



Recruitment and Selection

Case Study #2 (GER2019): Dealing with responsibility challenges in SME's (Germany 2019)

Abstract

This case study is about responsibility and how to deal with it in growing medium-sized enterprises. It is an unfortunate truth that young people in particular quit their job because they are overwhelmed with the rapid rise of responsibility. Their personal development cannot keep up with the increasing responsibility. To find out whether or not applicants possess the competences required for taking responsibility, please refer to the practical tool in the appendix.

Introduction to the Organisation

It is essential to create efficient recruitment processes. Those processes are the key elements of a company's HRM activity. The process of recruitment can be defined as finding and hiring the most qualified candidate to fill a vacancy. Time and costs also play a major role in the process of finding viable future employees.

The company, acting as a sample in this case study, is a technical medium-sized enterprise called TremendousTEC Group (anonymised name). It was founded in 2002 but in 2009 it moved to a city near the border of western Saxony. The reason for that was a big increase in the number of employees. There is only one branch of this company, which acts as the headquarters. The SME employs around 140 workers and one third of them joined in the last two to three years.

As illustrated in Figure 1 there has been a growth in the number of employees in the company. One notable factor is the establishment of an HRM department in 2010, which could be one of the reasons for the company's faster development.

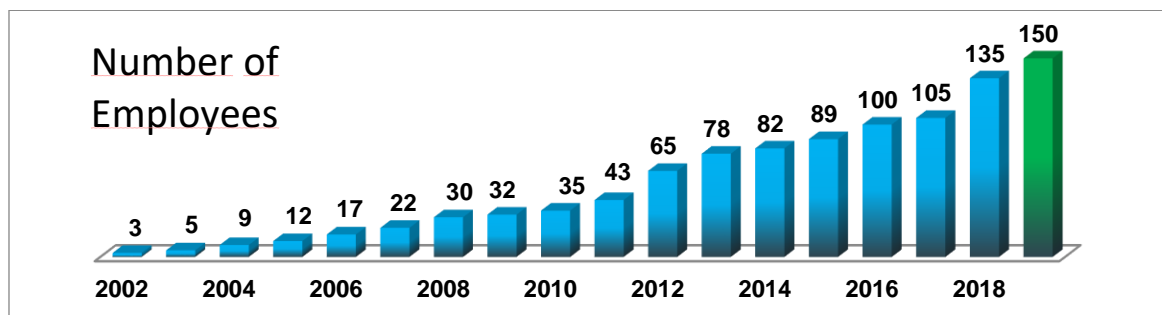


Figure 1. The Development of the Number of Employees (TremendousTEC Group, 2019)

The products of the TremendousTEC Group are network technologies and their included services. The Group developed measuring devices to find errors and flaws in machines. The services include the measuring and the analysis of machines, as well as the troubleshooting in network systems.

One of the biggest general challenges is found in the marketing department. Their products are mostly preventative measures and the problem is that nearly nobody invests in preventive steps if they have not yet had a bad experience. As a result, the marketing department has ten employees, which is an uncommonly big team for an SME.

In 2004 the company achieved their first sales of 1 million euros, but by 2018 sales had increased to 13-14 million euros, underlining their immense growth. There are many well-known partner companies in different countries like China, India, Russia, USA, South Africa and Brazil. Moreover, the TremendousTEC Group is supplying many famous companies including BMW, VW, Audi, Continental and many national partners.

HR Processes in the Company

The existing HRM department has two employees who have to deal with several different tasks to ensure a sustainable development.



Figure 2. Main HR processes in the company (own elaboration)

One of their most important tasks is the recruitment process. The vast majority of recruitment processes are resolved internally. However, when difficult cases occur, the department is forced to use external agencies. At this point in time there all application documents are received in paper form because an online application facility does not yet exist in the company.

Furthermore, they must deal with several different cases of employment law. Since most of the cases are individual, the time needed is often comparably high. Another time-consuming task are the staff talks. It is important to communicate with subordinates and supervisors to ensure a good working atmosphere as well as clearing up any ambiguities.

The HR Manager informed us that the development of salary models, which are new to the company, are important to the employees. The motivation of the workers can be increased or at least retained by using financial and non-financial benefits or other versions of payment.

Additionally, personnel marketing, for example, in the form of event organisation also counts as an important way of representing the company to gain the attention of the public. At last, the HR office is responsible for employer branding, which includes diverse internal and external methods.

HR Challenges in the Company

A well-known challenge that every company faces – the TremendousTEC Group being no exception – is communication. As mentioned earlier, the marketing department is unusually big, which leads to large time investment in terms of communication.

The HR Manager takes the view that the employees should leave if they want to. This implies there are enough prospective employees within the labour market to fill the role if someone leaves. Consequently, a main challenge is talent management – the intentional selection of staff that you can develop.

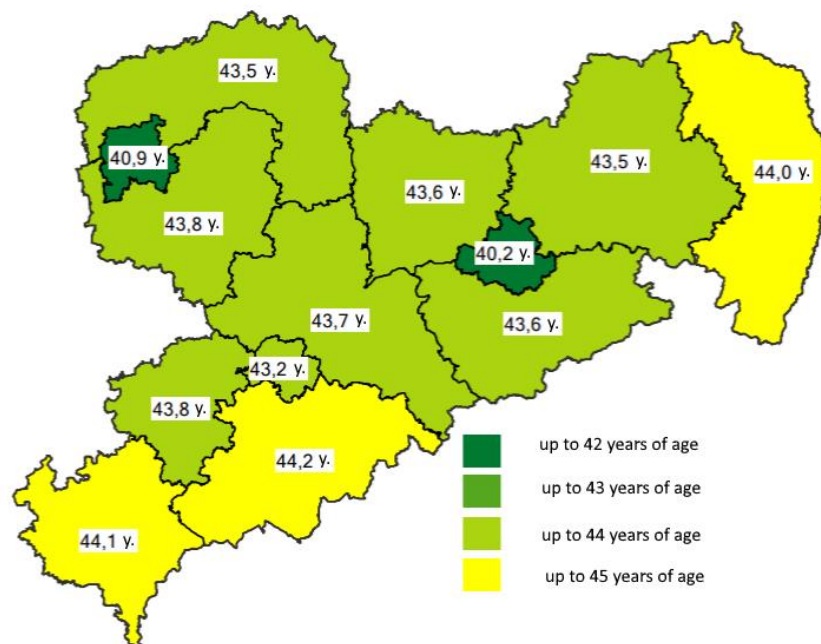


Figure 3. Average Age of the Employees in Saxony (Statistical Office of the State of Saxony, 2010)

As stated before, the company is currently undergoing huge growth that has led to a workforce with a young average age of 36 to 37 years. For comparison, the average age of employees in the Western Saxony region is about 44 years. This brings with it several different challenges. One of them is the huge time requirement needed for maintaining and implementing (i.e. employee training, completing employee data) the recruiting software, which the company has been using for one year. As a consequence of rapid growth, another key challenge is the need to support individual workers with their new responsibilities. This is especially challenging for young workers, since their personality development cannot keep up with the increasing responsibility. This task is hard to solve, which is why employees get overwhelmed and leave the company.

Goal Setting

Our main goal was to improve the recruitment process, especially in terms of the increasing responsibility faced by the workers. It is hoped that this case study can assist with this procedure in order to improve the chance of durable and sustainable growth.

The included practical tool is designed to offer a solution for evaluating an applicant's ability to take responsibility. It includes questions that can be tailored to every job interview.

Literature Review

To get access to our topic we need to have a closer look at some important literature. Our primary source for our work is the concept of the ten stages of recruitment and selection developed by Armstrong (2014). The following model provides an overview of the process. Here you can see the whole recruiting and selection process, split into ten different steps.

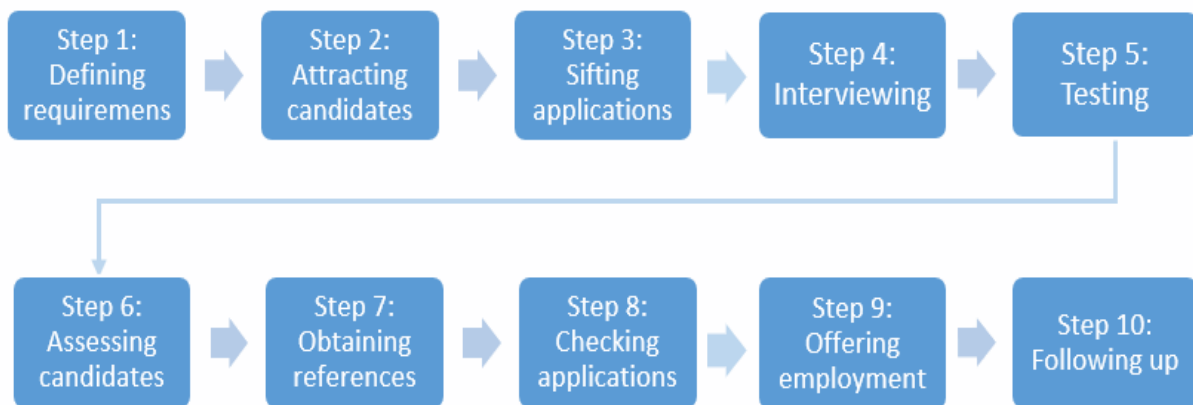


Figure 4. Stages of Recruitment and Selection (Armstrong, 2014)

First of all, we are going to take a look into each single phase of the model and connect the phases with ideas for a more successful selection and recruitment process. This is important because, in our opinion, the given processes in the TremendousTEC Group are failing if the young people are getting overwhelmed and leaving the company.

Step 1: Defining Requirements. In this step you can find two different opportunities. The more typical way are short-term demands, which often occur because of expansion, new posts or replacements. The more ideal way would be a workforce plan, which sets the required numbers and categories of people needed. Unfortunately, SME's normally do not have enough data to forecast their future.

The role profiles and person specifications are including the requirements. The TremendousTEC Group already defines the requirements and person specifications to include knowledge, skills, abilities, qualifications, training and also some special requirements like an extraordinary sense of responsibility.

On the concept of the role of recruitment and training in SME's, Abduli (2013), suggests that one of the most important processes in human resource management is the planning of the given and needed resources, because this step is the basic requirement for all other management activities.

The well-known saying: "Think before you act!" summarises this first step very well.

Step 2: Attracting Candidates. In this step it is necessary to identify potential sources of candidates. In addition to that, the strengths and weaknesses of the organisation should be evaluated using various



tools, i.e. SWOT analysis. This is the most important part of external employer branding. At this stage an inviting overview must be created to attract applicants.

Steps 3 to 6: Sifting and Testing Applicants. After first sifting out inappropriate applicants, the next step is to invite suitable candidates for a job interview. This is the most familiar method of selection because it involves a face-to-face discussion and the associated tests. At the end it is essential to evaluate the applicants and our practical tool can assist with this process.

Steps 7 to 8: Obtaining References and Checking Applications. Two of the last steps are including the obtaining and checking of confidential factual information – checking on completeness and authenticity. To do so the applicant should be asked about his/her former workplace and the included working conditions. Lastly, the human resource manager has to process the received letters of application.

Steps 9 to 10: Offering employment and following up. The final stage in the selection procedure - after everything else has been settled – is the offering of employment. The following up contains several different processes like the integration and the development of the worker.

Methodology

During our first visit to the company it was possible to gain a wealth of information about several different topics like the HR processes, the HR challenges and general information about the enterprise. The main method of obtaining that information was a prepared face-to-face interview. After this followed an analysis of the results and the next step was to go deeper into the specific issues that seemed to be most problematic. Therefore, some further questioning via e-mail and phone calls was necessary. Supported by suitable literature, this tool should provide numerous solutions for the TremendousTEC Group, as well as for other small and medium-sized enterprises.

Findings and Analysis

It is an unfortunate truth that young people in particular quit their job because they are overwhelmed with the fast rise of responsibility (HR Manager, TremendousTEC Group, 2019). Their personal development cannot keep up with the increasing responsibility. This is why the decision was made to write this case study.

Combining the use of literature and the researched information it was clear that the reason for this problem is found in the recruitment and selection process. In general, it is considered an ability to take responsibility, which is why it is comparable to other skills like teamwork, the organisation of various tasks or communicating effectively. All of those previously named capabilities – except for responsibility - are already assessable. This is one of the reasons why companies need to solve the problems at the start of the recruitment process. Armstrong's view on the whole recruitment and selection process shows that it is possible to split the process into ten steps. The enterprise is able to focus on finding the right future employee in every single one of those steps. For example, in the first step of attracting candidates, the company has to define normal as well as special requirements in the role profile and person specification. At this point it is already necessary to state that the advertised job is placed in a growing business. That is why the applicant has to keep in mind that the responsibility he/she has to handle will raise rapidly. After this element has been considered, applicants have the ability to decide whether they are able to operate in that working environment or not.



Since the increase in responsibility comes with a higher position, many people might feel attracted to join the company. For that reason, external employer branding is really important. Moreover, it is essential to mention that the fourth step of the whole process is the most relevant one because it enables the interview panel to observe a candidate's spontaneous facial expressions and gestures, thus giving them a fuller picture of the person. That is why answers are more honest and it is easier to detect lies. The practical tool was created to unmistakably ensure that the applicant fits the job profile or not.

Practical Human Resource Management Tool

The practical human resource tool includes prepared questions for interview stage. It is designed to only be seen and used by the interviewer, who reads out the questions specifically to find out about the applicant's willingness to take responsibility. Through a rating scale, the interviewer is able to compare several applicants. Furthermore, the questionnaire is only intended to capture the interviewee's opinion on taking responsibility as there are no particularly wrong answers. The key feature of the tool is that it asks the applicant how they would respond to a series of scenarios. While possible answers are given, the example situation still needs the personal evaluation of the HR Manager because the applicant should not know the sample answers.

To complete the final rating the interviewer has to assess the received answers. Therefore, a scale from one to five – lower equals worse – is the base to give every applicant a certain score. Thus, a comparison between each individual candidate is possible. Possible downsides to the practical tool are, for instance, the fact that the human resource manager takes a big accountability for making personal evaluations and therefore may not be as objective as required.

The practical tool has been designed as an easy and self-explanatory tool for use by small and medium-sized enterprises that consider themselves growing businesses.

Conclusion

It is not a secret that every enterprise has to deal with several human resource challenges and processes, but especially in small and medium-sized enterprises, many of those challenges occur because of a lack of specialist knowledge. These not so advanced processes are often the main cause for those challenges and problems. The particular problem of employees finding increased levels of responsibility too much to handle usually exists in growing businesses.

It is essential for SME's to understand the importance of a well-executed recruitment and selection process. With the help of Armstrong's model, it became apparent that the whole process of recruitment and selection includes - in all of the ten steps – numerous elements, which can determine whether the future possible employee is able to take responsibility or not. If it turns out the employee fails to cope because of the rapid increase of responsibility, this not only presents a problem for the employee, but also reflects badly on the employer for not including the right steps in their recruitment and selection process. All in all, the whole company's success starts with the employees, thus making them the most valuable resource of the company and the process of recruiting indispensable.



References

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Appendix

Company Symbol

Name of the Company

Evaluation sheet on responsibility

General Information

Name of the Interviewer:

Date:

Name of the Applicant:

Guidelines

Complete the evaluation form using the following key:

1 = *poor answer*

2 = *adequate answer*

3 = *fair answer*

4 = *good answer*

5 = *very good answer*

Questions about Taking Responsibility

The interviewee should react to the following situations from his/her own perspective.

Evaluate the statements between 5 (very good answer) and 1 (poor answer) to be able to create a rating at the end.

(5) =
very good

(4) =
good

(3) =
fair

(2) =
adequate

(1) =
poor

You are reluctant to rely on others, even if you can make your own decisions after good preparation.

If there are conflicts in the team, you are especially concerned about finding solutions.



Although compliance in the company is very important, there are situations where you have to override the regulations to do something good.

You can do a great deal for yourself to achieve your own goals in life.

Sometimes it's best to "bury your head in the sand" and just wait and see what happens.

You like it when important decisions are made not by you but by your supervisor.

Example Situation

Make the respondent familiar with the following example situation.

For easier evaluation, sample answers are given, but they should not be mentioned to the candidate.

A project in your department must be completed by the end of the month. The head of the department explains to you, as a responsible employee, that in his opinion it is not possible to complete the project within the given time frame and that one would rather save the resources still needed. You are convinced that it is possible for you to finish the project with the calculated resources in the given period. How would you react?

- (10) "Even if my superior is against it, I act on my own responsibility"
- (8) "I convince my supervisor and stick to the project"
- (6) "I would like to continue the project, but I want to avoid a conflict with my supervisor"
- (4) "I drop the project, but point out to my supervisor that, in my opinion, the project would have been possible"
- (2) "I listen to my supervisor and drop the project without argument"

Final Rating

The applicant scored _____ / 40 points.