomenon of mobility, however, to focal roles of talent, the immobility is even more crucial since competitors might

hire the staff to acquire Knowledge, Skills and Abilities (KSAs). High-skilled talents might evaluate carefully the cost of relocation and potential risk. Furthermore, the social context is argued that might highly impact the final performance. In nature, individuals cannot create the competitive advantage solely, their contribution to firms are highly embedded within their firm context which has specific history and own characteristics. Thus, the sustained competitive advantage to the firm is immobile (Wright et al, 1994).

### *Unsubstituted*

To meet the criteria of sustained competitive advantage from a human resource perspective in contemporary era, technology might replace human resources or workers in many industries, therefore, to address the unsubstituted characteristics of human resource, it might be referred to talent's flexibility and adaptability (Wright et al, 1994). A talent might be a sustained competitive advantage even under different circumstances and non-similarities. Meanwhile, Nagpal (2013) determined that global talent strategy should be based on the concept that people are changeable.

#### 3.1.2 Strategic staffing planning

Firms' working culture intra organization and the process of management quality is defined as one of the core factors in strategy (Barney,1991). Firms should focus on matching the right talent instead of the best one, building employee value. There must be a two-way selection in the recruitment in talent strategies, both employers and employees. At the same time, a meaningful talent strategy is a broad participation of both line manager and HR department. It claims that there must be a clear agreement about the ownerships, roles and responsibilities between them (Nagpal, 2013).

Talents are argued to have a dynamic capability thus to adapt an intra firm culture, interact with stakeholders and develop competence over time in a long-term perspective (Tece, 2011). It justified that talent's cognitive ability is regarded as the most important variables to sustained competitive advantage and it can regard as foundation of dynamic capability during selection (Wright et al, 1994).



As for MNCs, their management of high-knowledge workers and potential candidates is strategically important and brings additional challenges compared to the local firm (Vaiman et al 2012). Due to the global presence of these companies, the literature identifies a separate branch of HR to illustrate how these international companies manage talent, integrating their HRM practices across countries in order to support the global strategies: Global Talent Management. GTM is a strategic approach to acquiring, developing, and retaining a diverse and talented workforce in multinational organizations on a global scale (Brewster & Suutari, 2005; Vaiman et al 2012). This entails the management of talented employees worldwide and the use of various tools, including technology, online, and physical networks, to ensure talent pools into positions across organizations, worldwide (Al Ariss, 2014). GTM also creates a human resources architecture system to fill the critical roles that contribute in various ways to the organization's competitive advantage, with the best applicants available on the market and ensuring their ongoing loyalty to the company (Collings, 2013).

To a MNC subsidiary which operates cross-border, the human resources require crucially belongs to the social legitimacy, local adaptability and integration. Beechler & Woodward (2009) highlighted that talent should have the characteristics of technological education, global adaptability and operational flexibility.

### 3.1.3 Strategic staffing source

A mature firm which grows steadily usually develops a distinguish pattern intra organization. The successful players among them might be supported or nurtured by both inside and outside the firm which forms a cluster and human capital pool (Lovas & Ghoshal, 2000). Firm needs knowledge to fulfil its innovation requirement. It must develop adaptability of innovation intra talent pool, or acquiring new knowledge, skills (Hall & Andriani, 2003). A similar social context might facilitate the firm's competitive advantage. A common network and actors' mobility in the region, such as up-streamer and down-streamers, production and suppliers will accelerate trust and knowledge transfer over time among the several key players (McMahan & McWilliams, 1994).

However, when the innovation stage is defined as radical innovation, either major radical innovation or minor radical innovation, there will be an urgent need for unknown, new

knowledge which might be outline of current talent pool, it is disruptive and might leapfrog to a new knowledge field (Hall & Andriani, 2003).

Firms usually adopt strategic human resource training to educate new graduates. But it takes too long, thus once in a radical innovation stage, firm's talent pool needs to be expanded drastically. Fresh talents might not grow yet. Thus, firms should create a new entry ticket to much-needed talent who has specific skills (Nagpal ,2013).

## **3.2 Attraction**

### **3.2.1 Employer brand**

Growing the applicant pool is a good strategy to find the right candidate and guarantee the survival and growth of the organization (Tyagi et al,2023). The companies have to find ways to stand out from the competitors and develop their own communication strategies and find the most suitable way to keep the applicants engage with the firm, and maybe, influencing job choice decisions (Elving et al, 2013; Sommer et al, 2016). Firms should think of recruitment as an ongoing and constant process. Today's organizations operate in an ever-evolving world. Therefore, they need a variety of skill sets. In order to draw from this talent pool when the need occurs, recruiters need to stay in contact and engage with potential candidates constantly (Tyagi et al,2023).

To achieve this, one strategy is to develop a favorable Employer Brand, which will help the company present itself as a unique and appealing employer. Establishing an employer brand requires that the company create a perception in the minds of the potential candidates that this specific employer, above all others, is a marvelous firm to work for (Elving et al, 2013). The Employer can be seen as a brand (Elving et al, 2013): using the same marketing principles and technique applied in consumer brand, the recruitment campaign aims to build associations between the firm as an employer and the tangible and intangible qualities that the job seekers may value (Yu et al, 2022).

### 3.2.2 Employee value proposition

A company becomes appealing to a potential employee when their needs, personalities, and values align with the organization's image (Gehrels, 2019). As Elving et al said, “in the current world of business, a job must create meaning and support an individual’s personality” (Elving et al, 2013, p.2). Job seekers will not apply to a job unless they find the employer attractive. So, the companies must disclose all the vital information that could attract applicant with the right talent: offering benefits above and above the regulatory standards and opportunity for progress and including in the job advertisement a detailed description of nature of the position, the organization's reputation correlate with emphasis on environmental issues, and income and remuneration (Tyagi et al 2023).

Gupta, Wilemon and Atuahene-Gima (2000), address there are two components R&D management which is capacity and engagement. In addition to emphasizing the importance of honesty at the hiring stage, Nagpal (2013) further strengthens that it is crucial to keep both a longitudinal and horizontal consistency and deliver a clear, respectful employee value proposition. To keep consistency from every channel of job advertisement, every stage of recruitment to all the messages delivered by HR recruiters, headhunters and line managers. A structured framework of recruitment might deliver potential talent a clear, uniform vision about the company and position.

Nagpal (2013) addressed that corporations must claim the reality instead of delivering an overdraw picture of firm and job. A reasonable expectation usually leads to a long-term collaboration. If an employee finds there is a gap between expectation and real life, it would be harder for the company to maintain talent, thus the recruitment fails in nature. Meanwhile, the author also addressed that every new job in practice is a new chance for both sides to review the job and responsibility. Especially, the first 90 days are crucial for two parties to adjust their behavior to adapt to each other. Employers and employees are suggested to show the truth and communicate to fulfil the gap, that would facilitate a trustful, Longterm employment. The consistency between recruitment and practice will facilitate the trust relationship between employer and employee, thus forming an employment brand in the talent market.

Furthermore, from a long-term perspective, a corporation will form a unique employee value proposition not only because of its human resource strategy, but also a well-known brand value. Nagpal (2013) highlighted the importance of a fit employee value proposition to the market, especially for business innovation.

To attract specific but non fresh talents, Nagpal (2013) proposes that people are changing, talents might be attracted by different value proposition over wage or position. Mature employees or specialists might seek respect from firm, a meaningful job duties and work-life balance. What cannot be neglected is to increase openness and transparency during the recruitment process to gain trust from target talents.

### **3.3 Selection**

Indeed, to win this “War for talent” companies have to acquire the talent. Most of the existing studies on talent acquisition refer to recruitment research. As Ployhart says, “recruitment refers to the broad set of activities that connect applicants to organizations and their jobs” (Ployhart et al., 2017, p. 3). It is a process that has evolved over time, and recruitment tactics have changed and adapted in response to technological advancements: the internet, social media, and other sources of Big Data are the biggest example of how the nature of recruitment changed (Ployhart et al., 2017).

Particularly, through staffing, businesses locate, entice, and hire people with the necessary skills, expertise, and experience for available positions. Organizations depend on HR procedures like job design, promotion, and performance-based pay to boost the incentive the active participation in the success of the firm (Minbaeva, 2013). Creating an environment where the employee can reflect themselves is fundamental to creating loyalty towards the company (Gehrels, 2019). Flexible organizations are more effective at creating a welcoming learning environment, which supports the creation of opportunities for continuous learning (e.g., Beugelsdijk, 2008; Lyles & Salk, 1996; Minbaeva, 2005).

The highly skilled and unique workers who are described in the resources-based view, are the primary actors in the success of the firm. The HR literature id that the characteristics of the talents, such as their abilities, motivations and interactions with their networks are the key explanation for the relationship between high-performance HR systems and organizational

performance of various kinds (Minbaeva, 2013). The literature highlights how the employment of certain HR practices such as staffing, training and appraisals influence the motivation of the individual to take part in the success of the firm (Elving et al., 2013).

Ployhart identifies four kinds of applicants: active (i.e., currently looking for or applying to new jobs) or passive (i.e., open to new employment opportunities but not actively looking), and internal (looking for new job opportunities within one's existing firm) or external (looking for new job opportunities at a different firm) (Ployhart et al., 2017). The recruitment involves the gathering of a group of candidates in order to fill the open position in the company (Santana et al., 2021). The hiring process may also have an impact on current employees of the business as well, particularly if they are interested in switching positions or are moved to another role for organizational reasons (Stofkova & Hraskova, 2020). Therefore, the recruitment process starts with attracting candidates, who may become future applicants.

### 3.3.1 Person-environment fit (PE fit)

From the resource-based view of the organization, to have a competitive advantage the companies develop unique human capital-based organizational competencies that are difficult to replicate in different settings (Wright et al., 1994). The selection of new talent must bring people who can integrate themselves into this organization in order to enable additional competitive advantage. Therefore, when selecting new talent, the firms have to be careful that the candidates that they select have congruence between their values, skills, knowledge, and behavior and the work context where they will operate (Webel & DeMaria, 2005). This can be defined as Person-environment fit (PE fit). Both the employer and the employee profit from the PE fit. Higher levels of production, morale, company dedication, and employee retention are probably among the benefits to the firm. Positive work attitudes and lower levels of work stress are strongly related to the rewards for the employees (Webel & DeMaria, 2005).

Webel & DeMaria (2005) highlighted how PE fit can be divided into three kinds of fit. First is person-job (PJ) fit, which aligns employees' abilities, knowledge, and skills with particular job-related duties. Second is the Person-Group (PG) fit, which emphasizes having a

combination of behaviours and talents that support both the group task dimension (skill variety) and the group maintenance dimension (value similarity) inside any work team. PG fit is intended to improve group performance in instances where businesses frequently deploy teams and target PE fit on a group basis. The third is the Person-Organisation (PO) fit, which aligns the requirements, values, and interests of employees to the organizational culture. This concept, as invoked in the previous paragraph, attempts to create an organizational identity.

Analyzing the PE fit of a single individual is possible to identify numerous kinds of abilities, knowledge, values, and behaviors. These characteristics are related the job performance, as they are part of human resources. Indeed, the overall profit of the organization will be high only if the employees' productivity is strong, and they are skilled in their task. As a result, it is critical to strategically connect the various PE fit types to the various organizational capabilities that have performance characteristics that add value (Webel & DeMaria, 2005).

The goal of HRM is to select the best applicants, maintaining a fit between individuals and jobs and the goals of organizations. In the last decades, HRM found important allies in the process of selection of candidates: technologies and social media. In addition to reach for a bigger number of applicants, social media allow the recruiters screen the candidates and use the huge amount of private information available to check the credibility of the information and to see if the PE is still working (Singh & Sharma, 2014). Recruiters are now using social networking websites (SNWs) such as LinkedIn, Facebook, Twitter, YouTube, Xing, and Plaxo for recruiting top and rare talent to achieve innovation and sustainability (Rehman et al, 2022).

### **3.4 Technology**

The literature on recruitment has just started to focus on a relatively new phenomenon: the utilization of Artificial Intelligence (AI) in the recruitment process. In accordance with the increased role of AI technologies in everyday life, ranging from interactive chatbot and smart wearables to personal digital assistant, AI has been introduced in several business setting, including Human Resources Management, to reduce the time spent in dull tasks and to increasing the efficiency of the employees, enhancing human decision-making processes (Qamar et al, 2021; Tyagi et al, 2023).

AI could become particularly important during the recruitment of new employees. The hiring process takes a significant amount of time and effort. A bad choice made because of human limitations can cost a company both the ideal candidates it sought after and money (Bhatt, 2022). The application of AI in the recruitment process has the potential to improve efficiency and timeliness while also lowering total costs (Johnson et al., 2020) and the unfairness and perceived bias (Tyagi et al, 2023) and, at the end, manage a bigger number of candidates. Indeed, thanks to the internet and social media, the information and data that the recruiters could access for every candidate is in a huge amount and came from different sources of data, including text, audio and video. Analyzing all this data could determine the “right fit “candidate for a job role (Sateesh Shet and Binesh Nair 2022).

#### 3.4.1 Facilitating attraction

It has been shown that AI can improve the candidate's experience. Firstly, by adopting cloud-based AI tracking systems to pre-screen applications, HR departments can gather a massive amount of candidate data, including previous and present employment history, skill sets, and educational background (Pillai et all 2022; Tyagi et al, 2023). They can then rapidly filter the data and give applicants who have been shortlisted and rejected feedback quickly. Also, the filtering algorithms are capable of searching and choosing relevant social media profiles, so the recruiters have access to additional possible candidates (Tyagi et al, 2023).

As Tyagi et al (2023) said this could have two implications for the employer branding. First, receiving fast answers reduces the anxiety among the applicant and creates a favorable feeling toward the company. Second, it gives time to the HR department to focus more on candidate engagement, creating a better experience for the candidate and contributing to a better employer brand.

AI can also help the recruiters with the candidate engagement. When a candidate intends apply to a specific position in the company, AI tools interact with the candidate utilizing some chat boxes to assist the candidate and attempt to clear up any doubts the candidate may have (Kambur and Yildirim, 2022).

All the previous tools make it possible to determine a candidate's P-E fit before they apply for jobs. This will help them determine how closely their personality or values align with those of the company (Johnson et al, 2020).

### 3.4.2 Facilitating selection

Filtering the job applicants according to the criteria predetermined by HR managers, tens of thousands of profiles are scanned for keywords that match, and only qualified candidates are sent on to interviews and evaluation, saving a ton of time and minimizing the work of the human HR (Ginu & Thomas, 2021, Kambur and Yildirim, 2022).

Recently, a new method has been introduced to evaluate the candidate: the use of gamification. Using online games for behavioral patterns allows the employers to test and identify candidates 'actual skills and abilities: it can assess candidate skills such as problem solving and creativity while also testing industry knowledge (Shreya, 2022). This setting allows the candidate to engage in a more relaxing setting, where they can be evaluated based on their true potential while they are having fun. Making the hiring process enjoyable allows the firm to strength the employer brand and to leave a positive feeling in the pool of the candidates (Shreya, 2022; Tyagi et al, 2023).

Just those candidates who make the cut are invited for the virtual interviews, which are followed by technical rounds. So, the ultimate decision is made based on these interviews, and the job offer is made (Tyagi et al, 2023). During the digital interviews, AI can give additional information about the candidates, such as communication skills, personality traits and behavioral competencies, analyzing automatically muscular contractions, voice tone, and proficiency in a language from the video interview (Johnson et al, 2020; Tyagi et al, 2023; Kambur and Yildirim, 2022).

Combining all of the data gathered during the selection process is the final step before making a choice. For instance, businesses can integrate data from interviews, personality tests, job applications, and employment assessments, and AI can create algorithms that weigh and combine the data to provide general recruiting suggestions.



The use of AI is particularly advantageous in this process, due to the lack the prejudices and emotional responses to candidates that frequently contribute to poor decision-making (Johnson et al, 2020). Bias is eliminated from the hiring process through automation and analytics, which is something that is increasingly present in manual hiring procedures. As a result, it can eliminate prejudices that might exist because of things like gender, community, race, location, experience, look, etc. (Tyagi et al, 2023).

## 4. Empirical findings

In the following chapter we will present the results of our interviews. The codes have been analyzed based on the category above presented (Strategy, Attraction, Selection and Technical tools) and assigned in themes. This summary also underlines the purpose of answering our research questions.

### 4.1 Strategy

#### 4.1.1 Strategic staffing process

Under the topic of strategy, we formed two categories which are “Strategic staffing process” and “Strategic staffing sourcing”. “Strategic staffing process” is to describe the process which involves stakeholders intra organization, in the aim of making a predicted staffing planning to meet the requirement of business development. In some cases, business plans are organized by projects. The hiring manager initially makes a project plan for next year and involves the HR manager in setting up a consistent staffing plan based on the project requirement. Like Respondent 1 said: “A need includes both replacing a position or creating a totally new position that came up analyzing what a team needs.”

To the majority case, the interviewee extended her concept which is: “When we are starting in case, we need to start a recruitment or replacement process, we start to ask ourselves: what does this team really need? Or does this team really need someone? Could we move someone from other teams into this team?”. The firms first will analyze the current business situation, the composition of a team’s competence, address the gap and confirm the budget range of the position. One interviewee mentioned: “So first we need to make sure of that. The people that we have on-site already are of the highest quality, like that they are the best designers, the best data scientists and then our recruiters will sit with those people and ask them questions.” In the case of Volvo Cars battery talent requirement, the company has ambitions to establish a brand-new battery factory to meet the innovation need for renewable electricity. This new battery factory will be actually the largest innovation cube in European context. Therefore, there is an urgent requirement for abundant experts who are specialized in battery R&D technology.

One Nordic tech firm mentioned that they included an internal diversity check in this process to balance the distribution within the team. In ABB global team, they will confirm the workplace of a new product project at this stage. Corporations also decide to what extent of collaboration the stakeholders should be involved, for instance, a collaboration between the HR manager and hiring manager locally, or if it needs support from any other global HR team member who is based in another country.

At ABB, it would be the first priority for hiring a manager to decide the new project's location of the product due to it having a large global organization. The relatively close location of the potential employee would be an important criterion and highlighted in ABB's job requirements.

At Volvo cars, the tech acquisition team is spending, one of our interviewees who takes responsibility for tech recruiting team comes from California, US, and worked at Yahoo for several years.

#### 4.1.2 Strategic staffing sourcing

Another category we defined is "Strategic staffing sourcing. It is divided by internal or external as well as locally or globally. The code is identified based on the way of reaching target candidates, either by network building, headhunting and whether a company outsourced part of their recruitment process. Volvo Cars interviewees justified that during the industrial transformation, they will do more in-house recruitment instead of outsourcing. Respondent 4 claimed that "what I recruit for like what we're talking about the strategic competencies we try and do as much of ourselves as possible."

To demonstrate the consideration of local talent pool priority, companies usually take account the ease of communication, the time of arriving time and visa issues. "If they were more open to maybe people abroad than I think it would go quicker to meets the needs that we have, but it's very difficult with sponsoring with visas. It takes a really long time, which is why we/ I don't look internationally." In the case of automotive industry MNCs in Gothenburg, it needs a number of talents in software to fulfil the needs of automation transformation. To acquire software talents from Ericsson is an ideal choice due to the similarity society context. Less cultural barriers usually facilitate the retention of talents.

In some cases, there is a location limitation which might constrain firms acquiring competence locally. MNCs will source talents from local talent pool as priority, however, there are some constraints that might urge firms to source globally. Respondent 5 who belongs to top management emphasized: “In Gothenburg with only less than 1,000,000 population. You have world class company SKF, the big supplier, big players already...many things here. If you're looking for 500 software engineers, you probably fight for yourself.”

Similarly, Respondent 4 claims that there is less tech talent who has the latest competence they needed in host country. And also express the challenge for them to hire international talent is a six-month lead-time for them to start their job, they need more migration policy support from local institutions.

*Overall, across if we talk about the entire automotive industry, when it comes to battery specialists. Android engineer, so that's what we're doing. Our in-car infotainment is Android built on Android Auto. There are not a lot of those people in Sweden. So, we need to rely on international markets for that and our head of HR actually gone to ... [] local governments here in Gothenburg to talk about the migration agency and the support we could have for hiring international talent. Cause right now it takes a really long time. Once we sign the candidates, it takes them around six months to be able to start their employment with us in Gothenburg. So that's been a real challenge.*

Large MNCs usually have subsidiaries cross-country which are expected to acquire competence. Essity has 150 subsidiaries, Volvo Cars opened a tech hub in Stockholm and Poland. Furthermore, it cannot be ignored that Respondent 5 expressed his concern about management and claimed that it required more operational management improvement intra organization cross-country.

*It's easy to open office in Poland and low-cost people, they are working hard, you know, to speak English. They have software engineers here. But how can you actually manage them from here to deliver. I think that's the problem. The challenge is, do we have the right procedure to know how the policy process to manage them too.*

Respondent 3 addressed that they might need to source more experienced experts who have at least two years' working experience globally. This is a new approach compared to what they did traditionally. Volvo Group employs engineers intra organization. For instance, experienced engineers who have worked for Volvo Truck Indian for many years which approve that they have adequate technique knowledge and good adaptability within the same organization.

*“So, we're also in a transition where we need to think about new ways to see competence. We're not quite there yet, but we have started a journey to see how we can employ new talents and new graduates and upskill them within the company, while we grow with them. However, at the moment we are trying to attract people from all types of places. Inside the group especially. Since we are quite large as a company, we promote internal mobility a lot. And not only locally but also globally. As an example, someone who works for Volvo India can get the possibility to move to Sweden for instance and work for global bus technology”.*

## **4.2 Attraction**

We define the factors that might contribute to a company's external image or reputation as an employer that might impact the talents' willingness to work for the organization. Among all the codes under the topic of attractions, in a descending order of frequency is employer brand and engagement, human connection, company culture and employee well-being.

### **4.2.1 Employer brand and engagement**

Employer brand and engagement refer to, as one of interviewee said: “Taking what you have on the inside and let everyone spread that word” and meanwhile to show a safety and trust of a long-term engagement between employer and employee. Respondent 4 reflected the experience she was touched by a deep engagement between their brand and candidates:

*“For so many candidates who we interviewed have a family connection with Volvo. Some of them share some of the memories they have of the car. The first car was a Volvo, or my family had a car accident and Volvo saved our lives”.*

This brand's attractiveness largely strengthens the motivation to work in the organizations for a life-long time. In LEGO's case, many employees who work at Billund headquarters have to spend long hours commuting but they are still willing to work for that company because of LEGO is a well-known employer in Denmark and they usually have brand loyalty and emotion engagement with that. As an Asian company who runs business cross country, Uni3 identified that to attract talents embedded in western social context is crucial. It would be important to create a deeper brand commitment compared to salary attractiveness. They created a naming-brick mechanism which allows constructor to have their name on. To make Uni3's project means special to them.

*“They want to change their life, you know. [...]I want this project to become the project for their life. So, they build hundreds of buildings (airport etc.), but not nothing left with their names on only this one. [...]Means the commitment together with me. So, you have to deliver good quality which you can bring your grandchildren to come here. [...]That's the commitment.”*

#### 4.2.2 Individual professional development and innovation

It is found that they really put an emphasis on individual professional development. Respondent 4 claims that tech talents will find other opportunities to develop if they cannot find any opportunities. And one interviewee who was approached by LEGO headhunters, stated that he had been worked at a small-medium sized firms for five years and also did a big achievement on his work, he wanted a promotion, but his previous employer couldn't meet his career development in time. Respondent 2 explained that the promising future and firms' innovation value is the driver of his choice.

*“The first one is that it's promising. It's going upwards, not flat or downwards. Second, I can contribute and also at the same time I can learn new things. Most important criteria? I can define it as innovation, both this innovation value in this industry, it's suited to your drivers of career life, right? Innovation to learn new things.*

The driven of professional development of skilled talents has been a constrain to a traditional manufacturing player to hire software talent. Both ABB and Volvo Car mention that they only recruit middle-level talents compare to big names in tech field.

*“And to compete with Apple, Tesla, Amazon, together with Volkswagen and Toyota, so I think this competition is getting hot.”*

Concerning innovation, the most of automotive industry interviewees strengthen the need to be a tech company to attract more tech talents: “But I think if we do more of that, it will help people see us as a tech company rather than just an automotive company.” Furthermore, firms should initially transfer mindset and structure to fit innovative business needs.

*“So, in order to support the core business, your HR, your finance, your IT people need to have the knowledge of that too, because the world is changing, you know, isn't it the traditional way of making the cars and selling the cars serve the cars are different. So, on the one hand it should be innovative. System should be innovative too in this.”*

#### 4.2.3 Salary competitiveness and well-being

Salary is still an important criterion for candidates to choose a workplace. Respondent 12 who work at ABB, also claimed that in the IT global job market, they are less competitive, which might be a big challenge nowadays. Respondent 10 illustrated it might be failed because of the competition in salary perspective with other companies:

*“It's a perfect person. We also know that that person is then very attractive for any other company, then we know that if they get a better offer from somewhere else, if we are not able to provide, you know, the perfect workplace. [...]we will start to have the process again.”*

The most favorable workplace expectation is work-life balance according to the interviewees. Most companies nowadays are pursuing a relaxed, positive company culture. Respondent 1 specified their characteristic which is: “People love that we are a dog friendly company.” Some firms also highlight the importance of diversity. Respondent 8 mentioned: “I think it's important also when you build teams you need diversity. You need the young and the old and the girls and the boys and you need everything to make a good balance.”

ABB feels confident about their culture of flexibility, which is the most attractive criteria to candidates, and it offers completely work remotely job offer. Furthermore, they also determine that it is one of attractiveness to candidates. “ABB believes in flexibility of an

employer. And that is the reason why ABB is considered to be the most, you know, work friendly and. the employee will be satisfied with their responsibilities based on the work culture impact.”

Other firms nowadays are more focusing on office-based hybrid mode instead of working remotely. The main consideration is human connection, Respondent 8 addressed that at the moment they can provide a flexible working model, but he stressed the importance of the relationship among employees. Which leads to office-based flexibility, they allow employees to work remotely but also strengthen the importance of being together, to provide an occasion to gather together and network building.

*“We don't give hard orders about where to be, but we really like to have people in the office on Friday. Usually on Friday after the meeting we have food, some wine and beer and we socially interact. We think that it's an important factor for us that we get to know each other.”*

### **4.3 Selection**

The selection category sees the division of the codes into three themes: Design of the candidate's evaluation, job requirement determination and recruiters' limitation and opportunities.

#### **4.3.1 Design of the candidate evaluation**

For most of our respondents the selection of the candidates starts with the screening of the resume of the applicants. This task is done mostly by the head-hunters or the recruitment agents and is based on the criteria on the job description given by the hiring manager. Any applicant who doesn't meet the recruitment profile and doesn't possess the necessary technical experience is automatically excluded from the next step of the application. The first requirement they evaluate to make a candidate pass the screening phase is to have a degree coherent with the roles. Another method used to cut down on the number of applicants is to specify the technical duties that the talent will be expected to complete while working for the organization and to limit the selection process to applicant profiles that have the necessary technical experience and knowledge. For more senior positions, recruiters may consider prior experience and favor candidates who have had positions inside similar companies. The



headhunters and the recruiting agent we interviewed mentioned that they tend to keep an internal database of the people they are in contact with, that maybe have the hard skill needed but not necessary were hire for a previous position they were contacted for. The screening is usually done on paper, just looking on what is written in the CVs, but don't explain in detail what are the competences of applicant. The recruiters will need to acquire additional information directly from the candidates later in the selection process.

The recruiters select a short list of candidates that will be given to the hiring manager. It is the responsibility of the manager to look at this short list and decide who will be included in the selection process.

Most of the companies prefer to have multiple rounds of interview to get to know the candidates to make sure that they are a good fit in the company. The first step is usually to have a first interview with the candidate by phone or videocall to try to understand their motivation, their background, their interest for the role, their expectation from the company such as the salary and the benefits, ask some question about their pass experience and how long they worked in the field. As one of the respondents said, the first interview is to “make sure they are on the same planet” and understand what to means to work in the company and the possible availability to relocate near the offices. This first interview is to try to catch some of the personality and to figure out where this person is heading in their career, what are the dreams of a person and if the working in the company could help the candidate to growth and develop more or it is just a short step before moving on.

The respondents reported that for roles open worldwide and with a big number of applicants they prefer to replace the first phone interview with a video assessment, in which the candidate is asked to record themselves while answering the question that the hiring team would have asked during the first interview. Some companies have started to use personality tests online to try to get to know the candidate a bit better. The respondents mentioned that some of the questions they ask regard past experiences where the candidates have to go out their comfort zone, where they act as a leader, the biggest achievements. As Respondents 3 said:

*“As a company we have four core competencies that we want everybody in the company to live by. Self develops, builds trust, collaboration and drives results. So, we try to include*

*these competences when we do the interview process. We ask the candidates to give us examples of collaboration when they've worked with multiple different stakeholders to make things happen or when they were able to drive. Result facing hardship or going through something difficult instead of just giving up.”*

Based on this answer they are able to see what kind of personality the applicant has and how it will fit inside the company.

For most of the respondents the testing phases with the hiring manager, the technical manager or one of the people of the team are the following stages, which may involve a technical interview, a code test, or group testing, depending on the seniority and tasks of the role. Multiple rounds may be used. The selection process could require a take-home technical project. The respondents highlighted that given a home taken test allow the candidate to solve it in a less stressful environment and discuss how it was result could be an ice breaking for the in-person session and allow the candidate to build confidence for the rest of the interview.

Some of the companies preferer to have more people during the meetings with the candidates, generally the hiring manager, some from the HR teams and can sometimes be a member of the team. This is to have multiple opinions and try to avoid bias due to personal feelings or opinion towards the candidates. During these interviews the HR team observe the chemistry and the comparability between the candidates and the team where they will go. As Respondent 12 said:

*“In recruitment, you develop like a sixth sense with which you can understand if there is a chemistry and feeling between the candidate and the manager... What I keep in my mind is if this candidate can go in the team. Would it be easy for him or her to establish a relationship with the other components of the team and not only with the hiring manager?”*

The respondent emphasized that the recruiter has to keep in mind the kind of team the candidate will be introduced into and try to choose people who can help the group thrive. This is easier if the HR recruiter knows personally the hiring manager and their team. Otherwise, the HR will have to rely on their opinion about the candidates and the hiring manager will take the best decision for the team based on the HR feedback. The selection process could include a “grandparent interview”, with the boss of the manager. In some of the

teams who operate in Sweden the recruitment process included a meeting with some of team members to see how the candidates interact with them.

*“We involve a peer; we call it a peer engineer, who can potentially be a team member, or it can be a functional manager or someone else who has a lot of interaction with the candidate or who will have a lot of interaction with the candidate.” (Respondent 8)*

The last part of the selection process is the salary negotiation between the HR and the final candidate. One of the recruiter agents we spoke with highlighted that her role is still relevant even during the negotiation part of the selection. She has the task of assuring the negotiations are fair and run smoothly.

#### 4.3.2 Job requirement determination

As stated in several interviews, the hiring manager, the HR department and the external recruiters have to set together the requirements to evaluate the candidates and define the characteristics of the profile that they are looking for. This created the foundation from which they base the selection for the perfect candidate during the whole selection.

Given the technicality of the role, the hard skills, the competence and knowledge are just the prerequisite to be included in the selection process. As Respondent 6 affirmed,

*“Technical roles unfortunately leave very little assessment to be done, because if it's a technical role, it means that I really need to be mindful of the critical aspect for a role needs. Maybe X years of experiences could be flexible, but I have to make sure that the technical competence requested by the hiring manager are meet”.*

For the role in the global team, the location of the candidate is not even relevant, it is just the right competences. What really sets apart the candidates are the soft skills and the behaviors, the “human skills”. It is something more than having a long CV or many years of experience. They look for “people potential” and people who could bring innovation inside the company and develop themselves and the brand further. Companies want people who can take the initiative, to be able to adapt to the challenges that an evolving field will put in front of them. As the Respondent 3 claim: *“When we have to choose between two candidates, we ask ourselves “Does this person have a future in the Group? Does he or she have the ability to grow over time and take new and different positions?”*

Respondent 4 said: *“I look for people who are proactive, who take the opportunity and the initiative, who take the challenge and are self-motivated, in an entrepreneurship way, such as they have their own business”*

Sharing their mission with their employees is very important for most companies and when searching for new talent it is something that the recruiter looks for: *“we are searching for people who ultimately believe in what we are doing. People who are motivated have an impact. Believe it or not, there are a lot of people in the world that are just looking for a job. We want people who are interested in what we do”*. This will bring long time collaborations

#### 4.3.3 Recruiters 'limitation and opportunities

When asking about their interview techniques, the respondents reported how most of the time they don't have a proper technique but base their decision on the “gut feeling” toward the candidate. The biggest challenge for the recruiters is to avoid basing their judgement of the candidates that is irrelevant to the role and try to have the most un-personal opinion towards them.

After observing people for years, seeing how they react in the interview and later in the team, knowing the manager of the team and the people inside the team and a bit of the internal dynamics, they train themselves to be as objective as possible. Respondent 14 declared:

*“I base my valuation of the candidate on the knowledge that I have about the team. It is a bit more difficult when I don't know personally the team or it is the first time that I collaborate with the hiring manager, and I don't really know him. In this case I try to understand what type of a person the candidate is and present my feelings toward the manager, and say to him:” Look, I think that this person is this, this, this, this... based on the knowledge of the team, Do you think this person will be part of the team easily or there can be some difficult situation to handle ?” and the manager, based on my feedback, can start thinking about these aspects. Sometimes during the interview, the candidate and the hiring manager have a good conversation and they like each other, and they have a lot of things in common. But then he realized, OK this person is not good for this other person or for the other stakeholder, because they don't have maybe the same way of doing things.”*

Additionally, to help to be impartial, the respondents said that in their companies they invite several people during the panel interviews: the HR recruiter, the hiring manager, the team member. Having a different point of view should limit the formulation of bias and should allow us to acquire the best person fit for the team. Some members of the team could be present to help with the final decision.

*Most of the meetings having several people presence during the process makes us minimize the risk of bias. I would say in most recruitment procedures the director of engineering, myself and maybe some people, one or two from the team, also join the technical interview. So, we are like 4-4 people, maybe that have met the candidate until we do the selection. We also ask the final candidates to have a team fika. (Respondent 1)*

An alternative solution, that will be explained in the following chapter, would be to use technology to try to evaluate the candidate in a more objective way.

As the last question in the interview, we asked about what are the respondents' opinion about possible opportunities that they will face as recruiters in the future. Most of the respondents agreed that in the future there will be three main points that the recruiters will have to pay attention to. One of the respondents highlighted how it would be necessary to give more attention to the candidates as a way to enhance the Employer brand. As Respondent 14 said:

*It's really important that the candidate has not good but perfect experience with us for several reasons. This candidate one day will be one of your competitors, will be one of your clients, maybe it would be a future super talent that you want in your company and sometimes it's really important for others recruiter to maintain and to establish a good relationship with talents. I'm not saying with candidates, but with talents. Maybe that time you didn't get the job, but next time you will choose me over another company, maybe one of my competitors. The company needs to pay more attention to candidates. Sometimes they don't pay enough attention because they think that the brand is everything, but the brand is not everything because you can be super famous and big company, but if you don't treat the candidate in a good way during the selection process, you will lose it forever.*

Additional considerations were done in regard to technology and the possibility of bringing additional flexibility in the ways the selection and the everyday operation are conducted.

#### 4.4 Technology tools

Most of the interviewees have shown a positive attitude toward technology and they appeared willing to introduce technology tools in the recruitment process for their companies. To analyse their answer, we divided the technology tools category in: social networking online, technology implied for recruitment, Opinion of technology in the future.

##### 4.4.1 Social networking online

At the moment the main technology tools used by all our respondents is LinkedIn, both to find future career opportunities and to find new candidates for open positions. The respondents mention that they have some difficulties to reach and attract software developers due to the high demand for those skills at the moment. For most of our respondents, who came from a business and human resources background, establishing a network inside the software developer community was a bit tricky. They found that LinkedIn could be a powerful tool for build the network.

*So we always try to build a network inside the software developer community. For example join LinkedIn group in which they speak about like coding.*

Joining the Coding community or the LinkedIn rooms, where people with similar interest are united, it is a efficient way to reach more people, as Respondent 6 said:

*What I really rely on a lot are for example LinkedIn rooms. Specifically looking at programming languages. There are of course these kinds of groups on LinkedIn that allows me to reach out to many people with just one slide or with just one message. And usually that's a quite powerful tool because maybe people are just put them in contact with someone that was in another group. That's something that is Proving to be quite helpful.*

Head hunters and recruitment agents have to find always new ways to reach the biggest number of people possible, so the strategy of joining different platform to create some kind of link inside online community is shared by other respondents, as the following quotation said:

*You can also use like Stack Overflow which is a place where developers also are. And like GitHub, where they post their code, but I don't think that as effective as LinkedIn. LinkedIn is really like for recruitment and it's like a Really good place. So I'm Mostly on LinkedIn, but otherwise, yeah, I mean,*

*you could always try and find like on the Internet Different forums where developers are or other like IT people are. (Respondent 7)*

Compared to other forums, it was found by several interviews that LinkedIn gave the most positive feedback. Based on their responded, the talent is used to received contacts and email on LinkedIn. Especially softer developers and software engineers receive a lot of message and it is prerogative of the HR team to be able to catch their attention and make them interest in joining the company.

The respondent said that LinkedIn offer the possibility to buy additional packages to be able to reach more talents. For example, RPS version, that allows the access of the whole profile un regards of the level of connection.

*“So LinkedIn has the usual LinkedIn user and then there is also the RPS version, that is the main tool that I use. Compared with the normal LinkedIn user, the RPS version allows full access to the whole profile, it doesn't matter if it is a first or third connection. It is quite expensive, and it is something that the company pays for me.”*

Additionally the LinkedIn Boolean string help to find the specific skill set and experience that they are looking for (year of experience, dimension of previous companies), LinkedIn gave the possibility to the head hunter to narrow down their research and to focus their energy on personally contacting them and establish a more personal connection.

*If they are going to accept my connection, I will then of course follow up with the job description and they will decide whether they want to go forward there and discuss the role in more detail with me or not, if they've got any question, if they are interested... I just found that sending technical profiles long messages and lots of link it doesn't really make sense because they are not going to be bothered even to reply. So, I tend to use a much more direct approach for technical for technical profiles. (Respondent 6)*

Some of the respondent highlighted how LinkedIn as a social professional networking platform help to promote the companies' value and how it is working in that specific workplace. They encourage their current employees to post about their working life at their company, the company event, all the extra activity the company organise and all the job openings in their teams to try to attract more people to apply to the open positions.

*We used LinkedIn quite a lot, both to sort of source candidates but also promote Ourselves. We also try to get people who work for us to sort of describe their everyday activities or their feeling of what is it like to work with a group via social media. Because that's when you really can get a feeling of why should you join this company? Because it's a great place to work.*

Respondent 3 highlighted how they have been started to produce videos and share to LinkedIn to attract more people:

*We are trying different strategies to improve our employer bran. We use LinkedIn to promote ourself: we are sharing ads or movies [video] about how is to work for Volvo Group. They are even available on YouTube.*

The company has a YouTube channel with over 500 videos. Most of them portrait how they worked at Volvo Group and how the company helped them to growth and had a positive impact on the society around them.

#### **4.4.2 Technology implied for the selection**

As just said, most of the respondents use LinkedIn to source and keep in contact with most of the candidates and employees. While the biggest companies have separate portals in which they update their current employers of possibly job offering for developing their career, most of the companies still rely on LinkedIn to keep communication with their own employers. Other than using LinkedIn as a networking platform, some respondents use LinkedIn as a database of all the candidates.

*LinkedIn with the Corporate license could be used like a database. We have all the candidatures, all the CV's we can add the comments and LinkedIn helps to organize the CV that arrived in a priority order. So, you can choose with a flag If your CVs prefer to see the and the applications as order of relevance. So, by keywords based on the job description or for data flow.*

Big companies invest in their platform to manage their candidates and to request additional force to complete the tasks. ABB for example use SP recruitment as the main tool to manage their recruitment process: the hiring manages upload the details of their needs, the department manager approval the request in Switzerland and pass the task to the recruitment office.



Additionally, they use this platform to reduce the number of applicants, rating them based on the skill set needed for the role. Respondent 9 said:

*This channel is an actual AI tool, tool that helps us to refine resumes, gives us a scoring if needed. So, in the global rule, we normally receive 100/200 applications. As a talent partner, I do not have that much opportunity to go through 200 applications. So, the tool screens the candidates based on the chopped code, the job skill set... what we define in the AI tool will rate the candidate A, B and C. So, C candidate, we ignore them. We go through the rest of them which are A and B ratings.*

They also added that this platform sends an automated rejection to the applicant that is not chosen.

Another tool used by our respondents for the screening of the candidate and the communication between the hiring manager and the recruitment agencies is Team Tailor, an applicant tracking system. This tracking system helps the hiring team to have a smoother hiring process, helping with communication within the teams and towards the candidates. The hiring manager who gave this name used his tools with the recruitment agencies he collaborates with, and he was very keen on this program, as it helped his hiring team to have a more efficient recruitment process.

Most of the respondents use AI and technology tools in the screening and the management of the applicants. However, we found that in the last couple of years, mostly due to Covid, a number of technological processes have been introduced to also facilitate the selection of candidates. Most of the candidates want to have the flexibility to work remotely and to decide when and where it is their most comfortable moment to work. This has been reflected in the recruitment process as well. Recruiters have been to use online assessment in the evaluation of the candidate. First it has been introduced the Video assessment, our interviews use platform as Phenom API PHP and Web Phenon AI. The recruiter asks HR related questions of the candidate.

*In this video tool we will set some important HR related questions. First is why they are looking for job or job change, or what is the reason of leaving their job? What is the expectation from the rule? What support would they have needed in the next 6 months to be successful in this position. The most*

*important question which we would normally ask is their current salary, expected salary and their current location. And whether they are ready to relocate or not.*

This is very useful considering that the candidates and the recruiters could live in different time zone and it could be a bit complicated to schedule the first interview at an appropriate time for both the recruiter and the applicant.

Other tools used by the respondents are behaviors and personality tests. One of these is Korn Ferry Assess, that helps to see the skills, behaviors and mindset of the applicants. Other companies have been creating some online tests, some of which it is possible to conduct as a team.

This is to evaluate the soft competencies, as for example teamwork, problem solving and managing stress time management and something like that. After Covid these agencies have seen their business grow exponentially and now they offer several different packages and services, from online escape rooms to the evaluation for senior managers on their management skills. This is the testimony of one of our respondents about how her previous employer approach this need in the market:

*In Randstad for example, before I left the company, a lot of external clients, external companies, clients were asking more for these kinds of products for their process. So, Randstad decided to create a whole department team called Assessment center and the people who worked in that department were called assessors. As an assessor, you create the test, you develop the test, and you deliver the test the consumer and so you help the company to find the right candidates... And usually, companies buy these products or services (the assessment) from external company and also working agency that create the task, the business cases. They think about the context, they think about the mood, the tools and what kind of skills you can understand from that test. (Respondent 12)*

The last finding of technology tools used in the selection is the ABB career chat, on their career webpage. The applicant can use this tool to have some kind of assistance in understanding what open positions are available based on their own interest and competence. The chat answers the questions of the user and gives some suggestions.

#### **4.4.3 Opinion of the technology in the future**

Asking about their opinions about implementing more technology and AI tools inside the recruitment process the respondents share an overall positive view, having at the same time some concerns.

These tools help the recruiter to manage more effectively the applicant, to get to know them a bit more and hopefully to reduce the bias that the personal opinion of the recruiter could have about the candidate. However, one of the biggest concerns is that the AI could resolve in biggest bias than the selection made by the human recruiters.

*There's a couple of really great tools out there, but there's also quite a few not as good tools because artificial intelligence is still based on People. Somebody's training the machine learning and training the tool to do the screening for you. So right now, there are there are some tools out there that seem like a simple solution to a really big problem. And they could make the bias worse. So, I think that there's something. The human aspect of what we do is still very important, and we do put a big emphasis on making sure that our recruiters and our hiring managers get unconscious bias training and biased training in general. Using AI could result that we're not like screening out candidates with certain CV's or certain backgrounds just because we haven't hired somebody like that before. I would say we're exploring a lot of the technologies in this space, but we're not jumping on them right away. Yeah, because they might make things easier, but We want to make sure we're doing things right.*

They affirm that despite this fear, the introduction of AI could help the recruiter to manage the recruitment more efficiently. To get to know them a bit more and in general to have a more efficient recruitment process.

*I think that Technology and tools based on artificial intelligence could be a huge opportunity for us to manage some processes like CV screening or other type of bureaucratic activities that are time consuming, a lot of time consuming but not bring any additional value to the role and to the company. In the future they could help us to concentrate more on the very important things, like people. We will have more time to build personal connections with the candidate and, after the hiring, concentrate more on the development of the person.*



## **5. Summary and discussion**

Inductive methodology is one that will form a conceptual framework based on a set of empirical data Thomas (2006). In this chapter, we will structure a new theoretical framework to generalize the acquisition of strategic human resources to innovative MNCs.

### **5.1 Strategy**

#### **5.1.1 Collaboration intra organization in recruitment process**

Organizations will start a staffing process by identifying their needs. It is usually compulsory discussion within internal stakeholders which might be HR manager and hiring line managers, some firms will include recruitment partner who has a specific support role in the whole process. It is a mechanism to make a consistency of business understanding. Sometimes, an experienced HR manager might provide or coach a hiring manager about the recruitment process and job description from a more general view and sustained development. Hence, a deep collaboration with stakeholders intra firm is crucial. Key words like teamwork and collaboration are highlighted many times which indicates that a well-organized routine intra organization at the initial stage plays an important role. As Nagpal, 2013 addressed, there is a requirement for stakeholders to make a clear consensus and agreement on the recruitment, which will deliver a more consistent recruitment plan.

Most of the firms we interviewed involve a recruitment agency as part of their recruitment process. For instance, firms often outsource the recruitment process of junior talents, or the talent search of specific roles. Due to the recruitment agencies' professional competence, outsourcing part of the process helps to alleviate internal HR pressure of workload greatly. Through a long-term commitment to each other, they also develop knowledge of their clients which facilitates their understanding of their clients. MNCs in developed countries usually trust and choose recruitment agencies' recommendation as first external talent source.

However, there is a propensity that mature MNCs want to do more in-house recruitment than before, like what Volvo Cars and Essity does. These large-size MNCs are challenging the traditional way, which might cause some bias against candidates, plan to expand their in-house recruitment team, and emphasis on proceeding screening process on their own.

According to Nagpal (2013), it is assumed that in a competitive innovation context, firms are optimizing their previous process which dedicated to creating a new entry ticket to focal competence they needed, which might facilitate innovation to acquire competitive advantage. Thus, it would be interesting to observe the impact of recruitment agencies and the effect of expanding the in-house team.

The most challenging part of global sourcing talents is to determine the competence of candidates and global competition. Usually, MNCs refer to head hunt's support or similar role internally. The role of acquisition partner usually start the search from open resources. Large-sized MNCs have more advantages than small-sized MNCs to acquire competence cross-border due to their well-organized global structure. As the case of ABB, we interviewed multiple roles who are defined as "global talent acquisition" based on varied countries. Their role is to search competence globally. If there is a clear description of competence requirement from hiring manager who based in another country, it would be easier to source as keywords input. Meanwhile, they will collaborate broadly with each other to reach the passive candidate or evaluate them based on local context. For instance, a global talent acquisition role who based in Italy found someone who with qualified competence based in India, she will seek support from local team who might be familiar with local education system, salary level to facilitate the recruitment. This cross-border requires global communication skills and collaboration mindset, and with consistent project management skills intra organization. Therefore, we made a proposition which is:

*Proposition 1: A well-organized collaboration with stakeholders will facilitate recruitment process which will facilitate strategic human resource acquisition*

### **5.1.2 Strategic competence planning**

From a holistic view of strategy human resource in innovation, MNCs initially define the level of innovation and the competence they require to facilitate innovation. Companies want competent innovators during periods of rapid invention and expect them to contribute their knowledge and experience to the firms. Once organizations have established sufficient competence, the demand for talents will gradually shift from top-level professionals to mid-level who are experienced and can work autonomously. In many manufacturing MNCs we interviewed, like Volvo Cars, ABB, LEGO etc., they tend to acquire mid-level software

talents or data scientists who have several years related work experience. Finally, when organizations mature in their innovation capability, they begin to hire more young people who are potential and can be nurtured by their own company culture.

A mature, stable hiring team tends to constitute a structured team which includes new graduates and experienced staff. This structure will secure the consistency of competence within one team and train potential talents for future as an internal talent pool at the same time. As Teece (2011) claimed, firms need a dynamic capability to develop competence over time. A new recruitment need is created either because there is a vacant job or team expanding which leads to a competence vacancy. From a strategic staffing process perspective, firms are recommended to regard this new position recruitment as a change opportunity for organization reform. The future development plan of the team which based on the current business situation and development needs. Several criteria should be taken into consideration to make a strategic human resource plan with the aim of supporting core business strategy. It might lead to heterogeneous job requirements and job descriptions.

In specific talent recruitment, competence of hard skills is crucial. It is acknowledged that experienced talent are the first priority compared to new graduates since they have qualified skills and knowledge. As the innovation requirement is urgent and the lack of knowledge is required to be filled by the company as soon as possible, the recruiters focus on hard skills and related industry or length of experience. Later, to fit for a sustainable developing plan, a new talent who is considered might bring not only the emergency competence needed but also a potential development of future business demand. Hiring managers will be suggested by HR managers to expand their job description and bring more soft skills into requirement. Therefore, we made a proposition which is:

*Proposition 2: A sustained competence planning will create team's resilience which will enhance firm's capability of strategic human resource development*

### **5.1.3 Strategic staff sourcing**

Internal or external

Traditionally, almost all organizations regard internal employees' mobility as their first priority source. Internal source talents have competitive advantage of trustful and reliability.

Big employers used to have more advantage to acquire high potential talents at the beginning of their career. With longitudinal training and employment, internal employees are evaluated in the same assessment system within the organization no matter the geographical distance. Thus, it would be much easier and more accurate to make a horizontal comparison on both hard skill and soft skill. A consistent organization context will ease to be competent for the job because of rich experience of cross-functional collaboration and communication.

In the era of innovation priority, firms usually can hardly find qualified competence internally. Their initial strategy might be to encourage internal employees who have outdated competence or who have more flexibility and passion to learn new skills as an easy transformation. It would be beneficial to firms because internal employees have already adapted to company culture and lead to a long-term collaboration. Additionally, it is more cost-effective since it changes the existing employee's role only compared to adding a new position.

However, in most cases, MNCs are struggling with the shortage of innovative talents internally, both in quantity and quality which urges them to source talents externally. Secondly, as the competence need is demanding, to what extent, the more "scarcity" of talents is. Big brands are facing more challenges of finding senior level experts than before. HR who is in charge of specific field usually needs to source independently though network building. It would be beneficial to maintain network in a specific skill community in open market, for instance, LinkedIn group within a specific topic. Or they will form a HR network group to share the source of talents, or to establish network with potential network anytime as a storage of talent pool.

#### Locally or globally

Local talent is the predominant source for MNCs after internal employee mobility because of the abundance of positive impact of geographical proximity. Shared value, office-based workplace, same infrastructure supported, laws, union, tax etc. and ease of communication, both in culture and time zone. To acquire from other industries with similar roles in the same region is one of the dominant strategies. Firms usually evaluate that the candidate who works for another company for several years within same region might be easier to communicate and collaborate with.



Nevertheless, at a radical innovation stage, local talent pool usually can't fulfil the needs of competence, especially in developed countries context. In the case of software talents, most manufacturing industry firms are facing the challenge of digitalization and automation transformation simultaneously which leads to a shortage of talents in a short time. In some hot spot field globally, for instance, battery industry in Europe, it also meets the challenge that there are fewer top experts locally or even limited number worldwide. Consequently, MNCs should develop a global talent sourcing strategy. They should determine the workplace location at the beginning stage. Whether the required role should be office-based where is close to headquarter, or it geographical approximate to a large number of talent pool, or it is allowed to process in a hybrid mode or completely remotely.

Nowadays, top management team of MNCs are usually required to have a global mindset to manage a cross-border giant and develop a global accepted product although the headquarter might keep staying in their hometown. Candidates from purely local talent pool are doubted to have enough competence to manage a cross-culture collaboration, or to coordinate within a giant complex global organization. Therefore, MNCs usually sourcing in global labour market with the support of global headhunt. They usually acquire candidates from a similar sized global corporation which might prove, to what extent, the candidate's soft skill of managing MNCs successfully in their organization.

However, what cannot be ignored is that talents who are sourced from another organization might are incompetent to new role or new job though it needs similar hard skills. Experts who worked or grew up in a large organization usually have relatively mature infrastructure support within the organization. They might have enough capability of managing tasks within organization but barely had experience of innovation. The CEO of Uni3 delivers his reflection that firms need more talents who with entrepreneurship or self-driven value compared to a golden fish from a beautiful fish tank.

Nowadays, an emerging phenomenon about MNCs' talent acquisition is to hire subsidiaries' specific experts directly from emerging countries to headquarters which are located in developed countries. It is different from a temporary business trip but is direct employment with a long-term collaboration contract. This category of employees is usually regarded as

experienced experts who are expected to bring mature technical experience but usually need more training in immigration and headquarters country culture training.

Furthermore, several interviewees expressed a desire that local infrastructure would be more supportive to their global talent sourcing which includes a shorter visa approval process. For instance, some firms describes that it takes six months' visa process after a recruitment and large MNCs are striving for policy support of speed up visa approval time. It is addressed that more policy and tax incentives which might be facilitate firms to get competitive competence fast.

Overall, as the start stage of recruitment process, focal point is to recognize companies own characteristics and make a strategic recruitment plan to make sure the consistency between vacancies and business needs. Recruiters are recommended to design a short-term and long-term business plan which provides a holistic, sustained view of the competence. At the transition point, recruiters especially should plan in a broader and more open mindset instead of recruiting in a traditional way because the requirement of business, competence and productivity is changing. The greater the extent of the firm's innovation requires more open the strategic recruitment planning designs. Therefore, we made a proposition which is:

*Proposition 3: The higher the demand for innovation is, the broden firms' horizon is, the larger tier of talent pool should expand.*

## **5.2 Attraction**

As said in the theoretical framework, job seekers will apply to a placement just if their needs, personalities, and values align with the organization's image (Gehrels, 2019).

### **5.2.1 Employer brand and engagement**

As a matter of fact, the majority of our companies interviewed are well-known brand MNCs compared to local firms in the market. They constantly keep a competitive advantage of employer brand. Traditionally, safety as one of the criteria which might measure job stability is still valuable in both local and global labour markets. Large corporations usually have good compliance guarantees. Additionally, big employer brands usually have long-term commitment to local talents and their family. Some large manufacturing MNCs' headquarters are located in their birthplace, although they are facing global market nowadays. which

agglomerates many talents who work for this firm for a life-long commitment. That would enhance their emotional ties with the brand and indirectly strengthen the attractiveness of company and employee loyalty.

Majority of our interviewees, even they are big names in local market, they still feel that they are less competitive brand in global market. Similarly, the top level of software talent is in global demand. Manufacturing MNCs or local small or medium-sized software companies usually find that they don't have competitive advantage compared to global unicorns' firms in nature.

Meanwhile, there is a considerable growth in transparency of employer reputation evaluation nowadays. Many professional institutions will assess and rank employers both locally and globally. Many MNCs are ambitious to be awarded as a good employer in global evaluation and regard it as a selling point to potential market. Additionally, people have more channels of information to know the workplace in reality which spread by previous or current employees. It might impact the interest of external candidates, people who consider open source of reviews as their reference, such as Google reviews. Lastly, as the first impression of company and a tangible touch point between candidate and employer, a good experience of interview might create a warm feeling vibe, deliver a positive feeling and trust value might impact the talents choose. Therefore, we made a proposition which is:

*Proposition 4: MNCs are maintaining their competitive advantage in employer branding but they need to invest more in employer brand management in external market.*

### **5.2.2 Meet employee' expectation of work mode and location**

In contemporary society, having a relatively flexible working time mode has become a consensus. Employees have an expectation of work mode which refers to more flexible working hours and working mode. Especially after COVID-19, firms have constituted a systematic infrastructure which can support work remotely no matter if it is a large-sized or small-medium sized firm.

An office-based hybrid working mode now is trendy. It requires employees to work on-site in majority but allows work remotely in several days, which might provide more flexibility for employees to reduce commuting time.

To solve the constraints of location, what we addressed above, MNCs adopted multiple strategies based on their current business development and global organization structure. One is to set up an innovation hub or office located in some hot-spot regions globally to attract large amount of local high-tech talents. Another one is to select or hire a talent who works for global team remotely but located in their home country. In that case, firms have more opportunities to attract experienced talents but don't need to relocate these talents. Therefore, we made a proposition which is:

*Proposition 5: Work remotely will reduce the impact of geographic constraints which might attract more talents from dispersed locations*

### **5.2.3 Individual professional development and innovation**

Large MNCs have a huge organization structure which might provide broader career prospects. Talents can explore individual professional development within an organization which is one of the attributes. Individual experts tend to have a career promotion and a relatively fair salary increase after several years of professional work experience and a big achievement. It would be hard to do employee retention if a small or medium-sized firm doesn't provide this opportunity timely. Large MNCs might take these opportunities to acquire these experienced experts to acquire competence. Many employees within same MNCs organizations have tendency to increase salary through role changeset.

Furthermore, as the need for innovation is demanding, firms are focusing more on innovation as the core value. A consistent driver of innovation might facilitate attraction of technology talents, especially in software field. It is observed that transforming manufacturing industry players meet some difficulties to compete with global software companies, like Google and Microsoft, to attract the best software developers. Developers dream to work with those industry leaders, not only for higher salaries but also a consistent value proposition. Top talents have more willingness to work in a context which can facilitate them to achieve self-worth. It is found that they have strong propensity to work for world class software company which might boost their skills compared to other attractions criteria. Which proves that they attach importance to individual professional development. And top software companies usually provide a better platform both for individual professionals' development and an innovative proposition correspondingly. Therefore, we made a proposition which is:

*Proposition 6: MNCs which highlight their innovation value with development opportunities are more attractive to high-tech talents compared to traditional players*

#### **5.2.4 Salary competitiveness and well-being**

Several firms touched on the topic of salary competitiveness. There is no doubt that salary competitiveness would be an attractive point. Organizations usually structure a vacancy's salary range based on a set of criteria. First of all, the salary of the new role should be the same level as current employees in the same position. Mature MNCs will form a consistent salary evaluation system intra global organizations which might be followed by level, experience. Second, the salary range should be based on location's social context. Because each region or country has its own income level and living conditions, thus global firms will plan a role's wage according to local standards instead of a global level, it will cause unfairness to compare with low-income countries with high-income countries due to different living cost. Poland, Spain are relatively low-income countries compared to Switzerland, German although they are all under the framework of European Union.

However, as most respondents delivered that salary competitiveness is not the only option to candidates. Candidates nowadays are more concerned about whole packages offer which includes not only salary but also factors related to well-being. This includes bonus, holidays, time with families and the possibility of career advancement.

MNCs are found to focus on employee's well-being, creating an interactive personal social network opportunities to make employee happy is also crucial. Compared to big brands, medium or small sized firms are committed to delivering a more relaxed, happy work environment culture as a strong image when posting job advertisements to increase the favorability. Furthermore, a personal connection might deepen the relationship between employer and employee. Especially in the aim of attracting experienced talents, an appropriate family care package is designed to settle not only the candidate's salary attractive but also their own family's well-being, for example, the education of their children etc.

However, it would be an obstacle for MNCs to make fairness of well-being among subsidiaries. Since subsidiaries must comply with legal law locally, and they are usually varied among different countries and regions, thus it causes an imbalance within MNCs in

some factors related to employee well-being, such as vocational time. On the positive side, as the example of Nordic countries based MNCs, the most attractive advantage is to deliver a work-life balance culture and focus on both employee and their family's well-being. Mature experts usually regard these two factors as the crucial point to selecting employers but not salary competitiveness. As a matter of fact, it has become an attractive criterion in the global market.

Therefore, we made a proposition which is:

*Proposition 7: MNCs should focus more on designing a package and use advantage of systematic human care*

### **5.2.5 Inclusivity and sustainability**

As in modern society, building an inclusive work context as an important achievement is presented by many interviewee companies. MNCs usually highlighted that they agglomerate different cultures as a fact of attractiveness to external global market. To have abundant heterogeneous culture mix is also a touching point when MNCs are stepping into global labour market. In specific talent fields, like software engineering, gender diversity is promoted by many employers nowadays. Employer usually set a gender balance goal and dedicate to provide a more equitable context to females.

Additionally, sustainability has been referred as one of employer value. Firms are following contemporary value which is measured and followed by young generation to make sure their leading position in global job market. Therefore, we made a proposition which is:

*Proposition 8: MNCs should follow contemporary values to attract talents.*

### **5.3 Selection**

Based on the interviews, when screening and selecting the candidate the hiring team try to look if the person that best could fit in the role, both in the technical skill and as a team member. This resemble what was already said in the previous literature, as Webel & DeMaria (2005) said: the firms have to be careful that the candidates that they select have congruence between their values, skills, knowledge, and behaviors and the work context where they will operate, the Person-environment fit (PE fit).

### **5.3.1 Person-job fit**

The first evaluation that the applicants go through is the hard skills that are required to fulfil the needs of the company. The technical competences that are requested are usually identified in the job description. This is what Webel & DeMaria (2005) call Person-Job fit: the candidates must have the skill variety necessary to complete the task of the role to be able to pass in the next selection process. As explain before, the knowledge and the technical skills don't give to the recruiters much flexibility in the choice of the candidate. The company needs that specific skill set to fill the need, so the hard skills are the bare minimum to be taken into consideration in the selection process. To check if the candidate has this knowledge, companies ask for a technical test, to prove the knowledge and to make sure that the candidate's competence is aligned with the job duties. As the respondents highlighted, the candidates have to go through several rounds of technical test and interviews to demonstrate to own the requested skills: home taken test, in person presentation, programming are just some of the most used ways to test the technical skills.

*Proposition9: To innovative MNCs, hard skills are primary criteria needed to evaluate through multiple assessments*

### **5.3.2 Person-organization fit (PE fit) and Person-group fit (PE fit)**

Most of our respondents agree that, once the applicant passed the technical test, what sets the candidate apart from the other aspirant is the soft skill, what we coded as employability skills. These skills could be included in what Webel & DeMaria (2005) defined as Person-organization fit (PE fit) and Person-group fit. As the authors described, it is proven to bring satisfaction to both the employees and employer when the behavior and talents of a person support the task dimension and the group maintenance dimension inside a team and when the aligns the requirements, values, and interests of employees to the organizational culture (Webel & DeMaria, 2005). These aspects encourage a more positive workplace, attempts to create an organization identity and a more productive environment.

When deciding which candidate would be the best fit for the team and for the company, the recruiters look for people who share the same values of the company, who believe in the same mission of the company, that have a positive and proactive attitude towards the job. Several respondents mention that having people who believe that what they are doing has an

impact on someone else's life and that they feel that what they do contributes to something bigger increases the employee's satisfaction.

The respondents declare that they seek someone who is an open minded, self-driven and proactive worker. The new employees should be eager to learn and to grow, to have an impact on others' lives. The perfect candidates are the ones who have entrepreneurial behaviors and embrace the changes that innovation could bring inside their everyday lives. When asking who will be the ideal hire, some of the respondents claimed it would be someone who will grow inside the company. The new hire should be able to adapt to the challenge that the work-life would impose and be able to take different responsibilities. One of our respondents added the downside of hiring the best talent is that they need to be constantly challenged with new research, or they will get bored and search for the challenge elsewhere.

There was a general agreement that how a person behaves in certain situations is often more important than being the perfect candidate on paper thanks to technical knowledge. One of the respondents even highlighted that if a candidate lacks a particular knowledge, it can be taught, but it is not possible to teach a person how to behave. Additionally, it is important to remember that the interviews were done in sectors which are in the middle of important transformations. The talent operates in innovative sectors. In these sectors technological changes and innovation happen very quickly. The technical competence needed now might not be needed anymore in 3 to 5 years, and what they are called to do is not even clear to their employees. The companies should select personnel who are able to growth, to be able to take on additional responsibilities and that are willing to learn and to improve their own knowledge.

Due to the challenging and evolution of the roles, we propose that it will be needed to add to the PE fit an aspect, the possibility to grow for the candidate.

*Proposition 10: When selecting which candidate with the proper knowledge hire, the companies should observe the tendency that the candidate has to adapt to changes and his or her willingness to increase his and her knowledge to the changing of the technology that are happening around them. They need to check if the candidate has the growth potential.*



To create an organization identity and a productive environment the role of the teams is important. When selecting the new member of the team, the hiring manager have to consider how the dynamic of the team could change with the introduction of a new player. Usually, some peers are involved during the selection process allowing the recruiters to observe how the applicant interacts with possible future colleagues and how they could develop relationships. Something interesting that was found that, compared with the Italian and Indian respondents, the respondents operating in the Scandinavian countries highlighted the role of the team in the decision of the final candidate. We found significant differences in the formality between countries. Most of the Scandinavian companies use to have an informal meeting, usually sharing a meal together, with the final candidates and the team and the hirings manager to check how the candidate will behave within the already established group. In a medium-sized company that defines itself as a family, the team has the final say on which of the candidates will be hired. On the other hand, in countries like Italy, formality is still very important, and most of the recruitment interview are expected to be conducted formally. The recruitment teams of MNCs could have different approaches and behave differently based on the location of the candidate/recruitment team.

Regarding the P-E fit, it would be important to add an additional consideration for MNCs. Their headquarters and R&D are usually the brain of all their global business activities. Hence, it would be crucial to have a global mindset. Whether to design or to develop a product which is facing global market or to collaborate with global stakeholders. Most of our respondents collaborate with people with different backgrounds and different locations. An open-minded, positive attitude which is defined as strengthening collaboration instead of conflict is recommended. The adaptability to establish relationships with colleagues, clients and stakeholders worldwide is required for these companies. Speaking with our respondents, we noticed also that the members of their teams come from very different multicultural backgrounds, employees who work at MNCs should have a sense of awareness about varied cultures. So, we questioned how the multicultural background could have an impact on the composition of the teams and during the selection. et. The most prevalent response was that recruiters search for persons with a global mindset, prior international collaboration, and experience that can demonstrate the candidate's ability to work with colleagues from diverse cultures than their own. Furthermore, some hiring managers encourage the exchange of

cultures in informal events and push their employees to engage in workshops to learn about other cultures' professional ways of operating, such as the contrasts between Chinese and European cultures, and how to work together.

*Proposition 11: To create a more productive and cohesive work environment, the hiring manager should encourage the learning of the team members' cultures.*

## **5.4 Technology tools**

As said, most of the respondents show a positive attitude toward technology and towards a more prominent role of the automatization process inside the recruitment, and most of them don't see the introduction of Artificial Intelligent as nothing much as a way to make the process, more fast, efficient and a bit more objective. However, contrary to our expectation, AI has not yet started to expend in large part of the Recruitment process.

### *5.4.1 Technology as an attraction tool to improve Employer brand*

Until now the main technology tool used for the recruitment of new employees or to search for new jobs has been LinkedIn.

Recruiters have highlighted how this platform has become fundamental in their jobs for recruiting new talents. It creates a neutral space in which people actively looking for a job can find some offers. The feature of this professional online platform allows the recruiters to have access to an huge number of possible candidates, to screen them base in the candidate requirement and to keep in contact with most of the rejected candidates for future collaboration.

As most of the respondents agreed, the expert talent in these sectors doesn't often apply to job ads, so it is the main task of the head-hunter to find new possible applicants and interact with them. It would be necessary to train the recruiters to be able to acquire the skills needed to use this platform to reach the biggest talent pool and try to find original ways to attract new applicants. Tools like LinkedIn are changing the relationship with the candidates. This platform helps tremendously in the development of the Employer brands: facilitates the sharing of information about the company and allows to communicate with the talents in a direct way, giving to the candidates a more personal connections and creating a better experience for them and contributing to a better employer brand. As some of our respondents

conveyed, candidates' experiences has become a key element in the Employer brand: having a nice experience during the selection process, thanks to exchanges and human interaction, politeness and feedback from the recruiters leave a nice impression in the candidate. The use of platform such as LinkedIn to communicate directly with the candidates or some recruitment software like the mentioned Team tailor and Phenom API PHP to facilitate and fast the work of the recruiters help the candidate to have a positive memory of the company.

*Proposition 12: The recruiters should find new ways to stand out from the competitors, reach passive candidates, find new ways to attract people to the company and overall invest in the candidate's experience.*

To summarize, LinkedIn enables recruiters to build and maintain a network inside many industries. The software allows users to build rooms with people who have similar interests and share knowledge within a certain topic. Looking at our respondent's LinkedIn profile, we find that it is highly usual for HR professionals to post and share job postings for former colleagues or former classmates. Creating a large and diverse network will help the recruiter to reach out to potential candidates who were previously unreachable.

*Proposition 13: Professional networking platforms allow people from all over the world that are specialized in specific domains and increase the talent pool of applicants that could have been impossible to reach before.*

#### **5.4.2 Consideration about technology tools in the recruitment process**

The use of technology tools has changed a lot in the last three years. The Covid pandemic and the lockdown pushed even the most reluctant companies to use technological tools to get around the restriction and move most of the everyday activities that previously were conducted on site to online. It was interesting to notice that while Sweden companies have embraced the innovativeness of conducting most of their activities in online setting and call the flexibility one of the main points of attraction, most of the Italian companies, who the interviewed recruiter agents work, have been started to push to go back to a more on-site setting. Despite the pushback, technology tools have already brought a radical change in the recruitment of new talents and some of these tools are already integrated in the process. For example, the introduction of applicant tracking systems simplifies the management of the

applicants and the communication within the recruitment team. The creation of these internal databases for recruitment allows to have the applicants in on dataset and allows the recruiters to conduct the screening and the selection of the candidate in a much more rapid way and to create a proper answer to the applicant. As Tyagi et al. (2023) said, having tools that help to accelerate the response rate to the applicants reduces the anxiety among the applicants and creates a favorable feeling towards the employer. Additionally, it creates an internal database of talents, who, even if they are not accepted for the selection of a specific role, could be called back for a second opening. It is unlikely that companies will renounce these tools.

There is still dispute among the respondents about the introduction of technology tools that could have a more active role in decision making. Despite having a general positive feeling towards the evolution of technology in the selection, some of the respondents are hesitant to give to AI the power to take independent decisions. The general agreement is that AI should be just a tool that confirm or denied the recruiters' opinions, as the personality test report should support what the online or face to face interview told the recruiters. The games, that at the moment are used mostly for the recruitment of young talent, should just give the opportunity to test the candidates in setting or professional setting, that, due to the lack of professional experiences, would be difficult to test with other ways.

The respondents agreed that AI technology will be used just as a tool, at least in the near future. The recruitment of people needs human interaction, AI could help to reduce the bias, but could not have a prominent role in the selection. To be able to thrive in a sector where changes are continuous, recruitment have to have the foresight to propose alternative solution to the path that it has been taken until this moment. The flexibility to establish new connection and open the role to people who apparently don't have all the requirement that are desirable in the job description will be impossible if the AI would have a bigger role.

*Proposition 14: Technologies and Artificial Intelligence are simply tools that assist recruiters identify the best candidate. It will make the procedure faster and more efficient. They are only tools. The human touch will be required in the recruitment process, and it will not be totally replaced for a long time.*

## **6. Conclusion and implications**

In conclusion, this thesis has aimed to explore how MNCs acquire the talents that they need to drive innovation. In our thesis, we predominantly address the requirement of strategic human resources from the topic of talent acquisition. Through the analysis of several interviews done to HR recruiters, head-hunters, recruitment agents, and companies' managers, we looked for some inside on how the recruitment process in MNCs works, try to build a common framework and maybe give some idea for future research.

The findings of this study highlight several factors contributing to the ability of MNCs to attract new talent for developing innovation. MNCs should implement a collaborative relationship between all the stakeholders involved in the recruitment process, to be able to respond to the needs of the talent in all departments. Having also a clear understanding of the current talent definition of talent already in possession of the company will facilitate the internal recruitment for specific positions. At the moment firms are looking mostly for already established talent. Given the scarcity of strategic human resources in the market, as was suggested in the interviews, it would be recommended that the firms develop young talent programs in which the company forms its own talent from scratch. Furthermore, the graduate programs could establish long-term loyalty towards the brand and could hopefully improve the Employer brand of the firm. Having a strong employer brand has become an essential aspect of the recruitment process. Nowadays it is not just the company that chooses the candidate. The candidate chooses also the company where she/he wants to work. The talents seek employers who share with them some of their values and who can help them to growth professionally and personally. Flexibility in the process and in the location has turned into a key factor in the choice of employees. Hybrid work modes are now considered the ordinary in these sectors and required by the employees to have a more defined work life balance.

Additional funding regards the location of the talent. Because of the shortage of specific expertise required in European countries and the high demand from competitors, corporations must actively search for people, even outside the borders, through global talent sourcing activities.

In a holistic view, the global presence and the resources should allow the companies to access talent pools worldwide. In companies like Volvo Group, Volvo Car, and Essity the presence of R&D centers in several locations spread worldwide would facilitate the hiring of talent inside the group, and the internal mobility towards the headquarters. However, external impediments such as the lack of support from the local administration, make difficult the moving of the talents from the developing countries towards the European Union. Hopefully, in the next future the European countries will create better immigration policies to attract skilled workers and more job specific talents that they are lacking within their borders.

It was interesting to observe that some companies have solved this obstacle by pushing for the formulation of international teams, that operate mostly in a distant setting. This appears to solve several needs. As most of the respondents highlighted, the talents now request flexibility from their employer's flexibility and most of them are pushing for move at least part of their operation in hybrid setting. If it is possible, instead of moving the talent to a new country, it would be an interesting possibility to leave the employees in their home country and let them go to the office in one of the local ones.

## **7. Limitation and Future research**

Since we conducted a semi-structured interview, interviewees are respected to describe the same topic from different perspectives. Many interviewees delivered fascinating facts about how their companies manage the recruitment of strategic human resources and maintain competitive positions. We believe that it could give interesting input for future research.

Many interviewees mentioned retention of talents. One is the high turnover rate after recruitment, the second fact is that tech talents might face problems of adaptability in manufacturing MNCs. And the last is the culture integration of skilled workers' integration after they moved to Europe. If the retention of these human capital failed, MNCs need to start recruitment again and they actually didn't acquire their competence. Therefore, it would be interesting to do longitudinal research of retention.

According to Posner& Mangelsdorf (2017), innovation requires firms to form an organization to support ongoing processes. But in our thesis research, we didn't touch upon which kind of organization will lead to a positive effect or whether this operation choice is actually effective

or not. And the actual productivity this organization can produce. But what cannot be ignored is, innovation nowadays doesn't mean new ideas or products only. For running innovative business, the crucial challenge will be how to manage it to reach the innovation goal but within a cost-efficiency. Similarly, according to Boxall and Purcell (2016), Strategic human resource contains two core characteristics. The first one is to an economic orientation to produce a return on investment. The second fact is to balance the socio-political goal. Therefore, investors are looking for not only innovative ideas or products but also return of investment. It would be interesting and meaningful to make a longitudinal observation to see if this organization structure could be applicable on a larger scale and could develop as a new organization method, but meanwhile to maintain the management control power and productivity.

Regarding the technology tools and the use of AI in the recruitment process, we recognize that the development of Artificial intelligence is currently open to debate. When the authors are writing this thesis conclusion (May 2023), the European Union and the USA are discussing the possibility to create some kind of Artificial intelligence regulation. The EU already has in place some strategies, such as the European AI strategy, that aims to create flexible rules that will allow the development of AI in a safe environment for its users (Digital-strategy.eu, 2023). This could result in possible limitations of the development of AI and the possible restriction of the user of these new technologies as the temporary ban that the Italian Government put on the app Chat GPT. Due to the current limited use of AI in the recruitment process, it would be interesting to conduct research in a few on the implementation of AI on a larger scale, including companies and respondents in more spread locations and multicultural backgrounds, to see if this tools has been spread in more companies and do a comparison between European companies and companies that have yet to limit their usage of AI.

We recognize that our study has some limitations. To begin, it would have been desirable to include more responders from other nations in order to obtain different perspectives. Second, more people from the same companies who work in different roles should have been involved in the research. We did this for only two of the companies included in the research, and it helped us gain a clear understanding of how the organization operates.





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## APPENDIX

TABLE 1 Overview of codes with some of the examples of the merge of previous codes

#	Code	Comment
1	Candidate experience of the recruitment process	
2	Career development	
3	Employee well-being	
4	Employer brand and engagement	
5	Flexibility work mode	
6	Human connection	
7	Inclusivity	
8	personal connection	
9	Salary competitiveness	
10	Work related factor	
11	Workplace expectation: office-based hybrid	
12	Workplace expectation: work-life balance	
13	Workplace value	
14	Bias awareness	Merged from Organization: Clear communication and Professional communication
15	Candidate evaluation process	Merged from Business Environment: Infrastructure and Infrastructure support
16	Employability skills	Merged from Human Resources Processes: Consulting, Industry analysis: Outsourcing and outsourcing of the process
17	Evaluation based on recruiters' experience	
18	Evaluation: Skill assessment	



19	Growth potential	Merged from Corporate identity: Brand image, Corporate identity: Company culture, Corporate identity: Company values, Corporate identity: Corporate Social Responsibility, Corporate identity: Corporate social responsibility (CSR), Corporate identity: Global company, Corporate identity: Importance of brand image, Corporate identity: Managing remote teams and Corporate identity: Social Responsibility
20	Interview performance evaluation	Merged from attraction: new workplace, hybrid working mode and Workplace expectations: Office-based work
21	Job fit: culture and soft skills	Merged from multiple round interviews and First interview
22	Job Fit: Hard Skills	
23	Multiple round interview	Merged from Candidate evaluation process: Entry-level skills assessment, Candidate evaluation process: Experience-based interview, Candidate evaluation process: Importance of local knowledge and Candidate evaluation process: Soft competencies & soft skills
24	Panel Interview	Merged from potential, Industry analysis: Growth potential and people potential
25	Screening	Merged from Organization: Internal mobility and internal recruitment
26	Technique interview	
27	Value requirement	

28	Long-term collaboration	
29	Cross-cultural communication	Merged from selection: minimize bias and Bias awareness
30	Business competition	Merged from first match with needs and Screening
31	Business environment: infrastructure	
32	Business expansion	Merged from Human Resources Processes: Decision-making, Human Resources Processes: Tendering process, Process: Process optimization, Human Resources Processes: Matching skills to role, Recruitment process: Time pressure and optimised the recruitment process
33	Challenge	Merged from Challenge: retention, Employee retention and Employment concerns: Employee retention
34	Collaboration within organization	Merged from Interview: face to face and Interview performance evaluation
35	Company culture	Merged from Personal well-being and Employee satisfaction
36	Corporate identity	Merged from Motivation: Ambition, Independence, Innovation and Demand: Demand-Driven Services
37	Cross-functional communication	Merged from source: local institution, source: local cluster and source: home country priority

38	Cultural adaptation	Merged from Relationship building, Human connection/ Interaction: Importance of physical presence/workplace interaction and Human connection/Interaction: Importance of human touch
39	Employee retention	Merged from Inclusivity and Gender equality
40	Global collaboration	Merged from Competition and Business competition
41	Global mindset	Merged from Online platforms and LinkedIn
42	Global organization structure	
43	Globalization: Geographical restriction	Merged from Industry analysis: Technology competition, Industry analysis: Technology impact, Competitors: tech companies and Technological advancement
44	Job requirement	Merged from Work-life Balance, Workplace expectations: Work style and Workplace expectations: Work-life balance
45	Optimize recruitment process	Merged from source: global competition and International candidates
46	Organization: Planning	Merged from Job description and Job requirements
47	Identify the needs	Merged from Identification of the needs and Business planning
48	Internal recruitment	Merged from Salary discrepancies, Salary evaluation, Salary negotiation and Salary competitiveness

49	Networking	Merged from Interview with team member and Panel interview
50	Recruitment agencies	Merged from Business expansion and Business: Entrepreneurship
51	Recruitment outsourcing	Merged from Technical skills assessment, technical interview, Technical skills, Technical test, Interviewing techniques and first interview: technique
52	Source: global	
53	Source: head hunt	Merged from Globalization: Cultural exchange, Global recruitment: Global mindset, Globalization: Learning experience, Global team, Globalization: International relations, Globalization: Lack of multicultural experience, Globalization: Global experience, Globalization: Cultural differences and Globalization: Cultural competence
54	Source: local	Merged from Remote work, Flexible work hours and Flexibility
55	Talent value requirement	Merged from Employment and Recruitment: Recruitment challenges, challenge: human capital, Visa challenges, Challenge: financial performance, Challenge: Managerial skill, Challenge: organization structure and Globalisation challenge

<p>56</p>	<p>Future opportunity</p>	<p>Merged from Work-related factors: Curiosity, Work-related factors: Deception, Work-related factors: Expectation, Work-related factors: Experience, Work-related factors: Feedback, Work-related factors: Geography, Work-related factors: Growth, Work-related factors: Importance, Work-related factors: Information request, Work-related factors: Innovation, Work-related factors: Interdependence, Work-related factors: Lack of effort, Work-related factors: Lack of recognition, Work-related factors: Location, Work-related factors: Motivation, Work-related factors: Observation, Work-related factors: Profitability, Work-related factors: Quality, Work-related factors: Salary, Work-related factors: Social hierarchy, Work-related factors: Support, Work-related factors: Surprise, Work-related factors: Technology, Work-related factors: Testing, Work-related factors: Unfairness and Work-related factors: Values, Work-related factors: Challenge, Work-related factors: Compliance and Work-related factors: Creativity</p>
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57	Interest in Technology	Merged from Positive culture, Company Culture, Organizational management: Corporate culture, Career and workplace characteristics: Positive work culture and Company culture: Team culture
58	Online communities	Merged from Job Fit: Employee fit and Job Fit: Hard Skills
59	Online platforms	Merged from Cognitive Processes: Openness and Job fit: culture and soft skills
60	Recruitment process: Networking	Merged from Cross-cultural communication, Cross-cultural communication: Internationalization, Cross-cultural communication: Misconception, Cross-cultural communication: Organizational culture, Cross-cultural communication: Stereotype, Cross-cultural communication: Stereotypes, Cross-cultural competencies: Cultural fit, Cross-cultural competencies: Cultural integration, Cross-cultural competencies: Global workforce expertise, Cross-cultural competencies: Local Culture and Cross-cultural competencies: Proficiency
61	Recruitment process: Personality Test	Merged from Employer brand and engagement and Feedback
62	Social media ads	Merged from Globalisation: geographical distribution and Organizational management: Organizational structure

63	Technology anxiety	Merged from Workplace value: Sustainability goals, Workplace value: roles and responsibility, Workplace value, Workplace Development: diversity and Teamwork
64	Technology Impact	Merged from value: hospitality, value:transparent and Work values
65	Technology tool	Merged from Career development and Employment concerns:
66	Video assessment	Merged from Communication skills, Employability skills and Problem-solving

TABLE 2. Data analysis structure

First-order category	Second-order category	Theme
Identify the needs	Strategic staffing process	Strategy
Organization: Planning		
Talent value requirement		
Networking	Strategic staffing source	
Recruitment agencies		
Source: global		
Source: head hunt		
Source: local		
Recruitment outsourcing		
Internal recruitment		
Employer brand and engagement	external attraction factor	Attraction

Candidate experience of the recruitment process		
Employee well-being		
Workplace value		
Inclusivity		
Flexibility work mode	meet work mode expectation	
Workplace expectation: office-based hybrid		
Workplace expectation: work-life balance		
Career development	individual professional development	
Salary competitiveness		
Work related factor		
Human connection	personal social relationship	
personal connection		
Employability skills	Job requirement determination	Selection
Growth potential		
Job fit: culture and soft skills		
Job Fit: Hard Skills		
Value requirement		
Candidate evaluation process	design of candidate's evaluation	
Evaluation: Skill assessment		
Panel interview		
Screening		
Multiple round interview		
Interview performance evaluation		
evaluation based on recruiters' experience	recruiters' limitations and opportunities	
Technique interview		



Bias awareness		
Recruitment process: Networking	social networking online	Technology
Online communities		
Online platforms		
Social media ads		
Technology Impact	Technology implied for recruitment	
Technology tool		
video assessment		
Recruitment process: Personality Test		
future opportunity	Opinion of technology in future	
Interest in Technology		
Technology anxiety		