

RECRUITMENT

Outcomes: *Describe methods of recruiting, appraisal, training and dismissal*
Discuss advantages and disadvantages of different methods of recruitment, appraisal and training.

You need to bare in mind at all times during this section that the objective of the recruitment exercise is to get the best possible candidate for the job. The answer to any question on this topic must therefore focus on that, but also take into account any constraints that the firm might face. E.g. Financial, or time, or whatever.

What is recruitment?

Is the process of filling vacancies within an organisation

Recruitment is an important part of a business' human resource planning.

In all businesses, people are a vital resource - and they need to be managed as such.

The overall aim of the recruitment and selection process is to obtain the number and quality of employees that are required in order for the business to achieve its objectives.

There are three main stages in recruitment:

- (1) **Identify and define** the requirements. This involves the preparation of job descriptions, job specifications and person specifications
- (2) **Attract potential employees** - there are various methods for doing this - which are described in a separate revision note
- (3) **Select and employ** the appropriate people from the job applicants

It is important to appreciate that recruitment is a continuous process - because of:

- Staff departures (e.g. retirements, sackings, resignations)
- Changes in business requirements (e.g. new products, markets, expanded operations)
- Changes in business location (a relocation often triggers the need for substantial recruitment)
- Promotions

Recruitment is becoming more and more important in business. In particular, this reflects the increasing need for a well-motivated and flexible workforce that requires less management supervision.

Why is it important?

1. A high labour turnover is expensive. To appoint a senior manager, in particular, can cost a fortune. E.g. in advertising, interview, travel expenses, etc. These costs increase if you use a recruitment consultancy. Also the business has to pay training costs, and a new employee often takes time to 'settle in', and become fully productive. So, appointing the right people in the first place saves time and trouble.
2. Existing employees may stop working hard once they know they are leaving. They are often suspected of 'stealing' customers for their new employer, and are sent on 'gardening leave' rather than work out their notice. This is a common practice, and is great! You get paid for a month, and either sit around at home or start your new job, and pick up two months salary for that month.
3. High labour turnover can damage morale, and will ruin any attempts to build a team spirit.

4. If a firm acquires a reputation for its' workers constantly leaving, then it may find it difficult to recruit the best workers. People will start to think that there is something wrong with the way the firm is run no one wants to stay there. So why would they want to work there?
5. Staff or 'human resources' are increasingly seen as a firm's most important asset, particularly in service industries. Therefore getting someone who will 'fit in', have the right skills, experience, etc is vital.

job analysis

The management of a business need to determine what work needs to be done. Job analysis is a key part of this need.

Job analysis concentrates on what job holders are expected to do. It provides the basis for a job description, which in turn influences decisions taken on recruitment, training, performance appraisal and reward systems.

What is contained in a job analysis?

A job analysis would typically contain:

Job purpose	What is the job meant to do - and how does this related to other parts of the business?
Job content	Duties and responsibilities
Accountabilities	What results / outputs is the job holder responsible for?
Performance criteria	How will the job holder's performance be measured?
Resource requirements	E.g. equipment, location

How is a job analysis carried out?

Several techniques should be used to complete an effective job analysis:

- Research business documents - e.g. procedures manuals
- Ask relevant managers about the requirements and purpose of the job; what are the key activities; what relationships does the job have with other posts. Develop a comprehensive profile through these discussions
- Interview the existing job holder (if the job already exists) -e.g. ask store managers in retail stores and build a profile from asking those who actually do the job
- Observe the job holders to see what they really do

The key information that needs to be collected includes:

- Job title
- Main duties and tasks
- Targets and performance standards that the job holder is required to achieve
- The amount of supervision that is normally given / freedom of decision-making in the job
- Skills and/or qualifications needed for the job (including personal skills)

job description

What is a job description?

A job description sets out the purpose of a job, where the job fits into the organisation structure, the main accountabilities and responsibilities of the job and the key tasks to be performed.

Why is a job description important?

A job description has four main uses:

Organisation - it defines where the job is positioned in the organisation structure. Who reports to who.

Recruitment - it provides essential information to potential recruits (and the recruiting team) so that they can determine the right kind of person to do the job (see person specification)

Legal - the job description forms an important part of the legally-binding contract of employment

Appraisal of performance - individual objectives can be set based on the job description

Contents of a Job Description

The main contents of a job description are:

- Job Title: this indicates the role/function that the job plays within an organisation, and the level of job within that function (e.g. Finance Director would be a more senior position than Financial Accountant - although both jobs are in the "finance department")
- Reporting responsibilities: who is the immediate boss of the job holder?
- Subordinates; who reports directly TO the job holder?
- Main purpose - who is involved in the job overall
- Main tasks and accountabilities: description of the main activities to be undertaken and what the job holder is expected to achieve (e.g. in the case of the Management Accountant, this might include "Complete monthly management accounts by 10th working day of each month and prepare report on all key performance variances")
- Employment conditions



For example, McDonald's job descriptions are really tight fitting. In the past all employees were given a 385 page manual! It was full of details on how each task should be performed. It included instructions like: 'Cooks must turn, never flip, burgers, and always one at a time, never two.' Or, 'Cashiers must make eye contact and smile at every customer.' *Some are really vague. You may want your employees to use their initiative, or you may want control over how the job is done.*

Person Specification

What is a person specification?

A person specification describes the requirements a job holder needs to be able to perform the job satisfactorily. These are likely to include:

- Education and qualifications
- Training and experience
- Personal attributes / qualities

How does this compare with a job description?

A job description describes the job ; a person specification describes the person needed to do the job. A person specification can, therefore, form the basis for the selection of the most suitable person to fill the job.

How should a person specification be created?

The most common approach now used by recruiters is to use what are known as "competencies" to design the person specification. These are then classified as "essential" or "desired" to determine which are most important.

Competencies might include some or all of the following:

- Physical attributes (e.g. state of health, aged, speech)
- Attainments (e.g. highest level of education completed, relevant market experience, ability to supervise/manage)
- Aptitudes (e.g. verbal reasoning; numerical aptitude)
- Interests (social activities; sporting activities)
- Personal circumstances (e.g. ability to work shifts; full or part time)

Person specifications have to be prepared and used with great care. In particular, it is important to ensure that the list of essential or desired competencies does not lead to unlawful discrimination against potential employees

We are now in a position to start looking for people.

What types of people do you recruit, and what do you look for in potential employees?



“McDonald's will recruit people who have “a positive attitude towards customers, themselves and other employees, and who are capable of delivering the highest standards of quality, service and cleanliness to our customers; we will employ local people wherever possible and we ensure that employees and job applicants are selected, trained, promoted and treated on the basis of their relevant skills, talents and performance and



without reference to race, colour, nationality, ethnic origin, sexual orientation, gender, marital status, age or disability.” Apparently!

internal recruitment

What is internal recruitment?

This refers to the filling of job vacancies from within the business - where existing employees are selected rather than employing someone from outside.

A business might decide that it already has the right people with the right skills to do the job, particularly if its training and development programme has been effective.

How is it done?

Internal vacancies are usually advertised within the business via a variety of media:

- Staff notice boards
- Intranets
- In-house magazines / newsletters (for example, Emap, a major publishing business) have a weekly staff magazine devoted solely to advertising jobs within the organisation!
- Staff meetings

Advantages of internal recruitment

- Gives existing employees greater opportunity to advance their careers in the business
- May help to retain staff who might otherwise leave
- Requires a short induction training period
- Employer should know more about the internal candidate's abilities (= a reduced risk of selecting an inappropriate candidate)
- Usually quicker and less expensive than recruiting from outside

Disadvantages of internal recruitment

- Limits the number of potential applicants for a job
- External candidates might be better suited / qualified for the job
- Another vacancy will be created that has to be filled
- Existing staff may feel they have the automatic right to be promoted, whether or not they are competent
- Business may become resistant to change; by recruiting from outside, new perspectives and attitudes are brought in

external recruitment

What is external recruitment?

This refers to the filling of job vacancies from outside the business (contrast with internal recruitment). Most businesses engage in external recruitment fairly frequently, particularly those that are growing strongly, or that operate in industries with high staff turnover.

How is it done?

There are several ways of looking for staff outside the business:

Employment / recruitment agencies

These businesses specialise in recruitment and selection. They often specialise in recruitment for specific sectors (e.g., finance, travel, secretarial). They usually provide a shortlist of candidates based on the people registered with the agency. They also supply temporary or interim employees.

The main advantages with using an agency are the specialist skills they bring and the speed with which they normally provide candidates. They also reduce the administrative burden of recruitment. The cost is the high agency fees charged - often up to 30% of the first year wages of anyone employed.

Headhunters / Recruitment Consultancies

"Upmarket" recruitment agents who provide a more specialised approach to the recruitment of key employees and/or senior management. They tend to "approach" individuals with a good reputation rather than rely on long lists of registered applicants - often using privileged industry contacts to draw up a short list. The cost of using a headhunter or recruitment consultant is high.

Job centres

Government run agency - good for identifying local candidates for relatively straightforward jobs. The job centre service is free to employers and is most useful for advertising semi-skilled, clerical and manual jobs.

Government Funded Training Schemes

There is a variety of government funded schemes that provide potential recruits, including the New Deal and Modern Apprenticeships. The advantage of these schemes is that government funding lowers the cost of employment and the business can get to know the employee before committing for the long-term. However, relatively few employment requirements are covered by these schemes.

Advertising

Probably the most common method. Advertising allows the employer to reach a wider audience. The choice of advertising media (e.g. national newspaper, internet, specialist magazine etc) depends on the requirement for the advert to reach a particular audience and, crucially, the advertising budget.

Advantages of external recruitment

These are mainly the opposite of the disadvantages of internal recruitment. The main one being that a wider audience can be reached which increases the chance that the business will be able to recruit the skills it needs.

Extended Internal recruitment

The extended Internal labour market has grown up therefore. This is where current employees recommend family and friends for posts.

This has the advantage that the employees know what skills are needed for the job and probably know if a candidate possesses them or not. It may also increase employee motivation by making them feel more important within the firm. It should also allow new employees to fit in more quickly.

However, do we want clones? Different people have different ideas and different ways of working. This may produce a better team. Or, a range of different ideas. If everyone agrees then some bad ideas will not be properly

job advertisements

The Objective of Recruitment Advertising

The objectives of recruitment advertising are to:

- (1) Attract suitable candidates, and
- (2) Deter unsuitable candidates

What makes a good job advert?

Whilst there are no hard and fast rules about the contents of a job advert, the following features are likely to be in an effective advertisement:

Accurate - describes the job and its requirements accurately

Short - not too long-winded; covers just the important ground

Honest - does not make claims about the job or the business that will later prove false to applicants

Positive - gives the potential applicant a positive feel about joining the business

Relevant - provides details that prospective applicants need to know at the application stage (e.g. is shift-working required; are there any qualifications required)

Content of a job advert

Most job adverts contain:

- Details of the business/organisation (name, brand, location, type of business)
- Outline details of the job (title, main duties)
- Conditions (special factors affecting the job)
- Experience / qualifications required (e.g. minimum qualifications, amount of experience)
- Rewards (financial and non-financial; the financial rewards may be grouped together under a total valued "package" - e.g. total package circa £50,000)
- Application process (how should applicants apply, how to; deadlines)

Choice of medium

What kind of advertising medium should be chosen? The following factors are relevant:

Type of job: senior management jobs merit adverts in the national newspapers and/or specialist management magazines (e.g. the Economist, BusinessWeek). Many semi-skilled jobs need only be advertised locally to attract sufficient good quality candidates

Cost of advertising: National newspapers and television cost significantly more than local newspapers etc

Readership and circulation: how many relevant people does the medium reach? How frequently (e.g. weekly, monthly, annually!). Is the target audience actually only a small fraction of the total readership or viewership?

Commercial employment agencies

Companies that specialise in finding staff for other companies. They would usually provide a short-list of candidates for a company to choose from. They do the time consuming, but relatively unimportant initial advertising, and sifting through the responses. Then pass them onto the company having got rid of all the dross. They do however, of course, charge for this service. They may also provide temporary workers.

Headhunters This is similar, but the company approaches individuals working for other firms to try and attract them into the vacancy. This is a good way to get people without rival firms knowing you need this vital person. Only used for top executives, or specialist positions.

Advertising You can also place adverts yourself for vacancies. This is different to ordinary advertising, and should not be confused with it. You are only after a relatively small audience, so should not really be looking to advertise on tv. There are many specialist magazines that deal with one profession. As they deal with that type of job, people who want that type of know this and read it, so you reach your target market, and without wasting time and effort on others who are not interested.

Interested candidates will then make formal contact with the firm or the recruitment consultant in a number of ways.

- 1. An application form.** All applicants fill in the same form, thus making comparisons much easier and quicker. It also means a candidate cannot avoid answering tricky questions. However, they may take a long while to complete, and so discourage some candidates from applying. N.B. Some firms may see this as an advantage as it wheedles out those who are not completely committed to working for them. On the down side, some firms feel that it does not give enough room for people to express what they have done, it may not give you the opportunity to say what you are good at, just because it does not fit into the narrow phrasing of a question, when really you would be very good at the job.
- 2. Letter of application.** This allows candidates to write about themselves at some length. Many posts require people to be able to communicate through writing well. This is a good test of that skill. It also allows the candidate to 'sell' themselves by being able to talk about whatever they feel shows them off in the best light. However, Candidates can dodge subjects that could make them look bad by simply not mentioning them. It can take a long (and boring) time to read through them all. It can be hard to compare different candidates.
- 3. A Curriculum Vitae. (CV)** A brief summary of the candidate's life. It usually includes personal details, education/qualifications, work history, hobbies, and references. It allows recruiters to see if you have the basic skills and qualifications and experience needed for the job and saves the candidate the hassle of filling out a separate application form for each job they are applying for.

Interviewing and appointing

The next stage, known as **long-listing**, is to decide who to interview, and who to reject. This may involve...

1. 'Taking up references' the candidate can nominate two (or more) people to speak on their behalf. Firms usually insist that one is your present or last employer. This is, surprisingly, getting less and less common. Firstly, candidates are unlikely to nominate people who will say bad things about them. Secondly can you trust the reference? You might give a glowing reference because you want to get rid of them, or a really bad one because you do not want them to leave. Finally, many people do not want their employer to know they are looking to leave. This may be done, instead, right at the end of the whole process. People mind their current boss being asked less, if they are virtually certain they are getting the job anyway.
2. Testing this getting more and more common. Candidates have a series of tests which look at communication, arithmetic, logic, and problem solving skills, for example. Also, firms use psychometric testing. This is supposed to discover the personality of the candidate, usually through multi choice questions. They are used to see if you will 'fit in'. However, many candidates choose the answer that they think the employer wants to hear. After applying for many jobs, many candidates have done the tests many times, so they become familiar, giving them an advantage in answering them.

Firms will than short-list candidates they wish to meet, and interview them- the most important part of the interview process.

The interview, a series of oral questions for the candidates to answer on their own, it is usually conducted by more than one person, in an attempt to reduce bias. It is usual to ask all candidates the same questions to be fair and to allow comparisons between candidates to be made.

Interviews do however have their critics. (Despite the fact that virtually every one uses them.)

1. There is considerable evidence that the interviewer(s) make up their minds in the first 30 seconds of the interview (first impressions do count) and then spend the rest of the time trying to collect evidence to support that view.
2. Usually only backs up the opinion formed about the candidate from their application form or letter.
3. To do well in the interview situation does not necessarily reflect the skills needed for a job.

An interview may also include further tests, often to try and simulate tasks that employee would have to do in the job, and a chance to meet those that you would be working with (if successful)

Once the applicant has been appointed then the new employee being given a Contract of Employment, which is a written statement covering the terms and the conditions of employment (e.g. date employment commences, job title, pay, hours of work, holiday and pension entitlements), as well as the process for disciplinary and grievance procedures.