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STRATEGIC HUMAN RESOURCE MANAGEMENT

TOPIC 6

ATTRACTION AND HIRING OF HUMAN RESOURCES

Group: AR
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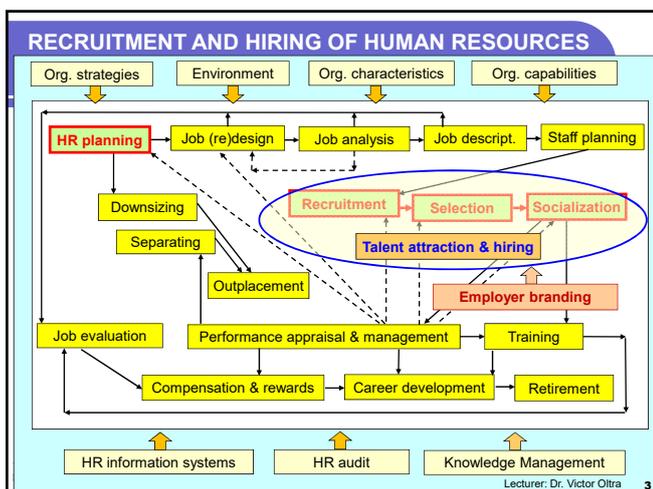

TOPIC 6. ATTRACTION AND HIRING OF HUMAN RESOURCES

6.1. Human resource planning
6.2. Recruitment, selection and socialization
6.3. Talent attraction
6.4. Employer branding

References:

Gómez-Mejía, L. Balkin, D. & Cardy, R. (2007/2012/2015). *Managing Human Resources* (5th/7th/8th International/Global Edition). Chapter 5: 'Recruiting and selecting employees'.

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RECRUITMENT AND HIRING OF HUMAN RESOURCES

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6.1. HUMAN RESOURCE PLANNING

CONCEPT OF HUMAN RESOURCE PLANNING (HRP)

Process used to ensure that an organization has the right number of people, with the right competencies (knowledge, skills and behaviours), to deliver a particular level of output or services in the future.
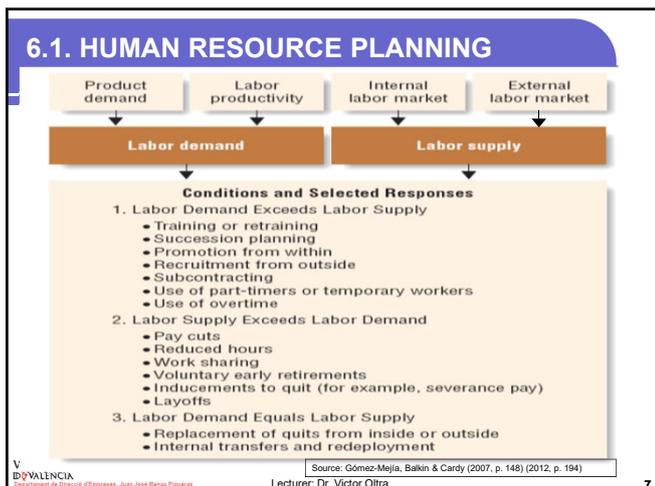
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6.1. HUMAN RESOURCE PLANNING

GOALS OF HRP

- Prevent labour shortage of surplus.
- Ensure that the organization has all the right employees, with the right competencies, in the appropriate places and in the right times.
- Ensure that the HR system fits business strategy and adapts to environmental changes.
- Give meaning and consistency to all kinds of HR systems and activities.
- Align the perspectives and goals of top management, staff (including HR) managers, and line managers.

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- **Labour demand** → How many workers the organization will need in the future.
- **Labour supply** → Availability of workers with the required skills to meet the firm's labour demand.
- Labour demand and supply **forecasting techniques** include **quantitative and qualitative tools** → **Staff planning** (Topic 4)
  - Need to forecast future labour demand
  - Need to forecast future labour supply
  - Compare forecasted demand and supply
  - Labour shortage, surplus or stability → **HR responses**

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Product demand | Labor productivity | Internal labor market | External labor market

Labor demand — **Labor supply**

Conditions and Selected Responses

1. Labor Demand Exceeds Labor Supply
   - Training or retraining
   - Succession planning
   - Promotion from within
   - Recruitment from outside
   - Subcontracting
   - Use of part-timers or temporary workers
   - Use of overtime
2. Labor Supply Exceeds Labor Demand
   - Pay cuts
   - Reduced hours
   - Work sharing
   - Voluntary early retirements
   - Inducements to quit (for example, severance pay)
   - Layoffs
3. Labor Demand Equals Labor Supply
   - Replacement of quits from inside or outside
   - Internal transfers and redeployment

Source: Gómez-Mejía, Balkin & Cardy (2007, p. 148) (2012, p. 194)

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- **Failure to plan has significant costs** (financial costs, opportunity costs, work atmosphere costs, etc.):
  - If there is **labour shortage** → losing market share or growth opportunities, paying overtime rates, increase of work accidents, decreased task effectiveness (goal achievement) or efficiency (productivity) due to greater pressure and/or hiring (undertrained) temporary staff, increase of stress, absenteeism and turnover, etc.
  - If there is **labour surplus** → retraining or outplacement costs, financial compensations and worsened atmosphere resulting from layoffs, etc.

  - **Reactive vs. proactive HRP:** short-term 'fire-fighting' vs. long-term competitive advantage building.

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6.1. HUMAN RESOURCE PLANNING

HRP STAGES

- Definition of **goals**.

- Analysis of the **current conditions** (environmental opportunities and threats, internal strengths and weaknesses, organizational conditions and capabilities, strategy, etc.)

- **Labour demand and supply forecast**.

- Analysis of the **HR responses** needed.

- Forecast and evaluation of the **consequences** of the different options in terms of HR responses → choice of responses

- Preparation of **action plans** → implementation of responses

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6.2. RECRUITMENT, SELECTION AND SOCIALIZATION

The talent attraction and hiring process
Attracting qualified people; **analysing** their fit, value and potential; **selecting** the best; and **integrating** them into the organization.

Recruitment → Selection → Socialization

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Recruitment
The process of **generating a pool of qualified candidates** for a particular job. The firm must announce the job's availability to the job market (inside and/or outside the organization) and attract qualified candidates to apply.

Selection
The process of **deciding which candidate is chosen** to occupy the job offered. Different methods and techniques can be applied.

Socialization (onboarding)
The process of **orienting and integrating new employees** into the organization and the unit in which they will be working, so that they feel like true members of the team (also called orientation, introduction, welcoming, integration, induction, indoctrination, acculturation, etc.).

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Stages of the hiring process

- Determining the existence of **vacant positions** (ideally as a result of HR planning and staff planning)
- **Recruitment** process
- Choice and implementation of **selection tools**
- **Choice of the candidate/s** to occupy the job/s
- **Medical tests** (drugs, heart condition, etc.), if applicable
- Signing of the **employment contract**
- **Joining** the company and beginning **socialization process**
- **Evaluation** of the hiring process

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Approaches to hiring

- Internal vs. external hiring

- Massive vs. individualized hiring

- Job-based vs. company-based hiring

- Focus on high normalization jobs vs. low normalization jobs

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RECRUITMENT

Reasons for starting a recruitment process

- **Reactive recruitment**: deriving from a request from a unit within the organization and/or from a sudden personnel need.
- **Proactive recruitment**: derived from proper and continuous use of HRIS, HR planning and staff planning.

Recruitment sources

- **Internal sources**: consideration of organization's employees as candidates to fill job vacancies (internal labour markets – ILMs).
- **External sources**: consideration of people from outside the organization as candidates to fill job vacancies (external labour markets).

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Stages of the recruitment process

- Determining **job descriptions** of vacant positions
- Consulting **HRIS**
- Assessing **importance of the hiring decision** (e.g., job responsibilities & consequences of decisions)
- Establishing the **budget** for the recruitment process
- Choice of recruitment **sources**
- Choice of **people** in charge of the recruitment process
- **Implementation** of the recruitment process

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Internal recruitment sources

- Internal publication of vacancies (usually reactive)

- Substitution plans

- Succession plans

- Talent pools / high potential pools

- Career planning programmes

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Advantages of internal recruitment

- More precise and reliable information on candidates
- Easier socialization (employees already familiar with company culture)
- Motivational tool
- Cost cutting related to the hiring process and lower training needs

Disadvantages of internal recruitment

- Risks related to politics (power games) and perceived favoritism
- De-motivation of talented (usually younger) employees if seniority criteria are applied
- Reduced likelihood of introducing innovation and new perspectives

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External recruitment sources

- **Job advertisements** (newspapers, radio, company website, career sites, etc.)
- **Employment agencies** (intermediaries, temp/temping agencies, head-hunters, etc.)
- **University recruiting** (campus presentations, job fairs, internships, etc.)
- **Suppliers of professional services** (auditors, consultants, etc.)
- **Competitors** (e.g., luring talented individuals with attractive offers)
- **Customers** (e.g., competitions for finding programming bugs)
- **Referrals from current employees**
- **Spontaneous applications**

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Advantages of external recruitment

- Broader and more diverse pool of candidates
- Taking advantage of others' investments in training
- Arrival of fresh and new views and facilitation of innovation
- Faster availability of new capabilities

Disadvantages of external recruitment

- Less effective and reliable assessment of candidates
- Higher risks related to longer and possibly failed socialization
- De-motivation of current employees due to perception of reduced career opportunities

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SELECTION

Key decisions related to the selection process

- **Selection tools** to be used (interviews, tests, etc.)

- **Type of employment relationship** (permanent contract, temporary contract, internship, etc.)

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Selection tools (i)

- **Screening of CVs and applications forms**. Especially useful for checking minimum job specifications (particularly at entry-level jobs).
- **Job interviews**: traditional (non-structured) vs. structured.
  - **Structured interviews**, based on job analysis, are good predictors of job performance (types of questions: situational, job knowledge, worker requirements).
  - **Unstructured interviews** are good for ruling out unsuitable applicants.
  - Sometimes **group interviews** are used.
- **Ability tests**:
  - **Cognitive** ability (intelligence, numeracy, verbal ability, work knowledge, etc.)
  - **Physical** ability

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Examples of job interview questions

Type	Example
Situational	You are packing things into your car and getting ready for your family vacation when you realize that you promised to meet a client this morning. You did not pencil the meeting into your calendar and it slipped your mind until just now. What do you do?
Job knowledge	What is the correct procedure for determining the appropriate oven temperature when running a new batch of steel?
Worker requirements	Some periods are extremely busy in our business. What are your feelings about working overtime?

Source: Gómez-Mejía, Balkin & Cardy (2007), p. 168

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Examples of unusual job interview behaviours

The impression you make through your behavior at a job interview is critical to your being favorably considered for the job. No matter how stellar your résumé, inappropriate behavior during the interview can ruin your chances for a job offer. The following are some real situations that indicate how unusual (even bizarre) the behavior of some job seekers can be.

- The applicant wore a Walkman and said she could listen to me and the music at the same time.
- A balding candidate abruptly excused himself and returned to the office a few minutes later wearing a hairpiece.
- The applicant asked to see the interviewer's résumé to determine if the interviewer was qualified to judge his capabilities for the job.
- The interviewee announced she hadn't had lunch and proceeded to eat a hamburger and french fries in the interviewer's office—wiping the ketchup on her sleeve.

- When I asked the candidate about his hobbies, he stood up and started tap dancing around my office.
- After arriving for a morning interview, the candidate asked to use the employer's phone. She called her current employer, faked a coughing fit, and called in sick to her boss.
- In response to the interviewer's offer to answer questions, a job seeker replied, "What happens if I wake up in the morning and don't feel like going to work?"

- A candidate interrupted a discussion of work hours and the office environment to say that he would take the job only if he could move his desk to the courtyard outside.
- Asked what he would like to do in his next position, a candidate replied, "I'll tell you what I don't want to be doing—sitting in boring meetings, doing grunt work, and having to be nice to people all day long."
- Question: "Why do you want this job?" Answer: "I've got a big house, a big car, and a big credit card balance. Pay me and I'll be happy."

Source: Gómez-Mejía, Balkin & Cardy (2007), p. 170

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Selection tools (ii)

- **Personality tests**. Assessing the degree to which someone is:
  - **Extrovert** …talkative, sociable, active, aggressive, and excitable
  - **Agreeable** … trusting, amiable, generous, tolerant, honest
  - **Conscientious** … organized, conforms and perseveres with tasks
  - **Emotionally stable** … secure, calm, independent, and autonomous
  - **Open to experience** … intellectual, philosophical, insightful, creative, artistic, and curious
- **Letters of recommendation**. Not very good predictors of job performance, although content analysis may be useful (e.g., emphasis on extroversion vs. attention to detail)

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Selection tools (iii)

- **Assessment centres**. Simulated tasks or exercises (e.g., *in-basket exercises*) that candidates (usually for managerial positions) are asked to perform.
  - Often conducted off-premises, may last between one and a few days, and may include several candidates at a time.
  - Usually evaluate candidates' abilities in: planning, organizing, decision-making, and leadership.
  - Expensive but good predictors of managerial job performance.
- **Graphology** (handwriting analysis). Not a good performance predictor.
- **Other (ethically and legally controversial) selection tools**:
  - **Medical/drug tests**. Acceptable when health problems may pose serious risks to the candidate or to other people.
  - **Reference and background checks**. Past employment record, criminal record, academic verifications, driving history, etc.

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6.2. RECRUITMENT, SELECTION AND SOCIALIZATION

SOCIALIZATION

Socialization of new employees

- Also called orientation, introduction, induction, integration, indoctrination, acculturation, welcoming, and, more recently and popularly, **onboarding.**
- No matter how well recruitment and selection processes have been conducted, **new employees** may underperform if socialization is not successful → they **must truly feel team players and part of the company.**
- **Mentoring** programmes can be very useful.

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Levels of socialization

- **Organizational socialization**. Internalization of organizational values and corporate culture.
- **Organizational unit socialization**. Internalization of unit values and team-level culture. Usually stronger than at the organizational level.
- **Informal group socialization.** Related to spontaneous, unplanned relationships. Strong interdependencies between this level and the other levels.
- **Job-level socialization.** Consistency between job tasks and features, surrounding circumstances, and personal-group-organizational values.

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Evaluation of the hiring process

- Companies must carefully analyse, reflect upon, and make appropriate changes, regarding methods used and decisions made in the hiring process.
- **Cost-benefit considerations** (in terms of time and money invested, opportunity costs, consequences of wrong decisions, etc.) are essential.

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Evaluation of the hiring process

Consequences of selection mistakes
- **Overrating candidates.** Selecting people who should not have been chosen (underperformance, socialization problems, higher turnover, new hiring costs, etc.).
- **Underrating candidates.** Rejecting people who should have been chosen (opportunity costs in terms of potentially higher productivity, potentially lower turnover, etc.).

Costs of the hiring process
- **Direct recruitment and selection costs.** Job adverts, licences for using tests, consultant fees, etc.
- **Indirect recruitment and selection costs.** Salaries (time invested) of HR specialists and managers involved, transport, HR department administration, related training, etc.
- **Turnover costs.** Lost productivity until new job is filled and new employee performs optimally, relocation costs, direct training & socialization (T&S) costs, indirect T&S costs (productivity of other employees lost as a result of helping new employees).

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6.3. TALENT ATTRACTION

Talent attraction and employer branding: key ideas

- **Fight for talent** is more important than ever.
- Organizations that want to compete in a globalized world need to **attract and develop** individual, team and organizational **talent to sustain competitive advantage**.
- Organizations must be **attractive to the best** job seekers, so that the best are willing to share their talent - and even their life project.
- **Employer branding** → new way of conceiving companies and their social-economic-market positioning, building their sustainability around people as their key strategic asset.

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6.4. EMPLOYER BRANDING

Building an employer branding strategy: key dimensions

- **Corporate culture & identity**: (historically evolving) shared organizational values and beliefs, consciously developed by management, which support the organizational purpose and strategy.

- **Corporate reputation**: socially (externally) perceived prestige, image, integrity, (un)ethical behaviour, etc.

- **Employer attractiveness**: (internally developed & externally perceived) working conditions, learning opportunities, career prospects, etc.

- **Internal marketing**: communication aimed at employees to boost their engagement with company goals, optimize HR processes, and help to successfully fulfil organizational strategies.

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