



UNIVERSITI PUTRA MALAYSIA

**EMPLOYEE RECRUITMENT: STRATEGIES FOR GREATER
ATTRACTION**

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**EMPLOYEE RECRUITMENT: STRATEGIES FOR GREATER
ATTRACTION**

By

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DEDICATED TO MY LOVELY

... wife Suseela

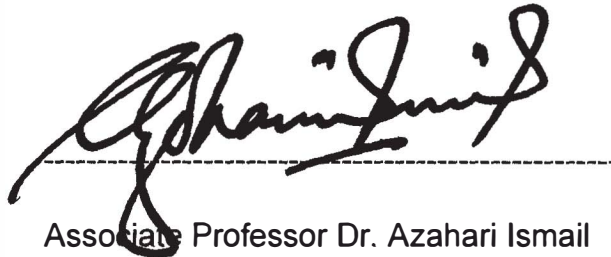
... daughter Darishini Devi

... son Krisna Devan

MAY GOD BE WITH US IN EVERYTHING WE DO



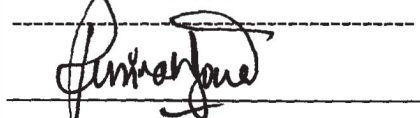
This project paper entitled, "Employee Recruitment: Strategies for greater attraction" by Vellayadevan a/l Muthiah has been submitted in partial fulfillment of the requirements to obtain a degree in Master of Science (Human Resource Development) from the Institute Of Distance Education Learning, University Putra Malaysia.



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ABSTRACT

EMPLOYEE RECRUITMENT: STRATEGIES FOR GREATER ATTRACTION

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The research was concerned with the proper implementation of recruitment exercise in an organization. The purpose of the study was to understand the scope of recruitment exercise and the planning of greater strategies in order to conduct employees recruitment exercise effectively to attract employees into the organisation. The study also explored the challenges faced by the organizations in conducting recruitment exercises. Six respondents were interviewed in this study. They were the human resource managers, employees who left the organization to join other organizations and employees who have served for a period of less than two years in the same organizations. Each interview lasted for about an hour. All interviews were tape-recorded and subsequently transcribed to facilitate data analysis. It was found that most respondents believed that recruitment is a continuous process. They also believed that the human resource managers should understand the scope of recruitment process such as manpower planning, selection, interviews, orientation, training and



appraisal. One of the reasons why companies fail to recruit and attract employees is the narrow scope of recruitment process. Organizations also fail to relate the management practices with recruitment exercise. Beside implementing the recruitment process effectively, the management practices also equally important in attracting employees into the organization. Compensation & benefit, communication, job satisfaction, working environment, training and career development are equally important to attract employees into the organization. Employees prefer to check on the organization's practices before they join the organization. These practices could attract employees join the organization. Consistent to the literature, the respondents also stressed that the recruitment process must be effectively conducted and the management practices must be related to the recruitment exercise. A effective way of attracting employees is necessary in order employ the right candidates. The organisation should able to relate management practices and policies while planning to conduct recruitment exercise. The recruitment process must be effectively implemented in order to attract employees into the organisation. A framework for improving the practice of recruitment and attracting employees was made with specific recommendation for policy and future research.



ABSTRAK

PENGAMBILAN PEKERJA: STRATEGI UNTUK PENARIKAN YANG LEBIH BERKESAN

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Penyelia: Azahari Ismail, Ph.D

Kajian ini adalah berkaitan dengan pelaksanaan pengambilan pekerja yang lebih berkesan. Kajian ini adalah bertujuan untuk memahami skop pengambilan pekerja dan untuk merancang strategi yang berkesan dalam menjayakan program pengendalian pengambilan pekerja di mana ia dapat menarik pekerja di dalam sesuatu organisasi. Kajian ini juga telah mengkaji cabaran-cabaran yang dihadapi oleh organisasi dalam pengendalian program pengambilan pekerja di mana organisasi gagal untuk menarik pekerja yang sesuai. Seramai enam responden yang terdiri daripada pengurus sumber manusia, pekerja yang telah meletakkan jawatan untuk bekerja di organisasi lain dan pekerja yang telah bekerja kurang dari dua tahun di organisasi yang sama telah ditemuduga. Setiap temuduga telah mengambil masa selama satu jam. Kesemua temuduga telah dirakamkan dan transkripsi dibuat untuk memudahkan penganalisan data. Didapati kesemua responden percaya bahawa proses pengambilan pekerja adalah suatu proses yang berterusan. Setiap



organisasi mesti memahami skop proses pengambilan pekerja seperti perancangan tenaga pekerja, pemilihan, temuduga, latihan dan penilaian. Salah satu sebab mengapa organisasi gagal dalam penarikan pekerja baru adalah disebabkan oleh persepsi yang sempit terhadap proses pengambilan pekerja. Organisasi juga gagal dalam mengaitkan amalan pengurusan dengan program pengambilan pekerja. Selain mengendalikan proses pengambilan pekerja secara efektif, amalan pengurusan juga penting untuk menarik pekerja baru ke dalam organisasi. Segala faedah, komunikasi, kepuasan kerja, kesesuaian tempat dan situasi pekerjaan, latihan dan peluang kerjaya adalah fakto-faktor yang penting dalam menarik pekerja baru ke dalam organisasi. Para pekerja sebelum hadir untuk temuduga, akan mengkaji latarbelakang sesuatu organisasi. Amalan pengurusan yang berkesan akan membantu penarikan pekerja ke dalam sesuatu organisasi. Para responden dan kajian yang lepas menegaskan bahawa proses pengambilan pekerja harus dikendalikan secara efektif dan amalan pengurusan harus dikaitkan dengan program pengambilan pekerja. Cara yang efektif harus digunakan untuk menarik pekerja baru. Organisasi harus mengaitkan semua amalan pengurusan dan polisi semasa merancang untuk mengendalikan program pengambilan pekerja. Keseluruhan sistem harus dikendalikan secara efektif. Cadangan untuk memperbaiki amalan pengambilan pekerja dan penarikan pekerja serta

cadangan spesifik terhadap polisi dan kajian akan datang telah
diketengahkan

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CHAPTER 1

Introduction

Human resource development is being given top priority by the government of Malaysia as one of the strategies to achieve Vision 2020 (Fisher, Dowkins, Akin, 1994). Malaysian people have experienced tremendous new job opportunities to the point that some parts of the country are experiencing a labour shortage (Fisher, Louis, Akin, 1994). According to Tan (1997) Malaysia is definitely going through a period of unprecedented growth with the unemployment rate plunging from 8.5 per cent in 1986 to 2.9 per cent in 1995. This growth implies that the industrialization in Malaysia has expanded greater career opportunities among Malaysians and foreign workers. The manufacturing, service industries, construction and plantation sectors are all competing to be leaders in their business in line with the expectations of Vision 2020. This has eventually led to greater competency which in turn reflect itself in the high mobility of the work force as workers move from one organisation to another seeking better career and lifestyle (Patching & Waitley, 1997). The government has to lay down policies and procedures especially for the importation of foreign employees into the country . While measures have been taken to regulate the availability of suitable and sufficient workers, employers were still with a shortage of labour.

The Prime Minister in "The Way Forward" called for action, "the wisdom to avoid pitfalls... the tenacity to sustain our development... the will to face all the challenges and the stamina to complete the journey towards the Asian renaissance" (Chin, 1996). The government has taken numerous steps to overcome the shortage of suitable employee so that industries would continue to grow. Towards this end the Seventh Malaysian Plan puts a premium on education and skill training. The Education Act has been amended and new approaches worked out, private universities were allowed to conduct twinning programmes, major utility corporation have been asked to upgrade their training facilities to university status and more institutions for skills training will be set up by both Government and the private sectors (Mahathir, 1996).

Every effort is being made to support economic growth through various programmes and policies. Strategies such as enhancing training in technical areas, introducing new courses, educating on effective management, productivity, efficiency, joint ventures with developed countries and providing fund for training have contributed to the economic growth. The government has even brought in millions of foreigners to assist in the development of the country. Despite these measures, the human resource element is still an obstacles to employers in Malaysia (Mahathir, 1996). Many companies run at below capacity because they cannot get skilled staff (Abdul Azizal, 1996).

These development scenarios have given an opportunity to employees to be choosier and greater freedom to determine their career advancement. The

government has established numerous educational institution and private institutions to offer courses directly related to the market needs. The employees have already gained the necessary skills in the colleges and were prepared to work. In addition to that the employees were given practical training during their studies at colleges. All these have given them the added advantage to choose their career and they wish to work for. Whenever they found a better organisation, they would leave without considering much due to the demand in the market. Loyalty among employees was rare in fast growth economies with little or no unemployment. The tight labour market makes it even more important for employees to work hard to keep valuable staff. Most companies have accepted that local staff is in it for what they can get and would readily 'jump ship' for more money or a higher rank (Abdul Azizal, 1996). Malaysian leaders have made statements that the spirit of loyalty is eroding in the Malaysian culture and workers are moving from job to job in search of higher pay (Mahathir, 1992). Understanding the above phenomenon, the employers should always find ways to attract new employees to continue their operation effectively.

Many organisations have taken the easy way out by offering higher wages and luring employees from other companies with huge wage increases, resulting in spiraling wage costs not consistent with productivity (Tan, 1997). If this situation is allowed to continue, the country will soon lose the competitive advantage. On the other hand, the manpower crisis would not be able to solve.

There are other factors where organisations could improve or practice to attract employees into the organisation.

According to Pritchard and Karasick (1983) organisational climate is a relatively enduring quality of an organisation's internal environment distinguishing it from other organisations: 1) which result from the behaviour and policies of members of organisation; especially top management; 2) which is perceived by members of the organisation; 3) which serves as basis for interpreting the situation; and 4) acts as a source of pressure for directing activity. Pritchard and Karasick (1993) assert that the organisational climate is an important element in establishing a quality organisation. The recruitment achievement is very much interrelated to the internal environment of the organisation. A quality organisation, which has good practices such as understanding the needs of the employees, will be able to attract employees effectively.

Similarly, Taylor and Bower emphasized on the importance of internal environment in an organisation (Taylor & Bower, 1972). Taylor and Bower's six dimensions of organisational climate are as follows: 1) Human Resource Primacy - the extent to which the organisation considers its employees to be a valuable resource within the organisation; 2) Communication flow - the extent to which information flows effectively upward, downward, and laterally in the organisation; 3) Motivational practices - the degree to which the work conditions and relationships in the environment are generally encouraging or discouraging

in accomplishing tasks; 4) Decision making practices - the manner in which decisions are made; 5) Technologies readiness - the degree to which members consider the materials, procedures and equipment to be up-to-date and well maintained; and 6) Lower-level influence - the extent to which employees feel that they have some influence over what happens in their departments. All these practices will be able to create a positive environment in the organisation, which will be recognized by the future employees.

All the above factors emphasized on the internal environment of an organisations which are important for the employees. The employer should understand all these phenomenon in addressing recruitment issues. The wage is not the ultimate strategy in working out the recruitment package. Employees are concerned with other environmental factors in the organisation. With speedy, flexibility and value added services, Malaysian organisation are now required to be more proactive in educating, training and developing its most important resource -its people (Asma, 1996).

The research will provide an understanding how the organisation's environment could attract new employees into the organisation. How the Malaysian organisation should plan their strategies and introduce effective practices in their organisation in line with the current expectation of the employees so that the recruitment process will be effective and successful. The impact of business globalization and mediazation of culture through rapid advances in information technology is now placing tremendous pressure on

Malaysian organisations to compete and strive to become world class (Asma, 1996).

Statement of the Problem

Human Resource elements have become an important phenomenon in every organisation. More money, time and thoughts are given to improve the human resource elements in the organisation. Maintaining adequate and the right employees for the right job have become a necessity to compete in the market. This element is believed to be the 'backbone' of the organisation with the vital role of ensuring success for the company.

Staff turnover has become a serious problem in South East Asia (Patching & Waltley, 1996). Organizations have to overcome this problem effectively to perform in the global market. Patching & Waltley (1996) have given several reasons why staff turnover is being a problem in organisations: 1) the lack of challenges; 2) unclear corporate vision; 3) importance of innovation; 4) management by project; 5) the Opex Network Session (ONS); 6) the reticular activating system (RAS); and 7) the future proof. There are also many other reasons why employees look for other organisation or environment. The employer to attract employees into their organisation could use the same factors. Unfortunately many organisation failed to understand the actual reasons why employees look for new organisation.

Employers have taken the easy way out to increase the salary, to employ staff and also to retain the staff (Tan, 1997). They are not interested in finding the genuine reasons why their organisation could not employ adequate and the right candidates. There are organisations where traditional methods in the recruitment process were used. Their concern was more to the method of recruitment such as, which newspaper is effective, what is the suitable design of the advertisement, which employment agency is good, etc. Organisation which give emphasizes only on these factors will not be able to recruit right candidates for their organisation. The recruitment process will continue and more money will be spending for same purpose.

The definition of recruitment process also is not understood by many organisations. The recruitment process ends, the day the offer letter was given. Organisation fail to realized the process after the employee joins the organisation. Recruitment process should be a comprehensive exercise where an employee was able to perform the job independently. Employers have to understand what is the comprehensive recruitment process.

Since, there are not many studies on greater strategies in attracting employees into the organization; there is a need for this study to determine what strategies to use to attract employees into the organisation.

The research questions to be addressed in this study were: 1) What are the practices in recruiting employees; 2) What are the problems encountered in recruiting employees; 3) What are the factors can influence employees join into

an organisation; and 4) What would be the effective strategy in attracting employees into the organization

The Objectives of the Study

The purpose of this study was to understand the nature of staff recruitment practices found in manufacturing organisation in Klang Valley.

Specifically, the objectives of the study were as follows:

- 1.To understand the practices of staff recruitment
- 2.To understand the strategies and factors that attract employees to join in an organisation
- 3.To understand the problems face by the organisation in recruiting suitable staff

The significance of the Study

The finding of this study will guide employers in the implementation of effective recruitment strategies. It will facilitate the formula on of better ways to attract the right candidates for the right job. "Strategy is... the broad program for defining and achieving an organization's objectives; the organization's response to its environment overtime" (Stoner and Wankel, 1986). This study will serve as guide for human resource personnel in planning and understanding

the elements which influence potential employees in choosing their career in the organisation.

The findings may also assist the policy makers to emphasize on every factor before finalizing recruitment policies. Employers, who think that direct benefit packages as deciding factor in choosing a career, would consider other factors too in attracting employees.

This study will also provide insights of diverse recruitment practices, tangible and intangible reward packages that will assist organizations in solving their human resource problems.



CHAPTER II

REVIEW OF THE LITERATURE

Introduction

Most of the researches conducted in this field do not address directly the issue of attracting employees into the organisation. The research emphasizes on productivity, job performance, motivation, and staff turnover, retaining of manpower, etc for the existing employees. In this research, the variables which contribute to the improvement of existing employees, to some extent, are indirectly also factors for attracting new employees.

The study analyze practices in recruiting employees, problems encountered during recruitment, factors that influence employees to join the organisation and effective strategies in attracting employees into the organisation. This research relate how these variables which influence existing employees indirectly become factors in attracting new employees into the organisation. Previous studies on internal practices and external forces influencing recruitment will be discussed in this chapter.

Issues in Recruitment

The changes in social value have made the management of people to be more complicated. As Malaysians live beyond the basic needs, the expectation of life will change (Tan, 1997). The organisation has to develop strategies to mot

