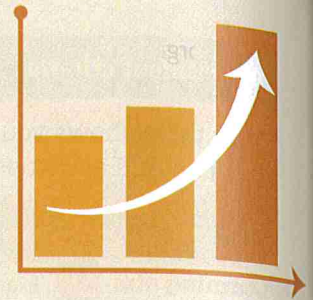


Getting started

Part of recruitment and selection is making people aware that a vacancy exists. Write down as many ways as you can think of that an employer could use to make people aware of a vacancy. When you have completed this unit, see how many ways you missed.



A

Examine how effective recruitment and selection contribute to business success

In this section, you will consider the reasons why a vacancy exists in the first place, the processes that happen to attract and choose new staff and the ethical and legal considerations that influence those processes.

Recruitment of staff

There are lots of different reasons why an organisation may decide to recruit someone to a position (see Table 8.1). One of the most common that you may have heard of is that someone is leaving to go and work for another organisation and their position needs to be filled. Large businesses carry out **workforce** planning to find out if they need to recruit anyone at all.



- ▶ Before looking at Table 8.1, how many different reasons for recruitment can you think of?

Workforce planning

Businesses need to match the skills, knowledge and number of employees to their current and future needs. To work out their needs, they need to review the number and skills of employees they have now, what they think will happen in the future and the number that they will need in the future.

Discussion

ICT has changed the skills, knowledge and number of employees that are required in the workplace. How do you think the following advances in technology have affected the way that businesses plan their workforces: mobile phones, laptops and video conferencing? Does the use of IT decrease employee numbers? If so, why? What are the advantages and disadvantages of relying on IT?

In large organisations with more than 250 employees, the types of skills required will depend on the industry that they work in. For example, a retail business may need staff to put out stock and to serve customers face-to-face. A production company may need staff to work in packing or on the production line. A financial organisation may need staff with specialist experience and qualifications to offer advice and maybe telephone skills.

There are lots of reasons why businesses will need to recruit staff. Businesses often recruit due to a mixture of some, or all, of the reasons that are shown in Table 8.1.

Research

Find out and compare the staff turnover rates in different industries. Find out which industries have high rates of turnover and which have lower. Choose two businesses (one in each industry) and examine the impact of their rate of turnover on the recruitment of staff.

Table 8.1: There are many varied reasons why businesses recruit staff

Reasons for recruiting staff	
The business is growing	If the number of customers or sales is increasing, the business will need to recruit. Employees may be needed locally, nationally or even globally.
Job roles are changing	Advances in technology influence the way jobs are performed. For example, self-service tills were introduced in the UK in 2002. This did not lead to fewer staff being recruited by supermarkets but, instead of having staff on the tills waiting for customers, they are able to stock the shelves and increase sales.
Systems are changing	If customers use systems in new ways, the skills and number of employees needed changes too. For example, many people book hotels and flights online so staff taking telephone bookings only are reduced.
New vacancies are being created by more space or product development	Staff may be needed to operate in new gaps in the market or environment. For example, Facebook was effectively launched to the general public from 2004. Now there are vacancies to work at Facebook all over the world for the people with the right skills and expertise. Businesses launching new products may need new staff to promote and sell them.
Vacancies caused by leavers/ staff turnover	Staff leave for many different reasons and may or may not need to be replaced. Staff may leave due to personal reasons such as moving house, for promotions outside the organisation or for higher wages/salaries.
Staff are being internally promoted	If an employee gets a promotion to a higher job within the business, this is called an internal promotion. A new person will need to be recruited to cover their former role.
New offices or branches are being opened	Businesses often start small and then need more staff as they start to expand.
Seasonal fluctuations lead to a need for temporary staff	For some businesses, there are huge variations in staff, for example businesses working in the tourist industry often see large increases in the number of staff needed in the summer compared with the winter. Hotels, holiday parks and entertainment businesses will all see high increases in the demand during the summer months. Other businesses have large increases in the winter, for example retailers during the run up to festivals such as Christmas, Hanukkah or Eid.

Job centres and agencies

An organisation may not be able to manage the process of recruiting themselves because they are too busy or feel they do not have suitably qualified staff to run the recruitment process. They may use job centres or other agencies. Job centres are popular places for employers to advertise vacancies as this is where people go to get advice on different jobs and benefits. Job centres work with employers to provide additional training and support to local areas so that employees can be found to fill vacancies. Job centres are also able to offer employers extra training and support so that they can recruit employees, for example, by giving advice on recruitment or on different training opportunities such as apprenticeships. Recruitment agencies such as Reed or Office Angels are also popular but, unlike the job centre, they charge commission for finding suitable people for employers on a temporary or permanent basis.

Key term

Staff turnover - this calculation takes the number of employees that left in a given amount of time (usually a year) as a percentage of all employees. For example, ten employees leaving in one year from 100 employees would be $10/100 = 10\%$ turnover. The average UK staff turnover is 15%.

Key terms

Fixed-term contract – an employment contract between employee and employer with a defined end date.

Probationary period – a defined ‘trial’ period where employee and employer can work out if the employee is a good fit for the role and the business.

Research

Many vacancies are available online so it is a popular method of recruitment. In small groups, research the type and variety of vacancies available. Consider splitting your research into regions. Can you see any differences between the types of job available? Why are there regional differences?

Can you find examples of off- and online advertising at your local job centre?

Recruitment agencies provide employers with details about potential applicants. Often recruitment agencies will provide staff on a temporary or permanent basis. This means that an employer may have a chance to see how an employee is likely to work out by putting them on a three-, six- or twelve-month **fixed-term contract** initially. This is often a cost-effective option for employers, particularly if their business changes rapidly and they may not need to keep staff permanently. Also, almost all jobs, whether permanent or fixed-term contracts will have a **probationary period**. What do you think are the advantages for an employer and employee in using fixed-term contracts? What are the advantages of having a probationary period?

The advantages and disadvantages of using an agency are outlined in Table 8.2.

► **Table 8.2:** Advantages and disadvantages of using an agency or consultant

Advantages	Disadvantages
The organisation can concentrate on running the business and not looking for new employees.	The organisation must pay the agent and the new employee, adding to costs. These costs include a fee for finding the employee and often a percentage of their salary going forward.
The organisation does not have to employ a recruitment team.	The agency/consultant may not find the right person for the job as the agent does not know in detail the culture and values of the business. They also do not know if the person will work well with other members of the team.
The agency/consultant will have access to lots of different people and will screen out anyone who is unsuitable.	They may not care about employing the right person for the job as much as someone working in the organisation, as they will not be working directly with that person.
They will not tell competitor organisations that you are recruiting, but your own advertisements will.	
They can offer specialist support and expertise for the recruiting team, for example a finance specialist when recruiting to the finance team.	
They can offer advice about what is happening in the employment area.	

Case study

Bartley Major

Bartley Major is a **headhunting** agency based in Cheshire. They recruit employees for leading companies throughout the British Isles.

They were approached recently by a leading cosmetics retailer, Live Beauty, to help them recruit a new Brand Communications Director. To ensure they got the right person for the job, the agency spoke extensively with

their contact at Live Beauty and made sure they had as full a job description as possible. Making sure they knew the deadlines for the role, the recruiter at Bartley Major then researched suitable candidates, providing Live Beauty with an appropriate shortlist. The recruiter then helped prepare the candidates for interview and, when a successful candidate was chosen, the recruiter managed much of the administrative detail between the new employee and their new employer.

For all roles like the above, Bartley Major's activities include:

- targeting high achievers to form a pool of applicants
- presenting candidates to clients after initial screening and selection
- interviewing candidates and preparing them for interview with the employer
- negotiating salary packages
- helping candidates to resign from their current employer.

They also conduct assessment days so that employers can receive details about applicants' previous knowledge, experience and ability before the recruitment process starts.

Check your knowledge

- 1 What is a recruitment agency?
- 2 What were the advantages to Live Beauty of using Bartley Major?
- 3 Do you think there may have been any disadvantages?
- 4 'Headhunters are only useful to recruit the most senior employees.' Discuss.
- 5 What sort of information do you think the recruiter needed from Live Beauty to make sure their search was successful? Create a list, and share with a peer to see how many you have both thought of.

Internal advertising compared to external advertising

Jobs can be advertised internally or externally. Internal advertising means that the advertising of the job will only be done inside the organisation. This means that the person will already have an idea of the type of organisation that they are working for and the skills needed to work there. Sometimes, this type of advertising and recruitment will also give current employees the chance for promotion or additional responsibility, so it can be motivating for them.

Organisations will sometimes decide to advertise a vacancy internally first. If no suitable employees apply for this job, they will advertise outside as well. Of course, if a vacancy is advertised internally and someone changes jobs to fill the role, somebody new may be needed to replace them, in turn. This may extend the recruitment process and may be a problem for the organisation if they need to recruit quickly. The advantages and disadvantages of internal advertising are outlined in Table 8.3.

► **Table 8.3:** Advantages and disadvantages of advertising internally

Advantages	Disadvantages
Cheap to advertise	Limited choice of candidates
All candidates known to the organisation	May cause problems amongst employees due to the change
Candidates also already know the organisation	Employees may be stuck in their ways
More likely to have a smaller number of applicants	May not generate new ideas
Can encourage career progression	The successful candidate will need to be replaced, needing another recruitment plan

External advertising is the opposite of internal and is the process of recruiting from outside the organisation. There are a number of ways this can be done and these include the organisation itself doing the recruiting or making use of job centres and agencies. The advantages and disadvantages of external advertising are outlined in Table 8.4.

Key term

Headhunter - an organisation that finds and approaches individuals already employed by a business to ask them if they wish to work for another business.

► **Table 8.4:** Advantages and disadvantages of external advertising

Advantages	Disadvantages
Higher number of candidates	Takes longer
Candidates may have new ideas	Person appointed may not be as good as they appear
Potential for new skills to be brought into the organisation	More expensive to advertise

Online recruitment and traditional methods

Many businesses now make use of online methods to recruit staff rather than traditional advertising such as shop windows or in the local newspaper. Online methods include:

- social media such as Facebook and Twitter
- websites
- online application forms to be filled in onscreen
- emailing completed forms or curriculum vitae (CV).

Traditional methods are those that have been used for many years including:

- calling in for a discussion or informal chat
- sending in a paper application form
- writing a letter of application to be sent in by post with a CV.

Case study

Debenhams



Debenhams use their website to provide information for applicants. The site uses online questions to help potential applicants search for job vacancies that might be relevant to them. They then set up a user name and password as well as giving their email address to Debenhams and starting the online application. This means that Debenhams have contact information from the earliest stage and can monitor who is interested in their vacancies.

The online application form screens applications by asking questions about aspects such as:

- whether the applicant has the correct legal documents to work in the UK
- whether they are at least 16 years of age and therefore of school leaving age in the UK
- qualifications relevant to the role
- skills relevant to the role
- previous criminal convictions.

Check your knowledge

- 1 How do Debenhams use online applications as part of recruitment?
- 2 What are the advantages of using such a system?
- 3 Are there any disadvantages?
- 4 Compare and contrast the online application process for three different organisations that you are aware of. To what extent do these processes have common features? How important is conformity in recruitment?

PAUSE POINT

Can you explain what recruiting staff means? Can you explain the difference between internal and external recruitment and the difference between online recruitment and traditional methods?

Hint

Draw a table showing the differences between internal and external recruitment, with examples.

Extend

When is online recruitment used more than traditional methods for internal recruitment and why?

Recruitment and business success

Recruiting the right staff is very important for the success of a business. Often people consider staff to be the most expensive assets in a business and employing the wrong people can be costly if customers are unhappy or receive poor service. Each time a business recruits a new member of staff there is a cost to the business. This is called an **opportunity cost**. This is the cost of the advertising and recruitment process itself but also the cost of the opportunity (because the time that the hiring manager spent on recruiting could have been used elsewhere in the business). Good recruitment leads to high numbers of applicants and, ultimately, a good choice of people to work for the business. Poor recruitment has the opposite effect and can lead to the business being short of staff and unable to work effectively.

Professional recruitment leading to efficient staff integration

Recruiting staff in a professional way is also critical to businesses and helps their success. This is because professional recruitment means that the reputation of the business continues to be good so more people will be attracted to work there.

Professional recruitment also ensures that new staff fit into the **culture** of that business and quickly have a positive impact on the business because they are aware of what is required by the business at the very start of the process. This means that staff become integrated more quickly, leading to efficient working practices. What do you think the impact of recruiting the right people is on the business?

Recruitment and selection process

Two elements of the recruitment and selection process are:
 1. Producing the documents that are needed for recruitment from the advertisement, including arrangements for applicants to send in their information to the business
 2. Selection of the candidates once applications have been received.

The recruitment process

You have already learned that advertising can be internal or external and the same is true of all other elements of the recruitment process. Businesses often use different documents for internal recruitment compared to external. This is because they already know the employees that are involved. Some businesses may ask employees to write a letter rather than fill in an application form for an internal vacancy.

Internal advertising

Internal advertising is the simpler of the two types of advertising for a vacancy. This is because it only needs to be shown to employees who currently work for the organisation. It may be placed on the staff noticeboard, web page, company magazine or mentioned in a staff meeting or through a mass email. The details of the job need to

Key term

Opportunity cost – the cost to the business of making one decision over another, choosing one alternative compared to the next best.

Key term

Culture – this means 'the way we do things around here': the values and expectations of people in a business that are not written down.