

## THE RECRUITMENT PROCESS IN TRANSNATIONAL CORPORATIONS

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**Abstract:** The article is devoted to recruitment and human resources approach to transnational corporations. Factors like: employee ability, education, skills, experience, behaviours, personality traits and motivations influencing the company's prosperity. That's why recruiting process is so important to pick appropriate candidate from the market and bring to company some extra value through this actions. The theoretical approach to this problem has been complemented by a case study of corporations that are among the so-called "Big Four" involved in the advisory industry and nowadays regarded as the most prestigious place for work.

**Key words:** "Big Four", transnational corporation, recreation process.

### Introduction

Human resources may be approached in two different ways. The economic approach treats them as labor force which constitutes one of the three means of production. Whereas the second one, known as the personnel policy, refers to the business management and treats human resources as individual employees or particular departments of the company responsible for recruitment, training, reinforcement and management of the employees (Jasiński, 1999). Human resources constitute the most valuable assets of the organization which individually or collectively contribute to the achievement of the objectives established by a given unit (Kulej-Dudek at al., 2011). Therefore, the skillful and effective management of these resources appears to be a crucial attribute (Armstrong, 2000). HRM can be regarded as "a set of interrelated actions with the ideological and philosophical justification". Not only does the human resource management include planning, staffing, development and reinforcement of the personnel in a given institution but also the establishment of the relationships between the employees of different echelons (Kostera, 2000).

In the age of fierce competition, not only the one spreading through various regions but especially the one which refers to the global perception of the company, the most important objective of the HRM is the process of obtaining the employees (Pocztowski, 2007). In order to meet the demands posed by the globalization, the companies are looking for candidates who fit to the current needs of the market. Hence, the organizations frequently use their own specific evaluation and candidates selection techniques (Griffin, 2005).

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It is not easy to meet the requirements established for the candidates during the application process for the Big Four companies (Deloitte, Ernst & Young, KPMG and PricewaterhouseCoopers) and only the most prepared applicants are able to meet this challenge. Very often learned behaviors based on past experience are not the features the employers are looking for. The characteristics that are in heavy demand include innate qualities and abilities which are hard to develop.

The purpose of this article is to present the recruitment process in the world's most prestigious advisory corporations and to provide the outline of the factors that are taken into account during the assessment and candidates selection process. The analysis of the selected recruitment methods shows that the candidates selection process in the aforementioned enterprises is very demanding and even though the firms come from the same industry, they use different recruitment techniques in order to match the candidates strictly to the requirements posed by the company.

### **Recruitment process**

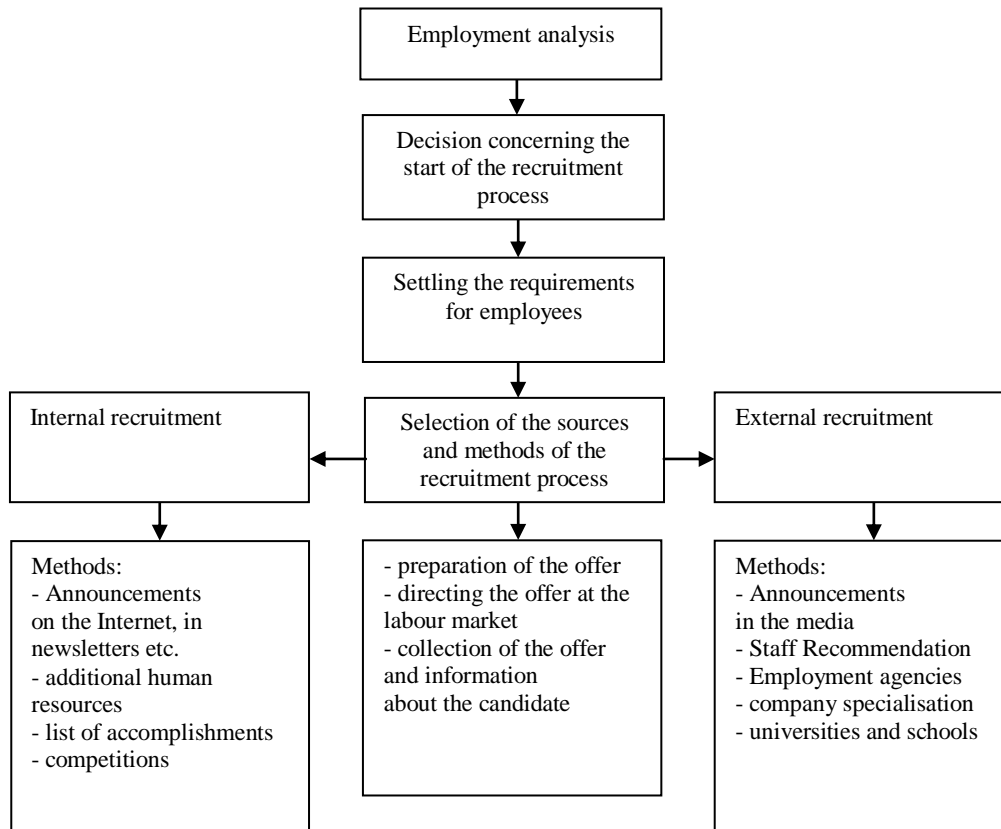
Regardless of the type of business (production or service companies), its effectiveness is determined by the employees who fulfil the given goals in accordance with the mission and strategic plan of the institution (Dima and Vlăduțescu, 2012). Therefore, each organization tries to recruit the staff which strictly fits its policy. The internal and external changes in the environment of the unit, circumstantiated by political changes and the internationalization of the enterprise, require reasonable flexibility from both the candidates and the corporations attempting to meet the requirements of the market (Stonehouse, Hamill, Campbell and Purdie, 2001). The proper human resources planning allows us to prevent the occurrence of the excess or the shortfall and counteract the cost of the staff turnover. The human capital belongs to the intangible capital of the company and constitutes a combination of knowledge, skills, qualifications and experience of each of the employees (Henzel – Korzeniowska, 2013).

One of the most important issues related to human resource management is the recruitment and selection of the candidates suitable for a given position, which serves as a determinant of the effectiveness of the tasks assigned to them (Marek, 2008). The requirements planning process connected with human resources is synonymous with establishing the demand for particular employees, their enlistment, recruitment, development and even dismissal (Hill, 2011). While planning to hire new workers one should take into consideration both the external (experience, education, language skills, etc.) and the internal factors (location, market position, demand, etc.) (Ślusarczyk and Szat, 2013).

The recruitment process is a tool that the company uses in order to gain the needed resources. It involves the selection of future workers out of the candidates who possess the appropriate qualities and skills required by the organization. The structure of the recruitment process is presented in Figure 1.

The recruitment process is an ongoing procedure that applies to specific time which somehow forces the company to undertake an adequate preparation (Jamka, 2011).

As shown in Figure 1, the decision concerning the start of the process is preceded by the employment plan analysis. The company that decides to get new workers has to determine the type of the offered position and particular requirements for the candidates. After due consideration of the given position, all the skills and characteristics which the candidate should possess are determined.



**Figure 1. Recruitment proces** (Król and Ludwiczyski, 2000)

There are two types of markets in which employers may search for the perfect candidates – internal and external market. During the first stage, the company search for a candidate in the databases of the currently employed workers. This type of recruitment is divided into two – an open and a closed one. The former focuses on conveying the information about the new positions to all of the workers or on announcing the closed competition. Each of the employees who would like to develop in the area the announcement is related to and who has the required skills can stand for election. Whereas in the closed competition, the assessment of a potential candidate is made by a narrow group of managers. The external recruitment is aimed at including the people who do not belong to the given

company in the recruitment process and at determining as large number of candidates as possible. The external recruitment makes use of media reaching a large number of potential employees (such as Internet, the press and other types of media) (Gabcanova, 2011).

In order to choose the best candidate who fulfils the requirements, different selection methods are applied. These methods may be classified as the most important issues related to getting new employees since they allow the selection of candidates who not only meet all the necessary criteria but are also aware of the position for which they applied and within which they want to develop (Pomianek, 2000). The candidate selection methods include (Kostera, 2000):

1. The application of the candidate -usually it is required to send a covering letter with one's CV. In some cases it is also necessary to fill in the application form or to submit the additional information (references, higher education diploma, course completion certificates, grades from university etc.);
2. The Assessment Center is a complex diagnostic session based on simulated task-oriented situations which can be easily encountered during daily work. The evaluated skills include: the speed, the type and the order of activities undertaken in the task-oriented simulations. The attitude, emotional balance and interpersonal relations are also taken into consideration. These tasks are carried out both individually and in groups and may focus on the following notions: presentation, problem analysis, problem solution, in-basket, interview with the subordinates etc.;
3. Credentials - the current employer is trying to get the information about the future employee from the candidate's previous employer;
4. The graphology analysis - the sample of approximately 50 words written by the candidate on plain paper in black ink is analyzed and tested.
5. Tests - there are many types of tests depending on the requirements for the given position (psychometric, psychological, intelligence, mental predisposition testing, language skills, aptitude, practical);
6. Job interview – its purpose is to gather the additional information about the candidate, which cannot be found in his CV or covering letter.

It is difficult to determine which of the recruitment methods is the most effective. This is the reason why most companies decide to use the recruitment process working on several levels in which various combinations of the above mentioned methods are applied (Paşik, 2007). However, under no circumstances should it be forgotten that each recruitment process is cost related. Therefore, careful selection of appropriate techniques guarantees a long-lasting success of the organization.

### **Recruitment methods used by the selected enterprises**

One of the most developed dimension of recruitment process occurs in the market's largest corporations. It is usually a multistage process and its first phases are often carried out by the third parties. More and more often there are many full-day Assessment Center meetings organized by the employers during which the

candidates selected from among hundreds or thousands of applications are vigilantly observed and compared with each other. In order to provide the repeated phases of the recruitment process, the article presents four prestigious companies working within the financial and consulting audit which are colloquially known as the Big Four. These include:

1. Deloitte,
2. Ernst & Young,
3. KPMG,
4. PricewaterhouseCoopers.

All of them are the international corporations dealing with counselling. The workers employed in the above-mentioned corporations work globally. Every day they solve different problems conducting case studies for the international customers. Therefore, the recruitment process in the Big Four firms constitutes one of the most important guidelines for the effective business and sustainable development. All of the above-mentioned companies cooperate with the best universities in Poland by hiring the students, thus offering them both the attractive career prospects at the very beginning of their business journey and the possibility of acquiring new practical skills.

These corporations care about the workers' interests guaranteeing them motivating training systems which are useful in acquiring experience. Furthermore, there are many career development programs within the organizational structure that allows the change of specialization e.g. consulting, audit, financial or tax consulting.

In order to illustrate the particular stages of recruitment, it is recommended to analyses Table 1 in which the recruitment process in the discussed companies has been described.

**Table 1. The comparison of the recruitment methods used by the “Big Four” companies**

Etap	Companies			
	Deloitte	Ernst & Young	KPMG	Pricewaterhouse Coopers
I	Submission of applications through the application form and enclosing the CV with the covering letter, which are intended to describe the candidate and his characteristics as accurately as possible.	Submission of applications through the application form available online.	Sending applications through the application form with the following documents enclosed: CV, covering letter, references, a list of university subjects with the grades, certificates, trainings, attestations about taking an active part in student organizations or in voluntary service.	Filling in the application form and the execution of numerical and logical reasoning online tests.

<p><b>II</b></p>	<p>Filling in the online tests verifying the knowledge about the analytics, checking reading comprehension skills and the English language skills.</p>	<p>Filling in the online tests concerning the analysis of the figures, verbal information and logical thinking.</p>	<p>Online selection tests verifying the command of the English language and TalentQ Elements tests verifying the analytical thinking skills, the proper reasoning and behaviours in business environment.</p>	<p>English placement test conducted at the company's headquarters.</p>
<p><b>III</b></p>	<p>The recruitment meeting or the Assessment Center is a full-day exercise session taking place in conditions resembling the actual work. It allows the employer to assess whether the candidate is equipped with the skills required for a particular position and whether he possesses the features of a good team worker. The other features of a potential candidate examined by the employer are as follows: efficient communication, problem-solving ability and organization of work. Case studies are conducted in small groups carefully supervised by the assessors - people from HR department.</p>	<p>The "paper-pencil" tests concerning the figures analysis and checking the knowledge of the English language.</p>	<p>The interview which aims at getting to know the candidate, his motivation to work in the chosen department and company and his development plans for the coming years.</p>	<p>A four-level assessment center consisting of:</p> <ol style="list-style-type: none"> <li>1. a 10-minute conversation in English,</li> <li>2. A group exercise during which the entrants, together with the other candidates participating in the recruitment process, are to develop solutions to the fictional problem. This exercise is meant to check the teamwork skills,</li> <li>3. The interview concerning the experience the candidate has gained so far, his motivation and interests,</li> <li>4. The individual exercise during which the candidate is to conduct the case study and prepare the presentation.</li> </ol>
<p><b>IV</b></p>	<p>The interview, conducted by the HR employee or by the manager of the department for</p>	<p>The meeting with the representatives of the selected department and the admissions office.</p>	<p>Assessment Center session - the candidates are observed during the group work on some</p>	<p>_____</p>

	which the candidate applies. The interview is aimed at getting to know the candidate, his experience, knowledge and skills.		specific and practical tasks. The most common exercises are as follows: group discussion, role play, individual presentation, search and information analysis.	
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Table 1 shows the recruitment process in four of the world's largest corporations dealing with a consultancy on a global scale. The recruitment processes in the aforementioned companies are closely akin to each other due to the nature of these enterprises. They consist of similar stages and include an online entry form, various tests and face-to-face conversation with the supervisors. However, each of the organizations has developed its own tools to assess the performance of their employees. For example, the entry forms require different information to be filled in. Deloitte requires the candidates to give the information about the previous places of employment. Whereas according to the policy of PWC, it is advisable to provide a list of obligations that the candidate had to fulfil in his previous position. The tests check a variety of competences such as linguistic skills or the analytical thinking skills. These are the authoring tools such as "paper and pencil" or "TalentQ Elements". Deloitte and KPMG in their recruitment process use a typical assessment center (with different tasks), whilst PWC introduced a four-level assessment center only with selected tasks. At the very end of the process, the employers assess the candidate interview with the HR department, manager of a specific department and very often with a business partner.

If we take into consideration the real value of the high quality business service provision, such demanding and multi-stage recruitment process does not appear to be a surprising phenomenon. It also applies to the mutual benefits both for the employer and the employee. The most talented candidates, apart from a competitive salary, will also receive other gratuities. The aforementioned corporations offer a private health care, benefit cards, cinema and theatre tickets and, in some cases, cheaper shopping and a guaranteed place at pre-school for children. Furthermore, working for the "Big Four" companies is considered to be very prestigious. Having the experience of working in one of them opens the way for an international career in the consultancy and audit field.

### Conclusion

The effectiveness of the company depends on the quality of work of its employees. The crucial factors influencing the company's prosperity are as follows: employee's abilities, education, skills, experience, goals and values, attitudes and behaviors, personality traits and motivations. Some of these skills are provided by



the company on its own but the vast majority of them is innate or learned from the previous experience.

Therefore, the selection of the appropriate employees allows you to optimize the work of the whole corporation. Very often, in order to select the best candidates, the recruitment process consisting of several stages is a bit complicated. Taking the "Big Four" companies as an example, it is clearly visible that the selection of candidates is an arduous process in which only the most talented participants are able to fulfil their dreams. Nowadays, it is not enough to submit the application consisting only of a CV and a covering letter. There is a large number of tasks and tests on various topics that the candidates have to undertake. What is more, they need to take part in the job interview with the HR department and manager, as well as make a video-conference with business partners.

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## PROCES REKRUTACJI W KORPORACJACH TRANSNARODOWYCH

**Streszczenie:** Artykuł został poświęcony tematyce rekrutacji i podejścia do zasobów ludzkich w korporacjach transnarodowych. Teoretyczne ujęcie tego problemu zostało uzupełnione przez studium przypadku korporacji znajdujących się w gronie tak zwanej „Wielkiej Czwórki”, zajmujących się branżą doradczą i uznawanych za najbardziej prestiżowe miejsca pracy w dzisiejszym świecie.

**Słowa kluczowe:** „Wielka Czwórka”, korporacje transnarodowe, proces rekrutacji.

### 在跨国公司中的招聘过程

**摘要:** 文章致力于招募和跨国公司人力资源办法。解决此问题的理论方法已被辅属于所谓'四大' 参与咨询行业，如今被视为最负盛名的地方工作的公司的案例研究

**关键字:** '四大'，跨国公司、 康乐活动进程