



Recruitment

Case Study #1 (LIT2019): STAFF SELECTION PROBLEMS

Abstract

“Greencarrier” is a freight forwarding company, which provides sensible and sustainable logistics solutions as well as services of supply chain management. From its offices in the Northern and Baltic countries, Eastern Europe, Central Asia and China, it offers the global logistics solutions. The company uses all types of logistics, including ocean, air, road and railway and takes care of freight from the beginning until the final place of destination. “Greencarrier” is very pleased to be able to offer its customers transport solutions all over the world. Quality assurance and delivery accuracy are extremely important. However, in order to create really adaptable solutions and logistics services, you have to add your personal commitment. Their employees are the most committed professionals, inspired by a real love of their job and high ambitions. The company encourages every member of the “Greencarrier” group to expand their knowledge of environmental issues and to increase awareness of the environmental aspects of staff responsibilities. Therefore, the company provides all their employees with an environmental training programme. In order to spread the knowledge of their environmental works, “Greencarrier” constantly broadcasts its activity both internally and externally, e.g. via the internet. One of their aims is also to increase efforts to improve its environmental impact by attracting more support for local projects. In order for the company to achieve good results, it is necessary to have determined employees with good skills of spoken English. The aim of this study, therefore, is to find out the level of English language of every person applying for job in this company.

Introduction to the Organisation

“Greencarrier” group was established in the year 2000. Since the beginning its founders have had a clear vision of their future business – a company founded on commitment, involvement, humour and joy. Today the “Greencarrier” group has approximately 800 employees, working in Sweden, Denmark, Norway, Finland, Estonia, Latvia, Lithuania, the United Kingdom, Poland, the Czech Republic, Slovakia and China. The basis of the success of the “Greencarrier” group is its competent and qualified staff. Each of them is an expert in his/her area, industry and market. At the same time, they all have a common goal, that they seek every day, in every meeting and with every given task – to satisfy customers. Based on customer requirements, employees can combine their knowledge and skills to provide the customers with the highest quality solutions. The company serves approximately 15,000 customers per day. This company is one of the biggest private companies in the Northern countries, which specialises in the field of global transport solutions.



Organizational Structure

Klaipėda branch of the company employs approximately 60 people. On the top of the organisational structure is the General Manager (GM). He is Swedish and comes to the company every three months. Below the GM are three team leaders - Mantas, Paulius and Lina. Mantas has approximately 20 subordinates and heads the teams of bookkeepers and procurement coordinators. Another team leader, Paulius, has approximately 15 subordinates, and the team leader Lina has 12 subordinates. All the work in the company is conducted solely in English. The team structure is shown in the following chart:

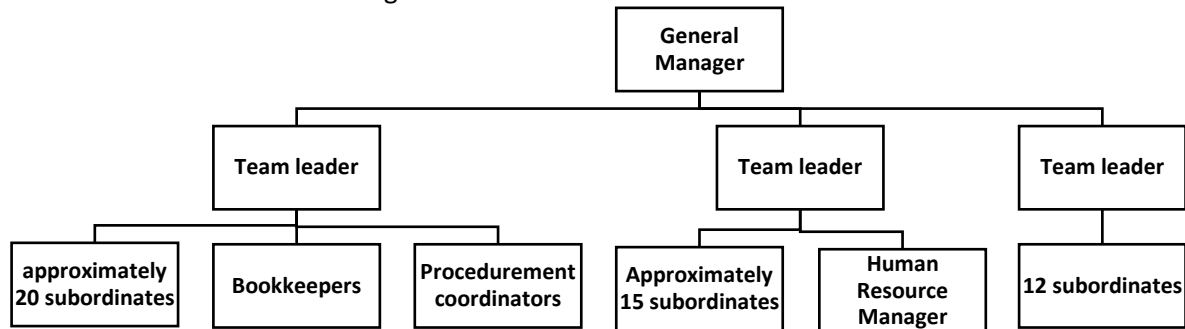


Figure1 Organisational structure of the company

HR Processes in the Company

Selection.

1. A message to Greta Salimovaitė that a new employee is needed;
2. An advert is published;
3. Candidates are selected by way of acceptance/rejection or through an employment agency;
4. Candidates are invited to a job interview (which lasts for an hour);
5. Afterwards, candidates are invited to a coffee meeting with their future team;
6. Sometimes there are conversations via Skype in English, to check the knowledge of the language.

Motivation. There is no specific motivation, an employee gets an insurance card for 200€, 100€ for health services, 95€ for dentist, 5,000€ for a serious illness. Overtime is also paid.

Training. The company has trial periods of 3-6 months (on agreement). Seminars are organised, e.g. training to work using Excel programme, English teacher also arrives to improve the English knowledge of the employees.

Job analysis. Job analysis in the company is implemented by the leaders, work quality is assessed once a year. A candidate has to talk in English about his/her free time, and a future English test is planned.

Greta Salimovaitė, a Human Resources Manager, is responsible for staff management functions.

HR Challenges

The company faces several challenges:

1. There is no precise system to check a person's spoken English. Currently employers ask candidates to say a few sentences in English, but this method is not really the best and most efficient method because employees mostly talk about hobbies, free time and other easy things and not the company's activity or any other more complex topics.



2. Staff turnover and search for qualified specialists is not the biggest problem for the company, but it can interrupt the company's activity. It is very difficult to replace an employee who has left with a qualified employee, but the work cannot be interrupted. Most specialists who know their job and have experience already work in other companies and there are not many job-seekers. When a person with the necessary competences is found, he/she needs to be trained and this takes time and costs the company. Since the training lasts for three months, the company works three months without the required specialist. An existing employee is appointed to that position, who then helps the new employee to adapt, which again costs the company both financially and in respect of time.

3. Currently there is no good, productive motivation system, but it will be created.

Table 1 Human resources analysis (SWOT)

Strengths	Weaknesses
<ul style="list-style-type: none"> • The company is spread across 11 countries; • Ecological company; • Teamwork and intercommunication are encouraged; • English teacher is employed, who helps to improve the knowledge of the English language; • Paid overtime. 	<ul style="list-style-type: none"> • Frequent staff turnover; • Motivation system is not created; • Infrequent job analysis (once a year).
Opportunities	Threats
<ul style="list-style-type: none"> • Possible staff training; • Possibility to retrain; • Possible trial period. 	<ul style="list-style-type: none"> • Brexit; • Ageing society; • Competition with other companies.

Literature Review

Organisations start to pay more and more attention to staff search and selection through a careful selection of employees, assessment of their professional and personal qualities.

Staff search is a process where potential candidates are found to fill the vacant positions in an organisation. Later, an organisation selects and hires a one of those candidates, who corresponds with his/her qualifications and personal qualities to the needs of the organisation.

The qualifications necessary for a specific job is described in the job description, which can be used to compare the required qualification with the current qualification of an employee. Three outcomes exist when assessing if the candidate qualifications meet the requirements of a workplace:

- employee qualification is lower than it is needed for getting a position in an organisation;
- employee qualification is higher than it is needed for getting a position in an organisation;
- employee qualification corresponds to the required qualification

In the first and the second case, qualification does not correspond to the requirements for the position. When formulating requirements for the personal qualities of an employee, it is worth dividing them into three groups: specific requirements, abilities and achievements, individual features. In addition to that, a job candidate's qualities are divided into essential ones, those that are necessary for an employee to work skillfully, and desired ones, which distinguish a good employee from a very good one.



Every organisation wants its staff to have qualities that will lead to the success of its employees and correspondingly to the organisation's activity.

When formulating a list of the qualities of a job candidate, a "formula of an ideal employee" by A. Tumonytė (2007) can be referred to: 1) interested in job; 2) thinks of the benefit to an organisation; 3) team member; 4) ethical and loyal; 5) serious; 6) organised, tidy; 7) easy to communicate with; 8) moderately ambitious; 9) attentive to detail; 10) a specialist of one's work.

Staff selection. The perception of new employees of the behaviour in an organisation is influenced by the transparency and fairness of the selection process. Therefore, in order to attract and select people that will help establish or maintain the reputation of an organisation through fair behaviour, it is important that the selection process is implemented impartially and fairly, i.e. in the way that candidates would think that they were considered impartially, righteously, fairly. If future employees notice that during the selection process they are not assessed fairly, they may think that ethical behaviour is not important in the organisation and it has a negative effect on the perception of candidates on the performance of the future job and behaviour, which forms the attitude of employees towards the organisation itself (Weaver G. R., 2001). Besides, J. G. Rosse (1994) states that, if a candidate thinks that staff selection in a company is fair and reasoned, then, even if he/she is not offered the job, he/she still understands the selection system as an impartial one and his/her attitude towards an organisation is much more favourable.

The two most important questions raised during selection are:

1. Can a candidate do his/her job well?
2. Is the candidate suitable for the company?

Methodology

Type of research – quantitative.

Sample of research – 23 employees of the company.

Method of selecting sample of research - voluntarily completed questionnaires.

Method of data collecting – written survey.

Presentation of the research instrument - during the interview, the company Director was given ten questions. They aimed to find out the relevant staff management problems in the company and the existing system of staff selection. Employees were given a written survey, which aimed to determine the system for testing English language skills during selection (a system currently exists in the company) and to distinguish the possibilities of improving it.

Time and place of the research - 1 April 2019 Company office UAB "Greencarrier" service centre.

The employees were given 10 questions and we obtained useful information.



Findings and Analysis

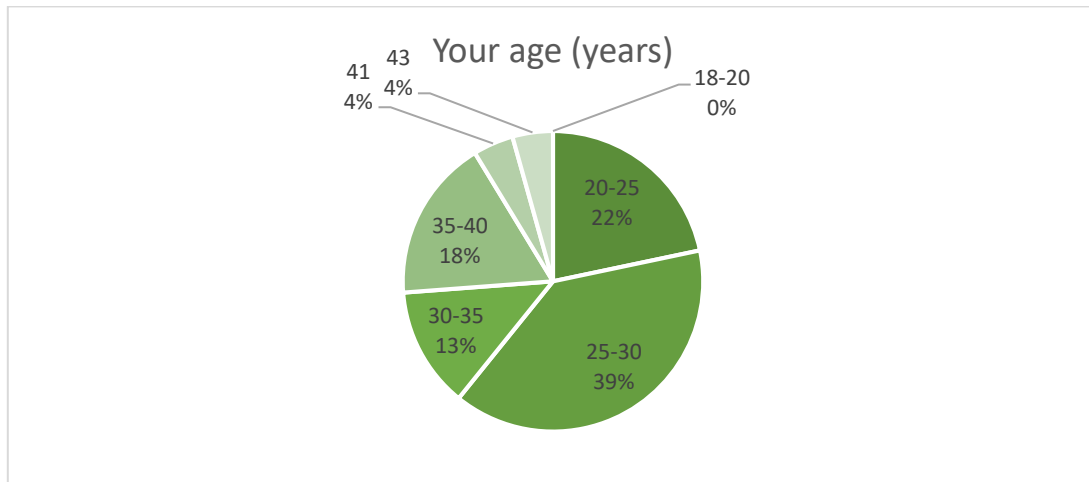


Figure2 Distribution of respondents by age

From the answers we can clearly see that the dominant age of employees is 25-30 years (39.1%). A slightly lower percentage (21.7%) of employees are 20-25 years old. This age is the most prevalent. From the survey we can see that the company only has two employees who are over 40 years. I think that older people do not find a job or retire early from employment because work conditions do not correspond to their personal needs, other reasons can be rapidly developing communication, complex recruitment possibilities, negative attitude of society, inefficient means of public policy and other factors. English is necessary in the researched company and according to statistics, more than 70% of young people under 30 years can fluently speak English.

People over 40 years are able to talk fluent Russian and Polish languages. It is much more complicated with the English language, because most people studied English not in a secondary school, but in a language school, where you have to put a lot of effort, devote a lot of time and money in order to start learning from the beginning and achieve a higher level than intermediate. And if a language is never used after courses, it is very quickly forgotten. Elderly people, who have never learned English, make up a very big part of the English language learners. Their main fear is that they are already too late to start. Fear is the biggest enemy of a person, which inhibits self-realisation of energetic and active people.

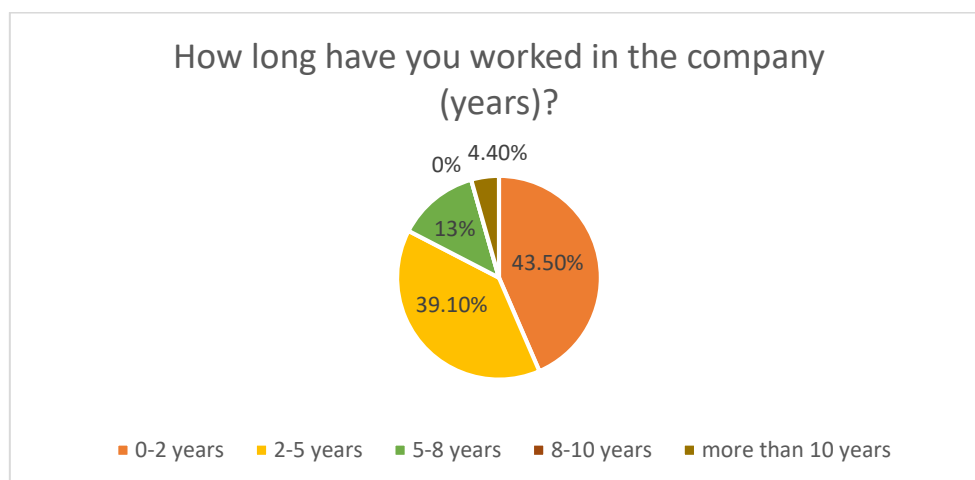


Figure3 Distribution by work experience in the company



Loyalty of talent is crucial for the continuity of organisational activity. By losing their talent, companies risk losing customers and their ability to assure service quality or to develop successors to managers. Most managers understand the importance of staff loyalty, but rarely think of the retention of company talent. Last year annual staff turnover in most Lithuanian companies exceeded 20%. More than a third of all employees in Lithuania intend to leave their jobs in the coming two years, most of them being employees in the fields of sales and IT. With the increase of the lack of specialists in Lithuania and all over the world, staff turnover is one of the most significant issues.

The responses of the survey reveal that 43.5% of employees are “novices”, who have the least experience and practice in their field of work. 39.1% have worked more than two years, however it is not a very good indicator. The number of those, who have worked in the company for 5-8 years, is very low – only 13%.

According to these indicators it can be assumed that the company suffers both direct and indirect costs. When an employee leaves, it causes a lot of direct costs to an employer, which are comparatively easy to estimate. They include the price of leaving, search and selection of a candidate, costs of employee induction, training, overtime to employees who replace the colleague who has left.

The exact price depends on a situation. For instance, hiring a good leader can take up to one year, and if job position is specific, it takes a long time to train a new person. For instance, it takes two years to train a young programmer to become a specialist.

Based on researches replacing an employee costs on average one fifth of his/her annual salary. This amount depends on the situation – it can be 5% and even 200% of an employee’s salary. However, in most cases, including direct and indirect expenditure, a 2012 review of empirical research by “Center for American Progress” suggests that it costs from 10% to 30% of an annual salary.

According to specialists, there is practically no number that could estimate the worsened reputation and impact to core values of a company. This part is the most difficult to estimate and the numbers are very relative.

How to decrease staff turnover?

According to management experts, the main factors that cause the desire to change a job are wage, relationships with superior and insufficient opportunities for development. The weight of these reasons varies for different generations and representatives of different professions, however, for the vast majority of employees they are the three priorities. If a salary is evidently low and does not correspond to the market average paid for those responsibilities, staff turnover is unavoidable. However, you cannot get loyalty, initiative and commitment to a job only for a good salary: employee involvement is to a great extent influenced by relationships with a superior and by working conditions. Thus, though staff turnover in a company cannot be avoided, given high costs of staff turnover it would be worth employers providing their employees with good working conditions, training opportunities and a fair salary for their work.

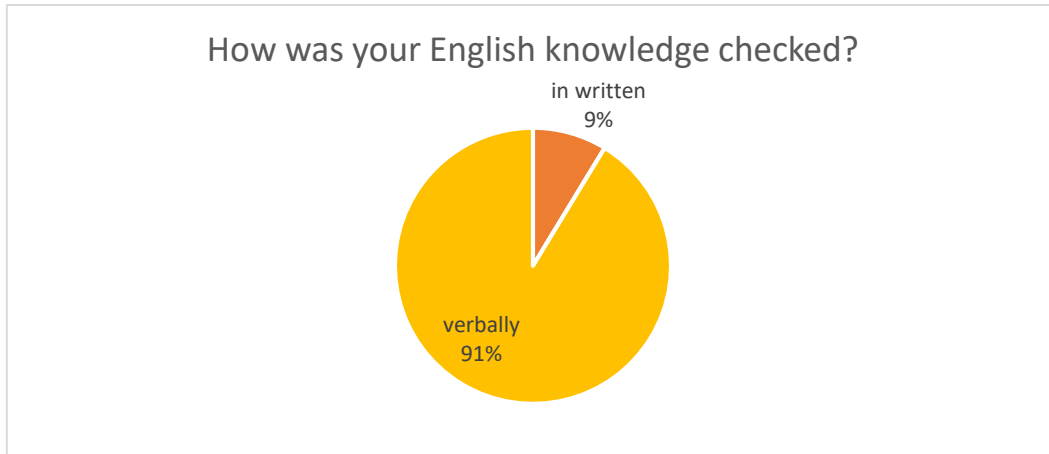


Figure4 Distribution by the method of assessment of English knowledge during selection

The majority of the surveyed staff (91.3%) said that their English knowledge was checked verbally. A small number of employees (8.7%) said that their knowledge of English was checked in written form. Since all the work in the company is done in English, the fastest way to check knowledge of the English language was to ask employees to talk in English.

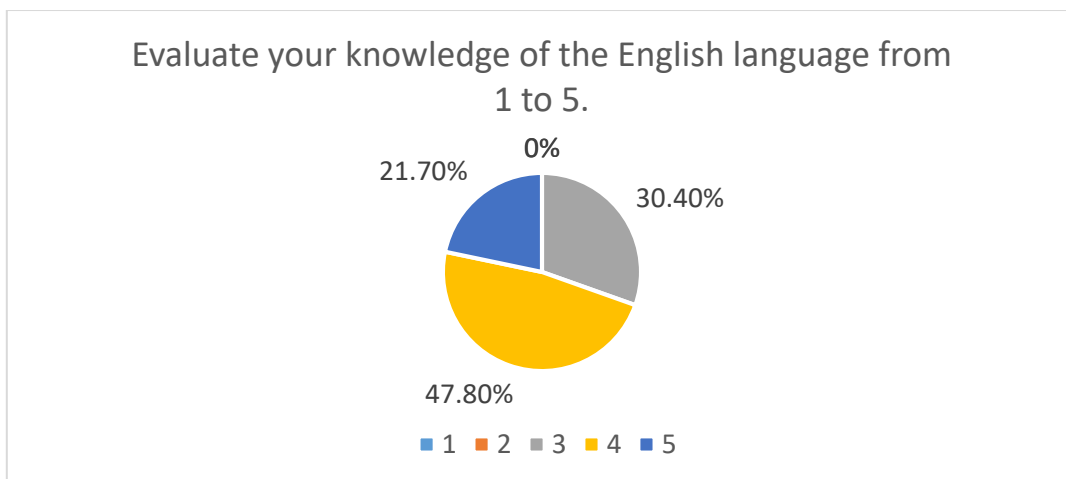


Figure5 Distribution by English language knowledge

The responses reveal that the majority of the employees (47.8%) think their English is very good (4 points out of 5). Other employees (30.4%) evaluate their English as average (3/5), and the remainder (21.7%) think that their English is excellent (5/5). The results of question No.5 revealed employees use English language in their tasks more than 50% of all work. Since English at work is a very important indicator, according to the results only 21.7% of the surveyed employees have very good knowledge of the English language. The employees who gave themselves 3 and 4 points, state that their English skills are good and average. However, here a question arises – if the English language is very important in the position taken, is the knowledge of English sufficient? From the results of question No.4 we can see that the arrival of an English teacher presents the opportunity to develop one’s English skills, but 43.6% of employees state that they do not attend the lessons, therefore their English level will not rise and their speaking skills may be insufficient in the position that they occupy.

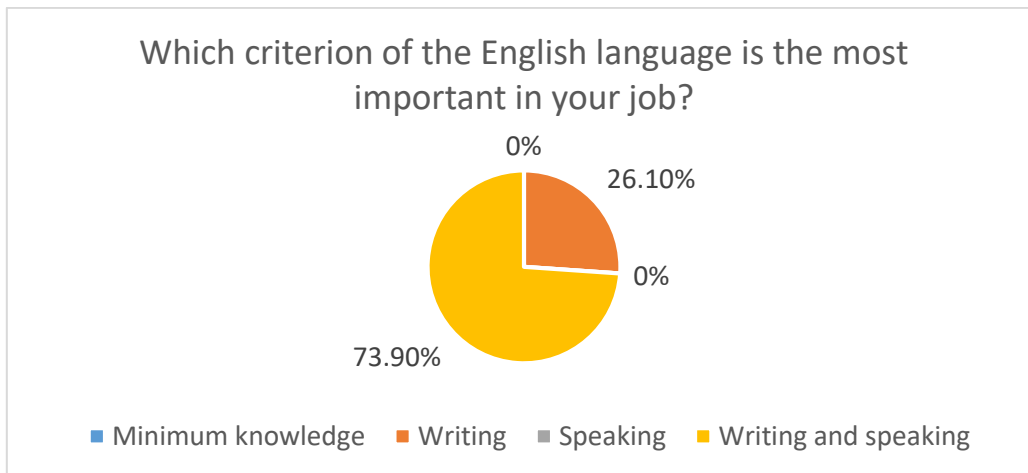


Figure6 Distribution by most important English language criterion

The majority of the company staff (73.9%) state that the most important criterion in the work that they do is writing and speaking. Whereas, 26.10% think that writing alone is the most important. During various processes happening in the company, it is necessary to communicate with customers from different countries. A part of the process takes place in groups communicating with colleagues and doing the given tasks. Thus, it can be concluded that in order to work in the company it is important to know both speaking and writing, but the knowledge of the English language is checked only verbally. In both cases the job in the company is done in English, but only speaking is checked, therefore here arises another problem – inappropriate checking of the English language knowledge.

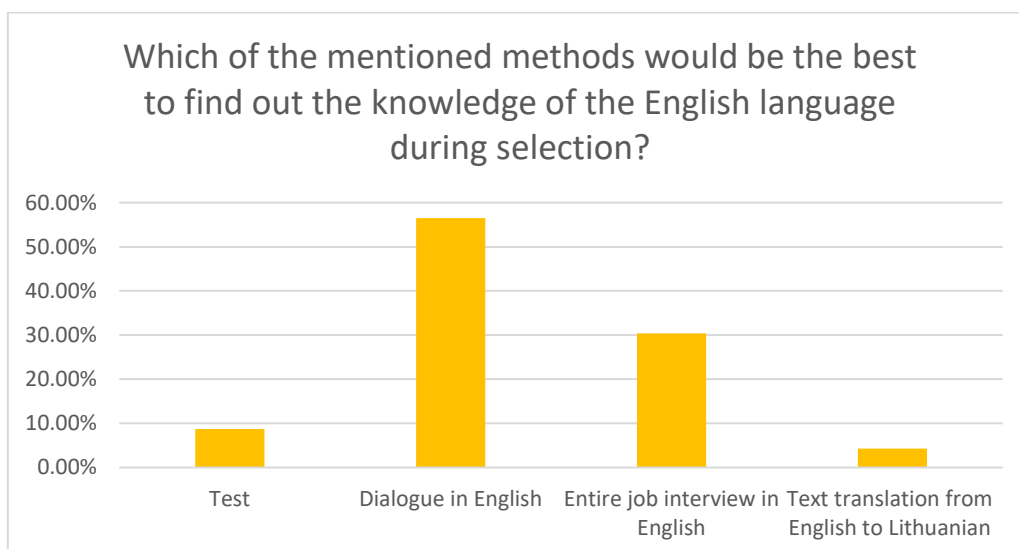


Figure7 Distribution by best methods to test English knowledge

The majority of employees (56.6%) think that a dialogue on some topic in the English language in a company would be the best method to find out a person's knowledge of English. Other employees (30.4%) think that the entire job interview should be conducted in English. Another group of employees (8.7%) think that a test could be the best way to find out the knowledge of the English language. 4.3% of the staff think that text translation from English to Lithuanian is also an efficient way to check the knowledge of the English language.



The majority of the responses suggest that a job interview should be conducted in English, that a candidate should talk about himself/herself, his/her job experience in English. Others suggested the requirement to talk in English without planning, so that the candidates cannot prepare in advance. Also, there was a suggestion to present one's CV in English. One employee said that a written topic could be given, for instance to write a letter to a client. While others responded that a talk on Skype could be enough.

Practical Human Resource Management Tool

Problem. Results of our study revealed that the English knowledge of most candidates was checked only verbally. Candidates perfectly know the most common requirements, which are checked during job interviews - several phrases are asked for and you can prepare for a minimum conversation in advance. Some employees are better at talking in English than writing, therefore in order to ensure the English language knowledge of the employees, several written tasks can be given. Only the check of the written knowledge would allow the company to find out about a person's knowledge of the language.

Solution. To give job candidates English tasks both in written and verbally. The main testing, which would determine recruitment on the basis of the English language and the person's ability to perfectly fulfill all the job functions should be - written work chosen by a leader, related to the activity of the company. For example, write a letter to a client or to another company on a job-related topic.

Example:

You have to write a letter to your client. The letter should be about late payment and a document. Remind your client that the payment is late and ask him/her to do the payment as soon as possible. After that, you have to ask your client for a document you do not have, because the client did not send it to you.

Dear Mr. Johnson,

...

Problem. Scepticism or an entirely negative attitude towards English lectures organised by the company, does not give better results because the employees miss the lessons or totally ignore the opportunity to develop. Since all employees need similar English knowledge and the majority said that they do not use additional lectures with the English teacher, this training should be made compulsory to those employees whose language knowledge is satisfactory.

Solution. To find out which employees need to develop their language knowledge and attend the compulsory courses with the English teacher.

TEXT PERCEPTION TASK

To us, the world is a place full of possibilities - we believe no challenge is too large or too small. Whether you need to ship your goods by the sea, air, rail, or road, we make it happen.

From our offices in the Nordic and Baltic countries, Eastern Europe, Central Asia and China, we offer sustainable logistics and supply chain solutions worldwide. We are present in some of the biggest ports and most important trading hubs in these regions, holding a strong position in the market.

Our Values - who we are and what we stand for. Our values are the foundation for how we do business in a responsible and sustainable way. We are happy to say that we work successfully together and have



fun at the same time. We pride ourselves on having passionate and committed staff. And we are not afraid of sharing our knowledge as well as responsibility.

History - a company built on values and knowledge The Greencarrier Group was founded in 2000 by Stefan Bjork and Bjorn Eklund. Right from the start, they had a clear vision of their future business - a company built on commitment, involvement, humour, and joy. And it turned out very much as planned. Our knowledgeable and skilled staff are the building block for today's successful company, offering our customers sustainable logistics solutions served by heart.

Text perception questions

1. In which ways can Greencarrier ship goods?
2. In which regions is Greencarrier present in some of the biggest ports and trading hubs?
3. What they are not afraid of sharing as much as responsibility?
4. What is written about under "Who we are and what we stand for"?
5. What is Greencarrier proud of?
6. What is the Greencarrier basis for how they do business?
7. Who established Greencarrier?
8. What vision did Greencarrier have at the start?
9. Who are the "building block"?
10. When was the Greencarrier Group founded?

Conclusion

Thus, when summarising the entire study, we determined that "Greencarrier" suffers a frequent staff turnover, because based on our survey data, most employees in the company work up to five years and job candidates are people aged 20-30. Moreover, analysis revealed that not all employees have a perfect knowledge of the English language, but most of them do not attend the lessons given by the English teacher who comes to the company. We have also found out that the English language knowledge of job applicants was checked only verbally, though based on the data of the survey, the job comprises both speaking and writing, therefore another problem arose – inappropriate check of the English language knowledge. After analysing the results we came to the conclusion that the best way to find out the English knowledge of a job candidate is verification of both speaking and writing, because both criteria of the English language are important in any position.

Reflections on HRM in EU SMEs

Our findings are important in that sometimes, because of lack of time, small and medium enterprises are negligent in verifying English knowledge of job candidates. This is because mostly speaking skills are checked during job interviews, even though the job also requires writing knowledge. Therefore, it is always important to check a person's knowledge in as many different ways as possible. Moreover, it is important for employees to use every opportunity for self-development. Therefore, companies organise different trainings, lectures, and in our case – lessons, because they want to improve the knowledge of their employees. However, employees might not be interested in such training, therefore they should be made compulsory, because it can help improve the activity of every company and encourage every employee to be motivated to work.



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