

NEAR EAST UNIVERSITY

BUSINESS ADMINISTRATION



MAN 400

HUMAN RESOURCE MANAGEMENT
RECRUITMENT AND SELECTION

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ABSTRACT

In parallel to the developments in and around an organization the organizations should evaluate their situation and take action in order to be able to compete with the new competitors. In Cyprus for example opening of the borders is a new situation and the Turkish businesses need to compete with the Greeks. In order to compete the organizations should look into their human resource strategies.

The objective of our study is to learn about the HRM strategies of the SME's around the world in order to adapt to the local businesses. The focus will be on the shortcoming of the human resources and importance of recruitment and selection of the new personnel. The report will focus on a state organization that we will name as HCG

Human resource management is also receiving increasing attention from the Turkish organizations. Furthermore there are many large organizations such as the Koc and Sabancı group who are spending considerable effort for quality and performance issues.

Recruitment and selection comprise the important HR functions of the organization. It fulfils the critical need of finding qualified staff to spur organizational growth.

HCG has very little openings in the permanent staff section through occupants leaving the company, but certainly through acquiring new projects.

A person applying at HCG for a junior position should have at least a bachelor's degree. In general, HCG is constantly searching for professionals to work on long-term and short-term assignments around the world. Human resources management at HCG is a pro-active process, which effectively utilises the most suitable sources of supply to meet the demand.

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I-INTRODUCTION

1.1 What is the Human Resource Management?

In parallel to the developments in and around an organization the organizations should evaluate their situation and take action in order to be able to compete with the new competitors. In Cyprus for example opening of the borders is a new situation and the Turkish businesses need to compete with the Greeks. In order to compete the organizations should look into their human resource strategies. There are a few characteristics of Cyprus in respect to be identified in relations to the human resource management. Firstly the size of the enterprise is small compared with the world standards. Secondly the business environment is subject to an abrupt change. Finally the organizations, mainly the state ones are over employed.

The proposed project will be about the human resource management under the changing environment, the study will focus on the characteristics of small businesses and how they deal with the human resource concept. Finally a case study will focus on a typical overcrowded organization with excessive employment. The project will focus on the importance of recruitment and selection process. The report will end with proposals for the TRNC organizations to improve their conditions.

The term Human Resource Development (HRD) and Human Resource Management (HRM) are now the most widely quoted acronyms in the present day world of the 21st century. Its concepts and applications extend from micro-dimensions at the firm levels, through national level in the macro perspective up to the global spectrum. (Graham and Bennett, 1998)

Its definition and interpretation is also as wide-ranging as it is specific in the light of the context in which it is referred. The broad-based definition refers to the maximization of the human potential as well as the promotion and fullest utilization for economic and social progress.

In the macro context HRD is characterized as a series of activities conducted within a specified time and designed to produce behavioral change ... where its most common manifestations are training (learning for the present job) and education (learning for the future job).

Human resources are fittingly acknowledged as the key ingredient for organizational success, assuming greater emphasis as contributing to its overall effectiveness, spurring most dynamic and vibrant challenges in government as well as in business.

Rapid changes in the demographic, socio-economic and technological arenas naturally call for the most pressing need to formulate and operate new approaches in the management of human resources.

As organizations become more diverse, management programs need to be tailored to fit the unique needs of both the employees and the organizations they work for. Not only that the procedures and practices need to be changed with the change of nature, composition, direction and scope of the organizations, but we will also have to anticipate and prepare for the future changes that will accommodate them.

Typically HRM refers to those functions undertaken by an organization to effectively utilize its human resources which include: human resource planning, staffing, performance evaluation (appraisal), training & development, compensation, labour relations benefits, in-house communications etc.(Hendry, 1995)

Human resource planning process involves anticipating an organization's business demands and providing the necessary staff to meet the demands. In brief, human resource planning involves two critical factors: the supply and demand. To carry out the human resource management programs, plans must be developed to take into account jobs to be done and the availability of skilled and general workers to do them. Thus the development, implementation, evaluation of personnel, procedures

and programs constitute the overall planning of any functional organization. There are again two factors in such planning process: HR planning involving the organization, and career planning, involving the individual workers in the organization. Human resource planning also includes all the techniques used in organization to predict future employment needs, and to plan recruitment, promotions, terminations, retirements and so on. The plan must moreover take into account organizational growth, changes in the market, and in the external and internal labor force.

1.2 Objective of the Study

The objective of our study is to learn about the HRM strategies of the SME's around the world in order to adapt to the local businesses. The focus will be on the shortcoming of the human resources and importance of recruitment and selection of the new personnel. The report will focus on a state organization that we will name as HCG for now. The state organizations are excessively staffed. After explaining the excessive staffing problems we will provide them with a scientific approach which can accurately tell them the areas of overstaffing and the head counts. Finding the problem is not the only purpose, our goal is to solve the problem. Keeping this in mind, we will first formulate the following relevant questions as a starting point to provide the full solution of reducing staff cost. They are: how do you know that they are over staffed; what to do to reduce staff cost; how to improve the productivity of the staff; and, what to do with the underutilized staff.

Interviewing with management of HCG Company is the major avenue we get to know the inside and out of the company. Prior to making any suggestions, we had scheduled a few interview sessions with managers of HCG Company. They are human resource manager, purchase and sales manager, finance manager, party secretary, assistant general manager, and so on. In the interviews, managers

introduced the company's current and historical situations within their expertise and function areas.

2. HUMAN RESOURCE MANAGEMENT CONCEPT

Development is improving the way things are done. A developed car is a car with a newer shape, additional features and greater performance with probably less cost of running. Developing the human resources mean that the same number of human resources will be able to produce more and better products and services. The main purpose and objective of human resource development is to use the human resources in the most efficient way. HRD is not just a way of doing things. It is a series of activities conducted within a specified time and designed to produce change of attitude. In other words it is a way or a tradition of new approaches. A company can develop its human resources by improving its recruitment and selection system and also make improvements in quality and performance by certain activities such as training (learning for the present job) and education (learning for the future job).

Human resources are now accepted as most as the key condition and requirement for organizational success. Success of human resource management is only possible if the management realizes its importance and assumes greater emphasis to contribute to its overall effectiveness, encouraging most dynamic and vibrant challenges in the organizations.

Organizations need to watch out for changes and adopt new strategies to overcome the negative effects of these changes. Rapid changes in the demographic, socio-economic and technological arenas naturally creates need for the most to formulate and operate new approaches in the management of human resources. The human resource strategies need close watch on the market conditions. Labor market for example is closely related to the human resources approaches. Abundance or shortage of human resources need important policy changes.

Competition is increasing with the globalization of the world economy. Human resources and new management systems are becoming increasingly more important. The new industries and products as well as services that are likely to emerge will require that organizations tend to work with people in innovative ways. The demands for quick response, quality and flexibility will certainly call for organizing project teams, cross-functional work groups, quality circles etc. Organizations and managers need to be constantly on the watch to help integrate functional departments and units into the mainstream of events. These forces will all combine to create a dynamic and fast-moving environment in which employees will demand much more sophistication in the procedures and practices of management.

As organizations become more diverse, management programs need to be tailored to fit the unique needs of both the employees and the organizations they work for. Not only that the procedures and practices need to be changed with the change of nature, composition, direction and scope of the organizations, but we will also have to anticipate and prepare for the future changes that will accommodate them.

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The following steps need to be observed in the HR planning process (Torrington, D. 1991):

1. Establish organization objectives and HR needs;
2. Assessing the skills and experience of current employees;
3. Analysing the future availability of employees;
4. Planning recruitment and development programs to meet future human resource needs;
5. Evaluate human resource planning programs;
6. Developing HR plan to identify and maintain competitive advantage.

Another important aspect of management development is career planning. Human resource plan considers the future needs of the organization and the career plan considers the future needs of the individual worker in the organization. Thus the management of the organization is necessary to create conditions such that all employees are able to make the greatest possible contribution to the organization they serve. Thus career management and career development programs are essential for all employees as much as it is also in the best interest of the organization. By developing competent employees the organization improves overall performance, and generate conditions whereby they can create a talent pool from which to draw future managers and higher-level professionals.

The concept of human resource management has become increasingly important in the work environment. Business organizations are under increasingly important

pressure to compete with similar organizations. Internationalization of finance and trade has increased the pressure even more. Due to availability of adequate finance the investors are now able to invest in new businesses anywhere in the world. For example, two investors with equal amount of capital can make investment in the similar part of the world to produce the same product. Their cost of inputs such as the raw materials and energy may be of equal value. The labor cost is also similar. Yet these two organizations will compete with each other and one will be more successful than the other. Obviously the more successful organization will be the one that utilizes its human resources. Production per employee will identify the performance of the each organization. More recently, the issue of whether to situate the HRM debate in the organizational or the international context has arisen (Sparrow & Marchington eds, 1998). This is because organizational responses such as delayering, empowerment, work intensification, flexibility and redundancy appear to have gained as much weight as the macro-environmental drivers of HRM such as competition, technology, economic recession and political change (Anthony et al, 1996). Change in the external environment triggers organizational responses which may take the form of restructuring, mergers, acquisitions, splits and cost cutting, which in turn trigger human resource management responses reflected in adoption of new employment patterns and new employer-employee relationships (Hendry, 1995).

HRM has assumed varied meanings and implications. While it has been used as a synonym for personnel management by some, (Storey, 1992), there is a general agreement that the adoption of HRM signals a more business oriented and business integrated approach to the management of people. While some writers have questioned if HRM is a map, a model or a theory (Legge, 1995a) others have proposed typologies (Storey, 1987; Hendry, 1995) and some have proceeded to make empirical observations to confirm the presence of these typologies in organizations. Among the typologies proposed, the soft and hard HRM orientations are the most acceptable and the subject of conceptual constructions and empirical enquiries. The soft version of HRM is linked to the human relations school while the hard HRM

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pressure to compete with similar organizations. Internationalization of finance and trade has increased the pressure even more. Due to availability of adequate finance the investors are now able to invest in new businesses anywhere in the world. For example, two investors with equal amount of capital can make investment in the similar part of the world to produce the same product. Their cost of inputs such as the raw materials and energy may be of equal value. The labor cost is also similar. Yet these two organizations will compete with each other and one will be more successful than the other. Obviously the more successful organization will be the one that utilizes its human resources. Production per employee will identify the performance of the each organization. More recently, the issue of whether to situate the HRM debate in the organizational or the international context has arisen (Sparrow & Marchington eds, 1998). This is because organizational responses such as delayering, empowerment, work intensification, flexibility and redundancy appear to have gained as much weight as the macro-environmental drivers of HRM such as competition, technology, economic recession and political change (Anthony et al, 1996). Change in the external environment triggers organizational responses which may take the form of restructuring, mergers, acquisitions, splits and cost cutting, which in turn trigger human resource management responses reflected in adoption of new employment patterns and new employer-employee relationships (Hendry, 1995).

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Beardwell and Holden (1997:6) are more cautious and choose to present HRM as a debate representing four perspectives. Firstly, they state that HRM is simply a renaming of basic personnel functions. Secondly, HRM is a fusion of personnel management and industrial relations. Thirdly, HRM is a wider conception of the employment relationship incorporating an enabling and developmental role for individual employees and lastly HRM is part of the strategic managerial function in the development of business policy. The writers also point out critical questions that have been asked about HRM regarding whether it is practitioner-driven, an academically derived prescription or a prescriptive model. They conclude that owing to the varied conceptual meanings and contradictions there is no universal definition of HRM, but all the same acknowledge that HRM is an innovative concept that addresses the fundamental question of managing employees in new ways and with new perspectives.

Based on the above definitions, it appears that HRM is more than a practice. It is not only located within, but also meshed with the larger framework of the organization's business strategy. This is in contrast to traditional personnel management that has been described as reactive, instrumental and mostly concerned with administration and implementation of policies and procedures (Torrington, 1991). Storey & Sisson (1993), in contrasting HRM and personnel management, indicate that personnel management imposes compliance with company rules and procedures rather than loyalty and commitment to the firm that is expected under HRM.

It appears that, the style of management expected in an HRM environment is one that emphasizes self-control, commitment and exercise of initiative, thus, transforming managers into enablers, empowerers and facilitators (Storey, 1992) rather than enforcers of rules and regulations (Guest, 1989). As such, HRM appears to imply a distinctive approach to employment management, which not only seeks to obtain competitive advantage through the strategic deployment of a highly committed and skilled workforce, using an array of cultural, structural and personnel techniques

(Armstrong, 1999), but also one which strives to achieve fit with the organization's business strategy (Brewster, 2000). This means that effective human resource management does not exist in a vacuum, but must be related to the overall strategy of an organization (Guest, 1998)).

The strategic view of HRM has the connotation of the use of planning and a coherent approach to the design and management of personnel systems based on an employment policy and manpower strategy underpinned by some philosophy (Beardwell & Holden, 1997). In addition, this view implies matching HRM activities and policies to some explicit business strategy and seeing the people of the organization as a strategic resource for achieving competitive advantage (Brewster et al, 2000). The emphasis in HRM therefore is on planning, monitoring and control rather than on problem - solving and mediation. It is largely identified with management interests and is a management activity more than it is an employee's activity (Storey, 1992).

From the foregoing, the central theme that describes what HRM is appears to be the *integration of HR policies with the organization's business plan* (Guest, 1989; Storey, 1992; Hendry, 1995; Brewster et al, 2000) such that the locus of responsibility for human resource management issues no longer resides with only specialist managers, but with line management (Legge, 1991;). As such, HRM can be described as a managerially derived and driven set of precepts involving not only personnel management, but line management as well (Storey, 1992, 1995; Towers, 1996). HRM also implies a shift of focus from manager-trade union relationship to management-employee relations and from collectivism to individualism. Torrington (1991) observes that human resource management seeks to eliminate the mediation role of trade unions by adopting a unitarist frame of reference. In the industrial relations context, Swanepoel (1999) explains the unitary perspective as referring to the views of those who regard management and employees as having identical interests such that workers cooperate with management and work together as a team

by seeking to assist management achieve its objectives. Unitarism means HRM seeks to implement measures designed to motivate workers, communicate details of organizational goals and construct policies for securing employee loyalty and commitment (Armstrong, 1999). While the unitarist perspective is increasingly becoming a major aspect of HRM, it has been criticized for failing to comprehend the motives of individual employees and for failing to accept and recognize the inevitability of conflicts of interest between management and workers (Storey & Sisson, 1993).

3. DEVELOPMENT OF THE HRM CONCEPT

Although the human resource development or management is relatively new concept in countries such as Turkey and Cyprus, it has been in agenda for many decades in the western countries. HRM was initially used by some American firms before any theory of HRM was developed. This was probably due to the ideas proposed by economists such as Gary Becker about people as human capital (Hendry, 1995). However, the large scale adoption of HRM titles and practice first in America and later UK and internationally signaled larger ambitions (Legge, 1995a). HRM writers in their preambles all agree that HRM emerged as a response to specific challenges faced by firms. Hendry (1995) explains that HRM was born out of perceived failure by American industry and management in the face of Japanese competition in international and domestic markets. The belief was that American firms failed to inspire the same kind of commitment that characterized Japanese firms. Ouchi (1981) cited in Hendry (1995) compared American and Japanese management values and concluded that American firms were characterized by job insecurity, quick promotion (in contrast to Japanese pillar of seniority progression), specialized careers, bureaucratic control, emphasis on individual decision making and responsibility and narrow focus on departmental interests. As such, it appeared that the short-term, non-strategic orientation of American firms was closely associated with the ideals of

individualism rather than loyalty and collectivism. In pursuit of such short-term profit goals, American firms emphasized cost reduction measures such as removal of discretionary expenditures like training and research and reducing employee headcount.

Apart from differences in values, the emergence of HRM is further attributed to the pressures experienced in the product markets during the 1980-1982 recession in the United States of America; the decline of trade unionism; challenges emanating from overseas competitors especially Japan and declining rates of innovation in American industries (Beardwell & Holden, 1997). These developments sparked the desire to create a free work situation in which the employer and employee worked towards the same goal - the success of the organization. Elsewhere in Europe, the emergence of HRM has been linked to the internationalization of competition as a result of gradual reduction of barriers to trade globally and the reform of the public sector involving privatization of state corporations that had the effect of marginalizing trade unions. Pinnington & Edwards (2000), explain that in the UK in particular, such change was meant to introduce a business and market culture into a bureaucratic and an inefficient public sector and stimulate competition, which the UK was losing to the rest of Europe. The government engineered political as well as economic policy measures that facilitated the uptake of HRM by both private and public sector organizations. Deregulation of the labour market for example, aimed to remove barriers to a more flexible labour market caused by strong trade unions and employment protection legislation that prevented employers from adjusting the size of their workforce. As a result, relaxation of employment protection legislation and anti-union legislation encouraged firms to introduce new labour practices and reorder collective bargaining practices. In addition, persistently high levels of unemployment gave employers more leverage in dealing with their workforce, the reason being that a large pool of potential labour makes employees wary of taking any action that is likely to antagonize management and cause job losses. The Handy (1989) and McCormick (1987) reports highlighted the poor performance of British management

due to low levels of training thus, prompting the shift of human resource matters from personnel management level to top management. At the same time the influence of the excellence literature of Peters and Waterman (1982) and Kanter (1984) shifted the focus of British managers to employee commitment and empowerment. It appears therefore that changes in the environmental context made HRM not only an attractive option to counter competitive pressure, but also easy to implement. It is from these beginnings that a proliferation of literature emerged from both academicians (see Storey 1987; 1991; 1992; 1995; Legge, 1991; 1995; and Guest, 1987; 1991; 1998) and practitioners in the field of people management, for example Armstrong (1999, 2000) and Torrington (1991; 1998)

While HRM has received considerable attention in Europe, America and other industrialized countries of the world, it is only recently that some interest has been directed at the status of HRM in developing countries. The newly industrialized countries of Asia that are also perceived as a major source of competition to Western economies are drawing much attention from both Western and Asian writers under the banner of international HRM. On the other hand, less developed countries especially in Africa have received limited attention. It has even been suggested that the employment relationships in such countries are not conducive to adoption of HRM practices. This, however, is controversial as the contingencies of specific countries and organizations determine their favourableness to HRM (see for example, Jaeger & Kanungo, 1990; Blunt and Jones, 1992). At the same time most firms are multinational with parent companies in Western countries. It would be expected therefore, that, if HRM practices are transferable, then HRM is practiced even in the less developed countries of the world.

Human resource management is also receiving increasing attention from the Turkish organizations. Furthermore there are many large organizations such as the Koc and Sabancı group who are spending considerable effort for quality and performance issues.

4. RECRUITMENT AND SELECTION

Recruitment and selection comprise the important HR functions of the organization. It fulfils the critical need of finding qualified staff to spur organizational growth. Employee advancement, separation and job change are normal occurrences within any organization, which in consequence create a need for finding new employees to fill the gap. A simple but concise definition of 'recruitment' is as follows:

"recruitment is searching for and obtaining potential job candidates in sufficient numbers and quality, to enable the organization to select the most appropriate people to fill its job needs." (Cascio, 1998)

4.1 Alternative Recruitment Strategies

There are two main methods of recruiting, internal recruiting and external recruiting. Commonly for positions above the entry level the acceptable source of applicants maybe from within the organization itself. Finding qualified applicants within its own parameters is the main objective of internal recruiting. There are several methods for locating the suitable applicants for the vacancies. One method is self-selection by employees on the jobs vacant considering their qualifications and experience. The next method is selection through skills inventory of employees maintained by the organizations. In the present day computers have made possible the creation of data banks recording the complete dossier of the qualifications of each employee within the organization. These computerized records allow an organization to screen its entire work force in a matter of minutes to locate the suitable candidates to fill an internal opening. These data can also be used to predict the career paths of employees and to anticipate and project when and where promotion opportunities may arise (Armstrong, 1999).

Another method used for internal recruiting is through 'job posting and bidding'. This process consists of job vacancy notices on bulletin boards, and may include use of designated posting centres, employee publications, special announcement handouts, direct mail etc. Employee referrals also constitute a useful method. In some organizations employees in good standing had to be laid off due to downsizing of staff. Recalling these employees also form part of the internal recruiting method.

External recruiting is another commonly used method. There are many sources from which potential candidates may be tapped, for example universities, colleges, other educational institutions, public and private employment agencies, professional association, and media advertising, and in rare cases unsolicited applications.

There are positive and negative advantages recruited through internal sources. Some benefits of internal recruitment can be itemized thus: improves moral of promoted staff; provides managers with better assessment of the abilities of promoted staff since their performances have been observed from within over time; budget savings as it is less expensive than outside recruitment, and finally reduces training costs and time. The disadvantages can pose a serious threat to the organization in the following ways. Such inbreeding diminishes the flow of new ideas over time; cause morale problems among those employees skipped over for promotion; tendency to foment conflict attributable to those with affinity to management versus those who are adverse to management.

The similar conditions exist in the external recruiting process. On the positive side the major benefits are: it brings new blood and new ideas into the organizations; provides a fresh look; avoids many inter-personnel, inter-sectional problems which internal recruiting creates; and finally offers good media coverage as to the reputation of the organization. The disadvantages are that it is not easy to find a good fit with the culture and management philosophy through external recruiting; job-orientation takes

longer time, & finally morale problems also persists that internal employees are denied chances to advancement (Beardwell & Holden 1997).

Selection of candidates follow after the recruitment procedures are completed. Thus the selection undertakes to consider those candidates who applied for respective jobs and deciding which ones should be given the appointments. Current literature reviews state that the selection process typically consists of eight steps, (1) initial screening interview, (2) completing the application forms, (3) employment test, (4) comprehensive interview, (5) background investigation, (6) a conditional offer, (7) medical or physical examination, and finally (8) the permanent job offer (Fisher et al., 1999).

While the selection program and process are typically the responsibility of the HR department, managerial and supervisory personnel in all departments of an organization also have an important role to play. Thus it is imperative that they understand the objectives and techniques relating to selection. They should be thoroughly trained in the most effective and acceptable approaches for evaluating applicants and should be motivated to use them. Selection also calls for reliability, consistency and validity, i.e. accuracy of the selection process in assessing the candidate. The final decision to select a candidate should be based entirely on performance, and not be discriminated on grounds of sex, race, national origin or other considerations.

Employment interview has a very important role in the selection process. Interview comes in many forms, group interview, panel interview, one-on-one interview etc. Interview board may also consist of one person or several members of the organization.

Among the many interview methods currently in fashion, the most common are: non-directive interview, depth interview and patterned or structured interview. Non-

directive interview allows the candidate freedom in expressing his experiences and viewpoints with a minimum of interruption by the interviewer other than to channel him to the main bounds of the exercise. Such method helps understand the candidate's attitude, disposition which may tend to be concealed in structured type questioning. Such method is useful to interview candidates for high-level positions. Depth interview goes a little deeper to bring out the critical areas of the candidate's life and experiences, and his rationality. Patterned interview evolves around highly structured and detailed set of questions on specially prepared format.

Employment tests also occupy a viable position in the HR programs. These tests are used to highlight psychological, personality aptitude, mechanical aptitude and dexterity, management and industrial skills and proficiency, as well as secretarial and clerical skills. It is employed as an objective and standardized measure of a sample of behaviour to understand a candidate's abilities, aptitudes, interests or personality traits in relation to other individuals. Skill tests are conducted in many different ways, such as group-testing, individual testing, paper-and-pencil testing, instrumental testing. With the development of computer technology, more sophisticated mode of testing to bring out cognitive, conceptual and psychomotor abilities are used by research psychologists in selecting the most qualified candidates for the organizations.

As the world moved into the 21st century new issues and challenges confront the human resource management programs and practices. Such issues have far reaching implications in the large as well as small and medium sized organizations. As the business organizations expand rapidly as a result of globalization superior talent has come to be increasingly recognized as prime motivators especially in high performance organizations. Thus the ability and strategies to attract and retain such superior talent has become a hot topic and one of the key issues for the human resource management and their respective business corporations, at home and beyond, in both the developed as well as the emerging countries. In the wake of the

rapidly changing business environment we have come to be increasingly aware of the growing need for highly talented managers and professionals with multi-functional fluency, technological literacy, entrepreneurial skills and the flair to operate in different cultures, structure and markets.

Following that trend of high-profile change, there has come the need to do some rethinking and capacity enhancing human resources programs and practices to meet the newly emerging market demand, i.e. to attract and retain high talent in high performance organizations. In that case there can arise an assumption that there is a strong linkage between and organization's HRM practices and their competitive edge in attracting and retaining talent.

No organizations can be resistant to the prospects, possibilities, as well as the backlash of the globalization phenomenon. Myanmar has been involved in a large measure in this Human Resource Development and Human Resource Management policies and practices since the early 1970 all through the process of change towards the market-oriented economy to this day (Guest, 1991).

5. SMALL BUSINESSES AND HRM ASPECTS

Most of the studies and books on human resource management are more appropriate for the big businesses. Small businesses have their own characteristics and there is a special need for appropriate human resource management. All small businesses must staff their operations. This involves bringing new people into the business and making sure they are productive additions to the enterprise. Effective human resource management matches and develops the abilities of job candidates and employees with the needs of the firm. A responsive personnel system will assist you in this process and is a key ingredient for growth.

Human resource management is a balancing act. At one extreme, you hire only qualified people who are well suited to the firm's needs. At the other extreme, you train and develop employees to meet the firm's needs. Most expanding small businesses fall between the two extremes -- i.e., they hire the best people they can find and afford, and they also recognize the need to train and develop both current and new employees as the firm grows.

5.1 Assessing Personnel Needs

The small business owner should base the firm's personnel policies on explicit, well-proven principles. Small businesses that follow these principles have higher performance and growth rates than those that do not follow them. The most important of these principles are (Hendry, 1995)

- * All positions should be filled with people who are both willing and able to do the job.
- * The more accurate and realistic the specifications of and skill requirements for each job, the more likely it is that workers will be matched to the right job and, therefore, be more competent in that job.
- * A written job description and definition are the keys to communicating job expectations to people.
- * Employees chosen on the basis of the best person available are more effective than those chosen on the basis of friendship or expediency.
- * If specific job expectations are clearly spelled out, and if performance appraisals are based on these expectations, performance is higher. Also, employee training results in higher performance if it is based on measurable learning objectives.

The first step in assessing personnel needs for the small business is to conduct an audit of future personnel needs. Ask yourself

- * Can the workload you visualize be accomplished by the present work force? Will more or fewer employees be needed? Consider seasonal patterns of demand and probable turnover rates.
- * Can any jobs be eliminated to free people for other work?
- * What balance of full-time or part-time, temporary or permanent, hourly or salaried personnel do you need?
- * What does the labor supply look like in the future?
- * Will you be able to fill some of the jobs you've identified? How easily?
- * What qualifications are needed in your personnel?

Develop a method to forecast labor demand based on your answers to these questions. Once your needs are estimated, determine strategies to meet them.

The process of selecting a competent person for each position is best accomplished through a systematic definition of the requirements for each job, including the skills, knowledge and other qualifications that employees must possess to perform each task. To guarantee that personnel needs are adequately specified, (1) conduct a job analysis, (2) develop a written job description and (3) prepare a job specification.

5.2 Job Analysis

Job analysis is a systematic investigation that collects all information pertinent to each task performed by an employee. From this analysis, you identify the skills, knowledge and abilities required of that employee, and determine the duties, responsibilities and requirements of each job. Job analysis should provide information such as

- * Job title.
- * Department.
- * Supervision required.
- * Job description -- major and implied duties and responsibilities.
- * Unique characteristics of the job including location and physical setting.
- * Types of material used.
- * Types of equipment used.
- * Qualifications.
- * Experience requirements.
- * Education requirements.
- * Mental and physical requirements.

- * Manual dexterity required.
- * Working conditions (inside, outside, hot, cold, dry, wet, noisy, dirty, etc.).

5.3 Job Description

The job analysis is used to generate a job description, which defines the duties of each task, and other responsibilities of the position. The description covers the various task requirements, such as mental or physical activities; working conditions and job hazards. The approximate percentage of time the employee should spend on each activity is also specified. Job descriptions focus on the what, why, where and how of the job.

5.4 Job Specification

The job specification describes the person expected to fill a job. It details the knowledge (both educational and experiential), qualities, skills and abilities needed to perform the job satisfactorily. The job specification provides a standard against which to measure how well an applicant matches a job opening and should be used as the basis for recruiting.

5.5 Recruiting

As a small business owner-manager, you should be aware of the legal environment in which you operate. This is especially true when it comes to recruitment. Being aware of legislation that will affect your business is extremely important to efficient recruiting.

5.6 Sources of Employees

Effective recruiting requires that you know where and how to obtain qualified applicants. It is difficult to generalize about the best source for each business, but a description of the major sources follows.

- * Present employees -- Promotion from within tends to keep employee morale high. Whenever possible, current employees should be given first consideration for any job openings. This practice signals your support of current employees.
- * Unsolicited applicants -- Small businesses receive many unsolicited applications from qualified and unqualified individuals. The former should be kept on file for future reference. Good business practice suggests that all applicants be treated courteously whether or not they are offered jobs.
- * Schools -- High schools, trade schools, vocational schools, colleges and universities are sources for certain types of employees, especially if prior work experience is not a major factor in the job specification. Schools also are excellent sources for part-time employees.
- * Public employment offices
- * Private employment agencies -- These firms provide a service for employers and applicants by matching people to jobs in exchange for a fee. Some fees are paid by the applicants, and there is no cost to the employer; for highly qualified applicants in short supply, the employer sometimes pays the fee.
- * Employee referrals -- References by current employees may provide excellent prospects for the business. Evidence suggests that current employees hesitate to recommend applicants with below average ability. Word of mouth is one of the most commonly used recruiting sources in the small business community.

* Help Wanted advertising -- Letting people know that the business is hiring is a key element in gaining access to the pool of potential employees. At its simplest, this type of advertising may take the form of a Help Wanted sign in the window. More sophisticated methods involve using local media, primarily print sources such as daily and weekly newspapers. The classified pages of newspapers are frequently consulted by active job seekers, including currently employed individuals who may be tempted by a more attractive position. Other advertising media include radio and television. These tend to have a wider appeal than the newspaper; however, the price of an advertisement is correspondingly higher.

Specialty media publications, such as trade association magazines and newsletters, may also produce quality job applicants. There are efforts in some parts of the country to offer small business employers access to cable television community bulletin boards.

5.7 Screening

The screening process provides information about an individual's skills, knowledge and attitudes, enabling a potential employer to determine whether that person is suited to, and qualified for, the position. Experience has shown that hiring an overqualified person can be as harmful as hiring an underqualified person. The application form is the place to begin screening candidates for a job. It provides information on the person's background and training and is the first means of comparing the applicant with the job description. This will ensure that you don't waste time on applicants who clearly do not meet the minimum requirements for the job.

Generally, the following information is asked on an employment application form: name, address, telephone number, social security number, kind of work desired, work experience, military service, education and references.

The personal interview is the second step in the screening process. During the interview, the manager learns more about the applicant through face-to-face contact, including observation of personal appearance. The interview should be guided, but not dominated, by the manager as it is important to let the candidate speak freely. Whenever possible, the interviewer should ask questions that are directly related to the job. Devise a list of questions that will adequately assess the applicant's qualifications while meeting the specifications for the job.

Three major errors often committed in the personal interview are

- * Failure to analyze the requirements of the job in sufficient detail to generate valid questions.
- * Failure to ask candidates the right questions to determine their strengths and weaknesses, and their fit with the job.
- * Too much reliance on gut reaction instead of objective evaluation of candidates based on criteria established in the job specification.

Interviewing makes the selection process more personal and gives the interviewer an overall idea of whether the applicant is appropriate for the job.

Other screening techniques include employment tests and physical examinations. Some employment tests measure aptitude, achievement, intelligence, personality and honesty. A physical examination determines if the applicant meets the health standards and physical demands of the job.

5.8 Selecting and Hiring

If the screening process is thorough, selecting the best applicants for the job is easy. However, before making the final selection, one last step should be taken: the top candidate's references should be checked for accuracy and input. You should be aware of the tendency of references to give a rose-colored picture of applicant's character and ability. Despite this potential bias, a careful check with former employers, schools and other references can be most constructive. At a minimum, checking can determine whether or not the applicant was truthful about his or her employment history.

5.9 Orienting New Employees

An employee handbook communicates important information about the company to the employee. The handbook should cover topics such as company expectations, pay policies, working conditions, fringe benefits and the company philosophy toward customers.

6. RECRUITMENT AND SELECTION OF HCG COMPANY

6.1 Background of HCG

HCG is a leading Turkish independent engineering and consulting company. The company was established in 1964 and since then has completed more than 350 projects in and outside of Turkey.

The company provides services in the fields of municipal infrastructure (water supply, wastewater and solid waste); environmental impact assessment studies; transportation projects; buildings; dams and hydropower plants; irrigation and drainage systems; industrial plants.

The services cover feasibility studies and master plans; detailed designs; preparation of construction bid documents and assistance to tendering; construction supervision

and commissioning; training and institutional strengthening. The majority of the studies have been financed by the World Bank, KfW, EIB and ISDB and have been completed in terms of investment and are under operation presently. HCG is a member of ATCEA, FIDIC, EFCA and FCIC (Federation of Consultants From Islamic Countries). Furthermore, the Company holds the ISO 9001 certificate. HCG offers a full architectural, engineering and consultancy service, from specialist reports and feasibility studies to design, preparation of contract documents, appraisal of tender documents, contract management and construction management. The firm employs specialists with widely diverse skills.

6.2. When to recruit?

Recruitment is one of the most crucial activities of a human resource manager in an organization. The objective is to attract suitable applicants for vacant positions and then fill the position with the most suitable one. Recruitment also serves as a public relations tool, giving the opportunity to sell the company to the public and presenting the desired image.

Vacancies can either occur through an existing employee leaving the company or through the creation of a new post through new business deals. HCG has very little openings in the permanent staff section through occupants leaving the company, but certainly through acquiring new projects. Most of the vacancies in HCG are created concerning project works with limited durations and this sets most of the requirements for the recruitment process.

6.3. Attracting the employees

As already mentioned in the previous chapter, a number of general issues are involved at this point. Will internal candidates be encouraged to apply or will the

entire recruitment be done externally? Will the recruitment be handled by the organization or by a third party? How will the applicants be attracted?

Besides the external methods explained earlier, HCG developed a new internal consultant register which actually is combined with the external option of internet based recruitment. This new web-based solution gives experts at HCG the opportunity to update their CVs themselves with the help of a given code. This also includes consultants that are only from time to time participating in HCG's projects but which are nevertheless registered in the data banks. As a result, HCGs management as well as the HR responsables always have up-to-date information of the skills and know-how of the experts available. Therefore, open vacancies can be compared to the potential in-house resources and maybe an appropriate match can already be found in this stage. Also external applicants can fill in the CV at the web-based consultant roster and open assignments are published in the enclosed "Openings" section.

This is one indicator that the recruitment process is handled internally in the HCG. Besides internal deployment, also internal promotion is naturally favored, because of numerous advantages. The candidates' performance is known well, as are their attendance records and their strengths and weaknesses.

Even though, HCG has a huge pool of applicants at hand, sometimes a project requires a certain kind of expertise not to be found within the company. This is the point when external sources have to be utilized. Furthermore, new employees can offer new ideas and different views on certain issues and this can help to increase the efficiency of a project.

6.4. The selection process

After successfully attracting a pool of applicants for a vacancy, the next step is to select the right person for that vacancy. The right person is someone who matches the requirements for the job, has satisfactory references and education and indicates good future predictions to succeed in the position. The aim of selection is to find such a person who accepts the position and who gives satisfactory service and performance in the long term.

6.5. A suitable applicant

A person applying at HCG for a junior consultant position should have at least a bachelor's degree.

In general, HCG is constantly searching for professionals to work on long-term and short-term assignments around the world. As common features, they are looking for the following features and qualifications in their project staff:

- ☐ minimum Master's degree and experience of international assignments
- ☐ knowledge of the policies and procedures of international donors
- ☐ fluency in English, other languages are an asset
- ☐ strong interpersonal skills and sensitivity to cultural differences

6.6. The recruitment process

Starting from the position where the recruitment process has produced a number of applicants, the important steps in selection are as follows:

- ☐ Reducing the number of candidates to an appropriate size i.e. short-listing
- ☐ Setting up tests
- ☐ Interviewing the candidates
- ☐ Choosing the successful candidate

- ☐ Offering the position, confirming and gaining acceptance
- ☐ Organizing an induction process
- ☐ Evaluating the result.

The most popular device used in selection is interviewing and HCG makes no exceptions. On the basis of the short-listing they perform a pre-selection, and the applicants are interviewed. Afterwards, they will go through a 1-day test that is especially tailored for HCG's needs. The test tries to determine how clever the applicants are. They are forced to react quickly to different situations and the outcomes will be evaluated. This might also be a group test, depending on the number of applicants. The test is then used to support the decision of choosing the successful candidate, but it does not have the final factor input. They seemed to be more focused on the personality side of the applicant.

7. CONCLUSION

Human resources management at HCG is a pro-active process, which effectively utilises the most suitable sources of supply to meet the demand.

By keeping only some 30 full time employees, HCG has been able to create a functioning human resource plan to contribute to the organisational strategy by outlining different possibilities and costs of current and future work-force configurations. This maps out the implications of strategic decisions for subsequent HRM activities such as recruitment and development.

The current style of modern approach in Human Resource Management at HCG makes it a flexible firm. Flexibility has given HCG the ability to tailor the size of workforce according to changing demand levels. Flexibility goes well with the job description at HCG, since a lot of flexibility is expected from the employees. The ability of core workers to use discretionary time increases productivity.

Although HCG doesn't have a separate Human Resource department, the Human Resource Management theory goes closely together with its practical appliance.

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introduced the company's current and historical situations within their expertise and function areas.

2. HUMAN RESOURCE MANAGEMENT CONCEPT

Development is improving the way things are done. A developed car is a car with a newer shape, additional features and greater performance with probably less cost of running. Developing the human resources mean that the same number of human resources will be able to produce more and better products and services. The main purpose and objective of human resource development is to use the human resources in the most efficient way. HRD is not just a way of doing things. It is a series of activities conducted within a specified time and designed to produce change of attitude. In other words it is a way or a tradition of new approaches. A company can develop its human resources by improving its recruitment and selection system and also make improvements in quality and performance by certain activities such as training (learning for the present job) and education (learning for the future job).

Human resources are now accepted as most as the key condition and requirement for organizational success. Success of human resource management is only possible if the management realizes its importance and assumes greater emphasis to contribute to its overall effectiveness, encouraging most dynamic and vibrant challenges in the organizations.

Organizations need to watch out for changes and adopt new strategies to overcome the negative effects of these changes. Rapid changes in the demographic, socio-economic and technological arenas naturally creates need for the most to formulate and operate new approaches in the management of human resources. The human resource strategies need close watch on the market conditions. Labor market for example is closely related to the human resources approaches. Abundance or shortage of human resources need important policy changes.

Competition is increasing with the globalization of the world economy. Human resources and new management systems are becoming increasingly more important. The new industries and products as well as services that are likely to emerge will require that organizations tend to work with people in innovative ways. The demands for quick response, quality and flexibility will certainly call for organizing project teams, cross-functional work groups, quality circles etc. Organizations and managers need to be constantly on the watch to help integrate functional departments and units into the mainstream of events. These forces will all combine to create a dynamic and fast-moving environment in which employees will demand much more sophistication in the procedures and practices of management.

As organizations become more diverse, management programs need to be tailored to fit the unique needs of both the employees and the organizations they work for. Not only that the procedures and practices need to be changed with the change of nature, composition, direction and scope of the organizations, but we will also have to anticipate and prepare for the future changes that will accommodate them.

Typically HRM refers to those functions undertaken by an organization to effectively utilize its human resources which include: human resource planning, staffing, performance evaluation (appraisal), training & development, compensation, labour relations benefits, in-house communications etc. (Pinnington and Edwards 2000).

Human resource planning process involves anticipating an organization's business demands and providing the necessary staff to meet the demands. In brief, human resource planning involves two critical factors: the supply and demand. To carry out the human resource management programs, plans must be developed to take into account jobs to be done and the availability of skilled and general workers to do them. Thus the development, implementation, evaluation of personnel, procedures and programs constitute the overall planning of any functional organization. There are again two factors in such planning process: HR planning involving the

organization, and career planning, involving the individual workers in the organization. Human resource planning also includes all the techniques used in organization to predict future employment needs, and to plan recruitment, promotions, terminations, retirements and so on. The plan must moreover take into account organizational growth, changes in the market, and in the external and internal labor force.

The following steps need to be observed in the HR planning process (Torrington, D. 1991):

1. Establish organization objectives and HR needs;
2. Assessing the skills and experience of current employees;
3. Analysing the future availability of employees;
4. Planning recruitment and development programs to meet future human resource needs;
5. Evaluate human resource planning programs;
6. Developing HR plan to identify and maintain competitive advantage.

Another important aspect of management development is career planning. Human resource plan considers the future needs of the organization and the career plan considers the future needs of the individual worker in the organization. Thus the management of the organization is necessary to create conditions such that all employees are able to make the greatest possible contribution to the organization they serve. Thus career management and career development programs are essential for all employees as much as it is also in the best interest of the organization. By developing competent employees the organization improves overall performance, and generate conditions whereby they can create a talent pool from which to draw future managers and higher-level professionals.

The concept of human resource management has become increasingly important in the work environment. Business organizations are under increasingly important

pressure to compete with similar organizations. Internationalization of finance and trade has increased the pressure even more. Due to availability of adequate finance the investors are now able to invest in new businesses anywhere in the world. For example, two investors with equal amount of capital can make investment in the similar part of the world to produce the same product. Their cost of inputs such as the raw materials and energy may be of equal value. The labor cost is also similar. Yet these two organizations will compete with each other and one will be more successful than the other. Obviously the more successful organization will be the one that utilizes its human resources. Production per employee will identify the performance of the each organization. More recently, the issue of whether to situate the HRM debate in the organizational or the international context has arisen (Sparrow & Marchington eds, 1998). This is because organizational responses such as delayering, empowerment, work intensification, flexibility and redundancy appear to have gained as much weight as the macro-environmental drivers of HRM such as competition, technology, economic recession and political change (Anthony et al, 1996). Change in the external environment triggers organizational responses which may take the form of restructuring, mergers, acquisitions, splits and cost cutting, which in turn trigger human resource management responses reflected in adoption of new employment patterns and new employer-employee relationships (Hendry, 1995).

HRM has assumed varied meanings and implications. While it has been used as a synonym for personnel management by some, (Storey, 1992), there is a general agreement that the adoption of HRM signals a more business oriented and business integrated approach to the management of people. While some writers have questioned if HRM is a map, a model or a theory (Legge, 1995a) others have proposed typologies (Storey, 1987; Hendry, 1995) and some have proceeded to make empirical observations to confirm the presence of these typologies in organizations. Among the typologies proposed, the soft and hard HRM orientations are the most acceptable and the subject of conceptual constructions and empirical enquiries. The soft version of HRM is linked to the human relations school while the hard HRM

Beardwell and Holden (1997:6) are more cautious and choose to present HRM as a debate representing four perspectives. Firstly, they state that HRM is simply a renaming of basic personnel functions. Secondly, HRM is a fusion of personnel management and industrial relations. Thirdly, HRM is a wider conception of the employment relationship incorporating an enabling and developmental role for individual employees and lastly HRM is part of the strategic managerial function in the development of business policy. The writers also point out critical questions that have been asked about HRM regarding whether it is practitioner-driven, an academically derived prescription or a prescriptive model. They conclude that owing to the varied conceptual meanings and contradictions there is no universal definition of HRM, but all the same acknowledge that HRM is an innovative concept that addresses the fundamental question of managing employees in new ways and with new perspectives.

Based on the above definitions, it appears that HRM is more than a practice. It is not only located within, but also meshed with the larger framework of the organization's business strategy. This is in contrast to traditional personnel management that has been described as reactive, instrumental and mostly concerned with administration and implementation of policies and procedures (Torrington, 1991). Storey & Sisson (1993), in contrasting HRM and personnel management, indicate that personnel management imposes compliance with company rules and procedures rather than loyalty and commitment to the firm that is expected under HRM.

It appears that, the style of management expected in an HRM environment is one that emphasizes self-control, commitment and exercise of initiative, thus, transforming managers into enablers, empowerers and facilitators (Storey, 1992) rather than enforcers of rules and regulations (Guest, 1989). As such, HRM appears to imply a distinctive approach to employment management, which not only seeks to obtain competitive advantage through the strategic deployment of a highly committed and skilled workforce, using an array of cultural, structural and personnel techniques

(Armstrong, 1999), but also one which strives to achieve fit with the organization's business strategy (Brewster, 2000). This means that effective human resource management does not exist in a vacuum, but must be related to the overall strategy of an organization (Guest, 1998)).

The strategic view of HRM has the connotation of the use of planning and a coherent approach to the design and management of personnel systems based on an employment policy and manpower strategy underpinned by some philosophy (Beardwell & Holden, 1997). In addition, this view implies matching HRM activities and policies to some explicit business strategy and seeing the people of the organization as a strategic resource for achieving competitive advantage (Brewster et al, 2000). The emphasis in HRM therefore is on planning, monitoring and control rather than on problem - solving and mediation. It is largely identified with management interests and is a management activity more than it is an employee's activity (Storey, 1992).

From the foregoing, the central theme that describes what HRM is appears to be the *integration of HR policies with the organization's business plan* (Guest, 1989; Storey, 1992; Hendry, 1995; Brewster et al, 2000) such that the locus of responsibility for human resource management issues no longer resides with only specialist managers, but with line management (Legge, 1991;). As such, HRM can be described as a managerially derived and driven set of precepts involving not only personnel management, but line management as well (Storey, 1992, 1995; Towers, 1996). HRM also implies a shift of focus from manager-trade union relationship to management-employee relations and from collectivism to individualism. Torrington (1991) observes that human resource management seeks to eliminate the mediation role of trade unions by adopting a unitarist frame of reference. In the industrial relations context, Swanepoel (1999) explains the unitary perspective as referring to the views of those who regard management and employees as having identical interests such that workers cooperate with management and work together as a team

by seeking to assist management achieve its objectives. Unitarism means HRM seeks to implement measures designed to motivate workers, communicate details of organizational goals and construct policies for securing employee loyalty and commitment (Armstrong, 1999). While the unitarist perspective is increasingly becoming a major aspect of HRM, it has been criticized for failing to comprehend the motives of individual employees and for failing to accept and recognize the inevitability of conflicts of interest between management and workers (Storey & Sisson, 1993).

3. DEVELOPMENT OF THE HRM CONCEPT

Although the human resource development or management is relatively new concept in countries such as Turkey and Cyprus, it has been in agenda for many decades in the western countries. HRM was initially used by some American firms before any theory of HRM was developed. This was probably due to the ideas proposed by economists such as Gary Becker about people as human capital (Hendry, 1995). However, the large scale adoption of HRM titles and practice first in America and later UK and internationally signaled larger ambitions (Legge, 1995a). HRM writers in their preambles all agree that HRM emerged as a response to specific challenges faced by firms. Hendry (1995) explains that HRM was born out of perceived failure by American industry and management in the face of Japanese competition in international and domestic markets. The belief was that American firms failed to inspire the same kind of commitment that characterized Japanese firms. Ouchi (1981) cited in Hendry (1995) compared American and Japanese management values and concluded that American firms were characterized by job insecurity, quick promotion (in contrast to Japanese pillar of seniority progression), specialized careers, bureaucratic control, emphasis on individual decision making and responsibility and narrow focus on departmental interests. As such, it appeared that the short-term, non-strategic orientation of American firms was closely associated with the ideals of

individualism rather than loyalty and collectivism. In pursuit of such short-term profit goals, American firms emphasized cost reduction measures such as removal of discretionary expenditures like training and research and reducing employee headcount.

Apart from differences in values, the emergence of HRM is further attributed to the pressures experienced in the product markets during the 1980-1982 recession in the United States of America; the decline of trade unionism; challenges emanating from overseas competitors especially Japan and declining rates of innovation in American industries (Beardwell & Holden, 1997). These developments sparked the desire to create a free work situation in which the employer and employee worked towards the same goal - the success of the organization. Elsewhere in Europe, the emergence of HRM has been linked to the internationalization of competition as a result of gradual reduction of barriers to trade globally and the reform of the public sector involving privatization of state corporations that had the effect of marginalizing trade unions. Pinnington & Edwards (2000), explain that in the UK in particular, such change was meant to introduce a business and market culture into a bureaucratic and an inefficient public sector and stimulate competition, which the UK was losing to the rest of Europe. The government engineered political as well as economic policy measures that facilitated the uptake of HRM by both private and public sector organizations. Deregulation of the labour market for example, aimed to remove barriers to a more flexible labour market caused by strong trade unions and employment protection legislation that prevented employers from adjusting the size of their workforce. As a result, relaxation of employment protection legislation and anti-union legislation encouraged firms to introduce new labour practices and reorder collective bargaining practices. In addition, persistently high levels of unemployment gave employers more leverage in dealing with their workforce, the reason being that a large pool of potential labour makes employees wary of taking any action that is likely to antagonize management and cause job losses. The Handy (1989) and McCormick (1987) reports highlighted the poor performance of British management

due to low levels of training thus, prompting the shift of human resource matters from personnel management level to top management. At the same time the influence of the excellence literature of Peters and Waterman (1982) and Kanter (1984) shifted the focus of British managers to employee commitment and empowerment. It appears therefore that changes in the environmental context made HRM not only an attractive option to counter competitive pressure, but also easy to implement. It is from these beginnings that a proliferation of literature emerged from both academicians (see Storey 1987; 1991; 1992; 1995; Legge, 1991; 1995; and Guest, 1987; 1991; 1998) and practitioners in the field of people management, for example Armstrong (1999, 2000) and Torrington (1991; 1998)

While HRM has received considerable attention in Europe, America and other industrialized countries of the world, it is only recently that some interest has been directed at the status of HRM in developing countries. The newly industrialized countries of Asia that are also perceived as a major source of competition to Western economies are drawing much attention from both Western and Asian writers under the banner of international HRM. On the other hand, less developed countries especially in Africa have received limited attention. It has even been suggested that the employment relationships in such countries are not conducive to adoption of HRM practices. This, however, is controversial as the contingencies of specific countries and organizations determine their favourableness to HRM (see for example, Jaeger & Kanungo, 1990; Blunt and Jones, 1992). At the same time most firms are multinational with parent companies in Western countries. It would be expected therefore, that, if HRM practices are transferable, then HRM is practiced even in the less developed countries of the world.

Human resource management is also receiving increasing attention from the Turkish organizations. Furthermore there are many large organizations such as the Koc and Sabancı group who are spending considerable effort for quality and performance issues.

4. RECRUITMENT AND SELECTION

Recruitment and selection comprise the important HR functions of the organization. It fulfils the critical need of finding qualified staff to spur organizational growth. Employee advancement, separation and job change are normal occurrences within any organization, which in consequence create a need for finding new employees to fill the gap. A simple but concise definition of 'recruitment' is as follows:

"recruitment is searching for and obtaining potential job candidates in sufficient numbers and quality, to enable the organization to select the most appropriate people to fill its job needs." (Cascio, 1998)

4.1 Alternative Recruitment Strategies

There are two main methods of recruiting, internal recruiting and external recruiting. Commonly for positions above the entry level the acceptable source of applicants maybe from within the organization itself. Finding qualified applicants within its own parameters is the main objective of internal recruiting. There are several methods for locating the suitable applicants for the vacancies. One method is self-selection by employees on the jobs vacant considering their qualifications and experience. The next method is selection through skills inventory of employees maintained by the organizations. In the present day computers have made possible the creation of data banks recording the complete dossier of the qualifications of each employee within the organization. These computerized records allow an organization to screen its entire work force in a matter of minutes to locate the suitable candidates to fill an internal opening. These data can also be used to predict the career paths of employees and to anticipate and project when and where promotion opportunities may arise(Armstrong, 1999).

Another method used for internal recruiting is through 'job posting and bidding'. This process consists of job vacancy notices on bulletin boards, and may include use of designated posting centres, employee publications, special announcement handouts, direct mail etc. Employee referrals also constitute a useful method. In some organizations employees in good standing had to be laid off due to downsizing of staff. Recalling these employees also form part of the internal recruiting method.

External recruiting is another commonly used method. There are many sources from which potential candidates may be tapped, for example universities, colleges, other educational institutions, public and private employment agencies, professional association, and media advertising, and in rare cases unsolicited applications.

There are positive and negative advantages recruited through internal sources. Some benefits of internal recruitment can be itemized thus: improves moral of promoted staff; provides managers with better assessment of the abilities of promoted staff since their performances have been observed from within over time; budget savings as it is less expensive than outside recruitment, and finally reduces training costs and time. The disadvantages can pose a serious threat to the organization in the following ways. Such inbreeding diminishes the flow of new ideas over time; cause morale problems among those employees skipped over for promotion; tendency to foment conflict attributable to those with affinity to management versus those who are adverse to management.

The similar conditions exist in the external recruiting process. On the positive side the major benefits are: it brings new blood and new ideas into the organizations; provides a fresh look; avoids many inter-personnel, inter-sectional problems which internal recruiting creates; and finally offers good media coverage as to the reputation of the organization. The disadvantages are that it is not easy to find a good fit with the culture and management philosophy through external recruiting; job-orientation takes

longer time, & finally morale problems also persists that internal employees are denied chances to advancement (Beardwell & Holden 1997).

Selection of candidates follow after the recruitment procedures are completed. Thus the selection undertakes to consider those candidates who applied for respective jobs and deciding which ones should be given the appointments. Current literature reviews state that the selection process typically consists of eight steps, (1) initial screening interview, (2) completing the application forms, (3) employment test, (4) comprehensive interview, (5) background investigation, (6) a conditional offer, (7) medical or physical examination, and finally (8) the permanent job offer (Fisher et al., 1999).

While the selection program and process are typically the responsibility of the HR department, managerial and supervisory personnel in all departments of an organization also have an important role to play. Thus it is imperative that they understand the objectives and techniques relating to selection. They should be thoroughly trained in the most effective and acceptable approaches for evaluating applicants and should be motivated to use them. Selection also calls for reliability, consistency and validity, i.e. accuracy of the selection process in assessing the candidate. The final decision to select a candidate should be based entirely on performance, and not be discriminated on grounds of sex, race, national origin or other considerations.

Employment interview has a very important role in the selection process. Interview comes in many forms, group interview, panel interview, one-on-one interview etc. Interview board may also consist of one person or several members of the organization.

Among the many interview methods currently in fashion, the most common are: non-directive interview, depth interview and patterned or structured interview. Non-

directive interview allows the candidate freedom in expressing his experiences and viewpoints with a minimum of interruption by the interviewer other than to channel him to the main bounds of the exercise. Such method helps understand the candidate's attitude, disposition which may tend to be concealed in structured type questioning. Such method is useful to interview candidates for high-level positions. Depth interview goes a little deeper to bring out the critical areas of the candidate's life and experiences, and his rationality. Patterned interview evolves around highly structured and detailed set of questions on specially prepared format.

Employment tests also occupy a viable position in the HR programs. These tests are used to highlight psychological, personality aptitude, mechanical aptitude and dexterity, management and industrial skills and proficiency, as well as secretarial and clerical skills. It is employed as an objective and standardized measure of a sample of behaviour to understand a candidate's abilities, aptitudes, interests or personality traits in relation to other individuals. Skill tests are conducted in many different ways, such as group-testing, individual testing, paper-and-pencil testing, instrumental testing. With the development of computer technology, more sophisticated mode of testing to bring out cognitive, conceptual and psychomotor abilities are used by research psychologists in selecting the most qualified candidates for the organizations.

As the world moved into the 21st century new issues and challenges confront the human resource management programs and practices. Such issues have far reaching implications in the large as well as small and medium sized organizations. As the business organizations expand rapidly as a result of globalization superior talent has come to be increasingly recognized as prime motivators especially in high performance organizations. Thus the ability and strategies to attract and retain such superior talent has become a hot topic and one of the key issues for the human resource management and their respective business corporations, at home and beyond, in both the developed as well as the emerging countries. In the wake of the

rapidly changing business environment we have come to be increasingly aware of the growing need for highly talented managers and professionals with multi-functional fluency, technological literacy, entrepreneurial skills and the flair to operate in different cultures, structure and markets.

Following that trend of high-profile change, there has come the need to do some rethinking and capacity enhancing human resources programs and practices to meet the newly emerging market demand, i.e. to attract and retain high talent in high performance organizations. In that case there can arise an assumption that there is a strong linkage between and organization's HRM practices and their competitive edge in attracting and retaining talent.

No organizations can be resistant to the prospects, possibilities, as well as the backlash of the globalization phenomenon. Myanmar has been involved in a large measure in this Human Resource Development and Human Resource Management policies and practices since the early 1970 all through the process of change towards the market-oriented economy to this day (Guest, 1991).

5. SMALL BUSINESSES AND HRM ASPECTS

Most of the studies and books on human resource management are more appropriate for the big businesses. Small businesses have their own characteristics and there is a special need for appropriate human resource management. All small businesses must staff their operations. This involves bringing new people into the business and making sure they are productive additions to the enterprise. Effective human resource management matches and develops the abilities of job candidates and employees with the needs of the firm. A responsive personnel system will assist you in this process and is a key ingredient for growth.

Human resource management is a balancing act. At one extreme, you hire only qualified people who are well suited to the firm's needs. At the other extreme, you train and develop employees to meet the firm's needs. Most expanding small businesses fall between the two extremes -- i.e., they hire the best people they can find and afford, and they also recognize the need to train and develop both current and new employees as the firm grows.

5.1 Assessing Personnel Needs

The small business owner should base the firm's personnel policies on explicit, well-proven principles. Small businesses that follow these principles have higher performance and growth rates than those that do not follow them. The most important of these principles are (Hendry, 1995)

- * All positions should be filled with people who are both willing and able to do the job.
- * The more accurate and realistic the specifications of and skill requirements for each job, the more likely it is that workers will be matched to the right job and, therefore, be more competent in that job.
- * A written job description and definition are the keys to communicating job expectations to people.
- * Employees chosen on the basis of the best person available are more effective than those chosen on the basis of friendship or expediency.
- * If specific job expectations are clearly spelled out, and if performance appraisals are based on these expectations, performance is higher. Also, employee training results in higher performance if it is based on measurable learning objectives.

The first step in assessing personnel needs for the small business is to conduct an audit of future personnel needs. Ask yourself

- * Can the workload you visualize be accomplished by the present work force? Will more or fewer employees be needed? Consider seasonal patterns of demand and probable turnover rates.
- * Can any jobs be eliminated to free people for other work?
- * What balance of full-time or part-time, temporary or permanent, hourly or salaried personnel do you need?
- * What does the labor supply look like in the future?
- * Will you be able to fill some of the jobs you've identified? How easily?
- * What qualifications are needed in your personnel?

Develop a method to forecast labor demand based on your answers to these questions. Once your needs are estimated, determine strategies to meet them.

The process of selecting a competent person for each position is best accomplished through a systematic definition of the requirements for each job, including the skills, knowledge and other qualifications that employees must possess to perform each task. To guarantee that personnel needs are adequately specified, (1) conduct a job analysis, (2) develop a written job description and (3) prepare a job specification.

5.2 Job Analysis

Job analysis is a systematic investigation that collects all information pertinent to each task performed by an employee. From this analysis, you identify the skills, knowledge and abilities required of that employee, and determine the duties, responsibilities and requirements of each job. Job analysis should provide information such as

- * Job title.
- * Department.
- * Supervision required.
- * Job description -- major and implied duties and responsibilities.
- * Unique characteristics of the job including location and physical setting.
- * Types of material used.
- * Types of equipment used.
- * Qualifications.
- * Experience requirements.
- * Education requirements.
- * Mental and physical requirements.

- * Manual dexterity required.
- * Working conditions (inside, outside, hot, cold, dry, wet, noisy, dirty, etc.).

5.3 Job Description

The job analysis is used to generate a job description, which defines the duties of each task, and other responsibilities of the position. The description covers the various task requirements, such as mental or physical activities; working conditions and job hazards. The approximate percentage of time the employee should spend on each activity is also specified. Job descriptions focus on the what, why, where and how of the job.

5.4 Job Specification

The job specification describes the person expected to fill a job. It details the knowledge (both educational and experiential), qualities, skills and abilities needed to perform the job satisfactorily. The job specification provides a standard against which to measure how well an applicant matches a job opening and should be used as the basis for recruiting.

5.5 Recruiting

As a small business owner-manager, you should be aware of the legal environment in which you operate. This is especially true when it comes to recruitment. Being aware of legislation that will affect your business is extremely important to efficient recruiting.

5.6 Sources of Employees

Effective recruiting requires that you know where and how to obtain qualified applicants. It is difficult to generalize about the best source for each business, but a description of the major sources follows.

- * Present employees -- Promotion from within tends to keep employee morale high. Whenever possible, current employees should be given first consideration for any job openings. This practice signals your support of current employees.
- * Unsolicited applicants -- Small businesses receive many unsolicited applications from qualified and unqualified individuals. The former should be kept on file for future reference. Good business practice suggests that all applicants be treated courteously whether or not they are offered jobs.
- * Schools -- High schools, trade schools, vocational schools, colleges and universities are sources for certain types of employees, especially if prior work experience is not a major factor in the job specification. Schools also are excellent sources for part-time employees.
- * Public employment offices
- * Private employment agencies -- These firms provide a service for employers and applicants by matching people to jobs in exchange for a fee. Some fees are paid by the applicants, and there is no cost to the employer; for highly qualified applicants in short supply, the employer sometimes pays the fee.
- * Employee referrals -- References by current employees may provide excellent prospects for the business. Evidence suggests that current employees hesitate to recommend applicants with below average ability. Word of mouth is one of the most commonly used recruiting sources in the small business community.

* Help Wanted advertising -- Letting people know that the business is hiring is a key element in gaining access to the pool of potential employees. At its simplest, this type of advertising may take the form of a Help Wanted sign in the window. More sophisticated methods involve using local media, primarily print sources such as daily and weekly newspapers. The classified pages of newspapers are frequently consulted by active job seekers, including currently employed individuals who may be tempted by a more attractive position. Other advertising media include radio and television. These tend to have a wider appeal than the newspaper; however, the price of an advertisement is correspondingly higher.

Specialty media publications, such as trade association magazines and newsletters, may also produce quality job applicants. There are efforts in some parts of the country to offer small business employers access to cable television community bulletin boards.

5.7 Screening

The screening process provides information about an individual's skills, knowledge and attitudes, enabling a potential employer to determine whether that person is suited to, and qualified for, the position. Experience has shown that hiring an overqualified person can be as harmful as hiring an underqualified person. The application form is the place to begin screening candidates for a job. It provides information on the person's background and training and is the first means of comparing the applicant with the job description. This will ensure that you don't waste time on applicants who clearly do not meet the minimum requirements for the job.

Generally, the following information is asked on an employment application form: name, address, telephone number, social security number, kind of work desired, work experience, military service, education and references.

The personal interview is the second step in the screening process. During the interview, the manager learns more about the applicant through face-to-face contact, including observation of personal appearance. The interview should be guided, but not dominated, by the manager as it is important to let the candidate speak freely. Whenever possible, the interviewer should ask questions that are directly related to the job. Devise a list of questions that will adequately assess the applicant's qualifications while meeting the specifications for the job.

Three major errors often committed in the personal interview are

- * Failure to analyze the requirements of the job in sufficient detail to generate valid questions.
- * Failure to ask candidates the right questions to determine their strengths and weaknesses, and their fit with the job.
- * Too much reliance on gut reaction instead of objective evaluation of candidates based on criteria established in the job specification.

Interviewing makes the selection process more personal and gives the interviewer an overall idea of whether the applicant is appropriate for the job.

Other screening techniques include employment tests and physical examinations. Some employment tests measure aptitude, achievement, intelligence, personality and honesty. A physical examination determines if the applicant meets the health standards and physical demands of the job.

5.8 Selecting and Hiring

If the screening process is thorough, selecting the best applicants for the job is easy. However, before making the final selection, one last step should be taken: the top candidate's references should be checked for accuracy and input. You should be aware of the tendency of references to give a rose-colored picture of applicant's character and ability. Despite this potential bias, a careful check with former employers, schools and other references can be most constructive. At a minimum, checking can determine whether or not the applicant was truthful about his or her employment history.

5.9 Orienting New Employees

An employee handbook communicates important information about the company to the employee. The handbook should cover topics such as company expectations, pay policies, working conditions, fringe benefits and the company philosophy toward customers.

6. RECRUITMENT AND SELECTION OF HCG COMPANY

6.1 Background of HCG

HCG is a leading Turkish independent engineering and consulting company. The company was established in 1964 and since then has completed more than 350 projects in and outside of Turkey.

The company provides services in the fields of municipal infrastructure (water supply, wastewater and solid waste); environmental impact assessment studies; transportation projects; buildings; dams and hydropower plants; irrigation and drainage systems; industrial plants.

The services cover feasibility studies and master plans; detailed designs; preparation of construction bid documents and assistance to tendering; construction supervision

and commissioning; training and institutional strengthening. The majority of the studies have been financed by the World Bank, KfW, EIB and ISDB and have been completed in terms of investment and are under operation presently. HCG is a member of ATCEA, FIDIC, EFCA and FCIC (Federation of Consultants From Islamic Countries). Furthermore, the Company holds the ISO 9001 certificate. HCG offers a full architectural, engineering and consultancy service, from specialist reports and feasibility studies to design, preparation of contract documents, appraisal of tender documents, contract management and construction management. The firm employs specialists with widely diverse skills.

6.2. When to recruit?

Recruitment is one of the most crucial activities of a human resource manager in an organization. The objective is to attract suitable applicants for vacant positions and then fill the position with the most suitable one. Recruitment also serves as a public relations tool, giving the opportunity to sell the company to the public and presenting the desired image.

Vacancies can either occur through an existing employee leaving the company or through the creation of a new post through new business deals. HCG has very little openings in the permanent staff section through occupants leaving the company, but certainly through acquiring new projects. Most of the vacancies in HCG are created concerning project works with limited durations and this sets most of the requirements for the recruitment process.

6.3. Attracting the employees

As already mentioned in the previous chapter, a number of general issues are involved at this point. Will internal candidates be encouraged to apply or will the

entire recruitment be done externally? Will the recruitment be handled by the organization or by a third party? How will the applicants be attracted?

Besides the external methods explained earlier, HCG developed a new internal consultant register which actually is combined with the external option of internet based recruitment. This new web-based solution gives experts at HCG the opportunity to update their CVs themselves with the help of a given code. This also includes consultants that are only from time to time participating in HCG's projects but which are nevertheless registered in the data banks. As a result, HCGs management as well as the HR responsables always have up-to-date information of the skills and know-how of the experts available. Therefore, open vacancies can be compared to the potential in-house resources and maybe an appropriate match can already be found in this stage. Also external applicants can fill in the CV at the web-based consultant roster and open assignments are published in the enclosed "Openings" section.

This is one indicator that the recruitment process is handled internally in the HCG. Besides internal deployment, also internal promotion is naturally favored, because of numerous advantages. The candidates' performance is known well, as are their attendance records and their strengths and weaknesses.

Even though, HCG has a huge pool of applicants at hand, sometimes a project requires a certain kind of expertise not to be found within the company. This is the point when external sources have to be utilized. Furthermore, new employees can offer new ideas and different views on certain issues and this can help to increase the efficiency of a project.

6.4. The selection process

After successfully attracting a pool of applicants for a vacancy, the next step is to select the right person for that vacancy. The right person is someone who matches the requirements for the job, has satisfactory references and education and indicates good future predictions to succeed in the position. The aim of selection is to find such a person who accepts the position and who gives satisfactory service and performance in the long term.

6.5. A suitable applicant

A person applying at HCG for a junior consultant position should have at least a bachelor's degree.

In general, HCG is constantly searching for professionals to work on long-term and short-term assignments around the world. As common features, they are looking for the following features and qualifications in their project staff:

- ☐ minimum Master's degree and experience of international assignments
- ☐ knowledge of the policies and procedures of international donors
- ☐ fluency in English, other languages are an asset
- ☐ strong interpersonal skills and sensitivity to cultural differences

6.6. The recruitment process

Starting from the position where the recruitment process has produced a number of applicants, the important steps in selection are as follows:

- ☐ Reducing the number of candidates to an appropriate size i.e. short-listing
- ☐ Setting up tests
- ☐ Interviewing the candidates
- ☐ Choosing the successful candidate

- ☐ Offering the position, confirming and gaining acceptance
- ☐ Organizing an induction process
- ☐ Evaluating the result.

The most popular device used in selection is interviewing and HCG makes no exceptions. On the basis of the short-listing they perform a pre-selection, and the applicants are interviewed. Afterwards, they will go through a 1-day test that is especially tailored for HCG's needs. The test tries to determine how clever the applicants are. They are forced to react quickly to different situations and the outcomes will be evaluated. This might also be a group test, depending on the number of applicants. The test is then used to support the decision of choosing the successful candidate, but it does not have the final factor input. They seemed to be more focused on the personality side of the applicant.

7. CONCLUSION

Human resources management at HCG is a pro-active process, which effectively utilises the most suitable sources of supply to meet the demand.

By keeping only some 30 full time employees, HCG has been able to create a functioning human resource plan to contribute to the organisational strategy by outlining different possibilities and costs of current and future work-force configurations. This maps out the implications of strategic decisions for subsequent HRM activities such as recruitment and development.

The current style of modern approach in Human Resource Management at HCG makes it a flexible firm. Flexibility has given HCG the ability to tailor the size of workforce according to changing demand levels. Flexibility goes well with the job description at HCG, since a lot of flexibility is expected from the employees. The ability of core workers to use discretionary time increases productivity.

Although HCG doesn't have a separate Human Resource department, the Human Resource Management theory goes closely together with its practical appliance.

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