Recruitment policy vs recruitment process

Business, Work

Find (Cntl-F) Best Paper Index Table of Contents RECRUITMENT POLICY VS. RECRUITMENT PROCESS: ESPOUSED THEORY AND THEORY-IN-USE ANNA M. STAFSUDD Department of Business Administration Lund University P. O. Box 7080 SE-220 07 Lund Sweden INTRODUCTION This paper argues that recruitment policy does not influence the recruitment process to a large extent, as it represents an espoused theory, which is used to explain and idealize behavior after it has occurred. Instead, it is argued that recruitment decision assumptions will guide the recruitment process, as they represent theories-in-use.

These recruitment decisions, in the form of how internal employees' firm-specific knowledge is valued, will affect whether managers are internally promoted or externally recruited. How an organization values such knowledge may be inferred from control systems, which is illustrated using the examples of socialization and bureaucratic control systems. These control systems have been chosen, as they represent opposite perspectives on the value of firm-specific knowledge and will, therefore, have opposite impacts on internal or external recruitment being more probable.

ESPOUSED THEORY AND THEORY-IN-USE The framework of Argyris and Schon (1974) presents how espoused theory and theory-inaction relate to each other, as well as to other variables. As can be seen in figure 1, espoused theory and theory-in-use can be positioned against each other, resulting in either congruence or incongruence. Furthermore, the figure depicts the assumption that espoused theory is separated from action and only serves to explain and idealize it afterwards.

Instead, it is theory-in-use, which influences action, as people act according to the requirements of the governing variables of their theories-in-use. Theories-in-use will also tend to influence how a person will perceive the surroundings, i. e. the behavioral world. This is a world created by human convention and continued by human choice, rather than being an inherent nature of reality. Concluding a feedback circle, the behavioral worlds will be used as validation for those same theories-in-use, by which the behavioral worlds have been created and tend, therefore, to further reinforce them.

This framework thus, depicts one problem with having theories-in-use, in that they tend to be self-sealing. Theories-in-use shaping action and behavioral world, while still using action and behavioral world as reasons and validation tends to enforce a circular logic, where a feed-back loop is dependent on the prior assumptions. One example of such a problem is presented by Argyris and Schon (1974), where ateacherexperiences a self-sealing problem of assuming that his students are stupid. In assuming that the students are stupid, the teacher acts as though they are in fact stupid.

By clearly letting the students know that he thinks they are stupid, the teacher will ask such questions as elicit stupid answers from them, thus, enforcing stupid behavior on the part of the students. The teacher will then test his theories and as he himself enforces stupid behavior in the students, his theories will be reinforced. The longer the teacher and the students interact, the more firmly will the teacher become in his theory-in-use of them being stupid. Academy of Management Best Conference Paper 2003 HR: G1 ----------Figure 1 about here ----------Apart from the earlier

discussed variables there are five more, with which espoused theory, theory-in-use, action and behavioral world can be analyzed and which represent possible dilemmas in or between the other variables. Internal consistency may be analyzed for each of the two variables of espoused theory and theory-in-use, as a description of how internally consistent the theories and the assumptions of the theories are. Congruence, on the other hand, represents a means for analyzing fit or consistency between espoused theory and theory-in-use.

Espoused theory and theory-in-use are related in the way that espoused theory represents what one says one is doing, whereas theory-in-use represents what one actually does do. Thus, theory-in-use influences action and behavioral world. Effectiveness is a variable, with which one can analyze how well actions enforce the behavioral world that a theory-in-use would lead to without the mediating variable of action. Effectiveness is, therefore, not used when analyzing espoused theory, as it will not influence action.

The model also depicts a feedback loop, as theory-in-use influences action, which in turn leads to a behavioral world, which is then used to validate and reinforce theories-in-use. How well the behavioral world can be used to reinforce or gainsay theory-in-use in turn depends on how well the theory-in-use can be tested, i. e. the testability of the theory in a specific situation. Apart from these analytical variables, there is one more variable, which represents a normative dimension of the framework. This variable is represented by the values of the behavioral world.

After having analyzed the other variables, a person would finally also ponder whether the behavioral world, created by the process involved in the framework, would be considered a positive or negative one. Depending on the answer, the person would perceive a propensity for stability or change. RECRUITMENT POLICY AND RECRUITMENT DECISION ASSUMPTIONS The espoused theory in the case of an organization's recruitment activities is represented by the recruitment policy, as stated by the organization, whereas theory-in-use is represented by the assumptions on which the recruitment is actually based.

An internal recruitment policy may in general be assumed, due to it being so common as it represents marketing towards the employees (Coff, 1997; Chan, 1996; Browner and Kubarski, 1991; Tanushaj, Randall and McCullough, 1988). In contrast to espoused theories, theories-in-use cannot be easily observed (Argyris and Schon, 1974). It can be argued that recruitment decision assumptions may be observed indirectly through what candidates are in fact recruited, but in such cases we would resort to tautology in assuming that persons are selected based on the fact that they are selected. However, patterns may of course be observed and analyzed.

As for recruitment decision assumptions, it seems safe to argue that the primary governing variable in a recruitment process is recruiting the best candidate available for the position. The ability of a candidate is, however, difficult to evaluate and recruiters will, therefore, use different proxies in order to evaluate ability and reduce information uncertainty. Focusing on the recruitment process in terms of choice between internal promotion and

external recruitment, it would seem more probable for an organization to recruit internally, as this reduces information uncertainty in that candidates may be directly observed.

Furthermore, Academy of Management Best Conference Paper 2003 HR: G2 internal recruitment may be preferred due to employees' firm-specific knowledge (Chan, 1996). The higher the value placed on firm-specific knowledge, the likelier will internal recruitment be. Recruitment decision assumptions in the case of what value is placed on firm-specific knowledge may be observed through what control systems are used.

This argument is based on the assumption that control systems not only represent measurement systems in evaluating a manager's behavior, but that they also signal what behavior is considered appropriate and, therefore, will be learned by managers. This reasoning is based on expectancy theory (Vroom, 1964), stating thatmotivationfor a certain behavior depends on a person's beliefs of what outcomes will tend to result from a specific behavior and the attractiveness a person attaches to those outcomes in terms of their ability to satisfy a person's needs. Thus, persons will be shaped by what is expected from them by others.

Consequently, as behavior and values are affected, control systems will have an impact on whether certain skills can be found in the organization or not. Here, the impact of the two control systems of socialization and bureaucratic control systems will be presented, as they relate to whether learning of corporate-approved behavior is valued or not. Thus, the difference lies in whether appropriate behavior needs to be learned over time or if it has been

formalized by the organization in terms of for example rules and regulations. Socialization is a form of premise control, i. e. ontrol is exerted prior to the action (Cyert and March, 1988), which means that appropriate behavior is internalized by the employees. Not only actions, but also thinking, are thereby influenced to include appropriate assumptions and values. This is related to how institutionalization will tend to become self-reinforcing, after a while needing no rewards or other intervening procedures, as once institutionalized social knowledge will tend to become a part of organizational daily life (Zucker, 1977). Lack of displaying the appropriate behavior will result in personal consequences.

Reinforcements of proper behavior and thinking are in this context made in terms of peer approval, membership andleadership. In contrast, not displaying appropriate behavior will result in the person's actions being perceived as deviating, which is punished by belittlement, hostility and ostracism (Anthony, Dearden and Bedford, 1989). A high degree of socialization will affect the recruitment process in numerous ways. First, managers who do not embrace the appropriate values and display the appropriate behavior will have a lesser chance of being promoted.

Second, the internal managers will have an advantage, compared to the external ones, in the recruitment process. Third, a recruiter would tend to feel less uncertainty in recruiting a person from within the organization, knowing that the person has had opportunity to learn appropriate behavior and not having to resort to indirect signaling of such behavior in other candidates. Bureaucratic control systems do not provide the difficulty

ofobservationthat socialization does, in that this form may be termed the most visible of controls, where appropriate behavior is signaled by such mechanisms as budgets, reports and other documents.

This form of control may be termed action control (Cyert and March, 1988), i. e. control is exerted during the action, which means that appropriate behavior is not internalized. Instead, tasks are simply performed in accordance with for example manuals, without having to reflect on what the appropriate action is. Thus, this form of control concerns mainly behavior and not an internalization of appropriate thinking. However, Istressmy use of the word mainly, as repeated actions may in time be internalized and transferred into control of thinking and especially so if the bureaucratic control mechanisms in question are stable over time.

Here, reinforcements of appropriate behavior consist of management commendation, monetary incentives and promotions, whereas Academy of Management Best Conference Paper 2003 HR: G3 punishment for the wrong behavior will tend to consist of demanding the person accountable to explain the behavior in question (Anthony, Dearden and Bedford, 1989). Reinforcements and punishments can in the case of bureaucratic control systems be considered to consist of more normative than affective mechanisms, as compared to possible ostracizing in organizations with a high degree of socialization.

In the case of bureaucratic control systems, internal candidates will not tend to have the advantage of inherent knowledge of corporate values, to which external candidates do not have access. Therefore, as no internalization of

appropriate values is present, external candidates will have a greater possibility of attaining a position, as compared to when organizations use socialization as control mechanism. The competitive situation will be more equal and the possibility and probability of external recruitment is, therefore, increased.

However, there may still be higher costs incurred and a higher information uncertainty with external recruitment, as internal candidates may be observed directly. The above arguments do not include a certain prediction that a high degree of socialization will invariably lead to internal recruitment and bureaucratic control systems to an external one. They propose that external recruitment is made possible and, therefore, more likely by the absence of internalized knowledge of appropriate behavior and thinking, as such is instead formalized into rules and regulations.

Indeed, this proposition may also include the opposite relationship, where a high degree of socialization may in fact incapacitate employees in terms of new thinking and dealing with new situations (Alvesson, 1993). For example, Wiersema and Bantel (1992) found that organizational tenure in CEOs was negatively correlated with strategic change. This implies that the longer persons stay in an organization, the more will they strive to preserve the organizational status quo and especially so in the case of a high degree of socialization.

Thus, if new thinking is required in an organization with a high degree of socialization, due to for example a changing external context, external recruitment may be needed in order for the organization to cope with it.

Degree of resistance to attempts of change tends to be related to the degree of institutionalization (Zucker, 1977). Still, the proposed relationship of recruitment being influenced by what value an organization places on firm-specific knowledge holds true, as the inherent knowledge of the internal employees has been transformed from a competitive advantage into a competitive disadvantage.

A DILEMMA OF TWO EVILS When deciding on form of control system, the organization will not only communicate and influence its recruitment decision assumptions in terms of internal and external recruitment, it will also influence what conflict it will be affected by when trying to achieve itsgoals. Inconsistency in one’s theories-in-use leading to no attaining one’s goals or incongruence in what one is doing and what one is saying one is doing, leading to not keeping one’s worldpicture constant.

With a high degree of socialization, an organization will tend to have congruence between recruitment policy and recruitment decision assumptions, promoting a positive self-image. The organization will, however, tend to suffer from the conflict of an internally inconsistent theoryin-use in the form of recruitment decision assumptions, as internal candidates will not be the best ones in all situations, although having the advantage of internalized knowledge of corporate values.

This conflict may be lessened by prioritizing internal recruitment, which would also Academy of Management Best Conference Paper 2003 HR: G4 avoid incongruence between recruitment policy and recruitment decision assumptions. Just such a case has indeed been promoted by previous

research (Chan, 1996), in claiming that external candidates will be recruited only when they are very superior to internal ones, in that employee well-being needs to be promoted for the organization to be able to continue its existence.

If instead recruiting the best candidate is prioritized, the organization will instead suffer from the same conflict as organizations with a high degree of bureaucratic control systems. In promoting the best candidate, external recruitment will be more possible as well as probable and the existing employees' may perceive the incongruence of an internal recruitment policy and external recruitment. As for an organization with a high degree of bureaucratic control systems, the recruitment decision assumptions are internally consistent.

However, it will face a conflict of incongruent recruitment policy and recruitment decision assumptions, as the recruitment decision assumptions promotes the recruitment of the best candidate, regardless of organization membership. Although those responsible may not believe in the espoused theory, the incongruence may nevertheless be noticed by employees, who may feel deceived and mistreated in receiving less promotion opportunities. This may lead to consequences such as a lack of motivation for staying with the organization and, in time, a high employee turnover.

Furthermore, this conflict would probably not be resolved by the organization boldly admitting to not recognizing organization membership as a variable in recruitment decisions, as this would hardly result in persons wanting to enter into the organization in the first place. In such cases when corporations with

a high degree of bureaucratic control systems recruit internally, no incongruence will arise. However, it is unlikely that internal candidates will always be the best ones and, therefore, one of the wo conflicts will tend to arise. The conflicts of inconsistency in recruitment decision assumptions and incongruence between recruitment policy and recruitment decision assumptions may be perceived as the organization breaching the implicit contract of them providing employees with future economic safety, while the employees have fulfilled their part of it by providing the organization with ability (Morrison and Robinson, 1997; Cassell, Juris and Roomkin, 1985).

As organizations commonly only succeed in inspiring conditional trust in their employees, any discrepancy in behavior may lead to a distrustfulenvironment(Jones and George, 1998), which is hardly conducive for employee well-being, nor for productivity. Although such mistrust is bad in itself, the situation may worsen if perception of breach of contract evolves into a perception of violation of contract (Morrison and Robinson, 1997), as breach of contract focuses on the cognitive aspect, whereas violation affects the employee emotionally.

Whether a breach of contract will evolve into a violation in the perceptions of the employees depends on the perceived magnitude of the discrepancy, how it affects the employee, whether the discrepancy is perceived as purposeful or not, if the procedure leading to the discrepancy is perceived to have been fair and the employee’s overall social relationship with the organization. Thus, in the case of discrepancies caused by the recruitment process, the evaluation will, first, be worsened by employees having a relational contract,

i. . it is broad, open-ended and long-term, based not only on monetary elements but also socio-emotional ones such asloyaltyand support (Rousseau and McLean Parks, 1993). Second, individual situations will determine perceptions of magnitude and fairness, but perceptions of discrepancies will generally worsen, due to the purposeful breach in deciding on recruiting an external candidate.

Counterintuitively, employees will tend to experience less violation if discrepancies in contract are more common than not, which is, however, consistent with unexpected negative events leading to more intense emotional responses than expected ones (Ortony, Clore and Academy of Management Best Conference Paper 2003 HR: G5 Collins, 1988). Therefore, we would expect external recruitment to elicit more severe conflict in organizations with a high degree of socialization than in the case of bureaucratic control systems.

As this breach will occur in relation to recruitment decision assumptions and organizational norms, this will probably also increase perceptions of breach of contract. However, as such recruitment will tend not to occur on an extensive basis, the impact on present managers will not be great, unless in the case of filling top management positions with external candidates, thus, extensively lessening internal managers' possibility of advancement.

In the case of organizations with a high degree of bureaucratic control systems, the discrepancies will be more common and relate to not following the recruitment policy, which will probably lessen the impact of such breaches. Nevertheless, such extensive external recruitment will reduce

internal managers' possibilities of advancement. Although this may not lead to recurring perceptions of violation of contract, it may instead infer a state of organizational cynicism (Dean, Brandes and Dharwadkar, 1998) among employees.

Such cynicism would then infer a belief that the organization lacks integrity, a negative affect towards the organization and tendencies to disparaging and critical behavior towards it. Such perceptions seem unlikely to improve individuals wanting to join the organization, nor will they tend to improve motivation. Ultimately, evaluation of organization behavior will depend on employees' beliefs about whether they have been treated honestly and respectfully as well as having received adequate justification for the contract breach (Bies and Shapiro, 1987).

Perhaps this is the cause of organizations sometimes specifying their policies by saying that although they are, of course, intended to bring about internal promotion, this has to be re-evaluted in specific cases, such as when recruiting experts or managers. Figure 1 Argyris and Schon's framework contrasting espoused theory and theory-in-use. Espoused Theory Internal Consistency Congruence Effectiveness Values Internal Consistency Theory-in-use Action Behavioural World Testability REFERENCES AVAILABLE FROM AUTHOR Academy of Management Best Conference Paper 2003 HR: G6