

Recruitment Process' Characteristics as Presented in the European Company Survey – European Union vs Romania 2019 Data

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Abstract

This paper analyses the data provided through the European Company Survey – 2019, recruitment process' characteristics of the EU's companies compared to the Romanian companies. The data scrutinized provided information for the new employees recruited since 2016, how difficult it has been to find personnel with the required skills for the vacant jobs, what were the characteristics searched among the candidates, the percentage of the candidate chosen without the required skill level. When it comes to looking to find suitable candidates, over 60 % of the Romanian and European companies consider internal personnel fitted for the new position. According to the data researched, both Romanian and EU's companies do not tend to employ a candidate without the required skill level. Therefore, investing in training and internship programs for the current employees and young people could reduce the skill mismatch and prepare the candidates for the new vacant positions.

Key words: recruitment process, skills, vacant jobs

J.E.L. classification: J20, J23, J24

1. Introduction

The characteristics of the recruitment process applied by companies to recruit employees and select candidates. Human resources' manager team identifies the needs of the company, discovering the fitted candidates linking them to the vacant positions. The recruitment methods can be internal, when management searches among the internal candidates or external, candidates outside the establishment interviewed for the new vacancies. (Holm, 2012)

ECS data analysis contributes to the development of working conditions across EU's companies alongside new and emerging labour market trends. EUROFUND papers affirm that the ECS data is a great tool in the policymakers' hands to improve and develop perspectives for better working conditions and better living for the individual. The ECS data analysis provides important knowledge about the present issues to the national policymakers and social partners to find ways to update the quality of living and working conditions, as declared. (EUROFUND, 2022)

2. Literature review

The development of human capital and human resource management implies good strategic establishment recruitment process. (Millmore, et al., 2007) Recruitment is defined as the process of identifying qualified candidates and attracting best suited job seekers. (Barber, 1998) The recruitment process involves searching for candidates inside the establishment personal, internal recruitment, or scout outside the establishment for needed individuals that have adequate skills for the vacancies. The internal recruitment subject is connected to the career management matter. (Barber, 1998, McKenna and Beech, 2008)

Holm created a figure to describe the recruited process as located in the researched literature, the outcome is: the recruitment process involves activities like preparing a facet of the vacancy job description and requirements to better identify the adequate candidates; attract applicants by

drawing up and place announcements; sorting received applications and communicating with selected candidates; setting up interviews and tests. (Holm, 2012, citing Bartam, 2000, Dessler, 2006 and Parry and Tyson, 2008)

The companies search for future employees prepared to face the job requirements and increase their efforts to process consecutive tasks, to become competent for a productive company. When recruiting external candidates an establishment can use the following tools: public employment agencies, job and career fairs, private scout firms, job searching websites, social networks.

Some authors defined the term e-recruitment as using digital technologies through the internet to find suited applicants. (Nikolau, 2021) In the last years the evolution of the use of internet, digital technologies and social network took e-recruiting to further technique developments by the use of artificial intelligence involved in the recruiting process, selection and activities. (Gilch and Sieweke, 2021)

3. Research methodology

For this paper data provided through the European Company Survey (ECS) – 2019 was analyzed, the data for the following indicators: recruitment process' characteristics of the EU's companies compared to the Romanian companies. The data scrutinized provided information for the new employees recruited since 2016, how difficult it has been to find personnel with the required skills for the vacant jobs, the specific characteristics searched among the candidates, and the percentage of the candidate chosen without the required skill level. The findings are that half of the Romanian companies that participated at the ECS stated that more than 40 % of the employees are newly recruited since 2016, compared to only 19 % of the EU's companies. Romanian companies experienced more difficulties than European average finding employees with the adequate skills.

4. Findings

The sample size of the EC Survey was 21,869 senior personnel manager interviews, 3,073 employee representative interviews, whereas together management for human resources and employee representative interviews were carried out for 1,835 establishments. European companies of the sample size were employers of 10 or more persons, activating in all NACE Rev. 2 categories. The fieldwork period was from January to July 2019. It is stated that formal employee representative was interviewed if applied. The sample size for Romania was one thousand companies. (EUROFOUND, 2020)

Figure no. 1. Newly recruited personal since 2016, European Union vs Romania, 2019 data



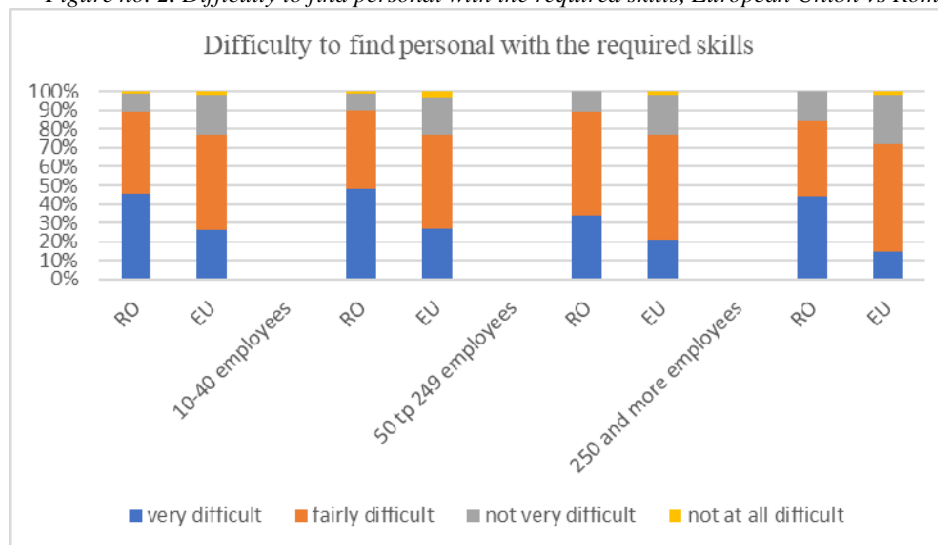
Source: EUROFOUND, European Company Survey 2019 - Data visualization

On average, half of the Romanian companies specified that 40 % and more of the employees are newly recruited since the year 2016, compared to only a fifth of the European companies. Medium size businesses, both Romanian and European, inclined to have hired more than small and big companies. Almost 60 % of the European big size companies recruited less than a fifth new personnel since 2016. (Figure no. 1)

When correlating the ECS data to EUROSTAT data, the numbers are confirmed. EUROSTAT data published for the employment rate for the time 2016 to 2019, employment rate, 20 to 64 year olds, for Romania was 60.3 % compared to EU's 69.6 %, Romanian's rate achieved a higher ascending trend, almost 5 %, reaching 65.1 % for Romania and 72.7 % for EU. The employment rate in Romania, 67.1 % for 2021, is still lower than the EU's average, 73.1 %, due to higher inactivity rate in the rural areas and among disadvantaged population. (EUROSTAT dat)

Almost half of Romanian managers stated that they had great difficulty in finding candidates with the required skills for the vacant job positions, compared to a quarter of the European ones. (Figure no. 2) Only one tenth of the Romanian companies indicated that finding a suitable candidate was not difficult, compared to a fifth of the European businesses. The importance of participating in the training programs to form and upgrade the requested skills is highlighted here.

Figure no. 2. Difficulty to find personal with the required skills, European Union vs Romania, 2019 data



Source: EUROFOUND, European Company Survey 2019 - Data visualization

Correlating the difficulty to find the adequate personal indicator to the adult participation rate in education and training, last 4 weeks, for the year 2016 the EU's was 10.3 % compared to Romania's extremely low rate of 1.2 %. By 2019 EU's rate recorded 10.8 where Romanians still recorded a tendency of not participating to training programs, 1.3 % participation rate. As Romania records a very low rate of adult participation in education and training, ten times lower than EU, continuing research will be done to notice the 2021 and 2022 trend. (EUROSTAT data)

Internal transfers, when it comes to looking to find suitable candidates among the enterprise's own employees, 33 % always and 36 % most of the time Romanian companies consider internal personal fitted for the new position. Whereas 36 % always and 28 % most of the time European companies explore own candidates. (ECS 2019 data)

Table no. 1. Most important characteristics when recruiting new employees, European Union vs Romania, 2019 data

Characteristics of the candidates	RO	EU	RO 10-49 employees	EU 10-49 employees	RO 50-249 employees	EU 50-249 employees	RO 250 and more employees	EU 250 and more employees
personality that fits the company	18%	27%	19%	27%	15%	27%	7%	27%
all the required qualifications	13%	14%	12%	14%	14%	15%	24%	18%
experience in similar positions	26%	24%	25%	23%	32%	27%	33%	28%
all the required skills	22%	19%	22%	19%	26%	17%	25%	17%
no single most important characteristic	21%	16%	22%	17%	14%	13%	10%	9%

Source: EUROFOUND, European Company Survey 2019 - Data visualization

Most important characteristics, as seen in table no. 1, pursued by European establishments are personality that fits the company and job experience, where Romanian managers choose experience in similar job and the required skills. Larger size companies, both Romanian and European companies, emphasize more on the experience of the candidate. Obtaining the required qualifications and skills is mandatory for an individual's employment status, as seen in table no. 1, these two characteristics obtained a third of the score for small businesses and half of the score for large businesses. Core work skills, specific and transversal competences acquiring is critical for raising on the professional career path. (ILO, 2021) (Dixon et al, 2010)

5. Skills requirements

When asked about the changing appearing in the skill's upgrade, 42 % of the managers indicated a rapid change in the requirement for the enterprises' needs. Half of the Romanian and European companies indicated the need of a change among the knowledge and skills of the employees. The rapid and challenging changings in the labour market, the technology applied on present jobs is also seen in the answers of the human resources managers, where only 6% indicated no change at all. (ECS 2019 data)

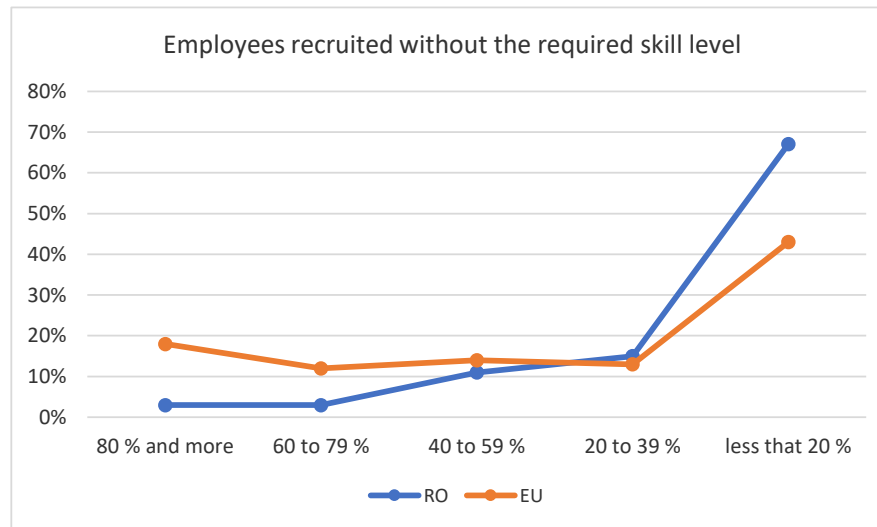
According to the figure no. 3, both Romanian and EU's companies do not tend to employ a candidate without the required skill level.

Artificial Intelligence technologies, the rapid work environments changes due to digital implementations require highly qualified, adequate skilled and prepared labour force. The responsibility of skill updating relies on the shoulders of both the employee and the employer to provide and participate in training programs to upgrade the necessary competences to be competitive, adapt to changes and be productive.

In a recent published article the authors, followed by research work, display the skills needed to be active on the future world of work. Research by the McKinsey Global Institute published a list of fifty-six foundational skills stated to better prepare the individual for the new working environment. The competences are divided into four categories, cognitive, like communication and critical thinking; interpersonal skills, like teamwork and sociability; self-leadership skills, like self-motivation and confidence; and very important in the future work, digital skills. (Dondi, M., et al., 2021, McKinsey)

Regarding the skills requirements for an individual to be employable, to find a suitable job and remain active on the labour market, the information provided in the previous paragraph and the data in table no. 1, as previous figures no. 2 and no. 3, display the importance of participating in training programs for developing and updating the skills needed for the new job, for the continuing changing labour market demands.

Figure no. 3. Employees recruited without the required skill level, European Union vs Romania, 2019 data



Source: EUROFOUND, European Company Survey 2019 - Data visualization

6. Conclusions

Romanian companies recorded a higher percentage of newly hired employees compared to European ones. Medium size companies tended to have recruited more employees. Further research could be done to observe the growth of the small and medium size companies and correlate it with the development and availability of funding for SMEs.

Employment data further research will be carried out to follow the trend and the impact of the pandemic, as 766 thousand people are not employed anymore, whereas the European average did not decrease in contrary increased.

By 2021, Romania still records a 6% lower employment rate than EU, the recommendation being to stakeholders' partnerships, especially in rural areas and areas with major disadvantage population. Partnership programs could be implemented between local authorities, school units, companies and training establishments targeting skill shortages by raising the participation rate in training programs, including recognizing the competences acquired through non-formal learning contexts.

Further research will be conducted to observe what makes an individual employable alongside the benefits of participating in non-formal education's activities to acquire the needed work-related skills to raise the employability capacity.

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