

Recruitment, selection and retention in human resource management

[Business](#), [Management](#)



It is stated, that 'Human Resource Management (HRM) in Australia is currently undergoing some revolutionary changes' (Sheehan, 2005, p. 193). As a result, the aspects of recruitment, selection and retention in HRM acquire new meaning and draw attention of scholars. Reviewing and elaborating on the issues, discussed in contemporary HRM literature, is essential to monitor the most recent trends in the development of current HRM practices.

Recruitment The importance of recruitment in HRM constantly increases and is integrated into the organizational HR strategies (Huselid, 1995). This importance is confirmed by the assumption that economic, political and social contexts, in which organizations exist, urge this integration and make it relevant. As long as recruitment is simply defined as finding the right person for the right job (Fisher & Dowling, 1999, p. 7), recruitment will be viewed as one of the essential stages in achieving organizational success.

The discussion of the issues within recruitment framework is often limited by describing the variety of methods used to hire employees, and their advantages/ disadvantages (Michelson & Kramar, 2003). Nankervis, Compton & Baird (2002) have drawn readers' attention to the problem of recruiting the staff from within. It should be noted, that hiring people from within is the most popular recruitment policy in Australia (Michelson & Kramar, 2003). Thus, promotions and transfers are the basic means to create effective team within a certain organization.

Gill (2000) speaks about advertisement as one of the widely used methods of recruitment in the Australian HRM. The number of advertising researches in

literature is sufficient to conclude, that advertising has for long been taken as the most advantageous recruitment instrument (Budhwar, 2004; Crawford, 2004; Milla, 2004). However, the current social conditions and technological development create additional opportunities to broaden the range of potential employees.

Moreover, the effectiveness of advertising has recently been argued by Hollings (1998): the author relates to advertising as relatively passive and non-flexible means of recruiting new staff; this inflexibility is especially viewed towards print media. Such criticism is not only accounted in other works (Cleland, Pajo & Toulson, 2000; Michelson & Kramar, 2003), but is used for the objective evaluation of recruitment policies by the authors who have traditionally approved using advertisement in HRM (Milla, 2004; Sheehan, Holland & Cieri, 2006).

For example, Irwin (2003) recognizes the serious consequences, which misleading advertising may cause to the overall organizational performance, as the applicants risk lacking the required qualifications and skills. The Australian Job Network is known for consisting more than 300 recruitment agencies of various organizational forms (Sheehan, Holland & Cieri, 2006). This data supports the tendency of recruitment agencies towards occupying the leading place among the most popular recruitment techniques.

Online recruitment is also discussed by researchers, but it is possible to state that the so-called ' e-recruitment' lacks scholars' attention and represents a serious gap in HRM literature. With this method being relatively new, the

area of online recruitment is yet to be thoroughly analyzed. Online recruitment is viewed by Stone (2002) as the cause of demographic and technological changes, as a result of which more people have Internet access and may use its resources to search for employment.

The major benefits of e-recruitment are: ' the speed of recruiting results and reduced costs due to the inexpensive use of the Web instead of print media' (Sheehan, 2005). However, viewing online recruitment as totally positive phenomenon is wrong and unilateral; only one of the researched works (Doyle, 2002) has referred to the disadvantages of e-recruitment: first of all, using Internet for recruiting staff risks attracting initially ' passive' candidates, who do not use search tools but may wish to become a part of the company's team. Additionally, the large amount of potential applicants should be properly assessed and selected.

In order to successfully perform this task, Doyle (2002) speaks about ' adequate tracking mechanisms', which are capable of dealing with significant volumes of potential candidates. Internet is predicted to be integrated into the majority of Australian HR techniques. This integration will take place due to the fact, that Internet not only allows looking for employees, but dealing with them (Delery & Shaw, 2001). Internet recruitment is viewed as the pathway towards streamlining the HR practices in Australian organizations (Nankervis, Compton & Baird, 2002).

Consequentially, Sheehan (2005) describes e-recruitment as the means for HR departments to provide better services to other employees, with more

free time to be devoted to other value-added tasks. Though recruitment does not seem a difficult task at the surface, several authors discuss recruitment constraints, which should be accounted by professional HR managers (Allan, 2000; Budhwar, 2004; Crawford, 2004; Huselid, 1995). Budhwar (2004) speaks about organizational policies, which frequently become the barrier towards effective recruitment in Australian HRM.

As long as Australian enterprises prefer internal recruitment, many employment opportunities are neglected by management of such business entities. The use of affirmative actions serves another recruitment constraint, as discussed by Crawford (2004); the author relates to the fact that certain laws require hiring staff with specific characteristics, to eliminate discrimination and to promote employee diversity at the workplace. As a result of such actions, the quality of workforce may be seriously damaged (Crawford, 2004).

Evaluating all benefits, methods and constraints of recruitment, researchers (Michelson & Kramar, 2003; Nankervis, Compton & Baird, 2002; Stone, 2002) integrally link recruitment process with that of selecting employees.

Selection The expected changes in the selection practices within Australian HRM are argued and evaluated through the factors, listed by Milla (2004): these are the 'time necessary to transfer research findings into practice, evidence that HRM has become more strategic, and the increased professionalism of the HRM community'.

Contrary to the previous research findings (Kotey & Sheridan, 2001; Stone, 2002), Milla (2004) supports the idea of interviewing being the most effective means of selecting employees. Simultaneously, this idea is denied by Doyle (2002), who deeply criticizes interviewing for being unreliable, invalid, and even irrelevant. However, the major attention of the scholars within the research of HRM selection is attracted to the external factors, which impact selection practices in the Australian HRM.

Drucker (2001) connects the changes in selection approaches with the non-centralized character of decision-making, observed in numerous organizations today. The tasks, which contemporary business entities have to perform, constantly change; as a result, HR managers frequently face the difficulty of assessing the proper job design and the professional characteristics required from potential candidates (Budhwar, 2004).

According to Milla (2004), selection is deeply integrated into the whole system of decision-making within the organization, being impacted by the large number of external factors.

Allan (2000) speaks about employment decisions, which have recently become too complex due to market uncertainty and competitive conflicts (pressures). Thus, selection in the modern HRM cannot be viewed by authors as a single separate process of choosing and hiring employees. It is closely connected with not only internal job requirements, created by the organization, but with the legal provisions to be followed by recruiters – Racial Discrimination Act 1975 and Workplace Relations Act 1996 are the

two basic documents to be addressed in the process of selection in HRM (Nankervis, Compton & Baird, 2002).

Though the number of issues within the selection process is vast, their features are mainly common and limited in description. The crucial character of determining the exact criteria in selection process has been mentioned only by Sheehan (2005), and this can be considered as another gap in researching HRM selection techniques. Sheehan (2005) speaks about establishing selection criteria as the initial stage of selection process. The author emphasizes the importance of setting the exact selection criteria, stating that this situation 'results in incorrect selection'.

Retention Despite the important character of the employee retention issue, not many Australian and international authors have elaborated on the topic. Due to insufficient attention of scholars to the problem, retention risks becoming the major HR issue in Australian business (Delery & Shaw, 2001; Irwin, 2003; Stone, 2002). Employment market of Australia and New Zealand is described by Sheehan, Holland & Cieri (2006) as having recently ignited.

The authors have pointed out, that the number of multinational and local companies had dramatically increased, and this is why the employees with high transferable skills are increasingly valued. The problem in retention research is mainly in the fact that it does not suggest any relevant list of possible retention techniques. Allan (2000), Drucker (2001) and Kotey & Sheridan (2001) equal retention techniques to financial stimuli, while

Nankervis, Compton & Savery (2002) state, that such employee retention approaches can be effective only in short-term perspective.

As companies seek for more sophisticated means of employee retention, more attention should be devoted to investigating the benefits and pitfalls of retention techniques, as well as the issues organizations face trying to keep their employees from leaving. Conclusion The amount of literature in the area of HRM is vast, but there are still profound gaps in researching certain issues within employee recruitment-selection-retention framework. With the rapid development of technologies and their integration into HRM practices, more attention should be paid to proper utilization of these techniques.

Employee recruitment, selection and retention should be viewed by scholars as the means of achieving strategic goals of the organization. The efficiency and value-added character of HRM practices is still based on the relevance of the research results. This is why it is recommended that the scholars address the issues, which exist in the current HRM literature. Closing the knowledge gaps, which are identified in the present review, is the pathway towards creating favorable environment for the implementation of cost-effective recruitment, selection and retention practices in Australian HRM.