

# Recruitment and selection processes in Slovak enterprises and multinational corporations

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## ABSTRACT

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National labour markets of today have been profoundly affected by globalization. Therefore, organizations and workforce must be able to respond flexibly to changing labour market conditions and demands. As a European Union and NATO member country, the Slovak Republic has been one of the attractive destinations for its stable economic and political situation, common European currency, and skilled and educated labour force. The purpose of the current paper is to identify processes through which multinational companies operate in Slovakia recruit and select new employees for the position of a first-line manager and compare them with those being most widely utilized by Slovak enterprises. This pre-research will serve as a basis for a follow-up comprehensive and comparative research to be made in cooperation with colleagues from the Universidad de Valencia and Universidad Católica de Valencia San Vicente Mártir in Spain. Following this, the methods of questionnaire, literature research method, method of comparative analysis, and synthesis were used.

The processes of globalization have profoundly affected labour markets across countries. Thus, enterprises and manpower must be capable of responding in a flexible manner to new labour market conditions and demands. Slovakia, being a European Union and NATO member nation, has been one of the attractive investment locations for multinational corporations in Central Europe due to its skilled and educated manpower. In order to gain a competitive advantage in the global job market, innovations and knowledge are of great significance. Unquestionably,

competitive and knowledge societies need well-qualified, inventive, and appropriately trained manpower possessing human capital to be able to confront and respond with agility to critical challenges within a society. Human capital refers to the ability of an individual to create new knowledge (innovations) (Vojtovič, 2009). Thus, it is the new knowledge that makes any society grow in economic and social terms. New knowledge means that it is something new that distinguishes itself from the old one (Krajňáková & Vojtovič, 2014). Vojtovič and Karbach (2014) argue that theoretically, the definition of the new or knowledge economy is usually connected with the process of creation and elaboration of information. It is supported by Kordoš and Karbach's (2014) statement that "globalization, in general, and multinational companies in particular, are important vehicles for the international diffusion of new knowledge through their trading, investment, and competitive strategies" (p. 653). Since new knowledge can be devised by well-qualified or sound human capital, we support the argument that "investing in human capital brings about improvement of performance, flexibility, and productivity, and enhances the ability to innovate, which naturally follows from continuous enhancement of qualification as well as skills and expertise of staff" (Grenčíková, Vojtovič, & Gullerová, 2013). There are two types of human capital distinguished, namely general and specific. Vojtovič and Krajňáková (2014) claim that universal abilities that are useful in almost all spheres of human activities were identified as the source of general human capital, whereas specific human capital includes such specific knowledge and abilities that are usable only in very concrete and specific group of activities.

Naturally, enterprises are striving to take on the best people who are considered to be vital to gain a competitive advantage. To achieve this, enterprises need well-developed recruitment and selection procedures. The ultimate purpose of recruitment and selection procedures is to obtain, in the most economical manner, the quantity and quality of people that are needed to accommodate the human resource demands of an organization. Armstrong (2006) distinguishes three stages of recruitment and selection. The first stage refers to defining requirements – preparing job descriptions and specifications; deciding terms and conditions of employment. Second stage alludes to attracting candidates – reviewing and evaluating alternative sources of applicants, inside and outside the company, advertising, using agencies, and consultants; and the third stage is selecting candidates – sifting applications, interviewing, testing, assessing candidates, assessment centres, offering employment, obtaining references, and preparing contracts of employment. Under the stage of attracting candidates, organizations have two available sources of employee recruitment, namely internal and external sources and both have their advantages and disadvantages. Internal sources encompass transfers, promotions, and present employees. Giving an employee a higher position from inside an enterprise can boost morale and errors made in the selection process can be avoided. In addition, advantages of internal sources include promoting loyalty, avoiding making hasty decisions, reducing the costs of training, and promoting self-development among workforce. Disadvantages may include a limited pool of applicants, unavailability of employees having the right qualification, favouritism or nepotism. When recruiting for lower posts, internal sources of recruitment are extensively utilized. On the other hand, external sources are used to recruit to higher positions. Methods of external sources include placing advertisements, using the services of employment exchanges, cooperation with educational institutions and universities, recommendations by

existing or former employees, job portals, recruitment through social media, and recruitment agencies. Advantages of external sources of recruitment include new innovative ideas and approaches, lower training costs and more applicants to recruit from. Disadvantage of external recruitment encompass mainly higher costs to recruit an employee, which can also be time-consuming, involve higher turnover, and lower employee motivation.

Traditionally, selection is viewed as a process of identifying and hiring job applicants with a great likelihood of success in a job. Hired applicants should not only match the job requirements, but also have the right personal characteristics to contribute to healthy relationships among work team members and be able to respect the values pursued by an organization (Koubek, 2009). The primary goal of selection is not to test and hire applicants, but to eliminate unqualified candidates. It is said that employee selection is a process of obtaining information about job applicants to determine who should be taken on (Blašková, 1998). Hiring wrong people can result in loss of market position of an organization, decreased work production, and potential loss of customers and revenue. It is maintained that the selection of right person for the job in the place at the right time and reasonable costs is the core of human resource development (Blašková, 1998). The process of selecting candidates varies considerably from company to company and from job to job. However, a number of general selection principles are distinguished including using several sources of employee recruitment, giving preference to internal candidates, thorough assessment of candidates, and selecting candidates that are capable of personal development (Drábíková, 2008).

Employee selection is a two-way communication process between an organization and an applicant. Thus, having located possible job candidates, an organization has to persuade them that it is in their interest to join the company. Job candidates, on the other hand, have to persuade the organization that they are the most appropriate ones to be hired. Organizations of today seek skilled and creative employees with common sense who are loyal and energetic and able to participate in managing and making decisions quickly and effectively (Blašková, 1998). The actual selection process refers to personnel activity. Selection process usually contains eight consecutive steps, namely preliminary interview, completed application and other forms, receiving applications and other written documents, expert assessment of work capacity, analysis of all the information received, interview, overall assessment and the decision to hire, and employment contract (Kachaňáková, Nachtmannová, & Joniaková, 2011).

There are several techniques utilized in the selection process, such as application forms which are the evidence of the job candidate's suitability or unsuitability for a given position. Interview represents another common and frequent selection technique. There are various interview techniques distinguished based on the type of questions to ask and the number of people who conduct the interview such as non-directive interviews, structured interviews, situational interviews, and behaviour description interview. The most common interview setup is the individual one, even though there are some other options including panel interviews. Other techniques include psychological tests, such as intelligence tests which are intended to measure abilities related to thinking, aptitude tests that are designed to obtain information about such skills as mechanical ability, logic and numerical ability, and manual dexterity. Attainment tests are employed to measure the job candidate's depth of knowledge or skills. Personality tests are also used in selection process, their shortage, however, lies in their limited

validity. Assessment centre is a special technique to determine whether job candidates are suitable for specific positions, such as managerial positions (Szarková, 2009). Assessment centre includes a variety of techniques, namely group exercises, interviews, presentations, examinations, and psychometric testing which are used to assess candidates' personality and aptitudes.

There are several rules that employers should follow in recruitment and selection (Višňovský, Nagyová, & Šajbidorová, 2008); for example job applicants should be selected solely by their abilities; employment legislation should be respected; information obtained from applicants should be held confidential; all documents should be returned to unsuccessful applicants; more than one selection technique should be applied; and selection techniques and procedures should be acceptable for candidates.

### **Method**

The purpose of the present study is to identify processes through which multinational corporations operating in the Slovak Republic recruit and select new employees for the position of a first-line manager and compare them with those being most widely utilized by Slovak companies. A multinational company refers to a type of international company that maintains operations in multiple countries. The research sample consisted of Human Resource Professionals from six medium-sized multinational corporations and six medium-sized Slovak companies. This pre-research will serve as a basis for a follow-up and in-depth comparative research to be made in cooperation with colleagues from the Universidad de Valencia and Universidad Católica de Valencia San Vicente Mártir in Spain.

The pre-research aimed to identify the sources of recruitment utilized; find whether social media are used for recruiting; find whether multinational corporations and Slovak companies cooperate with institutions of higher education and universities in the recruitment of their graduates; identify what documents must be supplied by job applicants to multinational corporations and Slovak companies; find out whether structured interviews are used; identify the number of interview rounds for a new job in multinational corporations and Slovak companies; establish who the company personnel conducting job interviews are; identify what selection techniques are used by multinational corporations and Slovak companies; specify what practical tasks are job applicants asked to perform as a part of the selection process; identify what types of testing are used in selection; establish what the benefits of testing are for multinational corporations and Slovak companies; establish whether work experience of applicants is viewed as a crucial asset by multinational corporations and Slovak companies; and find whether applicants from other countries are hired by multinational corporations and Slovak companies. To this end, the method of questionnaire, literature research method, and methods of comparative analysis, and synthesis were employed.

### **Results**

Regarding the internal and external sources of recruitment, it was found out that 83% of multinational corporations preferred internal sources of recruitment to external ones (33%). Internal sources of recruitment, which include for instance transfers or promotions, were also used by three Slovak companies (50%).

The next question was to find whether multinational corporations and Slovak companies use online social media sites for recruiting. It was observed that 67% of multinational corporations considered social networking sites as an efficient tool to recruit job applicants. Online social media sites were not much used as a recruiting tool by Slovak companies (33%). The findings on the use of social media in recruitment are shown in Table 1.

Table 1  
*Using Online Social Media Sites for Recruiting*

	Yes	No
Multinational Corporations	67%	33%
Slovak Companies	33%	67%

Source: Elaborated by authors based on research results

The second question was asked to find whether multinational corporations and Slovak companies cooperate with institutions of higher education and universities in the recruitment of their graduates. It was found out that 17% of multinational corporations cooperate with institutions of higher education and universities whereas no Slovak companies do as it is presented in Table 2.

Table 2  
*Cooperating with Institutions of Higher Education and Universities in the Recruitment of their Graduates*

	Yes	No
Multinational Corporations	17%	83%
Slovak Companies	0%	100%

Source: Elaborated by authors based on research results

Next, it was to identify what written documents must be supplied to multinational corporations and Slovak companies by job applicants. The data obtained from multinationals are listed in Table 3. It was found that all multinational companies required Curricula Vitae, certificates of education, and criminal record transcripts. Cover letters were required by 83% of multinationals, personal questionnaires were demanded by 67% of multinationals, and references and driving licences were requested by 50% of multinational corporations based in the Slovak Republic.

Table 3  
*Written Documents to be supplied to Multinational Corporations by Job Applicants*

CV	Certificates of Education	Criminal Record Transcript	Cover Letter	Personal Questionnaire	References	Driving Licence
100%	100%	100%	83%	67%	50%	50%

Source: Elaborated by authors based on research results

On the other hand, all Slovak companies required documents, namely Curricula Vitae, certificates of education and criminal record transcripts followed by cover letters, personal questionnaires, driving licences, medical certificates (50%), and references (17%).

Table 4 shows the written documents required from job applicants by Slovak companies.

Table 4  
*Written Documents Required from Job Applicants by Slovak Companies*

CV	Certificates of Education	Criminal Record Transcript	Driving Licence	Medical Certificates	Personal Questionnaire	Cover Letter	References
100%	100%	100%	50%	50%	50%	50%	17%

Source: Elaborated by authors based on research results

The fourth question was to find whether interviewers use structured ones in conducting employment interviews. As indicated in Table 5, multinational corporations operating in the Slovak Republic conducted structured interviews (83%) which can better predict the on-the-job performance of job applicants compared to 67% of Slovak companies having used such interviews.

Table 5  
*Conducting Structured Interviews*

	Yes	No
Multinational Corporations	83%	17%
Slovak Companies	67%	33%

Source: Elaborated by authors based on research results

The fifth question was to identify how many interview rounds are there for the position of a first-line manager. Multiple employment interview rounds are mostly utilized in case of too many job applicants or a highly demanding job. The results show that three multinational corporations had two rounds of interview compared to three Slovak companies that conducted only one interview to hire an applicant. Table 6 presents the number of interview rounds for a new job.

Table 6  
*Number of Interview Rounds for a New Job*

	1 Round	2 Rounds	3 Rounds and More
Multinational Corporations	33%	50%	33%
Slovak Companies	50%	33%	33%

Source: Elaborated by authors based on research results

The sixth question was to find who the company personnel conducting job interviews are. The research findings indicate that a Human Resource Professional was always a member of a team of interviewers in both multinational corporations and Slovak companies. In addition, a manager was engaged in conducting job interviews in Slovak companies. The exact data of company personnel conducting job interviews are clearly indicated in Table 7.

Table 7  
*Company Personnel Conducting Job Interviews*

	Manager	HR Professional	Psychologist	Current Position Holder
Multinational Corporations	67%	100%	17%	17%
Slovak Companies	100%	100%	-	50%

Source: Elaborated by authors based on research results

The next question was to identify what selection techniques are used by multinational corporations and Slovak companies. Table 8 lists the data obtained from multinational companies and Table 9 provides the data on selection techniques used by Slovak companies. It determines that interviews represented the most commonly utilized selection technique for both multinational corporations and Slovak companies (100%). The data contained in Curricula Vitae were the key data to look at for all six multinational corporations and 83% of Slovak companies. The third most widely used selection techniques were aptitude tests (83%) in multinational companies compared to three Slovak companies having used them (50%). Compared to multinational companies, Slovak companies used less frequently assessment centre (33%). Background checks as a way to verify whether job candidates are as they describe themselves were used by 33% of Slovak companies.

Table 8  
*Selection Techniques Used by Multinational Corporations*

Interview	CV Data	Aptitude Tests	Assessment Centre	Background Check	Practical Task	Questionnaire
100%	100%	83%	50%	50%	50%	25%

Source: Elaborated by authors based on research results

Table 9  
*Selection Techniques Used by Slovak Companies*

Interview	CV Data	Aptitude Tests	Practical Task	Questionnaire	Background Check	Assessment Centre
100%	83%	50%	50%	50%	25%	25%

Source: Elaborated by authors based on research results

The next question was to specify what practical tasks are job applicants asked to perform as a part of the selection process. Job applicants were often asked to perform a practical task in order to check their abilities and skills they included in the Curricula Vitae. As it is evident from the research, multinational corporations mostly assigned job applicants to perform some IT task, demonstrate their foreign language command and problem-solving skills. On the other hand, 50% and 33 % of Slovak companies assigned their job applicants tasks to demonstrate their IT skills and problem-solving skills, respectively. Practical tasks assigned to job applicants are shown in Table 10.

Table 10  
*Practical Tasks Assigned to Job Applicants*

	IT Skill	Problem-Solving Simulation	Comm. in a Foreign Language	Customer Communication	Telephone Comm.
Multinational Corporations	83%	83%	83%	50%	33%
Slovak companies	50%	33%	33%	33%	50%

Source: Elaborated by authors based on research results

In the next step, types of testing used by multinational corporations and Slovak companies in selection were identified. It was found that some types of testing, namely group selection methods (50%), creativity tests (50%), and personality and IQ tests (50%) were employed by

multinationals. Following this, Slovak companies employed some types of testing including group selection methods (50%), and personality tests (50%). Types of testing used in the selection process are given in Table 11.

Table 11  
*Types of Testing Used in the Selection Process*

	None	Group Selection Methods	Aptitude/ Skill Testing	Creativity Tests	Personality Tests	EQ Tests	IQ Tests
Multinational Corporations	33%	50%	33%	50%	50%	33%	50%
Slovak Companies	33%	50%	33%	33%	50%	0%	33%

Source: Elaborated by authors based on research results

This was followed by a question about the benefits of testing for multinational corporations and Slovak companies and the data are summarized in Table 12.

Table 12  
*Benefits of Testing for Multinational Corporations and Slovak Companies*

	Allows Making Comparisons	Data Reliability – Allows Making Quick Decisions	Allows Assessing Personal Characteristics	Easy Gathering of Data
Multinational Corporations	100%	100%	83%	50%
Slovak Companies	100%	83%	50%	50%

Source: Elaborated by authors based on research results

Human Resource Professionals from both multinational corporations and Slovak companies were asked to provide their views on the importance of applicant experience. It was found that both multinational corporations and Slovak companies (both 83%) regarded applicant experience as the most critical asset in comparison to other requirements.

Human Resource Professionals from multinationals and Slovak companies were also asked whether applicants from other countries are hired by them. It was found that one multinational company (17%) had recruited job applicants from other countries compared to none Slovak company recruiting job applicants from foreign countries. It can be inferred that there are enough job applicants with the right qualifications, skills, and capabilities in the Slovak labour market.

## Discussion and Conclusion

Human Resource managers of today face a challenging problem which is to build and nurture a pool of good employees in the organization, which begins with recruitment and selection. Since the labor market disposes of an adequate supply of labor, special attention is paid to the selection of right employees for the right positions. The paper attempted to identify the processes through which multinational corporations operating in the Slovak Republic select new employees and compare them with those being most widely utilized by Slovak companies. The research data indicated that multinational corporations prefer internal sources of recruitment to external ones. It means that in most cases there were suitable candidates available for a vacancy from within the organization in question. Preferring internal sources of

recruitment to external ones can be attributed to the strategies and policies of multinational corporations allowing employees to manage their growth within the organization and assisting them in finding opportunities, resources, and advice for their professional growth. It was found that traditional interview was regarded as an effective tool to hire the right people for both multinationals and Slovak companies. Differences were found in the use of social media for recruitment purposes. The young generation of today job seekers employ social media as their principal tool for searching for a job. They are the generations or millennial who are entering the global labour market. Computers, the Internet, social media, and the newest technical gadgets are an integrated part of their everyday lives. Given the role that digital technology plays, multinational corporation recruiters use social media more than the Slovak company recruiters to attract qualified and talented people. It can be inferred that Slovak companies prefer traditional recruitment forms such as using their company websites for recruitment purposes. They should, however, consider the future use as well as advantages of online recruitment including efficiency, reaching specific audience, and low costs. The idea of cooperating with employers to provide students with practical experience and improve their skills has recently been implemented into practice by several institutions of higher education in the Slovak Republic. It was found out that Slovak and foreign employers do not tend to engage with universities in terms of attracting and recruiting applicants. Student placements in enterprises in the course of their studies should, however, be supported as they can be a great addition to students' CVs. The findings also show that employers, domestic or foreign ones, place high emphasis on having experience before joining their companies. Today, the labour market abounds with candidates with a degree. A degree qualification used to be the vital factor of getting a job, but due to so many people with a university degree, companies tend to focus their attention rather on experience. Therefore, in case of graduate job applicants, students should undertake a work placement as a part of their courses at universities. The majority of multinational corporations operating in the Slovak Republic conduct structured interviews under which questions are asked in a pre-established order without deviating from the interview schedule. Some of the major weaknesses of this type of interview include the lack of details and qualitative data due to receiving answers to closed questions. Depending on the industry and position, it is advisable to conduct unstructured interviews which are more flexible as questions can be modified according to the interviewee answers. Thus, interviewers can get qualitative data and a deeper understanding of interviewee thinking. Moreover, the research results show that multinational corporations have multiple rounds of job interviews, which are mostly utilized where there are too many job candidates or in case of a challenging or demanding job. It was, however, not researched whether all the interviews are in-person since other types of interview can be used such as phone interview and video interview. It can be inferred that multinational corporations may use multiple rounds of employment interview to make sure that they hire only the right people. It is understandable because making wrong hires can be extremely costly. There are also similarities in the selection techniques utilized; the data contained in Curricula Vitae are the key data to look at for both multinational corporations and Slovak companies. It was confirmed that Curricula Vitae or résumés are the most widely used tool in selection, particularly in the initial selection process where it is frequently employed to shortlist external job applicants. A major issue with Curricula Vitae is

the big amount of work they generate for Human Resource Professionals who need to review them in depth. The least used techniques by Slovak companies are assessment centres and background checks. Differences were also found in practical tasks that are assigned to job applicants as a part of selection process. Multinational corporations mostly assign job applicants to perform some IT task and demonstrate their foreign language command and problem-solving skills. Similarly, Slovak companies mostly ask their job applicants to demonstrate their IT skills and foreign language command. Thus, the research findings highlighted several similarities and differences in the recruitment and selection processes of multinational corporations and Slovak companies. Any company should have in place effective recruitment and selection procedures as rehiring and retraining wrong people can be time-consuming and the cost can be extremely high. The results obtained in this pre-research will serve as a basis for a follow-up comprehensive and comparative research to be made in cooperation with colleagues from the Universidad de Valencia and Universidad Católica de Valencia San Vicente Mártir in Spain.

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