

DIGITIZATION OF THE RECRUITMENT PROCESS: A CASE STUDY OF THE TALENTLYFT PLATFORM

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Abstract

The human factor has always represented the most important segment in the functioning of communities and societies. A quality distribution of work tasks among community members is crucial for its operation. This principle has existed since the times of early communities when work was not formally paid but was based on resource sharing. A significant turning point in the development of employment processes was the Industrial Revolution, during which people completely changed their way of working by transitioning from rural to industrial areas. Employment became more formalized, leading to the formation of official employment contracts and labour unions. The 20th century elevated this process by introducing labour laws, social security, and employee rights, with state agencies emerging as intermediaries in employment. The late 20th and early 21st centuries once again transformed the entire employment and recruitment process. The development of society and technology has led to the evolution of organizations and business processes within them. Besides changing how employee recruitment is conducted, the structure of work has also shifted. Concepts such as remote work, freelancing, and digital employment platforms have emerged. This intense array of changes in the business world has increased the demand for a quality and competent workforce.

Keywords: Human resources management, digitization, Cloud Computing, recruitment, digital recruitment tool

JEL classification: M51, O33, J53

INTRODUCTION

In today's business environment, nothing is constant or predictable. Constant changes in the market have become a regular part of everyday life. A changing environment brings greater challenges that require more complex solutions and set ambitious goals, leading to dynamic and radical strategies. In such a world, it is essential to ensure the right profile of individuals who will become part of teams or lead teams within organizations. This paper discusses the importance of people and their competencies, focusing on the third function of management: human resource management (Dujanić, 2006). The primary task of managers overseeing human resources, along with their teams, is to find, attract, and retain individuals who will perform specific jobs effectively. Given that the modern business world is a fast-paced flow of numerous opportunities and challenges, various new strategies and technologies have been implemented in every segment of business to facilitate the demanding processes faced by every organization. When it comes to new technology, it is no longer just about applying electronic devices or digitizing business processes but about a change related to how data and information are interpreted using

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these devices while maximizing their capabilities. When market problems are connected in the context of the human factor and employment—specifically shaping a quality employee profile—and new technology, it leads to the main research problem of this thesis. The modernization of recruitment processes has made their digitalization an integral part of every business. In this context, the starting point of this paper lies in the assertion that the digitalization of the recruitment process is necessary for attracting quality human resources and thus improving business operations.

The main objective of this paper is to reveal how digitization changes the management of human resources, especially the process of recruitment and employment. Moreover, the case study methodology is applied to present the digitization process of the TalentLyft platform, which would reveal numerous possibilities when it comes to selecting, communicating and monitoring the employee's success. The findings and presented case study example of the TalentLyft platform could represent a stepping stone and inspiration for other start ups in the field of HRM and employee's retention and motivation.

The paper is structured as follows: The second section presents an extensive literature review. The third section presents the methodology and data, and the fourth section reveals the results of the research and opens up a discussion. The fifth section and final section provides concluding remarks.

1. LITERATURE REVIEW

In general, digitalization is a term that denotes all changes prompted by the development, expansion, and increasing application of digital technologies through which various information and knowledge are created, processed, and transmitted (Mehmetaj, 2021). Digitalization is most observed in the context of business models and processes and relies on a series of innovations and new technologies that are interconnected. To avoid confusion and mixing of terms, it is essential to highlight the main differences between digitization, digitalization, digital optimization, and digital transformation, which together constitute the digital journey of a business. Digitization refers to the transformation of analogue activities into digital ones, essentially representing the incorporation of information technology into current business processes (Lozić & Fotova Čiković, 2024). Digitalization encompasses a wider scope than digitization and gained popularity shortly after the latter term was introduced. While digitization refers to the transformation of analogue information into digital formats, digitalization involves modifying and enhancing current production processes and business operations (Lozić & Fotova Čiković, 2024). In their publication, they also mention that, while digitalization focuses on transforming current production and business operations, digital optimization represents a contrasting approach. Digitalization introduces modifications and innovative applications of modern technologies, whereas digital optimization is aimed at stabilizing systems, lowering production costs, optimizing the use of available resources, and establishing sustainable competitive advantages. Achieving digital optimization serves as a foundation for the digital transformation of the entire business model by enhancing how existing resources are utilized. The digital journey of a company is determined by the moment and way its operations transition from digitization to digitalization, to digital optimization, and ultimately to digital transformation (Garge,

2018). What is most important to understand, as noted by Garge (2018), is that once the digital journey begins, every element in the digital chain depends on the previous one.

Every modern company is compelled to implement numerous changes and adapt to the era of the so-called Fourth Industrial Revolution. Technology is evolving extensively and at a rapid pace, which significantly impacts business processes within organizations. The focus of this paper is the process of digitalization and its impact on human resource management (HRM). In the context of digitalization, HRM evolves into eHRM (electronic human resources management), covering two distinct areas: IT (information technologies) and HRM (Ziebell et al., 2019). Imran et al. (2014) notes that employee performance is closely linked to technological advancement when HRM effectively and productively utilizes the opportunities that technology offers. Accordingly, Perkov (2022) identifies several important new technologies that enhance HRM, one of the most significant being Cloud Computing, which serves as a foundational technology for shaping recruitment tools. Hamad et al. (2019) defined the cloud as the internet's ability to provide specific software designed to serve various remote areas with the capacity for spontaneous data retrieval. In other words, this means the ability for quick and immediate access to and downloading of data or information. In the context of cloud computing, this signifies that users can rapidly and easily access data stored on remote servers. This capability allows for more efficient data management and greater flexibility in its use. One of the popular and useful solutions in the world of recruitment and hiring is digital recruitment tools. Most recruitment tools today are cloud-based. In this context, a recruitment tool or ATS (Applicant Tracking System) is an online system that supports the entire hiring process. An ATS serves as a central repository for all potential candidates interested in working for an organization. Additionally, the ATS provides numerous features such as creating career pages, sourcing candidates through social media, testing, tracking applications through various selection stages, scheduling interviews, and analysing outcomes (Martić, 2017). Furthermore, the ATS offers parsing capabilities, meaning it can analyse resumes and CVs and present them in an organized manner. It organizes PDFs similarly to how LinkedIn organizes contact lists and facilitates team collaboration by allowing comments and notes from interviews (Martić, 2017).

2. METHODOLOGY AND DATA

The case study methodology used in this paper is a qualitative research strategy that investigates complex phenomena in real-world contexts (Espin et al., 2019), and in this case, the case study of the digital platform Talentlyft. The case study methodology typically involves three main components: secondary data analysis, qualitative data collection and analysis, and quantitative data collection and analysis as stated in Florenthal & Ismailovski (2019) and is mostly applied in various fields, including business, education, and social sciences.

Case studies can be single or multiple-case designs (Tellis, 1997), and in this case, it is a single-case design revolving around the Talentlyft digital platform. The aim of this study is to describe the phenomena of the way digitization changes the management of human resources, especially in the process of recruitment and employment, through theoretical frameworks, explaining the relationships among the framework's constructs, and provide guidance and insight to decision-makers, on the example of the Talentlyft platform (Lindgreen et al., 2021).

Nowadays, every modern company is forced to introduce numerous changes and adapt to the age of the so-called fourth industrial revolution. Technology is developing extensively and at a high speed, which has a great impact on business processes within companies. Challenges of the new age require fast processing of a much larger amount of data. In order to achieve this, in the context of business, it is necessary to quickly and efficiently find quality personnel. The problem arises when the demand for employees is greater than the supply of them. This happens due to the fact that on the labor market the number of those who are adequately and qualitatively educated, in that sense also computer literate, and who also have the necessary work experience, is small compared to the volume of business positions that are looking for exactly such personnel. The introduction of new technologies, i.e. the digitization of the human resources management process, enables the improvement of employee performance and helps them acquire new knowledge and competences through training, education, teaching and mentoring (Perkov, 2022). He lists several important new technologies that improve HRM:

- Computing in the cloud (English Cloud Computing) – use of services provided via the Internet (data storage, servers, networking, databases and software. Data is stored on physical servers, the maintenance of which is the responsibility of the cloud service provider,

- Internet of Things (IoT) – a network of physical devices (such as sensors, vehicles, industrial machines, etc.) connected via the Internet that exchange data with each other, have built-in sensors, software and other technologies that enable them to collect data from environment as well as their sending, receiving and processing through the network without human intervention and

- Artificial intelligence (English artificial intelligence - AI) - refers to the ability of computers or machines to perform tasks that normally require human intelligence. AI systems use algorithms, data and computing power to simulate processes such as learning, pattern recognition, decision making and problem solving (Stryker and Kavlakoglu, 2024).

The data for the study was used from the official webpage of the TalentLyft platform, their publicly published annual reports and the public interviews with the management available online.

3. RESULTS AND DISCUSSION

One example and a primary focus of research on how new technology assists human resource management processes is the cloud-based recruitment platform TalentLyft. This platform leverages cloud technology to streamline the hiring process, making it easier for organizations to manage recruitment efficiently. TalentLyft offers a comprehensive Applicant Tracking System (ATS) that enhances various aspects of recruitment, from sourcing candidates to managing applications and facilitating communication throughout the hiring process. By integrating automation and user-friendly design, TalentLyft significantly improves the overall recruitment experience for both recruiters and candidates.

TalentLyft is a Croatian recruitment tool established as a self-financed Software-as-a-Service startup. As stated on TalentLyft's official website, it is software for talent acquisition. In other words, TalentLyft is a cloud-based Applicant Tracking System (ATS). This means that all its features and functionalities are accessible online via a web

browser, eliminating the need for local installations or on-site hardware. Being cloud-based, TalentLyft offers flexibility, scalability, and easy access from anywhere, allowing recruiters and hiring teams to manage the hiring process remotely. Additionally, cloud-based solutions often provide regular updates and improvements, ensuring users have access to the latest features and security measures. In its early days, TalentLyft operated under the name Adopto. This platform functioned similarly but had fewer features and capabilities. Some of its first users included Bugatti Rimac d.o.o. and Polyclinic Bagatin. In 2016, Adopto rebranded to TalentLyft. Founders Mario Buntić and Nikola Biondić, through their combined efforts and numerous attempts, successfully elevated their creation to a whole new level, resulting in the well-known TalentLyft today. The founders found inspiration for this type of startup in the challenges of hiring new employees. They established a clear goal: to improve and simplify the process of finding new talent. The TalentLyft web platform is very user-friendly, providing all the information about the platform itself, the tools it offers, package pricing based on the range of tools and services included, user experiences, a page dedicated to careers and hiring within the TalentLyft team, and numerous other useful details and links that will be discussed further in this paper. The site is divided into three main sections: the first part, *About Us* contains all information about the platform; the second part, *Resources* includes various links and templates; and the third part, *Product* features the services/tools offered by the platform along with demos and pricing for those services.

The TalentLyft team is characterized by finding candidates through structured referral programs, which are among the most effective and productive methods of hiring. Additionally, on their website under the Product/Source category, they state that TalentLyft enables the automation of referral programs, significantly simplifying the hiring process. It is also possible to automate job postings across various employment portals. Besides being a cloud-based software solution, the advanced technology of the platform allows users to conduct sophisticated searches of many online profiles of potential candidates based on artificial intelligence and machine learning (TalentLyft – Talent Sourcing and Outreach, 2024). TalentLyft provides the ability to fill job positions easily by browsing through a database of existing and former candidates. To attract quality candidates, it is important to reach out to passive candidates, who make up most of the working-age population. The easiest way to connect with them, as well as with younger generation, is through social media. TalentLyft offers the capability to analyse the popularity of social networks, providing insights on where it is most beneficial to post job advertisements. With TalentLyft, the hiring process fully complies with the strict requirements of the General Data Protection Regulation (GDPR), making it a secure method for talent acquisition (TalentLyft – Talent Sourcing and Outreach, 2024). Platform offers users an organized and clear candidate database with the ability to personalize communication with candidates. To facilitate personalized communication, TalentLyft allows for the grouping of candidates based on various criteria such as the job position, they applied for, location, reasons for disqualification, and more. It is possible to create engaging email campaigns, track their effectiveness, and schedule their dispatch. In addition to candidate communication, TalentLyft enhances the productivity of HR teams by tracking and recording business emails, evaluations, candidate disqualifications, and other activities crucial to the hiring process. TalentLyft simultaneously utilizes two software systems: ATS (Applicant Tracking System) and CRM (Customer Relationship Management). The CRM is a system for managing interactions with current and potential customers, in this case, candidates (Gartner,

2024). The integration of CRM and ATS systems offers numerous advantages for companies looking to optimize their hiring processes and manage relationships with candidates and clients, and with TalentLyft, this is achievable using just one platform. TalentLyft is an ideal tool for beginners and startups due to its simplicity. In a short period, it is possible to create an adequate career page without requiring specialized web design skills. Users can include their logo and customize colors and fonts to align with the company's visual identity. Many potential candidates abandon their applications due to complicated application forms. TalentLyft offers several customization options for the career page to ensure it is accessible and easy to use. These options include mobile display adjustments, multilingual support, and the ability to search for open job positions. The career page of a company is the primary source of information about the organization. It can offer engaging content related to the company that is both relevant and informative. Additionally, it serves as a source of information about the company's dynamics and atmosphere, as it can highlight details such as employee experiences, opportunities for advancement, and various training programs. If a visitor to the page is not actively seeking a job, they can request to receive emails about relevant newly opened positions. Thanks to the analytics processes enabled by digital tools, the company can measure the effectiveness of its career page. TalentLyft Track simplifies, automates, and significantly shortens the hiring process as all candidate applications are centralized in one location, eliminating the need for cumbersome tools like Excel spreadsheets that can be extensive and complicated to understand (TalentLyft – Modern & Simple Applicant Tracking System, 2024). The dashboard allows for monitoring and provides insights into the entire process, enabling adjustments to selection phases, candidate tracking, and profile management. Interview scheduling is facilitated through automated email invitations that offer several different time slots for candidates to choose from. TalentLyft ensures a quick and efficient assessment and testing of candidates. By utilizing a database of interview questions, evaluation plans, and scoring cards, it is easy to conduct structured and objective interviews and select candidates whose qualifications best match the job requirements (TalentLyft – Modern & Simple Applicant Tracking System, 2024). TalentLyft Analytics refers to the overall analytics conducted within each function that the platform offers. Users collect important information such as the source of the best candidates, whether changes are needed on the career page, how successfully the company builds relationships with candidates, and in what ways it can improve its recruitment process (TalentLyft – Recruit top team with the modern ATS and Talent CRM, 2024).

CONCLUSION

Based on the conducted literature review, it is safe to assume that the implementation of new business methods and technologies has indeed brought significant improvements to organizations worldwide. Technology has become an essential and integral segment of both private life and the business world. Each introduction of a new way to execute a specific process within an organization brings it one step closer to process reconstruction and complete digital transformation of its operations. When discussing the human factor and its importance, recruitment has undergone significant changes in recent years. The recruitment process holds invaluable worth, and its enhancement has proven to be a key component in improving all other elements of the organization. Modern technologies such as artificial intelligence, the Internet of Things, and especially cloud computing

have greatly contributed to the simplicity and speed of complex and time-consuming human resource management processes. Cloud computing stands out as a transformative force in this context. By providing scalable resources and tools that are accessible from anywhere, cloud-based platforms allow HR teams to manage recruitment processes remotely, thus accommodating the growing trend of remote work. This flexibility is crucial in attracting top talent who may prefer or require remote working options. Additionally, cloud solutions often come equipped with analytics capabilities that enable organizations to track key performance indicators related to recruitment efforts, thereby facilitating continuous improvement.

The main objective of this paper is to reveal how digitization changes the management of human resources, especially the process of recruitment and employment, and this was achieved through a case study analysis of the digital platform Talentlyft. The limitations of this single case study revolving around TalentLyft platform are the fact it may lack generalizability and struggle to generate robust theory (Willis, 2014), which are planned to be overcome in future work, incorporating an analysis of several HRM digital platforms. Despite these limitations, case studies are a prominent and valuable research strategy, especially for studying complex phenomena in any research field.

Due to numerous data protection methods through encryption, the application of such technology should represent a safer means of data manipulation than archiving data in physical form and if actions are taken in accordance with laws and prescribed restrictions, there should be no negative impacts. Considering all the data and information gathered through this research, it is possible to confirm the initial assertion that the digitalization of the recruitment process is essential for attracting quality employees, thereby improving the structure and working environment of the organization. Ultimately, embracing digital transformation in recruitment not only supports the acquisition of high-quality employees but also contributes to creating a positive organizational culture. A streamlined and transparent hiring process reflects well on the company's brand and values, making it more attractive to potential candidates. As organizations continue to adapt to technological advancements, those that prioritize digitalization in their recruitment processes will likely gain a competitive edge in attracting and retaining top talent while fostering an innovative and dynamic workplace environment.

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