

Informal methods in recruitment



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These days as mounting numbers of markets and businesses internationalize, problems related with human resource management practices used in these acquired, merged or recently recognized wholly-owned foreign subsidiaries or joint ventures that upshot from foreign direct investment take on growing importance of global organizations and national government in a similar way (Ferner, 1994).

According to some researches it has been argued that human possessions are escalating source of competitive advantage for foreign subsidiaries, and researchers have also argued that human resource management strategies and practices are becoming critical because they can work as means for synchronization and control of international functions (Daskopoulou, Tahinakis & Mylonakis, 2005).

According to one of the researcher three different global orientations ethnocentric, polycentric and geocentric have become the usual ways to describe foreign subsidiaries recruitment policies. Those foreign subsidiaries that follow ethnocentric recruitment policy would employ mostly home country nationals to higher positions, for example; a German employee working at the Chinese subsidiary of Volkswagen (Carroll, Marchington, Earnshaw & Taylor, 1999).

Whereas foreign subsidiaries following polycentric recruitment policy would prefer to employ host country nationals and the example could be of a Chinese employee working at the Chinese subsidiary of Volkswagen.

Companies that follow geocentric recruitment policy would employ the best person regardless of his/her nationality and that include third country

nationals, these are the ones who belongs to the country other than the country of the subsidiary for example; an Indian employee working at the Chinese subsidiary of Volkswagen (Tahvanainen, Welch & Worm, 2005).

There are certain factors that affect recruitment and selection of employees when it comes to informal method of recruitment and selection in foreign subsidiaries like internal factors and external factors. Internal factors are the factor within the organization that affect recruiting employees in the organization and external factors are the factors external to the organization which have their control on recruitment process (Pavalko, 1970).

When organizations do recruitment internally it somehow come in informal methods of recruitment as organizations do not give chance to outsiders who are competent and experienced to fill up the vacancies in the organization rather they give first choice to their own staff to fill up the jobs.

One of the advantages of informal recruitment is sometimes employers do recruitment for higher positions inside the organization through promotions and transfers of existing employees to fill up those key positions. It is advantageous because the employees promoted are well familiar with the organization s culture, they get motivated by their promotion, it is economical too and it also reduces the requirement of job training.

On the other hand the disadvantage of this method of recruitment is somehow restraining the option of only some people and disallowing hiring of outsiders who may be better capable and skillful. As well as promotion of current employees of the organization results in inbreeding, this creates

dissatisfaction among those who are not promoted (Adler & Bartholomew, 1992).

Another advantage of informal recruitment and selection of employees in foreign subsidiaries is when ex- employees who had gone from the organization for some rationale, and come back to work, they are another source of applicant for jobs to be filled up in the organization. It is beneficial because their performance is previously acknowledged to the organization.

When organization gives promotion to their employees to fill up the key positions they will then fill up those lower level jobs by hiring employee referrals i. e. family, friends and relatives of existing employees. This is another type of informal recruitment which usually takes place in many organizations including foreign subsidiaries. This informal method of recruitment is well thought-out to be one of the most successful practices of recruiting people in the organization because the existing employees refer to those prospective contenders who meet the organization s requirement easily.

The disadvantage of this informal method of recruitment and selection in foreign subsidiaries is people who are well deserved and more competent to fill up those jobs unfortunately do not get the chance to work in that particular organization, whereas people who are less competent and less experienced get the job easily because of their references and different sources (Wiener, 1988).

Other advantages of informal method of recruitment in terms of internal recruitment are; organizations give more significance to their own people

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because the organization has more information and awareness with their strengths and weaknesses than of outsiders, organizations do not need to pay out a lot of funds, time and effort to find and draw the possible contenders, as well as this type of recruitment proves to be more efficient.

Disadvantages of informal method of recruitment in terms of internal recruitment are; it confines its alternative to the aptitude available within the organization and humiliating the capacity available in the enormous industry outside the organization. In other ways it secluded the internal employees from antagonism by not giving opportunities to the people outside the organization, which in turn develops a propensity among employees that they will get promoted to higher posts without giving additional efforts in their work.

b) Advantages and Disadvantages of recruitment agencies in the recruitment and selection of new employees in foreign subsidiaries that have only recently been created.

There is another kind of recruitment method which many foreign subsidiaries use is external recruitment method which basically refers to the filling of jobs from outside the organization distinguishes with internal recruitment.

Organizations that are involved in external recruitment somewhat repeatedly mainly are those that are growing powerfully in industries with high personnel earnings.

There are many ways to do recruitment externally one of the most well-known ways of external recruitment is recruiting through recruitment agencies. The recruitment agencies are organizations which match the

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requirement of employers with employees offer services to persons looking for job and also to employers who are looking to recruit. These recruitment agencies are specialize in recruitment and selection for different sectors of industries. They usually provide a short list of applicants to the employer organization based on the people registered with the agency (Dipboye, 1982).

Recruitment agencies are of several types in addition to the government agencies, there are certain private agencies as well, and they register applicants for employment and provide the list of appropriate contenders from the information pool when required by the approaching employer organizations. Usually these agencies choose workforce for managerial and the higher levels. The major purpose of these agencies is to encourage applications and short-list the appropriate applicants for the organizations.

Some advantages of recruitment agencies in the recruitment and selection of new employees in foreign subsidiaries are; the organization that are looking to recruit obtain several advantages by using recruitment agencies in terms of time saving which can be better utilized somewhere else by the employer organization. Another advantage of using recruitment agencies is the organization identity remains unknown to the job applicants, which in turn helps the organization keep away from receiving letters and tries to sway (Schlechy & Vance, 1983).

Other advantages of using recruitments agencies for the recruitment and selection of employees are; a large number of applicants are likely to attract as it is an open process of recruitment which in turn enlarges the option of

selection, being an open process when a large number of applicants apply for jobs it becomes possible for the organization to have capable applicant from the outside. This will make the whole process of selection more competitive and increases the vision for selecting the best contender.

Going through such competitive process of selection for the best contender selected for the organization will be beneficial because whoever will get selected supposed to be more skilled and proficient, who work with the positive attitude and great energy, which in turn produces a strong competition and productive work surroundings in the organization.

Like some advantages of recruitment agencies in recruitment and selection of the employees in the foreign subsidiaries there are several disadvantages as well. This method of recruitment is too costly as well as time intense and even there is no assurance that organization will get superior and appropriate applicants.

Another setback of using recruitment agencies is all the applicants are from outside the organization and they are not known with tasks, job and the global state of affairs of the organization. This way of recruitment also have an effect on the existing employees of the organization who are not sure to get promoted which daunts them to do the hard work and as a result organization suffers as the output decreases (Wiener, 1982).

The conclusion is recruitment and selection is one of the human resource management activities that influence most significantly the performance of an organization and it is understood as well as acknowledged that poor

recruitment decisions have an effect on organizational performance and its goal achievement.