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Social contacts and informal knowledge in recruiting: A case study of construction industry SMEs

This article examines employers' utilisation of social contacts in recruitment. The aim of the study was to find out what kind of actions relate to the successful utilisation of social contacts in recruitment. Qualitative analysis of twelve semi-structured interviews describes how employers utilise social contacts at different stages of recruitment, while exploring what kind of practical actions are involved in the successful utilisation of social contacts. As a result, the article presents an ideal type of typology in which employers were split into three categories. Employers who utilise social contacts purposefully and proactively benefit from social contacts in all stages of recruitment, while inconsistent and passive actions typically yield below-average recruitment benefits. The results suggest that employers should view the company personnel and their social networks as a form of network capital, which employers can invest in and further convert into economic capital.