THE DEVELOPMENT OF A MODEL THAT INCORPORATES ETHICS IN THE RECRUITMENT AND SELECTION PROCESS

by

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ABSTRACT

Effective recruitment & selection is of cardinal importance to any organisation, because it is a very expensive process and recruiting the wrong applicant can have a large cost implication for the organisation. Effective recruitment and selection also decrease staff turnover and increases productivity.

To be able to give good customer service or deliver a good product, it is important for any organisation to recruit motivated, loyal and customer oriented employees. This starts by recruiting the most suitable candidate for the vacant position.

Recruitment is the process of obtaining the most suitable candidates for a specific position. The selection process follows after recruitment. It is done by means of pre-selection, interviewing, testing & assessment as well as confirmation of references.

The applicant forms its first impression of the organisation during the recruitment and selection process. This image can either be positive or negative and unrealistic expectations could also be formed by the applicant that can lead to conflict during his/her period of employment at the organisation.

The process does not stop with the placement of the most suitable candidate. The newly appointed employee has to go through orientation and also receives the necessary training and development to be successful in the appointed position.

According to the Labour Relations Act of 1956, employers had free reign with regards to the steps followed in the recruitment and selection process. There were no restrictions with regards to the inclusion of candidates in the recruitment and selection process. After the passing of the new Labour Relations Act of 1995, all employers had to revisit their recruitment and selection process. More questions arose, for instance : "Is this reasonable labour practice ?" and "When is it discrimination ?". After the elections in 1994, aspects like affirmative action became a strong focus for all employers.

Recruitment and selection became more complicated, especially after implementation of the Labour Relations Act of 1995. Employees received more information regarding their rights, which led to a situation where they insisted on reasons and feedback in cases where their applications were not successful.

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CHAPTER 1
INTRODUCTION & RESEARCH METHODOLOGY

1.1   INTRODUCTION

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To be able to give good customer service or deliver a good product, it is important for any organisation to recruit motivated, loyal and customer oriented employees.   This starts by recruiting the most suitable candidate for the vacant position.

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Recruitment and selection became more complicated, especially after implementation of the Labour Relations Act of 1995. Employees received more information regarding their rights, which led to a situation where they insisted on reasons and feedback in cases where their applications were not successful.

1.2   PURPOSE OF THIS STUDY

The purpose of this study is to develop a model that incorporates ethics in the recruitment and selection process.

1.3   RESEARCH METHODOLOGY

The following issues will be discussed :

1.3.1   the methodology of research;

1.3.2   the development of an integrated model;

1.3.3   qualitative evaluation of the model; and

1.3.4   the evaluation of the validity of the model.

1.3.1   Research Method

Qualitative research methodology is used in the literature analysis in order to develop a model that incorporates ethics in the recruitment and selection process. A literature study was done to determine the steps in the recruitment and selection process as well as a general outline on ethics. The theory was then categorised according to relevance.

The literature analysis process can be divided into three phases. During phase one a theoretical overview on recruitment & selection and the concept of ethics was completed. During phase two ethical recruitment & selection guidelines were identified. During the third phase a model was developed based on the information obtained in phases one and two.

The qualitative research methodology that was used in the literature analysis involved the following (Miles & Huberman, 1994:10-12)

1)   Data collection

2)   Data reduction

3)   Data analysis

4)   Data presentation

5)   Inference and verification

The process can be illustrated as follow :

Figure I : Components of data analysis : interactive model **(Miles & Huberman, 1994)**
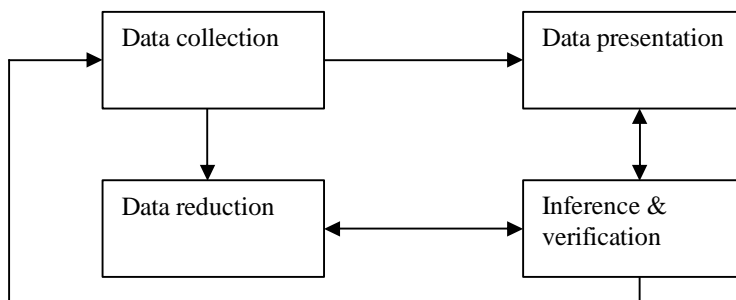
From the above model, it is clear that the process of data analysis consists of different components and that these components in the model are interactive. If the desired results after completion of the process are not met, the process starts over again at the stage of data collection. Each component of the interactive model for data collection will now be discussed.

1.3.1.1 Data collection

According to Miles & Huberman (1994:10-12) the relevant data that is collected, appears in words rather than numbers. This data can be collected in different ways, for instance through observation, interviews and extracts from documents. The data for this study was collected mainly from recent literature in books, articles and legislation.

1.3.1.2 Data reduction

Data reduction refers to acquiring, simplifying and processing of raw data collected. This is however not done in isolation of analysis, but it forms part of this process. It contains among others the sorting, processing and organising of data in such a way that it facilitates the process of

final inference (Petersen, 1998:15).   The data was reduced to the following main themes :
recruitment, selection, orientation & ethics.

1.3.1.3 Data analysis

The purpose of this study is to develop a model that incorporates ethics in the recruitment and
selection process and therefore concept analysis and reconstruction techniques were used. It
consists of analysing the theory and identifying basic elements that is relevant for the
development of an integrated approach for ethics in the recruitment & selection process.

1.3.1.4 Data presentation

Petersen (1998:16) defines data presentation as an organised way of information collection, which
facilitates the process of making inferences. Petersen (1998:16) further states that this is based on
the cognitive tendency to reduce complex information to a more simplified and selective form. In
order to make meaningful inferences, the information is presented in table and figure format.
Miles and Huberman (1994:11) describe data presentation as an organised composition of
information which makes the inference- and action taking process possible.

1.3.1.5 Inference and verification

The last phase of the qualitative analysis process is making inferences and verifying the data. It
consists of the scientific evaluation of the integrated approach of ethics in the recruitment &
selection process, according to specific criteria.   The appropriateness and usefulness of the
integrated approach can therefore be determined.   A panel of experts was used for the
determination of validity.

1.3.2 THE DEVELOPMENT OF AN INTEGRATED MODEL

1.3.2.1 Definition of a model

According to Dye (1995:18) a model is developed from theoretical relationships between different
elements of a subject that is researched. A model is thus a simplification of relevant objects,
situations and behavioural patterns. According to Greyling (1998:9) models can mainly be

categorised in two categories, namely true physical and abstract symbolic models. Greyling (1998:9) further explains that in a true physical model, the subject maintains life size or scale format, for instance scale models of a building or shopping complex, which predicts the completed building.

According to Greyling (1998:9) the symbolic model is mainly a type of model used in behavioural sciences, where a real life situation is conceptually illustrated through, for instance, a workflow diagram. The purpose of the symbolic model is to enable the user to make certain decisions in a real situation through application of the model (Greyling, 1998:9). This model therefore simplifies the decision making process.

1.3.2.2 The role of a model

The purpose of a model is to understand a problem better, as well as the possible effect of different behaviours. Vennix (1996:89) however, warns that there is a misperception about the role of a model, namely that its purpose is to supply pre-determined / formulated decisions of possible solutions which will enable the user to solve the situation.

It is however important to realise that a model only provides guidelines from which decisions can be taken, but that these decisions cannot only be based on the content of the model. Every unique situation requires different factors which should be taken into account, and therefore a model cannot be seen as a "recipe".

An integrated model, which includes ethics in the recruitment & selection process, should give a simple description of a complex process. The model has to give clear and objective guidelines to ensure that ethics can be practiced during the recruitment and selection process.

1.3.2.3 The composition of a model

Vennix (1996:49) explains that a clear purpose and problem should exist before a model can be developed. By analysing the purpose and problem intensively, choices can be made regarding the inclusion or exclusion of certain elements in the model.

It is thus not possible to develop a model that reflects all the aspect of reality. Such a model takes very long to develop and will probably be very difficult to understand. There is therefore continuous interaction between reality and symbolic nature (Greyling, 1998:10).

Dye (1995:40) identifies certain criteria for the successful development of a model, namely :

a) A model should be explicit, because it is critical that a model can be easily understood, tested, evaluated and comparable to other models.

b) A model should be congruent with reality and it should have empirical references.

c) A model should lead to the observation, measurement and verification of theory and research.

d) A model should be logically composed and should have face validity to ensure that is can be used as a method of communication.

The development of a model is therefore a complex process that consists of a variety of steps. These steps are illustrated schematically in figure II.   The seven steps for the development of a model as identified by Vennix (1996:49) will now be discussed.

a)   Problem identification and the purpose of the model

In order to build a model, there has to be a clear purpose with the focus on the problem and not a system. According to Vennix (1996:49) it means that a clear purpose of the study is necessary in order to focus the study and eventually to make a decision regarding the elements that will be included in the model and those that will be excluded. The purpose of the model is to understand the problem better, as well as the potential consequences of possible actions (Vennix, 1996:51).   It is thus important that the researcher clearly identifies the problem and spells out the purpose of the model.

b)   System conceptualisation

Vennix (1996:52) explains that a system's borders have to be clearly established as it determines what should be included in the model and what should be excluded. Vennix (1996:52) however mentioned that conseptualisation of the system is normally achieved in a visual way.

Figure II : Steps in the development of a model (Vennix & Wiley, 1996)

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┌──────────────┐     ┌──────────────┐     ┌──────────────┐     ┌──────────────┐
│ Problem      │     │ System       │     │ Model        │     │ Analysis of  │
│ identification│ ──▶ │ conceptual-  │ ──▶ │ formulation  │ ──▶ │ model        │
│ and          │     │ isation      │     │ and the      │     │ behaviour:   │
│ the purpose of│     │              │     │ determination│     │ testing      │
│ the model    │     │              │     │ of parameters│     │ & sensitivity│
│              │     │              │     │              │     │ analysis     │
└──────────────┘     └──────────────┘     └──────────────┘     └──────────────┘
                                                                       │
                                                                       ▼
      ┌──────────────┐     ┌──────────────┐     ┌──────────────┐
      │ Use of the   │     │              │     │ Model        │
      │ model of     │ ◀── │ Policy       │ ◀── │ evaluation : │
      │ implementation│     │ analysis     │     │ model validity│
      └──────────────┘     └──────────────┘     └──────────────┘
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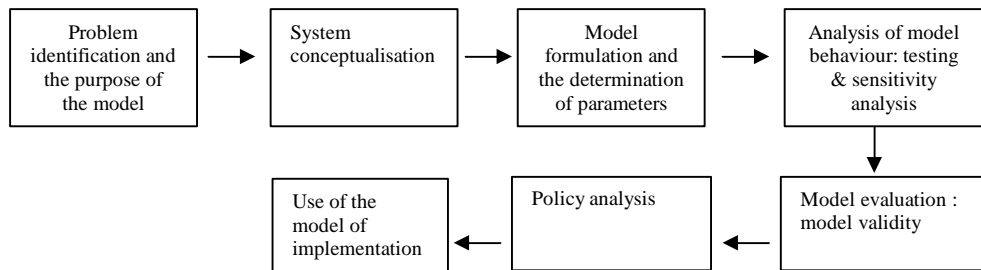
1.3.2.4 Model formulation and the determination of parameters

The relationships of elements in the model are firstly determined and parameters are then determined accordingly (Vennix, 1996:82).

1.3.2.5 Analysis of model behaviour: testing and sensitivity analysis

One of the most important steps in developing a model is the testing thereof. According to Vennix (1996:86), the primary purpose is to understand model behaviour and to obtain more insight in the system that is studied by means of sensitivity analysis. Vennix (1996:88) further states that sensitivity analysis have two functions, namely to firstly understand the model better and secondly to identify sensitivity elements in the model. The sensitivity of changing parameters can thereby also be tested.

1.3.2.6 Model evaluation : model validity

According to Lane (1995:111-130) model validity can be studied in different ways. On macro level it is concerned with core questions, whereas on micro level it is focused on testing model validity.

1.3.2.7 Policy analysis

According to Vennix (1996:94), models are built to, for example, test a variety of policies and thereby increase system performance. The policy, which thus renders the best results, is selected and implemented in conjunction with the system (Vennix, 1996:94).

1.3.2.8 Use of the model or implementation

Vennix (1996:97) explains that the next logical step is the implementation of the model, but he however warns that a good model would not necessarily always be implemented. According to previous research, two conclusions can be made, namely (1) that where most insight derived from the model is usually conceptual rather than instrumental, and (2) that insight is usually obtained during the process of model development rather than after the development thereof (Vennix, 1996:97-98).

The development of a model therefore consists not only of conceptualisation of the model, but also the evaluation of validity of the model, as well as the use and possible implementation thereof.

1.3.3   QUALITATIVE EVALUATION OF A MODEL

From the above mentioned it is necessary to determine the validity of a model after development thereof.

1.3.3.1 Validity of a model

The validity of a model has to be determined before any model can be seen as useful.   Vennix (1996:89) concluded that :

?   absolute valid models do not exist (a model is always a simplification and representative of a system).

?   a model's validity can only be judged in the light of its purpose (Shannon, as quoted by Vennix, 1996:89).

?   a clear distinction has to be made between a model's validity and use. A valid model is not necessarily useful. It can therefore be said that the validity of a model can be very high with more time and money spent on it, but in the same instance the model will become more complex and possibly less understandable. This situation is known as the Bonini paradox. Vennix explains that when a model becomes more complex, it loses its value of use. In the light of limited

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time and money, a decision has to be taken when a model will not be elaborated on.

? the specific validity of a model can never be determined and therefore the validity of a model is equal to the level of trust in the people that developed it and client trust in the model. Forrester & Senge, as quoted by Vennix (1996:89-90), is of the opinion that trust is the main criterium, because the absolute correctness portrayed by the model cannot be proven.

The conclusion can thus be made that evaluation of the model can be seen by the process through which trust is determined by freedom of insufficiency and the usefulness of the model (Vennix, 1996:89-90).

1.3.3.2 Content validity of the model

Lawsche's research has proven that criteria validity is established over a long period and that the term "general accepted professional practices" hereby receives meaning (Lawsche, 1975:563-575). The same is not applicable to content validity. Lawsche (1975: 563-575) has developed a technique with which content validity can be quantified to be generally acceptable.

Lawsche's technique briefly includes the following : a Panel of experts in a specific field is requested to judge certain aspects or even the model itself. Such a panel is known as a content evaluation panel, which consists of a number of people with sound expert knowledge in the specific field that is researched.

(i)   Content evaluation panel :

Every person on the panel receives a certain number of questions or items from the model and then has to react on these questions. All the different evaluations from the panel are then consolidated and the specific value of the judging is determined. Two important assumptions are made, namely that any item which has been evaluated as important or very applicable consists of some content validity. The second assumption that can be made is that the more members of the panel (over 50 %) see an item as important or very applicable, the higher the content validity.

With the above mentioned in mind, the following formula of Lawsche (19975: 565-575) for content validity ratio (CVR) can be used :

$$CVR = \frac{ne - (N/2)}{(N/2)}$$

where ne is the amount of people on the panel that selected the option important or very applicable and N is the total members on the panel.

If a larger number on the panel selected important or very applicable, the CVR will be negative. If only half of the panel selected important or very applicable, and the other did not, the CVR will be zero. If every member selected important or very applicable, the CVR will be 1.00 (It is adjusted to 0.99 to simplify manipulation). If the number of the members that chose important or very applicable is more than half of the panel, but not everyone, the CVR will be between zero and 0.99

(ii)   Content validity index :

To determine content validity of the model, it is necessary to :

(a)   ascertain the determinants which have meaningful CVR values;

(b)   calculate the average content validity index for the whole approach.

A minimum CVR of .42 is required. This requirement is determined through the number of people on the evaluation panel. It is showed in the table below. Only the items / questions that satisfy this requirement will be included in the final model. After determination of these items, the average content validity index for the rest of the items is calculated.

Lawsche has suggested a method in which the content validity of a model can be statistically calculated. The purpose of this method is to determine the appropriateness of the elements of the model (Casio, 1991:153).

Table II : Minimum values of CVR (Lawsche, 1975)

Total number of members on panel	Minimum CVR value*
5	0.99
6	0.99
7	0.99
8	0.75
9	0.78
10	0.62
11	0.59
12	0.56
13	0.54
14	0.51
15	0.49
20	0.42
25	0.37
30	0.33
35	0.31
40	0.29

*   When all the evaluators mark important or very applicable, the CVR is calculated on 1.00 (it is adjusted to 0.99 to simplify manipulation). If the amount of people that marked important or very applicable is more that half of the panel, but less than everyone, the CVR is between zero and 0.00

This technique consists of the evaluation of an integrated model through a panel of experts in the field of remuneration and selection.

1.4   EVALUATION OF THE VALIDITY OF THE INTEGRATED MODEL

To judge the practicality of the model, a survey was done amongst some experts in the field of human resource management & industrial psychology to determine the appropriateness of using the model for guidance on ethical considerations during the recruitment and selection process.

1.4.1   Evaluation of items list

A specific items list was compiled for guidance on ethical considerations during the recruitment and selection process. The items list provides three categories according to which the panel could evaluate every item. The experts were expected to make a choice from the following categories for each item :

- Not applicable
- Can be used, but not necessary
- Important / Very applicable.

 The items list consists of items pertaining to the different steps in the recruitment & selection process.   The panel of experts had to evaluate each item according to the categories mentioned above.   According to the CVR values calculated with Lawsche's formula, items with a value higher than 0.42 were included in the integrated model.

1.5   CONCLUSION

The qualitative research methodology used during this research analysis consists of different steps. These steps were conducted in order to make conclusions and verifications, which assisted in the development of the model. The content validity of the model was determined through the use of Lawsche's method, whereby a panel of experts evaluated the items in the model that led to the final decision of which items to include and exclude from the model.

CHAPTER 2
ETHICS OVERVIEW

2.1   INTRODUCTION

According to an article by Rossouw & Van Vuuren on business ethics, they established that ethics is an essential part of business. Unethical behaviour can have devastating consequences for an organisation whereas on the other hand ethical behaviour can give an organisation a competitive edge. An acknowledgement of the importance of business ethics is more than a mere commitment to be ethical, it requires the establishment of a corporate ethical capacity in a concerted and structured way. For this reason, it is vital that managers should be competent in managing the ethical dimension of their business.   Just like any other area of business skill, such as finance, human resources, or marketing, the ethical arena requires specific knowledge and application. Just as managers can either be competent or incompetent with regard to specific managerial roles, they can be better or worse at managing ethics. (Rossouw, G.J. & van Vuuren, L.J.: 2002).

Since it is unlikely that a constellation of rule governing the practice of human values, such as can be found in the domains of accounting and science, will ever be invented, value-driven governance, in sync with the management of ethics, offers a crucial starting point for transforming the ethical orientation of organisations while enhancing financial performance. In order to produce sustained ethical behaviour, an ethical way of thinking (ethical organisational culture) and doing (ethical behaviour) needs to be cultivated. Management needs to set specific ethics objectives for their organisation, design and implement a strategy to achieve these objectives, institutionalise ethics, and monitor and report on the ethical performance of organisational members.

Ethics relates to the science of morals, or a system of principles and rules of conduct and very broadly the whole field of moral social science, incorporating political social science, law and jurisdiction.

Delius et al (2000, 113) provides a definition or explanation of ethics as derived from the Greek word ethos, meaning custom : a moral philosophy. Ethics investigates the precondition and the effects of human actions. Delius (2000, 113) further contrasts autonomous ethics to authority-based ethics, which denies individuals the ability to formulate the maxims for their own. Normative ethics aims to formulate universally binding values and standards.

According to Kreitner and Kinicki (1992 : 108 – 109) and Joyner and Payne (2002: 300 – 302) (2002: 300 – 302) ethics involves the study of moral issues and choices. Business ethics is the study of conflict; conflict between economics and values, between competition, commerce, and capitalism and between morality, integrity, and responsibility (Virovere et al, 2002: 75-81 & Hatcher 2002: 5). Business ethics is therefore the examination of values and the way values are carried out in work-related systems. Morris, Schindehutte, Walton and Allen (2002: 332) define ethics as dealing with the distinction between right and wrong. It is concerned with the nature and grounds of morality. Ethical conflict occurs when an individual perceives his/her duties and responsibilities towards one group as inconsistent with his/her responsibilities towards some other group.

Rossouw (2002: 3) suggests that no popular distinction should be made between 'ethics' and 'morality' and mentions that ethics concerns itself with what is good or right in human interaction. It involves the consideration of the 'good', the 'self' and the 'other'. Each of these three concepts should be included in a definition of ethics.   A model of ethical behaviour is illustrated in figure III below.

Figure III :   A model of Ethical behaviour in the Workplace (adapted from Kreitner & Kinicki, 1992)
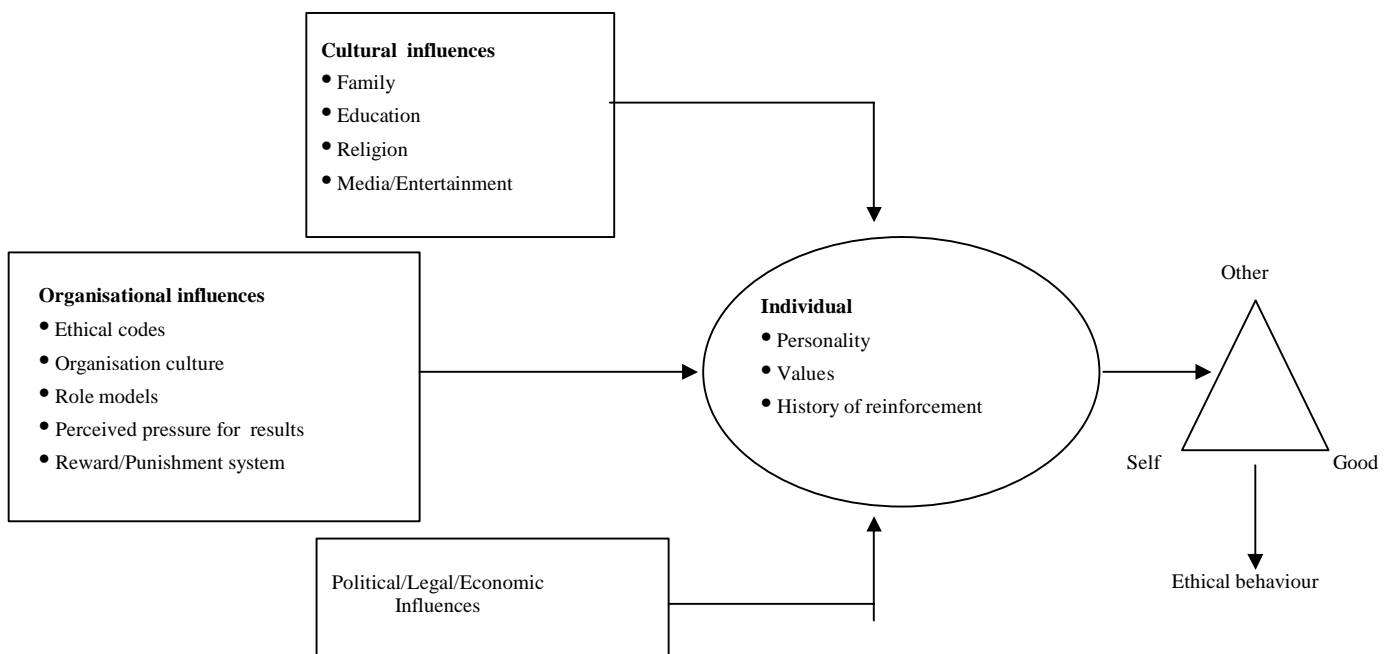
Ethical behaviour is therefore the product of a complex combination of influences. At the core is the individual decision maker with a unique combination of personality characteristics and values as well as personal experience in being rewarded or reinforced for certain behaviour.

2.2   DEFINITIONS & RELATED CONCEPTS

Ethics and morality goes hand in hand and is often used synonymously. Cook & Hunsaker (2001:431) defines ethics and other related concepts as follow :

- ?   **Ethics** is the discipline dealing with what is good and bad and with moral duty and obligations.

- ?   **Ethical behaviour** is behaviour that conforms to accepted standards of conduct.

- ?   **Ethical reasoning** is the process of sorting out the principles that help determine what is ethical when faces with an ethical dilemma.

- ?   **Morality** is a set of principles defining right and wrong behaviours.

- ?   **Right** is a justified claim or entitlement that an individual can make to behave or to have others behave toward him or her in a certain way.

- ?   **Justice** is a fairness in giving each person what he or she deserves.

2.3   ETHICS IN HR MANAGEMENT

Ethics is a prerequisite for the reputation and sustained financial performance of a company and should be a foundation element in human resources strategy. According to Veldsman (2002: 263 – 266), a people managing philosophy based on a reconstituted psychological contract would consist of five facets, which must mutually support one another. These facets are illustrated in figure IV below.

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Figure IV : Facets of a people management philosophy (Veldsman, 2002)
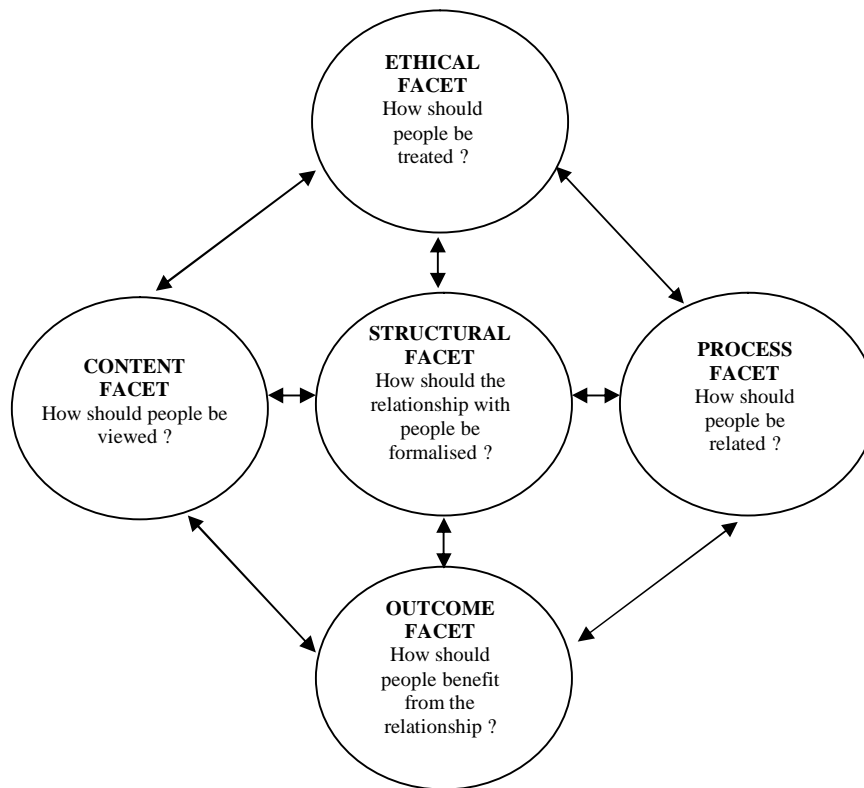
Human Resources should also adopt ethical and socially responsible models, code of ethics, etc.

Hatcher identified 17 imperatives, strategies and interventions, which will assist the HR practitioner to plan for the future and to look beyond a bottom line focus and promote ethical and socially responsible outcomes, namely :

?   How to address globalisation;

?   How to understand technology;

?   How to increase involvement in environmentalism and employee health and safety;

?   How to increase involvement in community-related health;

?   How to share ethical business practices and knowledge;

?   How and why to choose a cause to champion;

?   How to increase awareness of psychosocial contracts;

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? How to encourage philanthropy and employee volunteerism;

? How to acknowledge transcendent values;

? How to develop strategic plans that include ethics and social responsibility;

? How to increase ethics and social responsibility in implementing HR development;

? How to develop orientation and reorientation training that emphasises ethics;

? How to increase research or ethics and social responsibility; and

? How to foster an ethical and responsible HR-profession.

Stead, Worrell and Stead (1990: 233 – 242) add to this list and suggest that there are certain actions, which can be taken whilst executing an HR strategy, namely :

? Behave ethically yourself;

? HR managers are potent role models who's behaviour send clear signals about the importance of ethical conduct;

? Screen potential employees through a proper recruitment & selection process;

? Check references, credentials and other information of applicants;

? Develop a meaningful code of ethics, which is distributed to every employee, is firmly supported by top management, refer to specific practices and ethical dilemmas and is evenly enforced with rewards for compliance and strict penalties for non-compliance;

? Provide ethics training. Employees should be trained to identify and deal with ethical issues;

? Reinforce ethical behaviour via policies and procedures, various communication channels, illustrated leadership etc.; and

? Create positions, units and structural mechanisms to deal with ethics. Some companies even have ethics Directors at a corporate level as well as ethics hotlines.

The need for a uniform code of ethics arose in South Africa after the professionalisation of HR Management. There are many kinds of ethical codes and most professions have their own. A comparison on the guidelines in the Ethical Codes from PsySSA and HPCSA; the Labour Relations Act; Basic Conditions of Employment Act; Employment Equity Act and the Skills Development Act, brought forward the following issues of importance to consider in ethics with regards to HR Management :

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2.3.1   Recruitment & Selection

It is the duty of the HR practitioner to ensure that ethics take priority in the recruitment and selection process.

A good start for more companies would be to adopt the realistic recruitment approach by presenting candidates with relevant and undistorted information about the job and the organisation. According to Greenhaus et al (2000:166) this could assist in reducing the voluntary turnover in the company as most applicants have unrealistic job expectations before they join the company and then suffers from reality shock soon after starting at the organisation.   It would however be much easier to settle into a position if all the information about the pros and cons was presented at the interview.

An interview is subjective and prone to human error and bias. It is therefore important that more structured interviews are used to ensure no prejudice or discrimination against any applicant. The administration in receiving and processing applications is not always efficient. In general, due to workload, most organisations do not notify applicants that their CVs have been received with an explanation on how long the process of selection thereafter will take.   Many unsuccessful applicants never receive a letter of regret and have to phone the HR department to enquire about their application.

Confidentiality is not always adhered to as requested by some applicants.   Many current employers are phoned for a reference even in the cases where applicants requested that current employers are not phoned.

With internal appointments many managers already know who they want to appoint and merely go through the whole recruitment process only to cover themselves against CCMA disputes from unsuccessful applicants.

Clever tactics of management at the beginning of affirmative action could also be seen as unethical. In many cases mangers appointed members of the designated groups, only to doom

them to failure. No support, training or responsibility was given to these individuals only to turn around and complain that affirmative action cannot work.   Chapter 3 of the Employment Equity Act 55 of 1998 gives guidelines on affirmative action.

According to Schumann (2001: 93-111), it is unethical for a manager to refuse to hire a well-qualified applicant for employment because of prejudice against some characteristic that is irrelevant for the job (such as prejudice against the applicant's race).   A manager who engages in discrimination in hiring might be described in terms of character traits such as self-centered, selfish, biased, intolerant, bigoted, unfair, racist, sexist etc.

2.3.2   Assessment & Testing

Paragraph 5 (p 10) of the HPCSA Code of Professional Conduct outline ethical issues in assessment and testing. Interviews, tests, instruments and other measures are only to be used by suitably qualified or registered professionals. No misuse of instruments, techniques or results will be permitted. Consent will be obtained before any assessments are carried out and individuals will be informed of the assessment to be used, the process and the intention thereof. Validity and reliability through proper research and scientific procedures is very important in the development of assessments and tests. Interviews, tests, instruments and other measure to make provision for cultural diversity and ensure to identify situations in which particular assessment methods or norms may not be applicable or may require adjustment in administration, scoring and interpretation.   Results and interpretation thereof are described in paragraph 5.6 – 5.8 of the HPCSA Code of Professional Conduct.

2.3.3   Development & Training

Ethics in this area would very much depend on organisational policies and procedures in this regard.   Most organisations operate on a zero based budget which is used for training and development. The problem comes in where only certain employees are favoured in getting opportunities to attend training. This could lead to gaps in skills and knowledge and the fact that disadvantaged groups may struggle to catch up if they do not get the opportunity to attend training. Many organisations link their training and development to Performance Management, and determine training gaps in areas of performance that is below standard.

The Skills Development Act of 1998 provides an institutional framework to devise and implement national, sector and workplace strategies to develop and improve the skills of the South African workforce; to integrate those strategies within the National Qualifications Framework; to provide for learnerships that lead to recognised occupational qualifications; and to provide for the financing of skills development by means of a levy-grand scheme and a National Skills Fund.

2.3.4   Remuneration, benefits & incentives

According to Milkovich & Neuman (1999:10) the objectives of compensation should take equity into account.   Equity focuses on designing pay systems that recognise both employee contributions (offering higher pay for greater performance or greater experience or training) and employee needs (e.g. providing a fair wage as well as fair procedures).   An organisation should take legislation with regards to minimum wage into account when formulating compensation strategies.   Organisations sometimes obtain compensation information in the market by using unethical ways to get this information.   Most organisations keep salary information strictly confidential and discussion thereof amongst employees can even lead to dismissal.   There are however organisations which are open about their pay structures.   Employees doubt equity in the cases where salary information is kept confidential; they see this as a way for the organisation to "hide" something.   After a merger, many organisations struggle to correct salary disparities where there are people doing the same job, but whom received different salaries before the merger. Correcting all the disparities and decreasing gaps in salaries can be a costly and very long exercise for a company in the case of a merger.

2.3.5   Labour Relations

Various rights, freedoms and protections form the foundation of the Labour Relations Act No. 66, 1995. The theory behind this act implies that one cannot achieve economic development, social justice, labour peace and the democratisation of the workplace without giving parties certain rights and protections. The act therefore discusses the rights of employees, employers and all the parties in a labour relationship. Although the act gives legislative guidelines and procedures for disputes, many consultants and legal representatives find "loopholes" in the system which they use against the defendant.

2.3.6   EE & Diversity Management

Although the EE Act no. 55 of 1998 gives guidelines on equal opportunities for designated groups, there are still companies that choose only to apply these guidelines when it suits them. Diversity management can also be seen as an issue of ethics. This is evident in people's prejudices against each other due to our differences. People tend to fear or reject those that are different from them. Typical examples of prejudice and discrimination can be seen in the following areas : race, gender, age, language, education, sexual orientation and many more.

2.3.7   Sexual Harassment

According to Schumann (2001) sexual harassment is seen as unethical. A distinction is made between quid pro quo sexual harassment and hostile environment sexual harassment. *Quid pro quo sexual harassment* results in a person obtaining (or being refused) an employment outcome on the basis of sex, not true job qualifications. *Hostile environment sexual harassment* has the purpose of effect of negatively affecting a person's job performance. Both types of sexual harassment would tend to reduce net social benefits. It fails the right of principle because the perpetrator of the harassment would not like to be the victim of harassment, because sexual harassment cannot be universalized, and because it fails to treat the victim with respect or in ways in which the victim has freely consented to be treated (Schumann, Human Resources Review 2001 (11), 93-111).

2.4   ETHICS IN DECISION MAKING

Brevis et al (1999:494) describe three fundamental ethical approaches that can be used in making decisions on ethical issues. These approaches are :

2.4.1   Utilitarian approach

According to this approach the effect (positive vs. negative) of a decision on others is considered before carrying out the action. If the positive outweighs the negative, the decision is followed through. The problem in this approach is that it is impossible to please all at once; although some people will be negatively affected they will at least be in the minority.

2.4.2   Moral rights approach

According to this approach the fundamental freedom and rights of individuals cannot be taken away by another individual's decision (refer to the rights as mentioned in paragraph 3 above). An ethically correct decision will thus be one that best protects the rights of those affected by it. Ignorance to some or most of the human rights can lead to cases where some individuals will make unethical decisions.

2.4.3   Social justice approach

According to this approach ethical decisions must be based on standards of equity, fairness and impartiality. The application of fair and impartial rules will be a good guideline in this case. The predicament however is that all individuals perceive fair in a different ways. This is why policies, procedures and standards are very important as a basis for decision making in the business world or common law in everyday life.

2.4.4   Steps in the ethical decision-making process : Brevis et al (1999:497)

Identify the problem
⤷ Determine whose interests are involved
⤷ Determine the relevant facts
⤷ Weigh up the various interests
⤷ Determine the expectations of those involved
⤷ Determine the range of choices
⤷ Determine the consequences of these choices for those involved
⤷ Make your choice
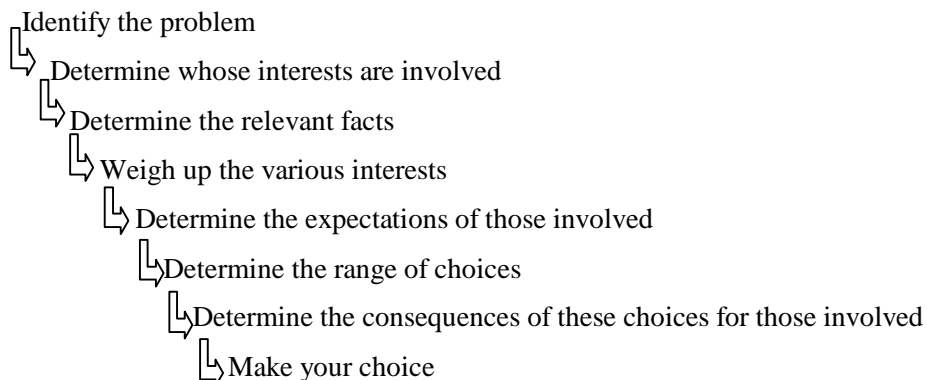
According to Hill & Jones (2001: 64 – 69) the task of business ethics has two central points, namely that business decisions do have an ethical component and that management must weigh the ethical implications of strategic decisions before choosing a course of action.

These authors highlight a four-step model of ethical decision making, which is illustrated below.

Step 1	Step 2	Step 3	Step 4
Evaluate decision from ethical standpoint. Identify affected stakeholders. Are rights of stakeholders violated ?	Evaluate decision from ethical standpoint in the context of moral principles.	Establish moral intent.	Engage in ethical behaviour.
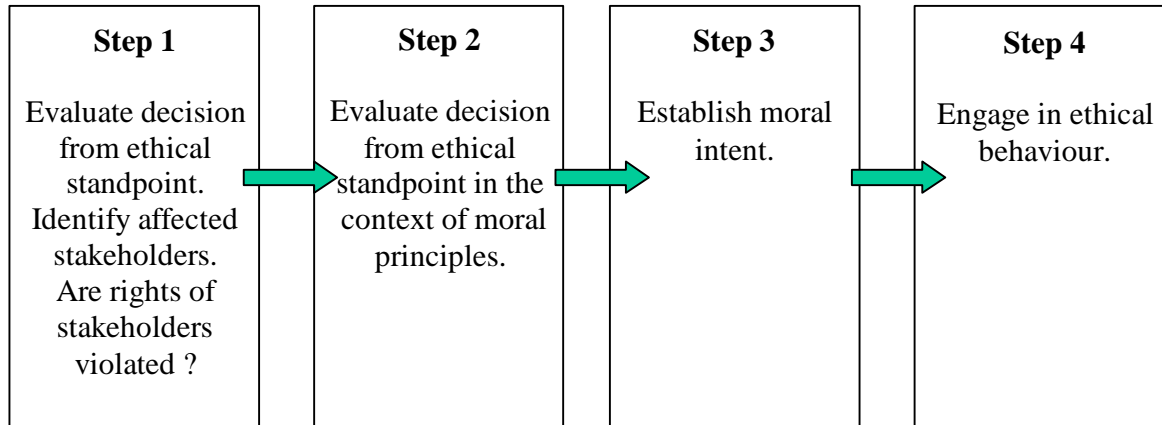
Step one is about evaluation a proposed strategic decision from an ethical standpoint. This would require the HR manager to identify which stakeholders the decision would affect and in what ways. Most importantly managers need to determine whether the proposed decision would violate the rights of any stakeholders. Step two involves judging the ethics of the proposed decision given the information gained in step 1. This should be guided by various moral principles that should not be violated and that are articulated in a corporate mission or value statement or other company documents. Step three means that the company must establish moral intent by ensuring that moral concerns are placed ahead of other concerns in cases where either the rights of stakeholders or key moral principles have been violated.

At this stage input from top management is particularly valuable. This view is supported by Collier and Esteban (2000: 1) by what they call systemic leadership, which is ethical in that it creates community, encourages autonomy and creativity and 'intends' the good in its purposes and practices; and in that it fosters 'emergence' and organisational renewal. Step four requires the company to now actively engage in ethical behaviour.

Robbins (1996: 157) names three criteria, which need to be considered when making ethical decisions, namely :

- ? The utilitarian criterion : providing the greatest good for the greatest number.
- ? Focus on rights : decisions are made consistent with fundamental liberties and privileges as set forth in documents like the Bill of Rights.
- ? Focus on justice : individuals are hereby required to impose and enforce rules fairly and impartially so that there is an equitable distribution of business and costs.

Three major sources of influence also impact on ethical behaviour. One's expectations of how roles should be played are shaped by cultural, organisational and general environmental factors. Ultimately ethical or unethical behaviour is the result of the person-situation interaction. Workplace ethics can be improved by systematically managing and influencing ethical choices, thereby ensuring that the 'good', the 'self' and the 'other' as defined for that organisation are considered.

An individual's contribution to ethical behaviour or lack thereof can be attributed either to the influence of their parents, teachers, ideology, their peers and belief system i.e. by the environment they are nurtured in. Religion and legislation plays an effective role in ethics.

2.4.5   ETHICS AND THE LAW

Ethics in general can be better understood if it is compared with the behaviour of an individual or a group controlled by prescribed laws on the one hand, and by free choice on the other.

According to Brevis et al (1999:490), Human behaviour falls into the following three areas :
- ? Behaviour directed by prescribed law
- ? Behaviour directed by ethics
- ? Behaviour directed by free choice

The first area is that of enforceable law where values and standards are written into a legal system.

The behaviour of South African citizens and organisations is governed in many ways by the laws

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of the country. At the other end of the scale is the area of free choice where no laws direct the behaviour of individuals or organisations and where there is complete freedom of behaviour.

Between these two extremes lies the area of ethics. In this area there are no specific governing laws, yet there are certain standards of conduct, based on shared principles and values about moral behaviour that guide the individual or organisation.

Ethics can also be linked to the following rights of South African citizens protected by the South African Constitution in the Bill of Rights as mentioned by Brevis et al (1999: 494):

? **Equality** – everybody is equal before the law and entitled to enjoy rights and freedom under the law. Individuals cannot be discriminated against on the grounds of race and gender.

? **Human dignity** – Everyone's dignity should be respected.

? **Life** – Individuals have the right to life.

? **Freedom and security of the person** – Individuals may refrain from carrying out any order that violates their freedom of movement or endangers or violates their health and safety.

? **Slavery and forced labour** – Slavery and forced labour are not allowed.

? **Privacy** – Individuals may choose to do as they please away from work and have control of information about their private life.

? **Freedom of religion, belief and opinion** – Individuals have the right to practice whatever religion or belief they wish.

? **Freedom of expression** – Individuals may criticize truthfully the ethics or legality of actions of others.

? **Freedom of association** – Individuals have a right to belong to any organisation of their choice and to mix with anybody of their choice.

? **Labour relations** – Workers must be treated fairly by their employers. Workers have the right to strike and join trade unions of their choice. Employers may also form their own organisations in the same way as workers from trade unions. Both workers and employers may participate in these organisations of their choice.

? **Environment** – Individuals have the right to a clean environment.

The Health Professions Council of South Africa (HPCSA) Ethical Code of Professional Conduct also mentions the need to respect the fundamental human rights of others in all professional services rendered (paragraph 2.1, p 2 – 3). Chapter 5, part C of the Employment Equity Act 55, 1998 refers to the protection of employee rights and the procedure for disputes. In chapter 2 of the Labour Relations Act 66 of 1995, employee and employer rights are also discussed.

2.5   CONCLUSION

Ethics forms part of our everyday lives and the global business world. Individuals are brought up according to certain values and norms. As individuals grow up they will derive certain beliefs from this value foundation and life experiences. These beliefs affect individual behaviour because it influences their thoughts and perceptions.   Ethical behaviour and decisions varies across individuals, probably because of the fact that individuals are different and brought up in different cultures / communities.

Leaders and managers throughout the world should uphold the highest ethical standards to set an example to their followers and employees. Although much of ethical behaviour is inherent in individuals' personalities, there are certainly areas of ethical conduct, especially across national borders, which need to be outlined and taught. What constitutes ethical behaviour in one country might offend people or be illegal in others. Pressures arising from international competition and accelerating diversity increase the complexities of organisational behaviour.

There is a growing recognition that good ethics management can have a positive economic impact on the performance of organisations. Many studies support the premise that ethics, values, integrity and responsibility are acquired in the business.

According to Joyner and Payne (2002: 299) there is now a general realisation that businesses must participate in society in an ethically symbiotic way. A fundamental truth is that business cannot exist without society and that society cannot go forward without business. Thus business must acknowledge societies' existence and growing demand for more ethically responsible business practice.

Bartlett and Preston (200: 199) suggest that there is still a major problem in many organisations in supporting the assumption that business can and ought to support the social good. Many organisations are still designed as 'profit making mechanisms' and have no or limited interest in the good of society. The ultimate challenge is to convince such organisations and society, that a direct benefit accrues to them through their own ethical behaviour. In order to do this, organisations must first be shown the importance of longtermism. Executives, managers and other employees can only be expected to attain high ethical standards when they feel they are an integral part of an organisation and the organisation itself respects those standards over the long term.

Effectively managing ethics requires that the HR professional engages in a concentrated effort to help establish ethical behaviour in his/her company. This effort involves, inter alia, espousing ethics, behaving ethically (role model), developing screening mechanisms for potential employees, providing training on ethics, supporting organisations on creating ethic units, measuring ethics and reporting on it, as well as rewarding ethical behaviour. Paramount to the before mentioned is ethical leadership. The management of ethical behaviour must also be done via a holistic and systemic strategic approach. It is also of extreme importance that all stakeholders realise the importance of the issue at hand. It is not merely a fashion trend, but ultimately about long-term corporate survival and in the macro environment about the long-term harmonious existence of all people.

Not all issues can equally be solved by applying previously agreed upon standards of conduct. In cases of doubt, the best that one can do is to refer to personal intuition and insight.

CHAPTER 3

INSTITUTIONALISING BUSINESS ETHICS IN THE ORGANISATION :

A MULTI-LEVEL ETHICS STRATEGY

3.1   INTRODUCTION

Many organisations recognise that there is a crucial connection between ethics and organisational success. They acknowledge that the passionate preservation of corporate reputation, respect for the preferences of ethically discerning consumers, and the protection of company assets against fraud and corruption result in investor confidence and good business. Furthermore, these organisations recognise that the institutionalisation of business ethics is no longer a nice-to-have, but a strategic imperative. Instead of debating the point that business and ethics cannot mix, ethically aware corporate leaders continuously and actively endeavour to find optimal ways of creating ethical organisational cultures.

If an organisation has chosen to make ethics a part of how it defines itself and how things are done, its ethics strategy should not only be comprehensive, but also pervasive. It is proposed that a multi-level ethics strategy, consisting of strategic, systems and operational foci, be embraced, designed and implemented. The strategic focus consists of systematically embedding ethics in the corporate purpose and values as well as in strategic planning. The systems focus encompasses specific systems aimed at the formalisation, implementation, education and evaluation of standards of corporate ethical behaviour of the organisation's current as well as potential human resources. Interpersonal communication about ethics, making ethical behaviour a key performance indicator in every job in the organisation and day-to-day ethical decision-making are facets of the operational focus.

Embracing ethics as a core contributing factor for success in a business and, therefore, acknowledging the strategic importance of business ethics are based on six key factors that underscore business ethics as a strategic imperative. These have been identified as: the role of trust; corporate reputation; investor confidence; expectations of ethically discerning consumers and investors; ethics as a premise for unlocking human potential in organisations; and the prevalence of fraud (Rossouw & Van Vuuren, 2002). An acknowledgement of the importance of business ethics is, however, more than a mere commitment to be ethical; it requires the establishment of corporate ethical capacity in a concerted and structured way. Ulrich and Lake

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(1990) identify this capacity as the key dimension in the corporate quest of developing shared mindsets between internal and external stakeholders for the purpose of achieving corporate strategic objectives and properly institutionalising the concomitant strategic processes. The building of a corporate ethical capacity is by and large about managing the risk to an organisation's reputation in a sustainable way (Moon & Bonny, 2002).

Once an organisation has embraced business ethics as strategically important and decided to make ethics a part of how it defines itself and how things are done, it can decide to adopt and implement either a compliance-based approach or a values-driven approach, or a combination of these. If the two approaches can be described, for the purpose of this discussion, to be positioned at both ends of a continuum defining the way in which ethical conduct is enforced and/or encouraged in an organisation, an organisation can position itself somewhere along this continuum. A key feature of corporate ethical activity that is largely based on a compliance approach is that the corporate code of ethics or code of conduct tends to be regulatory and controlling. The code prescribes ethical standards of behaviour and there is usually an emphasis on behaviour that is prohibited. The code that regulates behaviour from a compliance-based approach is thus often a document of substantial proportions that is very comprehensive in making provision for a wide range of behaviours that are ethically unacceptable.

In contrast to this, a values- or integrity-driven approach is based on a limited number of broad and aspirational guidelines that set the parameters of corporate ethical conduct. Driscoll and Hoffman (2000: 14) describe the utility of this approach: "Companies are embracing ethics and values initiatives because they believe – with or without hard factual evidence – that they will have a competitive advantage if they do so." Organisations that adopt this approach are often in a more advanced stage of ethical development and utilise their codes of ethics as living documents. The ethical principles are cascaded down throughout the organisation and, for example, divisions or sections set their own guidelines that are based on the broad corporate ethical guidelines. In an ideal situation, employees at every level would know exactly how to apply the guidelines in their own particular jobs and therefore what constitutes ethical behaviour and what not.

Even if an organisation is characterised by the presence of (i) leaders with integrity, (ii) widespread internal support for an ethical way of conducting business, and (iii) a sound code of ethics, this may not be sufficient to produce sustained ethical behaviour. An institutionalisation effort built on an ethics strategy and comprehensive ethics management programmes is required for the cultivation of an ethical way of thinking (ethical organisational culture) and doing (ethical

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behaviour).

3.2   THE ETHICAL ORGANISATION

It should be stated from the outset that an organisation requires a conscious decision to attain fellowship of the enviable group of organisations that are in an advanced stage of ethical development. However, the characteristics of this desired end-state have to be clearly understood before an organisation can embark on an effort to institutionalise corporate ethics in a concerted and structured way. Therefore, it needs to understand what it is that it wishes to achieve, before a decision on how to go about it is made.

An ethical organisation is one that has a strong ethical value orientation, lives these values and practices them when engaging with all its internal and external stakeholders. Seidenberg (1998), the CEO and Chairman of Bell Atlantic, emphasises this notion as follows: "organisations can no longer rely on traditional modus operandi … new behaviours grounded in business ethics are urgently required to ensure continued stakeholders' trust" (p. 11).

An ethical value orientation is thus inextricably linked to the practice of good corporate governance that aims to satisfy the needs of all stakeholders. As such, an ethical organisation would voluntarily comply with the requirements for good corporate governance, and participate in related activities and forums unconditionally. It stands to reason that any organisation that has a reputation for corporate governance and ethics would be able to (i) attract investors for whom good corporate governance is a major consideration, (ii) attract ethically discerning customers, and (iii) be a preferred employer for people who perceive themselves as having the capacity to thrive in an environment that fosters ethical behaviour.

Commitment to ethics and a personal endorsement thereof by the CEO further typifies an ethical organisation. It follows that senior management and all other line managers have an uncompromising ethics orientation in such organisations.

An overt, structured attempt at continuously managing corporate ethics is also made in ethical organisations. This is brought about by managing ethics strategies and systems using a corporate ethics function. This function, which would typically be co-ordinated by an ethics manager or ethics officer, ensures that the organisation has a strong code of ethics that is understood and applied by all employees. The corporate ethics function, in conjunction with all management

cadres, is also responsible for creating and maintaining an ethical organisational culture. Evidence of the existence of such a culture includes high levels of trust, the presence of spontaneous "moral talk", the continuous consideration of ethical implications of decisions at all levels, the presence of several ethical role models in key positions and ethical human resource management practices. Fraud and corruption cases are rare occurrences within ethical organisational cultures.

Organisations in an advanced stage of ethical development implement their ethics strategies successfully and achieve ethics goals. Ethical organisations not only survive formal ethics audits conducted by independent auditors, but also excel when they subject themselves to this type of scrutiny. Reporting on ethics and disclosure to stakeholders is then done with confidence. Any negative feedback received is viewed as constructive criticism and acted on immediately.

3.3   A MULTI-LEVEL APPROACH TO INSTITUTIONALISING CORPORATE ETHICS

According to Van Vuuren (2002) a process for the institutionalisation of ethics in an organisation may conceivably consist of four steps, namely an analysis or diagnosis to determine the current state of corporate ethics and the stage of ethical development of the organisation, the design of a comprehensive strategy of intervention to construct the way forward, the implementation of strategy and resultant programmes, and an evaluation of the extent to which the implementation process has been executed successfully. The latter should occur on a regular basis with a view to assessing the extent to which (i) ethics goals had been achieved and (ii) the ethics needs and expectations of stakeholders had been satisfied. These four steps are depicted in a model representing a multi-level approach to the institutionalisation of business ethics in figure V below.

Figure V : A multi-level approach to the institutionalization of business ethics

Feedback and corrective measures
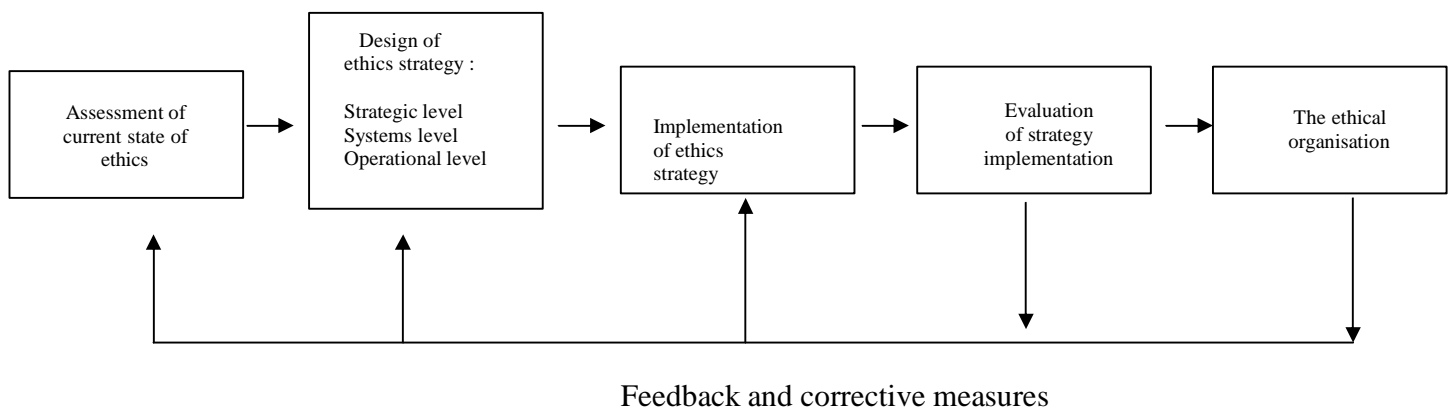
As is depicted in the figure V above, feedback and some resultant corrective measures follow evaluation – these may consist of a combination of re-assessment, re-design and selective re-implementation.

Only step 2, namely the design of a comprehensive ethics strategy, will be addressed. Once an organisation has committed itself to becoming an ethical organisation, i.e. an organisation that adheres to the characteristics as proposed in the previous section, and it has given itself enough time (at least three to five years depending on the current state of "ethical health" and the size of the organisation) in which to achieve this, it can proceed to design a multi-level strategy to entrench corporate ethics. It is proposed that this multi-level strategy should consist of strategic, systems and operational foci. It should be borne in mind that these foci are not mutually exclusive. It stands to reason though that a delineated approach of this nature may allow for a more structured and focused approach. An analysis of these three foci is presented below.

Strategic focus

For ethics to be extensively institutionalised, ethical values have to be made part of the operating consciousness of the organisation (Goodpaster, 1989). Ideally, this would result in an ethical organisational culture, or a corporate ethical consciousness. However, creating an organisation with 'ethical personality', i.e. an organisation with a broad and shared ethical direction, requires a complex, long-term effort. Since organisational change can be positioned on a continuum of systemic, relatively superficial (first-order) change to deep, paradigmatic (second-order) change (Porras & Silvers, 1991), an effort to institutionalize ethics may therefore be successful only if it has second-order change qualities. This will require change that is somewhat revolutionary and characterised by an intervention of multi-dimensional, multi-level proportions that result in a recontextualisation and repositioning of the organisation. Woodall (1996) cautions, however, that it may not be easy to transform the culture in organisations that have strong and established cultures – an ethical culture change therefore has to be of a deep, but gradual nature. Change of this type can be conceptualised and driven only at a strategic level in the organisation.

It is no revelation that corporate strategy also includes non-economic goals. Pastin (in Rowe, Mason, Dickel, Mann & Mockler, 1994) suggests an inextricable link between ethical thinking and strategic thinking. Ethical thinking during strategic planning may also be a catalyst for new approaches to analysis and reveals potential problems that may not have surfaced otherwise. An ethical focus during strategic planning renders more depth and a broader perspective to leaders'

decisions and actions (Kahn, 1990). Harrington (1991) identifies alignment of ethical thinking with strategic thinking as a prerequisite for ethics to become an organisation's competitive edge.

Strategising is, for the purposes of this document, defined to be "… the process of thinking through what today's business is and what tomorrow's business should be, and then getting there" (Manning, 1988: 80). It is proposed that the way to institutionalize ethics in an organisation would be to integrate and align ethical thinking to all components of a corporate strategic planning process. In a broad sense, this process consists of four stages, namely environmental scanning, strategy formulation, strategy implementation and evaluation (De Bruyn & Kruger, 1998; Rowe, et al., 1994; Wheelen & Hunger, 1995). The integration of ethics during the environmental scanning (external and internal) stage requires an analysis of the ethics needs and expectations of all the stakeholders.

The incorporation of ethics is particularly crucial in the strategy formulation phase, during which the corporate values, vision, mission, goals, strategies and policies are generated. For the purposes of this discussion values in an organisational behaviour context may be described as sustained principles of behaviour or prescriptive beliefs that specific behaviours are preferred to other behaviours (Allport, as well as Rokeach, in Fritzsche, 1991; Graves, 1970). The normative feature of values is that an organisation would not compromise its values or deviate from them when conducting business activities. Values, stated individually or as they are contained in the collective corporate value declaration, dictate strategy. Ethics can therefore be integral to all corporate values. Some organisations make explicit provision for one or more ethical values. Even though the word "ethics" may not necessarily be used, e.g. when terms such as "integrity" or "respect" are chosen as value descriptors, the ethics connotation is nevertheless clear-cut. A corporate vision or dream, as "the way you imagine your company to be sometime in the future" (Manning, 1988: 134), is the key to intentional behaviour.

Although ethics is not usually an overt dimension of a corporate vision statement, ethical intention is superimposed on the vision, in that it dictates the way in which the vision is achieved and determines the ethical quality of future organisational behaviour. A corporate mission is more specific than a vision, and "defines the company's business and describes what it will do to succeed in that business" (Manning, 1988: 134). As an explicit statement of intent, it not only dictates what should be done by the organisation while aiming for success, but is also a projection or manifestation of (ethical) values that determine the how of doing things (ethically).

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Organisational goals are tangible results that an organisation aims to achieve. Ladd (1970: 496) describes the ethical dimension of goals as follows: "The logical functioning of the goal … is to supply the value premises to be used in making decisions, justifying and evaluating them. Decisions … must take as their ethical premises the objectives that have been set for the organisation". When referring to the ethical component of organisational goals, De Leon (in Caudron, 1997) points out that certain goals are non-negotiable.

The choice and formulation of specific organisational strategies are determined by the existing ethical norms of the organisation, and in particular those of top management. Cavanagh, Moberg and Velasquez (1981) and Rowe, et al. (1994) recommend that strategies be evaluated not only for economic feasibility, but also in terms of pre-determined ethics criteria. Rowe, et al. (1994) identify three criteria: the rights of stakeholders, justice and ethical means and ends. A product of strategy formulation is policy-making. Policies provide regulatory and behavioural parameters on how the chosen strategies are to be executed. The corporate code of ethics is a typical example of such a policy in that it formalises and sets the parameters for the behaviours required for compliance to corporate ethical norms and values. It contains standards or guidelines for the interaction between members of an organisation and between the members and stakeholders (Rossouw, 1997).

A comprehensive institutionalisation of ethics programme has to be formulated once an ethical code has been drafted. This programme describes and determines all formalized ethics interventions and systems that need to be designed and implemented to (i) achieve corporate ethical goals, and (ii) ensure that the institutionalisation of ethics occurs in a planned, comprehensive and structured manner. The allocation of human, financial and other resources is a final step in ensuring a successful execution of the institutionalisation programme.

Systems focus

The essence of the strategic focus of ethics institutionalisation was the creation of a context for managing corporate ethics. The systems focus consists of the design of ethics management systems with a view to managing the ethical context that was created. The aim of a systems focus is to ensure that an ethical environment is created. Particular systems that can be utilised to mould this ethical environment are designed for purposes of assessment, communication, staffing, performance management and reward, training, and the co-ordination and management of ethics.

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A system to assess the state of ethics in an organisation involves the utilisation of measuring instruments at organisational, group and individual levels, both external and internal to the organisation. Useful techniques for assessment at organisational and group levels, are surveys/ questionnaires, facilitated focus groups, interviews, the analysis of documents, the analysis of case studies generated from within the organisation and storytelling. These measures are particularly useful in obtaining information on current ethical practices (or the lack thereof), the existing ethical culture, the ethical climate, and future needs and expectations. At the level of the individual values, measurements of levels of ethical decision-making, the recognition of ethical issues, and ethical problem solving skills can be assessed by means of questionnaires, interviews, simulations and in-basket exercises.

A pertinent problem insofar as an inadequate handling of ethical issues is concerned is ignorance or a lack of information. Multi-focused (two-way) communication systems have to be established to overcome this. On the one hand, the organisation needs to disseminate important ethics-related information to groups and individuals, e.g. ethics strategies and procedures; expectations in terms of desired behaviour; interpretations of, and alterations to, the code of ethics; good-news stories of ethical behaviours that have occurred; and feedback on unethical practices, etc. For this purpose, regular ethics forums, newsletters and communication via electronic mail may prove particularly useful. On the other hand, the organisation also requires information on occurring ethical and unethical practices. Therefore, a channel for receiving ethics-related information also needs to be in place. Many organisations use an ethics helpline (a toll-free confidential telephone or email service) for this purpose. This channel allows for whistle blowing – by having such a facility in place, an organisation can minimise situations where damaging reports appear in news media before the organisation has had an opportunity to investigate the issues and act on them decisively where required. The helpline is also a useful medium for people who need advice on dealing with ethical issues and dilemmas.

A system for staffing the organisation with people who possess an ethical orientation or a propensity to align their personal values with those of the organisation is crucial for the establishment of an ethical culture over time. As such, the processes of the recruitment of candidates and the orientation of newcomers are ideal opportunities for the organisation to convey expectations and information regarding its value system and ethical practices in no uncertain terms. Selection techniques that may prove useful for the evaluation of candidates' ethical orientations are interviewing, reference checking, work sampling simulations and integrity testing. Ones, Viswesvaran and Schmidt (1993) report, based on an extensive meta-analysis, that the

validity of integrity tests is positive and in useful ranges for both overall job performance criteria and counterproductive-behaviours criteria.

To ensure that ethical behaviour is integrated into all jobs, group and individual performance management and assessment can be based on ethical decision-making and adherence to ethics requirements. Job outcomes can therefore include ethics, as a new (additional) key performance area, as a generic dimension of all the jobs in an organisation. Ethical performance indicators can be determined by interpreting the requirements set by the corporate code of ethics as they apply to a specific job. When employees are rewarded (intrinsically and extrinsically) for their performance across several key performance areas, which includes ethical performance as an independent key performance area, they are then, by clear implication, also rewarded for their ethical performance.

Corporate ethics training is not only useful to foster a general awareness of ethics, but also deemed an important system for the institutionalisation of ethics. On a deeper level, ethics training serves to equip people with (i) an understanding of the corporate code of ethics, (ii) the ability to recognise ethical issues, (iii) a capacity for solving ethical problems and (iv) ethical decision-making skills. In addition to this, being exposed to a more structured learning environment for ethics training than merely learning by trial-and-error for which normal work situations allow, may alleviate fears of the complexities associated with ethics, allow for spontaneous discussions on ethics, and empower learners to be confident and decisive when required to make ethical decisions.

For optimal results, the systems described above need to be designed, appropriately positioned in the organisation and properly co-ordinated and managed. A corporate ethics function needs to be established and empowered to carry out this responsibility. The function would typically be managed by a competent and credible corporate ethics manager who is strategically and hierarchically well positioned. Depending on the size of the organisation and the magnitude of its ethics drive, support staff responsible for administrative, communication, investigative, training and advisory services (helpline) need to be recruited and trained. Many organisations also have an ethics committee consisting of the corporate ethics manager and other key influential role players. Operating at a senior level, this committee oversees the institutionalisation of ethics efforts, and is ultimately accountable for the successful implementation of the corporate ethics strategy.

Operational focus

Having formulated a comprehensive ethics management programme at a strategic level, and having designed appropriate systems for strategy implementation, ethical principles need to be applied in the daily activities of each member of the organisation. The key here is to ensure that ethical behaviour manifests itself in all jobs and interpersonal interactions. Many organisations suffer from what Bird and Waters (1989) refer to as "moral muteness", which is a reluctance to discuss ethical issues and an inadequate vocabulary for ethics-related concepts. Trevino, Weaver, Gibson and Toffler (1999) and Post, Frederick, Lawrence and Weber (1996) assert that talking about ethics fosters an ethical culture.

Planning ways in which interpersonal relations built on mutual respect can be encouraged seems to be a key ingredient in advancing the quest for "It's OK to talk about ethics around here!" Bennis (1999) asserts that it is the job of every manager in the organisation to set the climate for ethical behaviour based on mutual respect. This is in line with the findings of benchmarking proportions by Peters and Waterman (1982) reported on in their book In search of excellence. Having analysed several high-performing companies over time, they found a clear value system to be one of the most distinguishing features of excellent companies. They also identified respect for the individual to be a key-contributing factor to organisational excellence. It follows that employees need to be empowered and enabled to talk about ethics. This can be achieved through the incorporation of ethical requirements in job tasks where relevant, and by using line managers and ethical role models to mentor, coach and train employees to have an ethical awareness, identify ethical issues, solve basic ethical problems, and display courage when making ethically sound decisions.

3.4   CONCLUSION

Organisations can work towards becoming ethical organisations in a concerted and structured manner. However, the actual implementation of specific ethics management programmes to ensure institutionalisation has to be preceded by the design of a comprehensive, multi-level corporate ethics strategy. As shown in this paper, such a design may consist of three foci, namely strategic, systems and operational foci. The approach whereby ethics strategy design is delineated into logical and relatively distinct categories of intervention, each with its own specific tasks and areas of emphasis, may be a useful impetus for organisations that have decided to embark on a

journey that will advance them to "ethical organisation status". For many organisations that have already achieved this, ethics has become a non-negotiable premise for business decisions and actions. In the process, they do not only satisfy financial bottom-line aspirations, but also the ethical bottom line.

It is unlikely that a constellation of rules governing the practice of human values, such as can be found in the domains of accounting and science, will ever be invented (O'Brien, 1998). Furthermore, no single strategy or process for the institutionalisation of business ethics will provide a guaranteed or quick-fix remedy for unethical behaviour in organisations. The quest for reaching a point where ethics is totally entrenched in how an organisation defines itself and how its members behave is a gradual process that will require not only a commitment to ethical behaviour, but also several years of intensive institutionalisation efforts. This is of course dependent on (i) a paradigmatic shift regarding the acknowledgement of the strategic importance of business ethics, and (ii) an organisation's "state-of-ethics" at the commencement of the institutionalisation effort. Nevertheless, value-driven governance together with the management of ethics offer a crucial starting point for transforming the ethical orientation of organisations while possibly contributing to enhance financial performance.

CHAPTER 4

MANAGING ETHICS

MODES OF MANAGING MORALITY: A DESCRIPTIVE MODEL OF STRATEGIES FOR MANAGING ETHICS

As an alternative to attempts to impose models of personal moral development upon organisations, Van Vuuren & Rossouw (2002) propose an evolutionary model of managing ethics in organisations. The Modes of Managing Morality Model they suggest, is based on an analysis that explains why business organisations tend to move from less complex modes of managing ethics to more complex modes thereof. Furthermore, it also identifies the dominant ethics management strategies that characterise each of the stages. It is done in a way that avoids claiming that the more advanced modes of managing ethics necessarily represent moral development by business organisations. Instead of claiming that organisations develop morally, Van Vuuren & Rossouw (2002) claim that organisations move through an evolutionary process of improving their sophistication in managing ethical performance.

4.1   INTRODUCTION

Various attempts have been made to adapt models of personal moral development – such as those developed by Piaget, Kohlberg, and Gilligan – to organisations. Logsdon and Yuthas (1997) for example developed a model of organisational moral development based on Kohlberg's six stages of moral development in which they claim that an organisation's level of moral development can by gauged by its stakeholder orientation. Petrick and Manning (1990) who also used Kohlberg's model to identify six stages of moral development in organisations have made a similar attempt. Sridhar and Camburn (1993) applied Kohlberg's model to examine if organisations can be viewed as passing through different stages of moral reasoning to explain their behaviours in the face of ethical crises. In this article Van Vuuren & Rossouw (2002) will show why these and other attempts to apply theories of personal moral development to business organisations are inappropriate.

An alternative approach to using personal cognitive moral development in describing 'collective' or organisational moral development was proposed by Coleman (2000). Coleman, based his approach on insights acquired during his term as ethics officer at Texas Instruments. He identified six levels of natural ethical progress of an organisation, namely (1) commitment, (2) formulation,

(3) action and feedback, (4) re-evaluation, (5) total ethical culture, and (6) total alignment and integration. He describes each level as "more ingrained, more naturally integrated, than the one before …" (2000:1). These levels reflect an organisation's attempts to manage ethics in an increasingly concerted and sophisticated manner over time.

A similar approach is Driscoll and Hoffman's (2000) 'Stages of ethical development' model. They used a pyramid diagram to reflect the causal relationship between four stages or levels of ethical development in an organisation. The stages that organisations and their people progress through, commence with ethical awareness, whereafter ethical reasoning (decision-making models and criteria) is acquired. This is followed by a confrontation between the values/behaviour gap, which results in the ethical action stage. Finally, ethical development culminates in ethical leadership, which implies the cultivation of broad-based-commitment and an ethical culture.

As an alternative to attempts to impose personal moral development upon organisations Van Vuuren & Rossouw (2002) will propose an evolutionary model of managing ethics in organisations that is closer aligned to the Coleman and Driscoll and Hoffman approaches. However, the model that Van Vuuren & Rossouw (2002) propose (Modes of Managing Morality Model) goes beyond these approaches in the sense that it is based on an analysis that explains why business organisations tend to move from less complex modes of managing ethics to more complex modes thereof. Furthermore it also identifies the dominant ethics management strategies that characterise each of the stages. It is done in a way that avoids claiming that the more advanced modes of managing ethics necessarily represent moral development by business organisations. Instead of claiming that organisations develop morally, Van Vuuren & Rossouw (2002) will claim that organisations move through an evolutionary process of improving their sophistication in managing ethical performance.

4.2   ON APPLYING PERSONAL MORAL DEVELOPMENT TO ORGANISATIONS

The empirical research done by Piaget (1948), Kohlberg (1948), Gilligan (1982) and others established that individuals typically move through a process that can be broadly described as a move from a heteronymous phase to an autonomous phase of moral decision-making. Attempts to further refine this broad description of the process of personal moral development suggest that personal moral development starts at a pre-conventional level and then moves through a conventional level to a post-conventional level. Attempts have further been made to discern more specific stages within each of these three broad levels of moral development. The more specific

these models are on the specific stages of moral development, the more controversial they tend to become.

In the above mentioned attempts to design a model of organisational moral development, either the broad phases or the more specific stages of moral development are applied and adapted to organisations. Although these adapted models all recognise the important differences between individuals and organisations, they nevertheless claim that organisations move through the same phases, levels or stages that individuals do. While the content of the phases, levels or stages are altered and renamed to reflect organisational reality, the basic structure of personal moral development still remains and is imposed upon organisations.

Van Vuuren & Rossouw (2002) believe that any attempt to impose personal moral development upon organisations is unwarranted. This is not because organisations cannot be considered moral agents. Even if one agrees with French (1979), De George (1988) and Meyers (1993) that corporations can be regarded as moral agents, that still does not imply that corporations develop morally like individuals do. That corporations decide and act collectively cannot be denied. However, corporations do not take decisions and actions in the way that individuals do. Corporate decisions and actions are the outcomes of complicated group dynamic processes in which individual members of the organisation participate. The decisions and actions therefore do not emanate from a collective personality, or a collective mind, or a collective moral state of development, but from a group dynamic process in which individuals with different personalities, minds and levels of moral development participate. The fact that certain patterns in the decisions and actions of a corporation can be discerned over time, once more does not imply that a corporation has a personality, mind, and level of moral development like individuals do. This consistency in decisions and actions only emerges because the individual members of the corporation are guided by a common set of corporate objectives and priorities.

One should thus not conclude that there is moral development in organisations simply because corporations can be regarded as moral agents in whose moral decisions and actions a certain extent of consistency can be discerned. The consistency in moral behaviour by corporations should rather be ascribed to the moral objectives and priorities that corporations collective pursue and by the strategies that they adopt in pursuing these objectives and priorities. In the remainder of this article, it will be demonstrated how specific moral objectives and priorities and the management strategies that are adopted in pursuit thereof, is a sufficient explanation for both consistency and change in moral behaviour in corporations.

In the Modes of Managing Morality Model that follows, five different modes of managing ethics are identified. The nature and distinguishing features of each mode is first described. Each mode of managing ethics, however, presents its own challenges to managing ethics. It is exactly these challenges presented by each mode that facilitate transition to the next mode of managing ethics. Although the model does not presuppose moral development within corporations, it does assume that there is an increase in the complexity of the management modes as they follow on one another. In this sense there can be distinguished between more and less advanced modes in terms of management complexity, without equating this distinction with more or less advanced stages of moral development.

The model is specifically designed to explain the changes in mode of managing ethics within medium to large business enterprises. Given the evolutionary nature of the model, the more advanced modes of managing ethics can only be expected in well-established sustainable businesses.

4.3   THE MODES OF MANAGING MORALITY MODEL (MMM-MODEL)

A classification framework is proposed whereby an organisation can be classified as having a specific way (or mode) of dealing or not dealing with ethics. A mode can be described as the predominant (preferred) strategy of an organisation to manage its ethics at a given point in time. The preferred mode reflects the decision its leaders make to ignore ethics and to act unethically, or to actively deal with ethics in an overt manner. The mode is observable and has discernible qualitative and quantitative properties that display the organisation's strategy (conscious or not) to ignore or manage ethics. The extent to which organisations deal with ethics can obviously vary from reactive and superficial ethical window-dressing to concerted and structured efforts to institutionalise and integrate ethics. It is suggested that five relatively distinct modes can be discerned in describing organisations' preferred strategies for managing ethics. The model consists of the modes of (1) immorality, (2) reactivity, (3) compliance, (4) integrity and (5) total alignment.   Each mode is described in terms of (1) its nature, (2) primary purpose, (3) predominant strategy, and (4) typical challenges.

The challenges that arise within each mode provide an explanation for the change in mode of managing ethics that typically occur within organisations over time. These challenges arise when organisations sense that they may have exhausted a specific mode's potential for managing ethics. These challenges then serve as sufficiently powerful catalysts to overcome factors of inertia and

provide impetus for organisations to either operate within a new and more advanced mode of ethics management, or to perhaps even revert to a previous mode. The latter may occur when the previous mode is perceived to provide a comfort zone of familiarity in dealing with (or ignoring) ethics issues. A mode may therefore produce its own self-destruction when challenges force the organisation into another mode of managing ethics.

4.3.1   The immoral mode

Nature

Organisations in this mode usually espouse unethical conduct as good business and ascribe to the cynical viewpoint that business ethics is an oxymoron. They embrace the popular myths (cf. Rossouw, 2002:11-21) that many corporate leaders and business ethics scholars have already dispelled during the past few decades. Examples of such myths are: "dog eats dog" (the business environment is a hostile world and you either trample on others or you yourself will be trampled on); "survival of the fittest" (the competitive nature of business means that you cannot afford to waste time on the interests of others); "nice guys come second" (a proclamation that it is impossible to be both ethical and successful in business); "it is not serious" (the notion that although unethical conduct is wrong, it is not really harmful to society); "when in Rome, do as the Romans do" (if it is the norm to act unethically in a certain environment, why be different?); and "all that matters is the bottom line" (the business of business is business, and not ethics).

Purpose

Organisations in this mode aim at maximising profit at all cost – all that matters to them is the bottom line. Such a mode dictates motives and actions beyond reasonable capitalistic greed. Where more ethically aware organisations realise that the above mentioned credos are merely myths, a central feature of immoral mode organisations is that they view some or all of these credos to epitomise good management philosophy. The myths as outlined above become implicit or even explicit credos that are viewed as part and parcel of 'good business'. When this happens managerial philosophies and behaviours assume unethical proportions.

Strategy to manage ethics

Immoral mode organisations are typically characterised by a Macchiavellian orientation in that management does not see the need to make decisions concerning ethics. There is therefore no

commitment to deal with ethics. In such organisations there is a lack of sensitivity to ethical issues and reluctance to engage with it. Although there may be some varied dissonance about the eventual effects of unethical conduct, it is nevertheless endorsed as good business and goes unpunished.

Immoral mode organisations have little inclination to be sensitive to stakeholders' ethics expectations. Since members of immoral mode organisations generally share beliefs regarding the prevalence of myths such as those described above, the corporate culture makes little provision for an ethical way of thinking. The ethical climate is virtually non-existent in that managers and employees can be described as morally mute (Waters & Bird, 1987). 'Ethics talk' is frowned upon and perceived to be wimpish behaviour that does not belong in an organisation characterised by hard-line philosophies such as a desire to be "lean and mean" and a "we take no prisoners"-orientation. Any attempts to question the ethical dimension of decisions are thwarted by peer pressure characterised by a singular focus on the bottom line.

Consequently there is an absence of a proper ethics management strategy in such organisations. No ethics management interventions exist - not even the most rudimentary ones such as a code of ethics.

Challenges

The challenges for organisations to move beyond this mode are threefold. The real financial consequences of immorality may become unaffordable. It may, however, also be that the perceived probable cost of immorality become an overwhelming threat in that organisations fear being found out or exposed. Change may also be triggered by scandal and the explosion of myths. In Schein's (1987:289) words: "Nothing changes until the consequences of the theory-in-use create a public and visible scandal that cannot be hidden, avoided or denied".

An increased dissonance between personal and corporate values may surface. Employees, for example, may develop a severe cognitive dissonance if they perceive the unethical inclination of the organisation to be contradictory to their own ethical value systems. They may then either remain in the organisation in a state of alienation and passivity, or they may move on to other companies that appear to have more sound ethics. The effects of this on the organisation's morale may be devastating. Other stakeholders, e.g. shareholders, customers, suppliers and the local community, may experience similar feelings of dissonance and resultant alienation – this may lead

to them severing their ties with the immoral mode organisation. When this happens the organisation's social network may be in danger of complete collapse.

Immoral mode organisations either continue in their ways to a point-of-no-return self-destruction, or they may be compelled by the above-mentioned challenges to rethink their preferred unethical mode and to do at least something about their ethics, albeit reactive.

4.3.2   The reactive mode

Nature

Organisations often enter a reactive mode of morality as a knee-jerk reaction to the challenges posed by the immoral mode. In order to avoid rejection such organisations make the confession to ethical business, but do not proceed beyond that (Rossouw 1994:9). The reactive mode is prompted by awareness that something needs to be done to avoid the risk and dire consequences of unethical conduct. Such organisations have a naive belief that a show of commitment (the presence of a set of ethical values) will create a sufficient context for ethical behaviour. In the process these organisations profess to be ethical, without management compliance to its set ethical standards. This may be ascribed to an inability to manage ethics. Although reactive mode organisations make provision for ethics, unethical behaviour still prevails. A blind eye is turned towards unethical behaviour and, at best, if unethical practices are detected, they are not endorsed, but remain unpunished. Corporate ethics therefore amounts to a token gesture of ethical intent.

Purpose

Reactive mode organisations have a desire to protect themselves against the dangers of unethical behaviour in that they sense the potential risk of unethical behaviour. Of course they also fear rejection by their stakeholders. Organisations in reactive mode become sensitive to the effects unethical practices may have on their reputations. By confessing to ethical behaviour they hope to avoid threats of litigation, boycotts, strikes and shareholder alienation. The possibility of government intervention or even enforced curatorship may be another motivational force to acquire some 'inoculation' against unethical behaviour. The enforcement of corporate governance standards by regulatory institutions might compel organisations into reactive morality. This mode of managing morality thus merely signifies a defensive corporate approach to business ethics.

Although cognisant of the consequences of unethical behaviour, they may still condone a bending of the rules (e.g. creative accounting).

Strategy to manage ethics

Since attempts by a reactive mode organisation to manage ethics are seldom based on ethics being good business, but rather on a desire to protect against investigation and punitive action, the organisation will formulate standards that display rejection of unethical behaviour. Although value judgements exist, they lack application. There is therefore no attempt to complement formal ethical standards with compliance procedures. Nor do these organisations develop any form of corporate ethics management capacity.

Senior management of organisations in the reactive mode may obviously have a desire to mend their attitudes and ways. A result of such good intentions may be a strategic planning session that results in the generation of a number of corporate ethical values. Although these values signal a commitment to integrity, respect and organisational ethics, they do not have the impact to create an ethical context in which employees can operate. As such, they by and large remain words or statements on paper.

Ethics management interventions by reactive mode organisations are usually limited in scope and depth. Such organisations often scamper to institute some minimum measures of ethics management interventions in an effort to avoid paying a high price for immorality. This effort can at best be described as window-dressing. A feature of organisations in this mode's attempt to manage ethics is the design of a corporate code of ethics. The focus is, however, often on the final product rather than on a proper inclusive process to produce it. As such, code design is often delegated to either a single member of the organisation or to a function such as internal audit, risk management, the company secretariat or human resources. Some reactive mode organisations may engage external consultants to draft the code. It is also not uncommon for reactive mode organisations to obtain existing codes from other companies and to adapt these for their own purposes. The development of the code is an event rather than a process in the sense that it is produced in unilateral fashion without participation by relevant internal and external stakeholders. Although the code may eventually be of high quality and may have good potential for application, the code is not worth the paper it is written on insofar as application is concerned. The code is likely to remain on a shelf without assuming living document proportions. Having most probably not been involved in the code design exercise, employees are not au fait with the code, nor do they

know how to apply its contents to the key performance areas as is expected of them vis-a-vis their job descriptions.

Ethics management in reactive organisations therefore rarely progress beyond code design interventions and can be described as laissez-faire ethics management, both in philosophy and in application.

Challenges

The challenges facing reactive mode organisations are the following: Reactive mode organisations display a gap between talking and walking ethics. This leads to a serious credibility problem with stakeholders. Both internal and external stakeholders find their expectations frustrated and have difficulty trusting an entity whose words and actions are not aligned. They are therefore likely to formally or informally convey frustrated expectations regarding the organisation's ethics. In the absence of the security and predictability that an ethical context can provide for employees, the organisational morale may be very fragile. Like organisations in the immoral mode, an organisation in reactive mode is very susceptible to scandal. Since there is a gap between espoused ethical standards and the actual behaviour of the organisation, this might easily be exploited. Dissatisfied employees may, in the absence of internal channels for dealing with ethical failures, opt for blowing the whistle on unethical practices, which in turn can trigger scandals. Reactive mode organisations are also likely to discover that token gestures to ethical performance does not satisfy institutional investors, consumers and talented employees. The cost associated with their lack of trust in the organisation might become a compelling factor in convincing the reactive mode organisation to revise it ethics strategy.

Since the mere existence of a code of ethics does not guarantee ethical behaviour, nor provide the context for moral discourse, ethically aware employees might demand more pro-active engagement with ethics. They might specifically demand training in dealing with ethical dilemmas and in moral decision-making that will assist them in applying the organisation's code of ethics.

When these challenges gain sufficient momentum they have the potential of compelling the reactive mode organisation into moving beyond reactive gestures unto enforcing ethics deliberately.

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4.3.3   The Compliance Mode

Nature

The compliance mode of managing ethics represents a substantial move away from the reactive mode. Companies in compliance mode commit themselves to monitoring and managing their ethics performance. Instead of merely having a code of ethics for the sake of pacifying stakeholders, the code becomes the standard against which the company measures its own ethical performance. Companies in this mode of managing their ethics typically express their intention to ensure that all members of the organisation abide by the ethical standards of the company. In order to ensure compliance to the code, they monitor the ethical performance of members of the organisation. When deviation from the code of ethics occurs, the company takes corrective action by disciplining or penalising the transgressors. Alternatively the company may opt for not only penalising transgressions of its ethical standards, but also for rewarding those who consistently abide by its code of conduct. The compliance approach thus represents a rule-based approach to managing ethics.

Purpose

The managerial purpose of the compliance mode is to prevent unethical behaviour by the business. The driving force behind this commitment to eradicate unethical behaviour can either be found in the desire to avoid the cost and damage associated with unethical behaviour (Moon and Bonny 2001:26), or in the quest to benefit from having a good corporate ethical reputation. An example of the former is the company that insists on compliance in order to avoid costs associated with discrimination, fraud or a business scandal, while an example of the latter is the company that wishes to uses its good ethical reputation to attract investors, ethically discerning consumers or talented employees.

Management strategy

Compliance mode organisations make a conscious decision to regulate ethics and display a commitment to eradicate unethical behaviour. Given the central role of the code of ethics in the compliance mode, management first needs to ensure that the code is sufficiently clear and detailed in order to provide distinct guidance on ethics to members of the organisation. If the current code is insufficient in this regard, one can expect that it will be revised to provide clarity on ethical

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standards and guidelines for behaviour. Unless the code is very clear and specific, it will fail in serving as a standard for evaluating ethical performance.

The code needs to be complemented by an ethics management function that will manage and drive the process of compliance to the code. This ethics management function can be the responsibility of a dedicated corporate function created specifically for this purpose (e.g. an ethics office or compliance office) or it can be delegated to an existing management function in the company (e.g. risk management, human resource management, or internal audit). This ethics management function takes responsibility for all the processes and systems required for ensuring adherence to the code. This includes processes such as communication, training and the induction of new employees to the code. It requires that systems be designed for monitoring, appraising, and rewarding ethical performance. Also systems whereby employees can safely report unethical or morally suspicious behaviour by employees can be implemented. The management process in this mode may also include accounting, auditing and disclosure of ethics performance.

In sum, ethics management in the compliance mode may be described as a transactional approach – the emphasis is on rules to be complied to in exchange for withholding of punishment for non-compliance, rather than an embracing of ethical values and an entrenching of these values.

Challenges

The compliance approach may result in a number of side-effects that can potentially pose a serious challenge to the viability of this approach. These potentially harmful side-effects include the following: It breeds a mentality of "what is not forbidden is allowed". Given the rule-based nature of this approach, organisational members can rely merely on the existing rules for moral guidance. It undermines personal moral autonomy and responsibility. As the code of ethics is enforced upon the organisation, the locus of moral control resides externally in the code and in the ethics management function. The ethical values and standards of the company are not internalised, but are imposed externally. Since this mode implies a comprehensive and diligent attempt to enforce ethical compliance, it may assume bureaucratic proportions over time. This can lead to a proliferation of ethical rules and guidelines for conduct. In an attempt to provide unambiguous guidance on ethical conduct, more and more directives are issued. These rules can grow so numerous that it becomes difficult to keep track of them. Should this happen, it is almost impossible to recall all the directives, and for that reason they may have very little impact on actual corporate behaviour. It tends to disempower employees (Sharp Paine 2002:135). A

compliance approach does not rely on the moral discretion of employees, but on their almost blind adherence to the rules of conduct. This undermines their ability to cope with issues and grey areas that is not addressed in the code of ethics.

If these challenges are not adequately addressed, they can erode the viability of the compliance approach to managing ethics. If they are dealt with adequately their negative impact can be alleviated. It is, however, often exactly these challenges that facilitate the transition to the integrity mode.

4.3.4   The Integrity Mode

Nature

An integrity approach comprises a value-based approach to managing ethics. Where the compliance mode is characterised by external enforcement of ethical standards upon a business organisation, the integrity approach is marked by the internalisation of ethical values and standards. Instead of imposing ethical standards upon the organisation, it seeks to obtain the commitment of individual members of the organisation to a set of shared corporate values (Moon and Bonny 2001:26). In this way the locus of control becomes internal. By ensuring that the locus of control resides within members of the organisation, less external control is required. There is thus less need for external guidance and more reliance on the discretion of individual members of the organisation to act morally responsible. This approach to managing ethics requires much more knowledge and expertise on managing ethics, since it ventures into the subtle domain of value formation and commitment. Given the delicate nature of the integrity approach to managing ethics, it is usually complemented by a limited form of a compliance approach that serves as a safety net to protect the company against gross unethical conduct.

Purpose

The purpose of the integrity approach to managing ethics is to raise the level of ethical performance of the company. Instead of merely trying to minimise incidents of unethical behaviour, it pro-actively endeavours to promote ethical behaviour. By getting organisational members to commit themselves to the corporate ethical standards and values of the company, the responsibility for ethical behaviour becomes a collective effort shared by all members of the organisation. Companies typically embark on this approach when they realise that ethical

performance is of strategic importance to the company or even its competitive edge. In such cases a defensive approach that protects the company against the damage of unethical conduct is no longer deemed sufficient. To the contrary, a concerted effort in which all members of the organisation take joint responsibility for the ethics performance of the company is required.

Management strategy

The management strategy required for an integrity approach is one that facilitates the internalisation of ethical standards in all members of the organisation. Such a strategy typically commences with a comprehensive and deep diagnosis of the corporate ethical culture and current state of ethical behaviour. As such a wide ranging consultative process of stakeholder engagement in which their moral expectations of the company are gauged is instituted. These expectations will be widely communicated in the company. In response to it the core ethical values of the company will be identified or be revisited. This will also be done in a consultative and consensus-seeking manner in order to facilitate buy-in into these core values. There are two further vital components of an integrity strategy. The first is the promotion of 'ethics talk'. Employees need to get into the habit of discussing the ethical dimension of their work. No decision should be considered complete unless the ethical dimension thereof had been contemplated. Secondly, an integrity approach also relies heavily on the example set by the leadership of the company. If leaders are not seen to adhere to the core ethical values and standards of the company in word and deed, the integrity approach will lose credibility.

The integrity approach further requires managerial system and process support in much the same way that it is required in the compliance mode. It requires ongoing communication, training and induction of new employees. Training on moral decision-making becomes much more prominent as there is an increased reliance on the moral discretion of employees in the integrity approach. Systems for evaluating and rewarding the ethical performance of the company are also required. In an integrity approach the emphasis is on the reward of ethical behaviour, rather than on punishing unethical behaviour. It is therefore to be expected that ethical performance will be perceived as a key performance area to be included in performance management and appraisal. In addition, the aspects of ethical reporting, auditing and disclosure that were introduced in the compliance mode will remain. Once well established, the corporate ethics function may require fewer human and other resources, as there then would be a diminished need to rely on monitoring compliance to ethical guidelines.

An integrity mode of ethics management has transformational proportions – as such deep cultural organisational change is effected over time. Internalisation of values occurs in that employees are empowered as well as enabled to manage ethics in their own roles and jobs.

Challenges

The integrity mode also poses a number of challenges to ethics management. The most prominent being the following: The greater discretion granted to employees can be abused and unethical conduct can increase. Should this happen a turn towards greater compliance might occur, which in turn will erode the integrity approach. In this way the integrity approach can gradually revert to a compliance approach. The promotion of moral autonomy that results from an integrity approach can also lead to moral dissidence in a company. Individuals who are empowered to use their moral discretion and to act with moral courage are more likely to challenge the morality of company actions. Given the differences in personal moral values that one is likely to encounter in bigger companies, serious moral differences are more likely to emerge. The integrity approach relies heavily on the integrity of its leadership. If they do not set both the tone and the example, the integrity approach can easily be discredited. If the entire leadership does not endorse the core ethical values in their practical behaviour (i.e. walk the ethics talk), it can pose a serious challenge to the viability of the integrity approach. Since those leaders who undermine the integrity approach are most probably in positions of considerable power, it may be very difficult, or even impossible, to overcome the challenge that they pose.

The integrity approach also presupposes a clear sense of corporate identity and priorities (Sharp Paine 2002:135). The individual discretion upon which the integrity approach is premised can only be properly exercised when core ethical values are aligned with corporate identity and priorities. A lack of clarity about corporate identity and priorities thus lurks as another obstacle that can jeopardise the sustainability of the integrity approach.

All these challenges can potentially be addressed within the integrity approach. Failure to do so, may result in a lapse to a compliance approach or in disillusionment with the current endeavour to manage ethics. It is however also possible that these challenges, if overcome, may give rise to a new mode of managing ethics. Since very few companies have yet ventured into this domain, one can but merely speculate about its outlines.

4.3.5   The Totally Aligned Organisation (TAO) Mode

Nature

The TAO-mode is characterised by a seamless integration of ethics into the purpose, mission and goals of the organisation – ethics is integral to how an organisation defines itself and how things are done. Ethics is no longer viewed as just another aspect of the organisation that needs to be managed. To the contrary, it is regarded as an integral part of the company without which it would be unable to fulfill its purpose, mission and goals. This presupposes that a company in the TAO-mode will have a well-developed sense of identity and purpose premised upon non-negotiable morally responsible interaction with its internal and external stakeholders as well as its environment. Consequently ethical behaviour is regarded as strategically important and unethical behaviour is regarded as jeopardising not only the business success of the organisation, but also as undermining its raison de etre.

Purpose

The purpose of managing ethics in the TAO-mode is to reinforce ethics as part of the company's culture and purpose. Through ongoing conscientisation all members of the organisation are aware that ethical behaviour is not an optional extra, but is at the core of the very nature and purpose of the organisation. Ethics thus is recognised as part of business as usual and is entrenched in corporate discourse and decision-making. In this way members of the organisation become sensitive to behaviour that contradicts the ethical nature and commitment of the organisation. As they understand and are aware of the strategic importance of ethical behaviour for organisational success and sustainability, they regard unethical behaviour as high-risk behaviour and are empowered to prevent, disclose and confront such deviant behaviour.

Management strategy

The management strategy in the TAO-mode is geared towards reinforcing the essentiality of ethical behaviour for the sustained success of the organisation. It therefore becomes vitally important that all managers in the organisation play their part in reinforcing ethics as part of business as usual. All the trappings of ethics management that manifested in the integrity mode will however, still remain. The essential difference is that the managerial responsibility for ethics is no longer limited to a dedicated ethics function, but is now widely dispersed throughout the

organisation and on all management levels. Ethics therefore becomes an ingrained part of line management's strategic and operational activities. Although a dedicated ethics management function and structure will most probably remain, its major responsibility will be to empower managers on all levels to integrate ethics in their repertoire of managerial skills and actions.

In the TAO-mode the congruence between the purpose, vision and ethical values of the organisation is all-important. Consequently communication gains in importance and becomes the primary managerial intervention. Through both the formal and informal communication systems of the organisation its identity and purpose and the essential role of ethics therein is continually emphasised. The vision of the company, its history as well as the stories of its former and current moral heroes are kept in circulation. Rather than focusing on either punishing unethical behaviour or rewarding ethical conduct, the focus is on celebrating organisational heroes who embody the vision, purpose and ethical commitment of the organisation.

Sustained stakeholder engagement forms an integral part of managing ethics in the TAO mode. As the organisation regards morally responsible interaction with its internal and external stakeholders as part of its organisational identity, it follows that regular stakeholder engagement to determine how they are affected and how they perceive the organisation, will be a management priority. This will result in ongoing bilateral communication in which the organisation not only listens to its stakeholders' needs and expectations, but also regularly discloses its economic, social and environmental performance to stakeholders.

Part of the ethics management strategy in the TAO mode is to identify discrepancies between behaviour and organisational values. Wherever such discrepancies are detected, those responsible for the deviation of corporate norms are persuaded that their behaviour contradict and undermine the values and culture of the company. Once more this responsibility for protecting the company's ethical orientation is a widely dispersed one that is shared across all management levels of the organisation.

Challenges

The TAO-mode creates challenges of its own. Such challenges may include: The TAO-mode can breed a mentality of ethical complacency or even ethical arrogance. Ethical behaviour is simply accepted as the norm and therefore some may regard it as superfluous to keep on emphasising the importance thereof. This ironically can result in a situation where ethics talk start to diminish and

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is left to chance, rather than being monitored and managed. Since ethics is so well ingrained in the TAO-mode organisation it becomes almost second–nature to those members of the organisation who are steeped in its culture. They then start to assume that what is so evident to them is equally obvious to others. This may result in new entrants to the organisation not being properly inducted into the organisational culture and values. Over time this can create a sub-group in the organisation with a lesser commitment to the ethical culture of the organisation. The dispersion of the managerial responsibility throughout the organisation may also result in a lack of co-ordination of the ethics management effort. Because ethics management is now the responsibility of all managers, there may be no dedicated function or person to take responsibility for the ongoing co-ordination and strategic planning of corporate ethical performance. This can result in ethical discrepancies developing within the organisation. It can also undermine pro-active planning for the sustained ethical performance of the company. Reliance on the capacity of organisational members to act with integrity may also result in the organisation ridding itself of rules and procedures that were originally designed to protect the company against moral failures. The absence of such rules and procedures may over time induce moral laxness that increases the risk of moral failure. None of these challenges produced by the TAO-mode of managing ethics is insurmountable. A reluctance to address them, may however result in them becoming huge obstacles that can potentially undermine the TAO-mode of managing ethics and eventually compel management to revert to the integrity or even compliance mode.

4.4   CONCLUSION

The Modes of Managing Morality (MMM) model provides a heuristic device to assist business ethics scholars and practitioners to make sense of the differences that exist in the ways in which different organisations manage their ethics. Although it recognises that there are distinct differences between the various modes and also in the levels of managerial sophistication displayed by organisations in managing their ethics, it does not attribute these differences to variations in organisational moral development. It steers clear of the temptation to impose personal moral development models upon organisations. In this way it avoids the controversy that usually surrounds such attempts, whilst still recognising that all are not equal when it comes to sophistication in managing ethics.

CHAPTER 5
THE RECRUITMENT PROCESS

Every organisation, regardless of its size, product or service must recruit applicants to fill positions (Carrell et al, 1998:138).

5.1   Definitions of Recruitment

According to Carrell et al (1998:138) recruitment is the process of acquiring applicants who are available and qualified to fill positions in the organisation.   According to Carrell et al. (1998: 159) the basic goal of recruitment is to locate, at the least cost, qualified applicants who will remain with the organisation.

Recruitment is the process during which potential employees are attracted, informed and oriented about the organisation and thereby motivated to make themselves available for vacant positions (Gerber, Nel & van Dyk, 1987, p 151). The elements in this definition will be discussed in more detail below :

(a)   Potentially suitable employees

Recruitment goes further than informing people of a vacancy. It has to attract those that meet the general criteria of the organisation as well as the criteria specified for the vacancy. There is thus a selection function coupled with the recruitment process.

(b)   Motivation

During recruitment, a person should be motivated to go further than just take note of the advertisement / information. To be successful, the person should be motivated to take the necessary action that can lead to employment.

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(c) **Recruitment & Selection**

Because the organisation has a vacancy, the recruitment originates from the organisation. The applicant has to accept the employment before the recruitment process can be seen as successful and complete.

The recruitment process has two main objectives, namely to attract the attention of suitable applicants and to build a positive image of the organisation. According to Beardwell & Holden (1994), recruitment is a positive process that can be described as : "Searching for and obtaining potential job candidates insufficient numbers and quality so that the organisation can select the most appropriate people to fill its job needs."

With the implementation of the Labour Relations Act of 1995, all discriminatory factors had to be eliminated from the recruitment and selection process. This means that each person that meets the inherent requirements and applies for a position should have a fair chance to be considered for the position. Organisations should not use agencies, consultants or headhunters that specialises in the recruitment of only specific race and gender groups.

5.2 **RECRUITMENT SOURCES AND METHODS**

The following recruitment sources and methods have been identified by Gerber, Nel & van Dyk (1987: 153) :

(a) **Internal appointments from current employees**

It is a very healthy business practice for an organisation to first consider its current employees when vacancies arise. This can be done through transfers or promotions. Most organisations however first advertise their vacancies to give all internal employees that meet the job criteria a chance to apply.

(b)   **Database with information of previous applications**

External applications received in the past can also be used to identify a suitable applicant. According to the Labour Relations Act it is however necessary to first advertise the position to give everyone a fair chance to apply for the vacancy.

(c)   **Casual applications**

This refers to people that personally enquire at organisations over possible vacancies. These people can also apply for specific positions that were advertised externally.

(d)   **Applicants referred by employees**

This is a process where employees informally approach possible applicants. It is important to eliminate possible nepotism. This method can be used in conjunction with external advertisements. This is a popular approach where specialised positions have to be filled.

(e)   **Visits to schools, technikons and universities**

These institutions are the primary source of young people that become available in the labour market. Ensure that a wide spectrum of institutions are considered and that the recruitment process is in line with company policy and guidelines stipulated in the Labour Relations Act.

(f)   **Employment Agencies**

Employment agencies deliver a service to both the employer and those seeking employment by bringing the two parties together in the process. Agencies usually charge a commission when one of their referred applicants are offered a position within the organisation. Employers cannot approach an applicant personally if the person was originally referred by an employment agency.

(g)   Consultants

Consultants concentrate on the initial selection of employees according to the specific requirement of the organisation. It is however important to ensure that the consultant used operates within the guidelines of the Labour Relations Act, as the organisation can be held liable when an applicant is unhappy about the process and refers the matter to the Council for Conciliation, Mediation and Arbitration (CCMA).

5.3   THE POTENTIAL EMPLOYEE'S PERCEPTION OF THE RECRUITMENT PROCESS

The recruitment of an employee consists of a reciprocal process of judgement. The employee is seeking for a suitable position whilst the employer is seeking for a suitable applicant to fill the position. According to Gerber, Nel & van Dyk, (1987) the evaluation of job offers consists of two steps.

(1)   The work-seeker firstly makes a career decision that will influence the psychological, economical and social factors. Psychological factors include the work-seeker's needs, aspirations and expectations for the future. Economical factors refer to whether the position will lead to high income in a short time. Social factors refer to the role that the family, educational system and group play in the career choice.

(2)   Secondly, the work-seeker wants to make a decision with regards to the specific organisation he/she wants to join. This decision will be influenced greatly by the work-seekers current knowledge and information about the organisation.

In figure VI an example of the recruitment process is provided, as postulated by Levy & Associates (1995).

Figure VI   : Recruitment process *(Levy & Associates, 1995)*

Vacancy is made known	→	Line manager and personnel met to discuss requirements and complete forms	→		Recruitment of candidates via CV, pool of internal vacancies, re-employment list, agencies, newspapers

Interviews are set up	←	Short list discussed with line manager	←		Applications screened and short listed

Personnel conducts first interview, candidate completes necessary forms	→	Feedback given to line manager and he/she does second interview	→		Arrange testing if applicable

Formal offer is made to candidate	←	Personnel conducts reference checking		Medical examination is arranged	Feedback given on test results to line manager

Appropriate letters are sent to unsuccessful candidates	→				Appointment letters and admin documents are finalised for successful candidates

The recruitment process is also summarised in the following illustration by Werther & Davis (1996:183).

Figure VII : Recruitment process (Werther & Davis, 1996)

			Internal sources : Internal applicants; Promotion, transfers And job rotation **Internal methods :** Job posting	
	Human Resource Planning	Job analysis information	
Environment • **Legal considerations** • **Economy** • **Technology** • **Competition** • **Strategy** • **Vision** • **Values**	Affirmative Action and Employee Equity plans	Job Openings identified	Job requirements	Satisfactory Pool of recruits
	Specific Requests of managers	Manager's comments	**External sources :** External applicants (school leavers, University/technikon Graduates, women at Home, other disadvantaged Groups Present employees at competitors **External methods :** Direct applications, Employee referrals, Campus recruiting Private employment agencies, advertising	

As indicated, this process consists of a sequence of steps to be followed to ensure that the most suitable applicant with the capability to be an above average employee is attained.

5.4   **COMPILING A JOB DESCRIPTION**

Job analysis forms the cornerstone of recruitment and selection, because a complete and accurate analysis of the job 's needs is necessary for recruiting and selecting the most suitable candidate. During the job analysis it is important to underline the requirements of the job, circumstances in which the job will be performed as well as knowledge, skills and experience.

A job description can briefly be described as a written statement of what the jobholder actually does, how he or she does it, and why he or she does it (Cascio, 1991 :192).

Both Cascio (1991: 191) and Camp, Blanchard & Husscso (1986: 38) uses two dimensions to divide the requirements of a job description, namely task- and person alignment. Task alignment implies the description of the works activities to be performed, expressed through terminology used by the jobholder. It consists of a description of how, why and when an activity is performed.

Person alignment focuses on the required skills, knowledge and competencies that the employee must have in order to be able to perform specific tasks. This can include simple activities and specific behavioural patterns like decision-making and communication.

5.4.1   **Task description**

A relevant and meaningful job description has to meet the following requirements :

(a)   **The job description has to be comprehensive and complete**

In order to be comprehensive, every meaningful aspect of the task has to be described. This includes stipulating what will determine & maintain work success. One therefore has to determine which aspects are critical for job success and which are not so critical.

The following aspects need to be considered when determining the importance of an activity :

i)   The time spent on the activity;

ii)   How important are the consequences if the specific task is not completed successfully;

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iii) The possibility that not all employees might be capable of completing the activity successfully.

5.4.2   Person description

A person description can be described as the interpretation of the work according to the personal capabilities and attributes, which the employee must meet in order to be successful (Vermeulen, 1998: 41-42).

According to Vermeulen (1998) a person description can be completed according to the following framework :

a)   Physical requirements

i)   Physical strength

ii)   Persistence

iii)   Speed of physical activities

iv)   Co-ordination

b)   Sensory requirements

i)   The sharpness of certain senses that will be used during completion of the work.

c)   Intellectual requirements

i)   Mathematical ability

ii)   Deductive and inductive reasoning

iii)   Insight

d)   Academic requirements

i)   Excellent writing skills

ii)   Verbal communication skills

iii)   Tact and diplomacy during negotiations with others

e) **Social requirements**

    i)   Understanding human behaviour

    ii)   Tactfulness

    iii)   Diplomacy

f) **Requirements related to interests**

    i)   Interest in people

    ii)   Mechanical interest

    iii)   Interest in abstract concepts

g) **Emotional Requirements**

    i)   Ability to work under certain conditions like stress, danger and complexity

5.5   ADVERTISING

The advertising of positions is a very important and sensitive aspect. The medium used to advertise has to be chosen carefully to eliminate any form of discrimination that might take place.

Advertisements cannot include criteria that can be seen as unfair discrimination, for instance restricting male or female candidates to apply for a position. If the applicant's gender is not an inherent requirement for job success, this may not be a requirement in the advertisement.

Internal advertisements has to be advertised as widely as possible and in an understandable language (like English that is specified as the business language) to enable employees of all language groups to be able to apply.

According to Cross (1968: 21-22), the purpose of advertising is :

"The basic purpose of advertising is communication… An advertisement cannot simply 'communicate': for it exists, not in a vacuum, but in the context of many other factors, all of

which must be considered. Even before it is expressed, for example, the simplest message is modified by the competition it must meet, the audience to which it is directed, and the medium in which it is to appear".

According to Carrell et al (1998 : 156), employers are increasingly using more creative advertisements that have the following in common :

- ?   Images that sell the company first and specific jobs second;
- ?   Recognition of high-tech professionals as people, not just as techno-buffs;
- ?   Strong visuals as attention-getters that are "flipper proof" – meaning that the most casual observer cannot flip the page without reading them;
- ?   Humour as well as graphics to attract attention.

A successful recruitment advertisement is based on the answers to the following four questions (Carrell et al, 1998: 156)

5.5.1   What do you want to accomplish ?

Decide who you want to hire, how many people you want and in what time frame. Develop accurate current job descriptions, and summarise critical job functions to be included in an advertisement.

5.5.2   Who do you want to reach ?

Estimate the demographics and motivations of those you want to respond. This helps to select and shape the best media. Develop a psychographic profile of the target audience. The profile can be used to select benefits of the job or organisation that would motivate a reader to response.

5.5.3   What should the advertising message convey ?

Identify the facts that must be included, such as job duties and minimum qualifications. Also, decide what image of the organisation the ad should convey. Often the general advertising copy, logo, product lines, and the like can be incorporated into the advertisement so that the reader sees a connection between the common image of the company and the recruitment advertisement.

5.5.4   How and where should you advertise ?

Decide which of the major types of media should be used. One of more possibilities may be used after considering the strengths and weaknesses of each. The different advertising media with their advantages and disadvantages will be illustrated in table III below (Carrell et al, 1998) :

Table III : Advantages & Disadvantages of various advertising media (Carrell et al, 1998)

Type	Advantages	Disadvantages	When to use
Newspapers	? Short deadlines. ? Ad size flexibility. ? Circulation concentrated in specific geographic areas. Classified sections well organised for easy access by active job seekers.	? Easy for prospects to ignore. ? Considerable competitive clutter. ? Circulation not specialised – you must pay for great number of unwanted readers. ? Poor printing quality.	? When you want to limit recruiting to a specific area. ? When sufficient numbers of prospects are clustered in a specific area.. ? When enough prospects are reading help-wanted ads to fill hiring needs.
Magazines	? Specialised magazines reach pinpointed occupation categories. ? Ad size flexibility. ? High-quality printing. ? Prestigious editorial environment. ? Long life – prospects keep magazines and read them.	? Wide geographic circulation – usually cannot be used to limit recruiting to specific area. Long lead time for ad placement.	? When job is specialised. ? When time and geographic limitations are not of utmost importance. ? When involved in ongoing recruiting programmes.
Directories	? Specialised audiences. ? Long life.	? Not timely. ? Often have competitive clutter.	? Only appropriate for ongoing recruiting programmes.

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Type	Advantages	Disadvantages	When to use
Direct Mail	? Most personal form of advertising. ? Unlimited number of formats and amount of space. ? By selecting names by postal code, mailing can be pinpointed to precise geographic area.	? Difficult to find mailing list of prospects by occupation at home addresses. ? Cost for reaching each prospect is high.	? If the right mailing list can be found, this is potentially the most effective medium – no other medium gives the prospect as much feeling of being specially selected. ? Particularly valuable in competitive situations.
Radio and Television	? Difficult to ignore; can reach prospects who are not actively looking for a job better than newspapers and magazines. ? Can be limited to specific geographic areas. ? Creatively flexible; can dramatise employment story more effectively than printed ads. ? Little competitive recruitment clutter.	? Only brief, uncomplicated messages are possible. ? Lack of performance; prospect cannot refer back to it (repeated airings necessary to make impression). ? Creation and production of commercials – particularly TV – can be time consuming and costly. ? Lack of special interest selectivity; paying for waste circulation.	? In competitive situations when not enough prospects are reading your printed ads. ? When there are multiple job openings and there are enough prospects in specific geographic area. ? When a large impact is needed 'quickly'; a "blitz" campaign can saturate an area in two weeks or less. ? Useful to call attention to printed ads.

Type	Advantages	Disadvantages	When to use
Outdoor (roadside billboards) and Transit (posters on busses and at railway stations)	? Difficult to ignore; can reach prospects as they are literally traveling to their current jobs. ? Precise geographic selectivity. ? Reaches large numbers of people many times at a low cost.	? Only very brief message is possible. ? Requires long lead for preparation and must be in place for long period of time (usually one to three months).	? When there is a steady hiring need for large numbers of people that is expected to remain constant over a long period of time.
"Point-of-Purchase" (promotional materials at recruiting location)	? Calls attention to employment story at time when prospects can take some type of immediate action. ? Creative flexibility.	? Limited usefulness; prospects must visit a recruiting location before it can be effective.	? Posters, banners, brochures, audio-visual presentations at special events such a job exhibitions, open houses, conventions, as part of an employee referral programme, at placement offices or whenever prospects visit at organisation's location frequently.

5.5.5   Goals of advertising

The main purpose of all advertisements, whether for recruitment or selling of a product, is to attract attention. According to De Villiers (1976), the four basic principles for advertising products can also be used for recruitment, namely :

i)   To attract attention;

ii)   To generate interest;

iii)   To stimulate desire; and

iv)   Lead to action

a)   **Attention**

The first purpose of all advertisements is to attract attention. With advertisements in the press the following is used to attract attention :

i)   <u>Heading</u>

A meaningful heading is a description of the name of a position that clearly indicates what the employer is seeking for. The heading has to attract the attention of all and not only those that are seeking for work. This will ensure that all suitable applicants take note of the vacancy.

ii)   <u>Lay-out</u>

An advertisement has to be striking in order to attract attention of applicants.

iii)   <u>Uniqueness</u>

Be different than other advertisers. Use for instance colour in the advertisement, but bear the cost in mind when doing so. Use frames and text boxed as well as background images like the company logo, which will make the advertisement stand out.

b)   **Generate interest**

One of the most important components is "who is the company ?" and to supply information about the company. If the logo of the company is used, it should be a known logo that will have an impact. The content and responsibility of the position should be outlined clearly.

c) **Stimulate the desire of the work seeker to apply**

By including aspects like salary and benefits in the advertisement could stimulate the work seeker's desire to apply for the position. There are however different opinions in the field of HR with regards to the publication of salaries in advertisements. King as quoted by De Villiers (1976: 115) says : "It is an insult to the intelligence of your prospective applicant if you don't mention salary. In my experience, when salary is not mentioned the response is poorer than when it is. There are occasions when you have to leave it out, for example when the company doesn't want its employees to know what salary is being offered for a job. And it's wise to leave it out if the company is not prepared to go up to a reasonable level".

On the other hand, Lake mentioned (in De Villiers, 1976: 116) that the indication of salary can have an eliminating outcome, in other words those people that fall outside the salary group might not apply.

d) **Action**

After the attention and interest of the work seeker have been obtained, he/she has to apply for the position. This has to be made as easy as possible for the applicant. A physical and e-mail address should be specified in the advertisement. Most people prefer to apply in writing.

5.6 **CONCLUSION**

Recruitment is the process during which potential suitable employees are found, attracted, informed, oriented and motivated by using applicable recruitment techniques according to the resource needs of an organisation in order to make them available for recruitment and selection.

Job analysis forms the cornerstone of the recruitment and selection process because a complete and accurate analysis of a position's needs is necessary to recruit and select the most suitable candidate. A job description consists of two dimensions, namely person and task alignment. Task alignment implies the description of the works activities to be performed, expressed through

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terminology used by the jobholder. It consists of a description of how, why and when an activity is performed.

Person alignment focuses on the required skills, knowledge and competencies that the employee must have in order to be able to perform specific tasks. This can include simple activities and specific behavioural patterns like decision-making and communication.

Advertising forms a very important part of recruitment. The medium used, should be chosen with care in order to eliminate any possible discrimination as specified by the Labour Relations Act.

CHAPTER 6
THE SELECTION PROCESS

6.1   INTRODUCTION

According to Carrell et al (1998: 176) the selection process pulls together organisational goals, job designs and performance appraisals, as well as recruitment and selection. The basic elements in the selection process is illustrated below (Carrell et al, 1998: 176)

Figure VIII : Basic elements in the selection process (Carrell et al, 1998 : 176)

5. SELECTION INSTRUMENTS
What devices are available for determining if the applicant possesses the desired traits, characteristics and skills ?

4. JOB SPECIFICATION
What traits, skills and qualities in the individual are Related to successful performance.

3. JOB SUCCESS CRITERIUM
What distinguishes successful performance from unsuccessful Performance ? How is it measured ?

2. JOB DESIGN
What are the duties and responsibilities of the individual worker ? What work does the individual performance of the organisation ?

1. ORGANISATIONAL GOALS
Why does the organisation exist ? What are its goals and objectives ?

Carrell et al (1998: 176) describe the elements in the selection process as follow :

(a)   **Setting organisational goals**, which must include the general hiring policy of the organisation. These organisational goals should give direction to its employees

(b)   **Job design** involves determining what duties and responsibilities each job will entail. How motivating or repetitious each job becomes greatly affects the performance of employees on the job. The job design will greatly affect both these factors.

(c) **Measurement of job success.** The discovery of which employees are successful will determine what kinds of employees to recruit and select in the future.

(d) **Job specifications** comes from the job analysis, which specifies what traits, skills and background an individual must have to qualify for the job.

(e) **Selection instruments** should be chosen carefully to eliminate any possible discrimination. Ensure that the instruments chosen are valid and reliable.   Decision-makers in organisations also have to determine which combination of interviews, tests or other selection devices to use in the selection process (Carrell et al, 1998:177). There is no perfect recipe or magical combination of selection instruments that will minimise the cost of selection and facilitate choosing the most suitable available candidates.

To ensure effective recruitment and selection, organisations should have a suitable process in place that will address each of the different steps in the process of searching for the most suitable applicants. Selection is the process of choosing one person from a number of applicants that would, according to the judgement of the recruiter, be most able to meet the performance requirements of the job.

6.2 **THE VALUE OF SELECTION**

Although selection is usually seen as a negative process during which applicants are not selected for a specific position, it should rather be seen as a positive process with the purpose of selecting the most suitable candidate for the job.

Selection is the process of choosing one person from a number of applicants that would, according to the judgement of the recruiter, be most able to meet the performance requirements of the job. The decision to employ a specific applicant rests on the belief that the person would be successful in that position. The selection will be done after considering the individual differences of the applicants as well as considering the job requirements.

According to Ivancevich & Glueck (1983 :183) selection is :

"The process by which an organisation chooses from a list of applicants the person or persons who best meet the selection criteria for the position available, considering current environmental conditions".

Personnel selection includes actions like interviewing, psychometric testing and evaluating the experience of applicants to take a decision on whom will be the most suitable person for the job.

Effective selection is of cardinal importance for any organisation for the following reasons :

- ? The selection process is very costly and the selection of a wrong applicant could cost the company a lot of money;
- ? It increases outputs, because the most suitable applicant was placed in the position;
- ? It decreases time spent on training because the person already has the necessary skills and qualifications;
- ? It decreases labour turnover, because the person can optimally function in the position; and
- ? Grievances from unfair discrimination can be avoided.

Effective recruitment and selection is built on a standardised process guiding recruitment and selection actions.

6.3   THE SELECTION PROCESS

There are a variety of steps that have to be followed in the selection of applicants and writers have different opinions on the sequence of these steps.

According to Spannenberg (in Vermeulen, 1983 : 29), the procedure of personnel selection consists of four main phases, namely :

-         A study of the job requirements that the person has to meet in order to be successful;

-        A study of the applicant to determine to what extent does the applicant meet the requirements of the job. This is done by means of an application form, interviews, checking of work and personal references as well as psychological tests;

-        A comparison of each applicant is done with the requirements of the job as well as the requirements that the applicant which fills the position have to meet; and

-        At a certain stage it is necessary to determine if the successful applicant performs according to the required standards. This will assists in evaluating that each step in the process has been completed thoroughly.

Beach (in Vermeulen, 1983 : 29) mentioned that the following steps have to be followed in the selection process :

?   Meet/welcome the application;

?   Preliminary interview with applicant;

?   Completion of application form by the applicant;

?   Completion of selection tests;

?   Interview with recruitment consultant/officer;

?   Checking of work history of applicant;

?   Final interview with line management;

?   Medical examination (if relevant); and

?   Orientation.

An illustration on the proposed process of selection from Andrew Levy and Associates (1995: 2.2) is given below in figure IX.

Figure IX : Steps in the selection process (Levy & Associates, 1995)

Vacancy arises

Prepare the job description and
person requirements

Compile the advertisement
for the internal advertisement

Decide which external
sources will be used

Advertise internally

Review applications on file
or use external sources

Is application successful ?

Yes

Reject & consider next
No applicant (complete
form to keep record)

Have 1st interview & test applicants

Is applicant suitable ?

Yes

No

Reject and consider
next applicant
(complete form to keep record)

Compile a shortlist

Feedback session with second interviewer

Complete 2nd interview

Check references

Are references acceptable

No

Reject and review shortlist
(complete a form to keep record)

Yes

Make a decision

Vacancy is filled

The steps in figure X below may change from one organisation to another, but all the steps are normally completed at one time or another (Carrell et al. 1998: 177). The sequence may vary within organisations according to the types of jobs being filled and the size of the organisation. The process usually begins by reviewing current applications gathered through the organisation's recruitment effort. Applicants who appear to be qualified for the position are then screened according to the minimum requirements, as determined by the job specifications. The third step is to have the applicants complete an application bank, which standardises information about all of the applicants to be considered. Any tests relevant to the job and validated by the organisation are then administered to applicants. The next step is usually to interview applicants within the HR department. The background of desirable applicants is checked next, especially their reference and employment history. Finally, the few applicants remaining are interviewed by the departmental supervisor or department head. During this in-depth interview, job requirements are discussed so that the applicant as well as the supervisor will be able to judge each other's interest in the job. At this point, a job offer can be made to the applicant best qualified for the job. If that applicant rejects the offer, management can either contact other qualified applicants or begin the recruitment process again if there are no other qualified applicants available. When the applicant accepts the offer, the process o placing the applicant in the organsation takes place and induction begins.

Carrell et al (1998: 177) illustrate the steps in the selection process as follows :

Figure X : Steps in the selection process (Carrell et al, 1998 : 177)

```
  ┌────────────────────┐              ┌──────────────────────────────┐
  │  Review applicants │─────────────▶│  Hold for future consideration│
  └────────────────────┘              └──────────────────────────────┘
            │
            ▼
  ┌────────────────────┐              ┌──────────────────────────────┐
  │  Initial screening │─────────────▶│           Rejection          │
  └────────────────────┘              └──────────────────────────────┘
            │
            ▼
  ┌────────────────────┐              ┌──────────────────────────────┐
  │  Application bank  │─────────────▶│           Rejection          │
  └────────────────────┘              └──────────────────────────────┘
            │
            ▼
  ┌────────────────────┐              ┌──────────────────────────────┐
  │       Testing      │─────────────▶│           Rejection          │
  └────────────────────┘              └──────────────────────────────┘
            │
            ▼
  ┌────────────────────┐              ┌──────────────────────────────┐
  │     Interview(s)   │─────────────▶│           Rejection          │
  └────────────────────┘              └──────────────────────────────┘
            │
            ▼
  ┌────────────────────┐              ┌──────────────────────────────┐
  │  Background checks │─────────────▶│           Rejection          │
  └────────────────────┘              └──────────────────────────────┘
            │
            ▼
  ┌────────────────────┐              ┌──────────────────────────────┐
  │Departmental Interview│───────────▶│           Rejection          │
  └────────────────────┘              └──────────────────────────────┘
            │
            ▼
  ┌────────────────────┐
  │      Job offer     │
  └────────────────────┘
            │
            ▼
  ┌────────────────────┐              ┌──────────────────────────────┐
  │ Medical examination│─────────────▶│         Applicant fails      │
  └────────────────────┘              └──────────────────────────────┘
      │            │                                │
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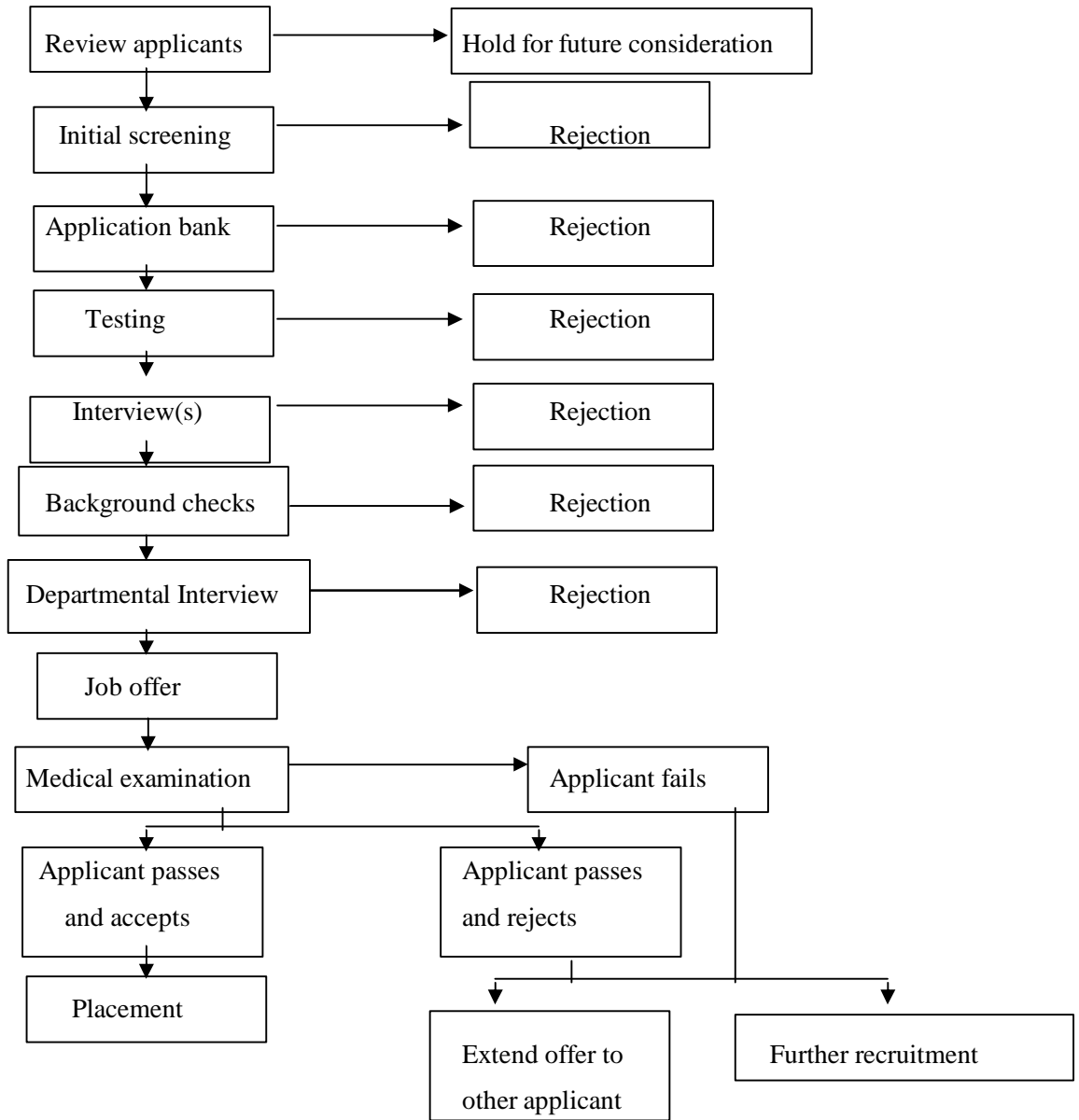
The steps in this illustration will now be discussed in more detail :

6.3.1   Initial Screening

Initial screening minimises the time the HR department must spend during the selection process by removing obviously unqualified or undesirable applicants. For most jobs, many applicants do not deserve the serious attention and time of the HR specialist, particularly if many applications

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are blind CVs, or walk-ins. To maintain a favourable corporate image, every applicant must be given courteous treatment. Primarily, the initial screening determines if the applicant possesses the critical job specifications and expedites the departure of the unqualified applicants to minimise the total cost of the selection process.

In reviewing CVs or letters from applicants, the HR officer must determine which applicants have the minimum qualifications indicted in the job specification.

The CV must be carefully scrutinised. While CVs can provide effective descriptions of individual's work histories, the validity of their content should be questioned since in the United States, for example, 34 % content contain misleading information. To avoid being misled, certain "red flags" should be watched for and investigated. According to Carrell et al (1998: 179) these red flags are :

- ? Time gaps in employment
- ? Vague answers, such as listing the province the employer was in and not the full address
- ? Vague reasons for leaving previous jobs
- ? Lack of employment history
- ? Inconsistencies in salary history
- ? When all employers listed are out of business

Qualified applicants are then queried about their interest in the position. If the initial screening can be done by direct contact with the applicant, then the interviewer may pursue a number of strategies. The interviewer can ask so-called knockout questions. Such questions may cause an applicant to withdraw from consideration. Knockout questions include :

- ? What are your salary requirements ?
- ? Can you work weekends ?
- ? Can you work shift hours ?
- ? Can you stay out of town three nights per week ?
- ? What is your experience using MS Word ?

However always ensure that these knockout questions do not include some form of discrimination and that the questions are based on an inherent job requirement.

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The interviewer can also give a brief job description. Many applicants will not be interested once they learn the exact nature of the job, salary or hours (Carrell et al, 1998: 179)

6.3.2   CV Tracking Systems

An increasing number of employers are utilising computer CV scanning and tracking systems to provide initial screening of CVs. One company that provides this type of service in South Africa is called Toplevel Recruitment. While such systems vary, in general they involve putting all CVs received into a computer database. The CV is then edited and stored according to key word, and a response letter is sent to the applicant. A recruiter can then scan the database for all applicants who meet certain criteria for positions. If the programme produces a list that is too long or short, the criteria can be changed. HR professionals have found that CV scanning provides the following advantages (Carrell et al 1998: 179) :

- ?   Reduced utilisation of recruitment agencies due to the speed and capacity of the system;
- ?   Ease and speed of storage, which enable all CVs (even thousands of unsolicited ones) to be stored and retrieved;
- ?   Faster recruitment of applicants due to computerised screening of CVs;
- ?   Improved service to applicants;
- ?   A paperless system that eliminates filing, copying and sorting of CVs.

6.3.3   Application Bank

An application bank is a formal record of an individual's application for employment. The information obtained from a completed application bank is compared to the job specification to determine whether a potential match exists between the organisation's requirements and the applicant's qualifications. This comparison is not always easy as applicants sometimes present themselves in a unrealistic light.

Since no more that six or seven pieces of information are used in making an appointment decision, the best method for evaluating an application is a weighted application bank procedure. This procedure involves placing a value or score for the items on the application bank that have been

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found to predict successful job performance. Applicants receive points according to the information they report on the form and can then be ranked, based on their total points.

According to Carrell et al (1998: 180) reviews of validation studies indicate that the weighted application bank is often a highly valid predictor of both job performance and length of service. Relative to other predictors, the weighted application bank is one of the most valid selection devices. However, the time and cost of developing an effective system are often prohibitive.

As indicated above, a CV is also a method that applicants frequently use to provide some background information to prospective employers. While there are no hard and fast rules regarding the design of a CV, there are some guidelines to follow. For example, the current address and telephone number must be prominently located as well as the opportunity desired. Also to be shown are aspects related to: education, work experience, internships and achievements. As employers do not spend much time on reading CVs, it should also be as concise as possible and no longer than one page.

According to Carrell et al (1998: 181) human resource specialists use the application bank to develop background checks and interview questions. An important part of the selection process is verification of the applicant's past work history and references. Applicants and their previous employers sometimes disagree about the duties, responsibilities, and importance of previous jobs, length of employment, salary levels and especially the reason for leaving employment. In an effort to obtain accurate, complete information from the applicant, the HR specialist starts with the application and follows through with background checks and an interview. During the interview, some applicants will give different accounts of prior experience as well as skills from those they provided on their application banks.

Application banks can also be used as screening devices to generate global assessments, wherein the HR specialist reviews the total applicants and determines the general desirability of each applicant. A very subjective technique, *global assessment,* is often used when many applicants are being considered and those lacking an appropriate background or skills can be quickly screened out (Carrell et al, 1998: 181).

A more objective screening technique using application banks is to have the HR specialist rate each applicant on particular job-related areas, such as the level of specific skills or experience in

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particular work areas or in supervisory positions. Such rating would change from job opening to job opening as different skills and background requirements become more relevant. Generally, if one particularly relevant job specification does not appear on completed application banks, then these applicants can be screened out (Carrell et al, 1998: 181).

6.3.4   Pre-employment Testing

The use of testing in the selection process has had periods of growth and periods of decline. Some tests were not reliable, and others were found not to predict employee job performance accurately. The primary problem in the past was the use of very general tests for many different jobs without serious thought about their validity. Today most employers are far more careful in the selection and use of tests (Carrell et al, 1998: 181).

- ✎ *Reliability of a test refers to consistency of measurement, usually across time, but also across judges. Put differently, relaiability is a measure of how much error is present in a measure.*
- ✎ *Validity is the extent to which scores on a test or interview correspond to actual job performance. It represents how well the technique being used to assess candidates for a certain ob is related to performance in that job.*

The use of tests by psychologists in South Africa is regulated by three important bodies, namely :

6.3.4.1 The Government

The conditions under which psychological tests may be used are determined by the Health Professions Council of South Africa.

6.3.4.2 The Psychological Society of South Africa

The purpose of the Psychological Society of SA is to promote a high standard of professional behaviour on the part of psychologists and related professionals (psychometrists and Industrial Psychologist).

6.3.4.3 The Test Commission

The test Commission, which is a non-profit company, was established for the purpose of promoting the scientific and responsible use of psychological tests. The aims of the Commission are :

- to promote professional standards in the development of psychological tests and ensure that they are of good quality;
- to promote effective, responsible and fair use of psychological tests;
- to identify and classify psychological tests;
- to establish and promote international co-operation in the field of development, use and classification of psychological tests;
- to guard against the use of inadequate psycho-diagnostic procedures and the use of tests by unqualified persons;
- to ensure that tests are not used in a manner that is objectionable on scientific or ethical ground.

Tests are classified by the Test Commission according to the legal requirements into :

C Tests : for example, personality tests and individual intelligence tests.

B Tests : for example, aptitude tests and group intelligence tests.

A Tests : for example, elementary aptitude tests which may be used by psychologists or psychometrists and Industrial Psychologists.

6.3.5 Interviews

Managers realise that the selection process is critical to their organisation, yet they often dread the process – particularly the interview.

According to Carrell et al (1998: 187) the purpose of the interview is to determine three things about the applicant, namely :

- ? Does the applicant have the ability to perform the job ?
- ? Will the applicant be motivated to be successful ?
- ? Will the applicant match the needs of the organisation ?

According to Carrell et al (1998) past research has constantly shown that the selection interview is low in both reliability and validity. Reliability is a particular concern with interviews because the interview technique does not have the consistency of form that the written test or the reference check may have. Thus, the interview is not as consistent or reliable a selection technique as other methods.

According to Carrell et al (1998: 187) there is low reliability or consistency in the interview process for a variety of reasons.

(a)   Interviewers must constantly work to reduce personal biases. Biases can be positive as well as negative. The sex of the interviewer or interviewee affects the total evaluation of the interview situation. This problem occurs even with trained, experienced interviewers.

(b)   All interviews are different, as are all interviewees. The content of the interviews changes because no two interviewees have the same background and experience; different aspects of the individuals, their skills, and their work histories must be discussed with each individual.

(c)   The setting of the interview may affect the outcome. If one interview takes place early in the morning when the interviewer is fresh and the next interview is conducted late in the afternoon when the interviewer is in a hurry to leave, the second interviewee may receive less support when the interviewees are compared. Also, an applicant interviewed right after an extremely impressive applicant the interviewer has seen is more likely to get a less positive interview evaluation than normal, but an applicant following a poor applicant the interviewer has seen may get a higher evaluation than normal.

(d)   If the organisation has established a maximum number of people to interview and a deadline for filling the position, additional pressure is placed on the interviewer. The last applicant to be interviewed may be offered the position if the interviewer is in a hurry to fill it. Thus, the applicant may fill a position that otherwise would not have been offered.

The problems with the traditional interview process are well known (Carrell et al, 1998: 187). It usually results in the interviewer's hiring whoever he or she felt most comfortable with. Today various companies have developed structured, objective interview processes with the goal of

achieving "controlled subjectivity". A critical change in this process is the shift from broad, vague questions such as "How would you discipline an employee ?" for which applicants can give canned responses, to specific behavioural questions such as "Describe a recent example in which you disciplined an employee with absenteeism or tardiness problems." This questioning techniques is referred to as competency based questioning.

Conducting objective interviews is primarily a two-phase process. The first phase is to create a good interview setting before the applicant actually arrives and to prepare for the interview. The second phase is to establish a useful questioning period during the interview. Carrell et al (1998) mentioned the following eight steps which encompass the characteristics of objective interviewing:

(1) **Setting**

Prepare a setting that will put the applicant at ease and provide consistent surroundings for each interview. Allow thirty to sixty minutes for an adequate interview (this will depend on the kind of position interviewed for).

(2) **Documentation**

Prepare a system of written records and formalised procedures for the interview. Determine how the interview will be documented at its conclusion to provide a formal record of the outcome.

(3) **Standardisation**

Standardise the interview format. Determine a line of questioning that includes the applicant's prior work history, special abilities, skills, and educational background. This will provide a framework for consistency in the information gathering process.

(4) **Scoring**

Determine how the interview will be scored. That is, on what criteria will the applicant ultimately be evaluated as a result of the interview process ? An applicant may be scored

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in each area relevant to the job specification, as well as on the basis of the applicant's response to questioning. If several people interview the same applicant, they should compare scores afterward and challenge each other to support their scores.

(5)   Reviewing Specifications

Review the job description and job specifications for the particular job before each interview. Since the interviewer may see applicants for different jobs, the important aspects of each job must be fresh in the interviewer's mind.

(6)   Reviewing the Application Bank

Review the application before the interview, looking for possible problem areas that require additional information and areas of possible strengths and weaknesses that should be discussed in more detail to interview reliability.

(7)   Training the Interviewer

Train the interviewer to recognise personal biases and other possible detriments to interview reliability.

(8)   Job-Related Questions

Prepare a line of questioning that keeps the interview job-related and does not waste time by straying from the subject or delving into personal areas, which could be seen as discriminatory.

Conducting an interview is an art as much as a science. Only through experience and training can an interviewer thoroughly question a job applicant and get maximum information in minimum time.

The end of the job interview is a critical time. At the end, the applicant should be able to ask questions concerning the job, pay or working conditions. The interviewer should ask when the applicant would be available to work and tell the applicant when the job will be filled. If more

people will be interviewed or if there will be a waiting period for a final decision to be made, the applicant should be given an estimate – such as ten days or two weeks – of when a decision should be reached. The applicant should also be told whether to call to find out the results of the job decision or to wait for notification. Interviewers should be positive toward all applicants, even those who may have to be ruled out, because applicants may be available and suited for other positions at a later date.

Although the interview concentrates on verbal cues, a lot of non-verbal information is given by the candidate, which influences the interviewer's perception. Interviewers allow firmness of the handshake, physical appearances and eye contact during the interview to affect their selection decisions. Body language is a nonverbal cue that can greatly influence the interviewer. Candidates who appear nervous or apprehensive do not make a positive impression. The lack of eye contact during the interview can have a strong negative impact on the selection decision if it is interpreted to indicate a person's lack of self-confidence or inability to communicate. Interviewers should be aware, however, that several Oriental cultures, for example, discourage direct eye contact, and thus that such action may be a cultural norm. The first few minutes of an interview are often critical (Carrell et al, 1998: 189).

Types of interviews

Interviews are commonly conducted between the interviewer and the applicants on a one-to-one basis. However, this type of interview can be replaced by a board or panel interview.

The panel interview minimises individual bias since all panel members score the applicant. The final evaluation for each applicant is an average of several individuals' evaluations and, therefore, balances out one individual's bias. The panel technique also forces interviews to become more structures and to the point.

The only disadvantage of the panel interview is the increased cost to the organisation of having more than one interviewer.

Whether a panel or individual interview, various interview formats can be used, as indicated in Table IV below.

Table IV : Different question formats in interviews (Werther & Davis, 1996 : 227)

INTERVIEW FORMAT	TYPES OF QUESTIONS	USEFUL APPLICATIONS
UNSTRUCTURED	? Few, if any, planned questions. ? Questions are made up during the interview.	? Useful when trying to help interviewees solve personal problems or understand why they are not right for a job.
STRUCTURED	? A predetermined checklist of questions, usually asked to all applicants.	? Useful for valid results, especially when dealing with large numbers of applicants.
MIXED	? A combination of structured and unstructured questions that resemble what is usually done in practice.	? Realistic approach that yields comparable answers plus in-depth insights.
BEHAVIOURAL	? Questions limited to hypothetical situations. Evaluation is on the solution and the approach of the applicant.	? Useful to understand applicant's reasoning and analytic abilities under modest stress.
STRESS	? A series of harsh, rapid-fire questions intended to upset the applicant.	? Useful for stressful jobs, such as handling complaints.

6.3.6   Realistic Job Preview

The process of giving applicants a more accurate picture of the job and the organisation during the interview, including the negative aspects, is called a *realistic job preview.* The organisation hopes that by doing this, it will reduce "reality shock" or unrealistic expectations and thereby reduce turnover and employee dissatisfaction.

6.3.7   Background Checks

In recent years, thoroughly checking the background of prospective employees has become increasingly necessary. Such an investigation is called a reference check. It can be both an energy-saving procedure and a cost-efficient means of screening out undesirable applicants.

There are several methods of checking references (Carrell et al, 1998: 191) :

(1)   The HR specialist can personally visit previous employers or friends of the applicant. This method should be reserved for candidates being considered for high-ranking positions because of the extra time and expenses incurred.

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(2)   **Check the references by mail.** This method has two disadvantages : several days to weeks are required, and it lacks the depth of information that a personal phone call can provide. In addition, most employers are increasingly wary of putting their perceptions about former employees in writing.

(3)   **The telephone call**, is a time-efficient, accurate means of getting complete information on applicants. Previous supervisors and employers are more likely to give complete information regarding a candidate's background over the phone. The HR specialist can go into detail or ask particular questions concerning the applicant. Experienced HR specialists have learned that checking reference by telephone provides several advantages, namely :

   ?   *Immediate clarification* of significant issues can be gained;
   ?   *More information* can generally be obtained than through mailed forms;
   ?   *Additional areas* of needed enquiry can be uncovered during the conversation;
   ?   *A structured form* can be utilised, which makes a fast, efficient conversation possible and provides the necessary documentation of the findings.

A major problem with telephone checks is the resistance that may be encountered from some individuals, particularly if the applicant had previous work-related problems. Experience indicates that any such resistance may be minimised if the caller emphasises that the information is necessary for the applicant to be considered for the position and that the lack of information would probably remove the candidate from further consideration. The caller should begin with "I would like to verify some information given to use by_____ who is a candidate for a job opening". This may put the person at ease because the caller already has information on the applicant and the purpose of the call is to verify that information.

(4)   **The use of outside services,** which for a fee they will investigate the background of applicants. Such services conduct interviews with former employers and check criminal records, credit files and educational credentials.

6.3.8   Previous Employers

The most important reference check involves the previous employer, co-workers and supervisors. Because many employers have become concerned over possible lawsuits they will only provide a former employee's dates of employment and job title. This made the process of checking reference by previous employers difficult for HR specialists. Unfortunately, good job applicants can be hurt by their previous employer's reluctance when they cannot prove their previous work records. The fundamental principle, however, is that neither true statements nor statements of opinion can be defamatory.

Employers should not release the following information without written consent : credit information, medical records, school records and results of employment tests.

Employers should never release false or unverified reference information, or information that is vague or misleading. For example, a past supervisor's feeling that the applicant did not get along with other employees due to personality conflicts should not be included as reference information.

6.3.9   Medical Exam

After a decision has been made to extend a job offer, the next step in the process involves a physical examination. A job offer is usually made contingent on the applicant's passing a medical exam. In view of the Labour Relations Act, pre-employment medical testing will probably fall short on the criteria set by both unless the results of such pre-employment examinations are necessary in order to determine a job applicant's ability to perform a particular job properly and safely, for example the job of a crane- or bus driver.

The process normally consists of a health checklist that asks the applicant to indicate health information. If the answers provided cause any doubt about the candidate's overall fitness, it will be supplemented with a physical examination by a physician or company nurse.

Physical examinations can also include drug and alcohol testing. It should be noted that employers are not allowed to conduct AIDS tests without the applicant's consent. The results of such a test can also not be used to discriminate against an applicant (Carrell et al, 1998: 193).

6.4   THE SELECTION DECISION

According to Carrell et al (1998: 193) deciding which applicant should be offered the position may be accomplished by one of two processes, namely :

(1)   Compensatory selection

In this process all applicants who pass the initial screening complete the application bank and are tested; each applicant is interviewed before the final choice is made.   The applicants are then compared on the basis of all the selection information.   In compensatory selection, an applicant may score low in one area, but the score might be offset by a very high mark in another area. This is particularly beneficial to candidates who receive low interview scores because they are very nervous and lack self-confidence during interviews but perform very well on aptitude and background checks. The disadvantage of compensatory selection is its cost; a larger number of candidates must be processed through the complete selection procedure before a final decision is made. Primarily due to the cost factor, the multiple hurdles selection technique, in which a candidate can be rejected at each stage of the process, is more common.

(2)   Multiple hurdles selection

This process requires the applicant to pass each hurdle : initial screening, application bank, testing, interview, background checks and departmental interview.

When the selection decision results in the hiring of an employee who is successful on the job, then the cost of the selection decision is the normal cost of filling a vacant position. But, if an erroneous selection decision is made, then additional costs are incurred. Management can make two types of errors :

(1)   Selecting someone for a position who fails on the job (also referred to as a false positive)**;**
(2)   Rejecting an applicant who could have been successful on the job (also referred to as a false negative).

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Expenses associated with hiring the wrong employee involve the cost of replacing that individual, termination costs, costs of undesirable job behaviour and costs incurred by a lack of morale or co-operation with other employees. These costs must be weighed against the cost of rejecting the individual who could have been successful on the job. Included in these costs are the opportunity costs of having lost a successful employee who could have added to the productivity of the organisation and the competitive disadvantage lost if the individual is hired by a competing firm. The cost of recruiting an additional applicant to replace the rejected individual must also be considered.

Although it is difficult to attach rand values to some of those costs, the decision boils down to estimating the possible losses incurred due to hiring poor employees in comparison with the costs incurred in rejecting employees who could have been successful. The latter cases involve additional recruitment and selection costs.

6.5   RECORD KEEPING

In view of the Labour Relations Act, it has become necessary for organisations to keep a complete set of records pertaining to the recruitment and selection of staff. This is especially important should a company have to prove that they did not discriminate against an individual. It is recommended that documents from every step in the process be kept – from copies of advertisements and contracts with employment agencies, to CVs and final decisions to hire or reject (Carrell et al, 1998: 194).

6.6   CONCLUSION

The selection process is generally centered in the HR office. It is one of the most critical functions in HR because an organisation's effectiveness depends on its employees. The selection process is not, however, one of scientific precision. Instead of finding one best person, managers strive to select an applicant who has the ability and motivation to perform the job for many years.

Selection screening devices, such as the interview and the application bank, each have advantages and disadvantages. Employers must carefully consider the cost and validity of each method.

The interview tends to be the most commonly used as a decisive selection technique. Subject to reliability problems, the structuring of the interview questions, training and the scoring of answers can greatly improve reliability and usefulness of the interview as a decision tool.

Pre-employment tests can be effective tools in the selection process. If carefully selected, validated and monitored, they can help select applicants who will match the position's requirements.

Reference checking has increased in use but has been subjected to legal challenges. Employers can legally provide factual and accurate information, but they should be able to verify any job-related information.

It is important to thoroughly deal with each step in the selection process due to the high cost involved in recruitment and selection.

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CHAPTER 7

INDUCTION (ORIENTATION)

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7.1   INTRODUCTION

After accepting a job offer, most new employees are very keen to learn more about their job and the organisation. *Induction*, also known as orientation or socialisation is the process of integrating the new employee into the organisation and acquainting him or her with the details and requirements of the job (Carrell et al, 1998: 204). It can thus be regarded as a process by which employees are transformed from being complete outsiders to becoming participating and effective members of an organisation. This process may take place either by means of a formal programme or it may be an informal introduction.

According to Carrell et al. (1998) starting a new job is considered to be one of the most stressful life experiences and a proper induction process that is sensitive to the anxieties and uncertainties, as well as the needs of a new employee is therefore of the utmost importance. Induction is closely related to the processes of recruitment and selection which precede it, and to the subsequent processes of training and development. However, it is a much-neglected area of human resource management. It not only involves the job training of new employees, but also the whole process of integrating new employees into the organisation. The organisational values, beliefs and traditions which form the company culture, are slowly absorbed as a person is exposed to orientation, training and the peer group. The process of acquiring the culture of an organisation is known as acculturation (Carrell et al, 1998: 204). It is important also to be aware of the fact that a degree of induction usually commences before an employee actually enters an organisation with his job choice, attraction to the organisation and selection.

According to Carrell et al (1998) research has shown that the influence of the first few days on a new employee and the impressions he or she has gained have an important bearing on performance and on labour turnover in general and that the rewards in terms of goodwill, morale and work efficiency by far outweigh the effort and investment utilised to enable the new employee to feel comfortable and at home.

Although induction is very important, it cannot counteract the negative effects of unwise recruitment or poor selection. To be completely successful, an induction programme needs

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careful, systematic and ongoing attention by top management as well as by the human resources department. Carrell et al. (1998) defines induction as the process of introducing new employees to the goals of the organisation, its policies and procedures, its values, the co-workers as well as the activities of the tasks to be performed and the equipment to be used.

7.2   OBJECTIVES OF INDUCTION

According to Carrell et al. (1998: 204) the objectives of are :

- ? Acquainting new employees with job procedures;
- ? Establishing relationships with co-workers including subordinates and supervisors;
- ? Indicating to the employees the preferred means by which these goals should be attained;
- ? Identifying the basic responsibilities of the job;
- ? Indicating the required behaviour patterns for effective job performance.

From the above it is clear that the main purpose of induction is the integration of the new employee into the organisation without delay, so that he or she can become an effective worker as soon as possible.

7.3   A MODEL FOR INDUCTION

According to a model by Feldman (1981), the above objectives can be achieved by means of a three-phased induction process.

7.3.1   Phase 1

The first phase of Felman's model is "anticipatory socialisation" which encompasses all the learning that occurs before a new member joins the organisation. Four aspects are dealt with during this phase, namely :

a)   Realism about the organisation

The new member will gain a full and accurate picture of what the goals and climate of the organisation are really like.

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b)   Realism about the job

The new member will gain a full and accurate picture of what his new duties will entail.

c)   Congruence of skills and abilities

The new member will gain the appropriate skills and abilities needed to successfully complete task assignments.

d)   Congruence of needs and values

The new member will share the values of the new organisation and will also have personal needs that can be met by the organisation.

7.3.2   Phase II

The second phase is "encounter" in which the new member sees what the organisation is truly like and in which some initial shifting of values, skills and attitudes may occur. Five aspects are dealt with during this phase, namely :

a)   Management of outside-life conflicts

The new member will have to adapt in dealing with conflicts between the role demands of his or her own group and the demands of other groups in the organisation.

b)   Management of intergroup role conflicts

The new member will have to adapt in dealing with conflicts between the role demands of his or her own group and the demands of other groups in the organisation.

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c) **Role definition**

The new member will have to clarify his or her own role within the immediate work group, deciding on job duties, priorities and time allocation for tasks.

d) **Initiation to the task**

The new member will have to learn new tasks at work.

e) **Initiation to the group**

The new member will have to establish new interpersonal relationships and learn group norms.

7.3.3   Phase III

In the third phase, namely "change and acquisition", relatively long-lasting changes take place. The following aspects are important :

a) **Resolution of role demands**

The new member must either implicitly or explicitly agree with the work group on what tasks to perform and task priorities and time allocation.

b) **Task mastery**

The new member will have to adapt in dealing with conflicts between the role demands of his or her own group and the demands of other groups in the organisation.

c) **Adjustment to group norms and values**

The new member must make some adjustments to the work group's values and norms.

At the end of the model both behavioural and attitudinal criteria are indicated that can be used to measure the progress in the organisational induction process. Feldman mentioned three types of behaviour as essential for organisation members to engage in for the organisation to function effectively.   These are :

a)   **To carry out the role assignment dependably**

The new member must be able to carry out the assigned roles. Minimal levels of performance, both quantitatively and qualitatively, must be met.

b)   **To remain with the organisation**

If the new member leaves the organisation, it has failed in successfully transforming the outsider into a participating member.

c)   **To innovate and cooperate spontaneously**

The organisation must encourage new members to achieve organisational objectives that go beyond role specifications. The organisation must encourage supportive actions of an innovative or relatively spontaneous sort to achieve this type of behaviour.

Three affective outcomes can be distinguished, namely :

a)   **General satisfaction**

Successful induction will lead to general satisfaction of the employees within the organisation.

b)   **Internal work motivation**

Individuals who feel their work has meaning and experience the responsibility for the results of their work, will be internally motivated to do their work.

c)   **Job involvement**

Successful induction will lead to greater job involvement. Especially where people form part of a team, their involvement in the job will be high.

7.4   BENEFITS OF INDUCTION

An effective induction programme will reduce the adjustment problems of new employees by creating a sense of security, confidence and belonging for them. The following benefits can be deducted from Feldman's model on induction :

? Higher job satisfaction;

? Lower labour turnover;

? Greater commitment to values and goals;

? Higher performance as a result of faster learning times;

? Fewer costly and time-consuming mistakes;

? Reduction in absenteeism;

? Better customer service through heightened productivity;

? Improved manager/subordinate relationships; and

? Better understanding of company policies, goals and procedures.

7.5   REASONS FOR THE LACK OF EFFECTIVE INDUCTION

According to Carrell et al. (1998: 208) the following issues could be the reasons for the absence of an effective induction programme :

? The supervisors responsible for the task either lack the time or ability to fulfill this obligation;

? Organisations do not regard anxiety and stress, owing to insecurity and unfulfilled expectations, as a primary cause of labour turnover among new employees. They therefore consider induction to reduce anxiety and stress unnecessary;

? Organisations regard effective recruitment, selection, training and development as substitute of induction;

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? Where induction programmes are introduced, the key components are lacking;

? Induction is aimed at inducing new employees to adhere to organisational practices and procedures while little attention is paid to in stilling loyalty and commitment to the organisation;

? Employees who are transferred or promoted within the organisation are not subjected to induction programmes;

? Induction programmes are not followed up, meaning that the success of these programmes are not evaluated or determined; and

? Induction programmes often concentrate on promoting the image of the organisation.

7.6   RESPONSIBILITY FOR INDUCTION

The number of people in the implementation of the induction programme normally depends on the size of the organisation. In smaller organisations this function is primarily the task of the employee's supervisor or manager. In larger organisations the following team of people may be involved :

? **The supervisor :** The supervisor must ensure that the employees in the section receive all the information necessary to enable them to function as efficiently and effectively as possible. This will include the introduction of new employees to co-workers, explaining job duties and responsibilities as well as policies, procedures, rules and regulations and also taking the employees on a familiarisation tour of the workplace.

? **The head of department :** It is the responsibility of the head of the department to meet all new employees and briefly explain to them the role and responsibilities of the particular department within the organisation.

? **The human resources department :** The human resources department is responsible for issues such as the employment contract, compensation, loan facilities, medical schemes, pension plans and the development and monitoring of the success of the induction programme.

? **A mentor or buddy :** A mentor or buddy is responsible for assisting the new employee regarding how to operate basic equipment such as photocopiers, telephones and faxes and how to dispose of the mail. He / she may also demonstrate how to log on to computers,

generate passwords, and use basic programs. A mentor or buddy is normally a junior member of the workgroup.

? **New employees :** New employees are also involved in the induction process. They are responsible for the completion of induction evaluation forms. They must also provide informal feedback, to the human resources department and supervisors if requested.

It is important that all the above mentioned people involved in the induction programme should participate in organised training sessions to develop induction proficiency.   The training of these employees should also be strictly monitored if the programme is to be successful (Carrell et al, 1998: 209).

7.7   INDUCTION TRAINING

It is important to note that induction is a never ending process, introducing both old and new employees to the current state of the organisation. According to Carrell et al. (1998: 209) there are many categories of employees who will benefit from induction training, namely :

? **New employees**

A manager should not assume that new employees would immediately know what has taken others months or years to learn. It is thus vital that all new employees should receive proper induction training.

? **Transferred or promoted employees**

It is also important that current employees who have been transferred or promoted within the organisation should receive induction training, especially if the transfer or promotion involves a significant change of environment.

? **All current employees**

A re-induction programme involving all current employees should take place periodically. This type of programme is especially important if significant changes in organisational policies or structures have taken place. For example, if one organisation is purchased by

another, re-induction of employees from both organisations may be necessary due to changes in operating relationships and policies caused by the merger.

7.8   SCOPE OF INDUCTION TRAINING

Irrespective of the type of company, induction should be concerned with two distinct levels, namely :

a)   General organisation induction

This induction will affect all employees within the organisation.

b)   Specific departmental induction

This induction will be tailored to the new employee's specific department and job.

7.9   HANDOUTS

One of the handouts that can be considered is the employee handbook. Organisations should guard against including too much detailed information. In order to make the handbook user-friendly, it is recommended that each topic should only be briefly mentioned.

Other handouts may include booklets on company policies and procedures as well as information pamphlets.

7.10   APPROACHES TO INDUCTION

According to Carrell et al (1998: 213) there are three basic approaches that can be followed during the induction programme, namely :

a)   **Verbal**

This kind of approach can be conducted individually or in small groups. Although expensive and time-consuming, it provides good feedback and promotes maximum understanding.

b)   **Written**

With this kind of approach, continuous reference can be made to the material used. The main advantage is that it is on record.

c)   **Audiovisual**

This kind of approach combines both the verbal and written approaches and once developed can be used repeatedly if it is kept up-to-date.

7.11   LENGTH OF THE INDUCTION PROGRAMME

As indicated earlier, the aim of the induction programme is to produce individuals who will function effectively in the organisation. To be successful in this regard, it is important to avoid cramming all induction, especially detailed information, into one long session at the beginning of the job. Employees are limited in respect of the volume of information that they can absorb, digest and retain during the initial induction process. Sessions not exceeding two hours at a time are recommended (Carrell et al, 1998: 213).

The period of induction should be lined to the length of time it takes to become effective in the job and to learn and understand the new activities. If the job usually takes three months to master, it is recommended that the induction programme (the planned off-the-job learning plus the formal induction course) should cover this period. It is essential that a follow-up session should be held after the employee has been on the job for approximately two months.

7.12   PLANNING AN INDUCTION PROGRAMME

Before the induction programme can be developed (this process usually take between three to six months) a number of planning considerations must be looked at (Carrel et al, 1998: 215). The following can be identified as key planning considerations :

?   **Induction policy**

A properly formulated induction policy, drawn up jointly by management and employees, should be officially adopted by top management before the programme is designed.

?   **Budget**

As mentioned earlier, induction costs are nominal in comparison with the benefits derived from a good induction programme. An adequate budget should thus be made available for this purpose.

?   **Other planning considerations**

A number of other aspects must also be considered, namely :

- time needed to plan and implement the programme;
- programme goals, topics to be included, methods of organising and presenting them, duration of induction sessions;
- general organisation topics versus department and job topics to be covered;
- qualifications and training needs of human resources personnel, line mangers and supervisors; and
- programme flexibility to accommodate employee differences in education, intelligence and work experience.

7.13   DESIGN OF AN INDUCTION PROGRAMME

It is important to note that the different groups of employees within the organisation require different induction programmes. This is particularly the case when looking at the different

requirements of management and non-management workers, graduates, school leavers and people with disabilities. Separate induction programmes should therefore be designed to meet the needs of the different groups (Carrell et al 19989: 215).

The induction programme should thus be designed to include all the information that the newcomer will need to do his or her job. The information should not be given in one session, but should be divided into "need to know" and "nice to know" information. The "need to know" information is essentially information the newcomer requires as soon as possible to fit in and be effective. The "nice to know" information can be given over a period of time as the newcomer settles in.

7.14   IMPLEMENTING THE INDUCTION PROGRAMME

Orientation / induction can already begin before the first day. Literature like company reports has a major influence on the manner in which a newcomer will perceive the organisation. Visual images used in advertisements can also portray a vision of the organisation, as do the words that are used in these advertisements. These can give subtle information regarding the culture of the organisation. The contact that the new employee has with the officer in charge of the recruitment process can also have an important impact on the induction process. The recruitment officer is responsible for informing the employee of all the advantages and disadvantages of his or her new job. A high turnover among newcomers is often attributed to unrealistic and inflated expectations of job applicants (Carrell et al 19989: 217).

According to Carrell (1998) et al there are various steps that can be taken in implementing an induction programme. These steps are :

?   **Pre-employment preparation**

The induction process begins during the recruitment and selection stage. First impressions of the organisation are formed at this stage.

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? **Pre-employment information**

Once the selection process has been finalised a formal letter of appointment congratulating the new employee on being selected for his or her new job must be written. The letter will contain the following : a description of the job offered, starting salary, salary progression, grade of the job, basic terms and conditions of employment, location of the job as well as the probationary period, if any. The letter should also indicate whether the job offer is conditional upon satisfactory references or medical checks, where applicable.

? **First day instructions**

Once the job has been accepted in writing, the newcomer should be sent instructions for the first day. A copy of this letter must also be sent to the employee's supervisor. The instructions should include :
- the office number and locality of the building where the employee must report for duty;
- the name and job title of the person to whom the employee must report;
- the date to report and the starting time;
- what the new employee should bring when reporting for duty.

? **The welcome pack**

The welcome pack which contains more information on the organisation could also be sent to the newcomer. The following items can be included :
- a letter of welcome from the managing director of the organisation;
- organisational charts;
- details of rules and conditions;
- a letter of welcome from the recognised trade union, if any.

? **Organising the work**

The duties that the new employee will perform must be discussed by the supervisor and his or her employees. It is important that the new employee be given some meaningful work on the first day.

? **Briefing colleagues**

Other staff and colleagues should be briefed about the new employee. At the very minimum they should be informed of the name of the newcomer, the post to which he or she has been appointed, his or her background, job location and the date of commencement of duties.

? **Administrative arrangements**

The office the newcomer will occupy must be cleaned and made ready for his or her arrival.

? **Training**

Consideration should be given to any training the newcomer may need.

? **The first day induction**

The first day should be a short one; the newcomer should start later and leave earlier than normal.

? **On arrival**

When a new employee arrives at the workplace for the first time it is important that reception / security, or whoever is there to meet him or her, has prior knowledge of his or her arrival. This will create a favourable impression.

? **Basic information**

On arrival the newcomer may first be introduced to a senior manager of the organisation or may proceed directly to the human resources department. Here any personal particulars for the employee file will be obtained if still outstanding.

? **The initial discussion**

Once all the paperwork has been completed, it will be time for the new employee to meet the department head. The initial conversation should cover mutual expectations and give him or her an idea of what to expect during the first day and week.

? **Building the relationship**

The department head should begin by establishing rapport, taking the first step to build a relationship based on mutual respect. This can take place by a general discussion of the organisation chart and at the same time indicating where the department and the newcomer fit into the scheme. After this has taken place, the newcomer should meet his or her immediate supervisor.

? **Immediate supervisor**

The immediate supervisor will introduce the newcomer to fellow worker and also conduct a tour of the workplace. The supervisor will also briefly discuss the job description and talk about standards and how the new employee's performance will be assessed. In addition, the newcomer will be informed when and where he or she will be required to attend induction lectures / sessions organised by the human resources department, and when he or she will receive formal training within the department.

After these activities have been attended to, the newcomer should be given appropriate and meaningful work so that he or she will feel gainfully employed and beginning to achieve something.

?   **The "buddy" or "mentor"**

Many organisations assign a "buddy" or "mentor" to a new employee. This person, who should be about the same age and grade as the newcomer, will assist him or her informally regarding questions as they arise. This is only a temporary arrangement to be of assistance to the newcomer in the early days.

All the above events should, where possible, be arranged to fall within the first day. Time should also be allowed at the end of the day of the recruit to ask his or her supervisor questions to sort out problems which may have arisen during the course of the day. To facilitate these activities, it is important that a checklist be used to see whether every topic that was identified for the fist day has been covered. This list is normally signed by the supervisor and a member of the human resources department.

7.15   EVALUATION OF THE INDUCTION PROGRAMME

The evaluation of the induction programme is one of the most important steps in the process. The benefits arising from this procedure are :

-        to ensure that the organisation is spending its money wisely and achieving positive results; and
-        that the methods used to assist new employees to integrate and become effective workers in the organisation are the most suitable.

Depending on the complexity of the programme, evaluation can cover many aspects and can be carried out at different levels. According to Carrell et al (1998: 218) the following quantitative, measures may be utilised : labour turnover statistics, accident sickness and absenteeism rates. By making use of questionnaires, surveys, exit interviews and course evaluation forms, qualitative information can also be gathered.

If the organisation has planned wisely, evaluation will show that induction is effective and that new employees perform well within a reasonable period. Thus the new employees are properly integrated and performance of the organisation is improving.

7.16   CONCLUSION

Starting a new job is not easy. It is therefore important that careful attention is paid to the introduction of new employees to the organisation, their co-workers and their job. This is also applicable to transferred and promoted employees. The method to achieve this is by means of a well-designed induction programme.

To implement the programme successfully requires the joint effort of the human resources department, the line managers and the existing employees.

While the first day of the new employee at the organisation is critical, there are limits to what can be achieved and the induction will often have to be spread over a longer period.

When planning the induction, it is important to note not only the content of the programme, but also the best way of handling it. The programme will also have to be monitored regularly to correct any problems and to see whether any redesign is necessary.

Successful induction will lead to better motivated employees and higher productivity within the organisation.

After induction has been completed, it is important that the employee receive proper training in order to improve his or her skills within the job environment.

CHAPTER 8

RESULTS OF THE STUDY

8.1   INFORMATION ON SELECTED EXPERTS

The panel of members selected for the evaluation panel, has experience in the field of human resource management obtained through work experience, qualifications and exposure on different levels of management.   The biographical information of the experts is illustrated in table V below.

Table V : Biographical information of experts

Highest qualification	Frequency	Percentage
Diploma	2	13
Degree	2	13
Honours Degree	2	13
Masters Degree	5	34
Doctorate	4	27
TOTAL	**15**	**100**

From the table above the assumption can be made that the panel of experts all have qualifications ranging from a first degree to a Doctorate in the field of Human Resource Management / Industrial Psychology. The majority of the experts possess a Masters or Doctorate Degree. This is illustrated in graph I below :

Graph I : Qualifications of experts

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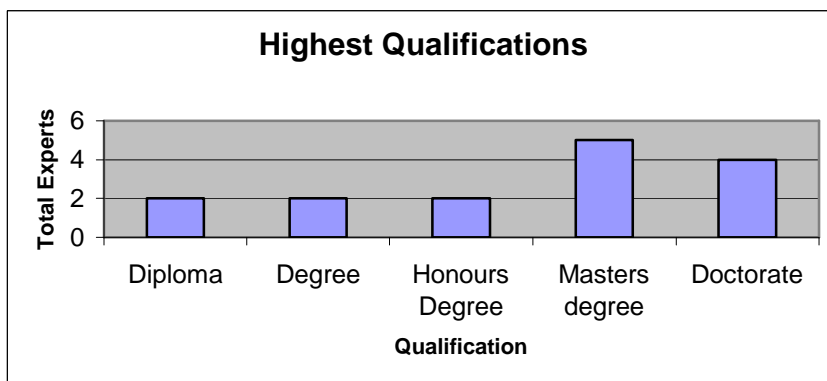
Table VI : Years of experience in Human Resource Management

Total years	Frequency	Percentage
Less than 1 year	0	0
1 year and more, less than 2 years	1	6
2 years and more, less than 5 years	1	6
5 years and more, less than 10 years	1	6
10 years and more, less than 15 years	4	27
15 years and more, less than 20 years	3	21
20 years and more	5	34
TOTAL	**15**	**100**

From table VI above, the assumption can be made that the experts on the panel possess a wide variety of experience in the field of Human resource management / Industrial Psychology. The majority of the members on the panel have more than 20 years of experience. This is illustrated in graph II below :

Graph II : Total years of experience

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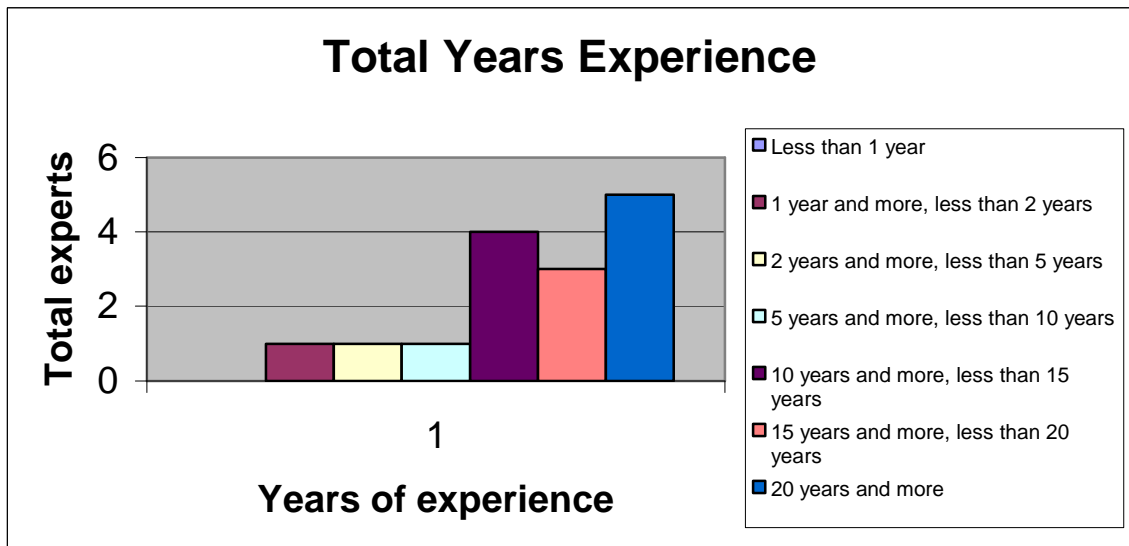
The assumption can thus be made that the selected panel of experts has sufficient qualifications and experience in the elements of recruitment and selection to enable them to evaluate the items to be included in a model that incorporates ethics in the recruitment and selection process.

8.2   MODEL EVALUATION & CONTENT VALIDITY

The panel of experts was selected to assist in the evaluation of the content validity of the items to be included in the integrated model. Every person on the panel received an item list and then had to evaluate these items according to the following criteria :

- Not applicable
- Can be used, but not necessary
- Important / Very applicable

A total of 15 item lists were distributed to the experts and all the item list evaluations were completed and returned. The item list, consisting of possible items to be included in a model that incorporates ethics in the recruitment and selection process, was e-mailed to each member on the panel of experts. A front page detailing the purpose of the study and the instructions was included as an attachment to the e-mail.   The respondents were requested to complete their evaluations and either return the evaluations via e-mail or fax.

Lawsche's formula was used to calculate the Content Validity Ratio (CVR) of each item statistically (this method was described in detail in chapter 1).   The feedback of all the experts was then consolidated to determine the content validity ratio of each item statistically.

The content validity ratio of each item, as well as the responses of each panel member is given in table VII below.

Table VII : Content validity ratio per item

	Items	Criteria			CVR value (*)
		Not applicable	**Can be used, but not necessary**	**Important, Very applicable**	
1	Any recruitment & selection activity should be based on the organisation's recruitment & selection policy/strategy.	0	1	14	0.86
2	Be consistent in the application of the policy.	0	1	14	0.86
3	Job analysis to form the foundation of the detail in a job description and job specification.	0	0	15	1.00
4	The criteria specified in an advertisement should be based on information obtained from the job description & specification.	0	1	14	0.86
5	Where internal resources are available, advertise internally first to give current employees the opportunity for advancement.	0	12	3	-0.60
6	Where an advertisement has been placed internally an application or referral of an external candidate should be kept on hold until the process is extended to external applicants.	0	12	3	-0.60
7	he case of external advertisements, the medium should be chosen fully to eliminate possible discrimination or exclusion of some icants.	0	2	13	0.73
8	Use agencies, consultants or headhunters that specialises in the recruitment of all race and gender groups.	0	5	9	0.20
9	Do not approach an applicant directly/personally if the person was originally referred by an employment agency.	0	1	14	0.86
10	Allow at least 5 working days from placement of the advertisement to the closing date (internal & external)	0	5	10	0.34
11	Consideration of applications after the closing date (late applications) should be based on the guidelines as set out in the organisation's recruitment & selection policy.	0	1	14	0.86
12	Send out an application acknowledgement letter to applicants. In the case of an agency, one letter can be sent to each agency to acknowledge all the applications received.	0	4	11	0.46
13	Consider every application that was submitted, even in the case of many applications.	0	0	15	1.00
14	Set up a decision matrix for the criteria to be considered during the initial selection process.	0	1	14	0.86
15	Use the same selection criteria in screening all the applicants.	0	0	15	1.00
16	Send regret letters to applicants that did not pass the initial screening process. In the case of an agency, notify the recruitment consultant.	0	3	12	0.60
17	Set up interviews with all the candidates that met the selection criteria.	0	3	12	0.60

	Items	Criteria			CVR value (*)
		Not applicable	**Can be used, but not necessary**	**Important, Very applicable**	
18	Plan the interview and ensure that all applicants are asked the same questions.	0	1	14	0.86
19	Exclude any questions during the interview that may be discriminatory.	0	1	14	0.86
20	If assessments / psychometric testing is applicable, ensure that all applicants undergo the same assessments.	0	0	15	1.00
21	Use reliable and valid psychometric tests and assessment.	0	0	15	1.00
22	Ensure that a trained/qualified administrator is used to facilitate assessments.	0	0	15	1.00
23	Use psychometric tests and assessments that are not biased against any culture- or race group.	0	0	15	1.00
24	Compile the final scores of each applicant obtained in his/her interview and assessments.	0	0	15	1.00
25	Rank the applicants according from highest to lowest scores.	0	2	13	0.73
26	Arrange final interviews with short listed applicants.	0	0	15	1.00
27	Conduct final interviews (everyone to be asked the same questions).	0	1	14	0.86
28	Inform successful applicant	0	0	15	1.00
20	Make an offer to the successful applicant. (The offer should be based on information obtained from a benchmark of salaries of current employees that perform more or less the same function, as well as market related salaries).	0	1	14	0.86
30	In the case where an offer is rejected, an offer can be made to the second ranked applicant.	0	5	10	0.34
31	After acceptance of an offer, complete all relevant documents regarding the recruitment and selection process that was followed.	0	1	14	0.86
32	Discuss any problems/issues that arose during the recruitment and selection process with line management.	0	5	10	0.34
33	Ensure consistency throughout the recruitment & selection process.	0	0	15	1.00
34	Ensure confidentiality throughout the recruitment & selection process.	0	0	15	1.00
35	Ensure that the actions in every step of the recruitment & selection process are documented for future reference.	0	0	15	1.00
36	Communicate all relevant information regarding the first day of employment to the successful applicant / agency.	0	3	12	0.60
37	Request assistance from the department secretary in arranging that the workstation is ready (equipment, stationery, etc.) when the new employee arrives.	1	4	10	0.34
38	Ensure that there is someone at reception to welcome the new employee on his/her first working day.	1	4	10	0.34

	Items	Criteria			CVR value (*)
		Not applicable	Can be used, but not necessary	Important, Very applicable	
39	Send the new employee on a pre-arranged orientation/induction programme.	1	2	12	0.60
40	Assist the new employee to settle into the new working environment.	1	1	13	0.73
41	Follow up on the progress of the new employee after ± 2 – 3 months of employment.	1	2	12	0.60

(*) I-ratio > 0.42

As discussed in chapter 1 of this study, the acceptable CVR value per item is 0.42 and higher. From the table above, items 5, 6, 8, 10, 30, 32, 37 and 38 had calculated values lower than 0.42. These items are listed below :

?   Item 5 : where internal resources are available, advertise internally first to give current employees the opportunity for advancement;

?   Item 6 : where an advertisement has been placed internally an application or referral of an external candidate should be kept on hold until the process is extended to external applicants;

?   Item 8 : Use agencies, consultants or headhunters that specializes in the recruitment of all race and gender groups;

?   Item 10 : allow at least 5 working days from placement of the advertisement to the closing date (internal & external);

?   Item 30 : in the case where an offer is rejected, an offer can be made to the second ranked applicant;

?   Item 32 : discuss any problems/issues that arose during the recruitment and selection process with line management;

?   Item 37 : Request assistance from the department secretary in arranging that the workstation is ready (equipment, stationery, etc.) when the new employee arrives;

?   Item 38 : ensure that there is someone at reception to welcome the new employee on his/her first working day.

Based on calculations of the feedback by the evaluation panel, the items with calculated values lower than 0.42, were not included in the model that incorporates ethics in the recruitment and selection process.
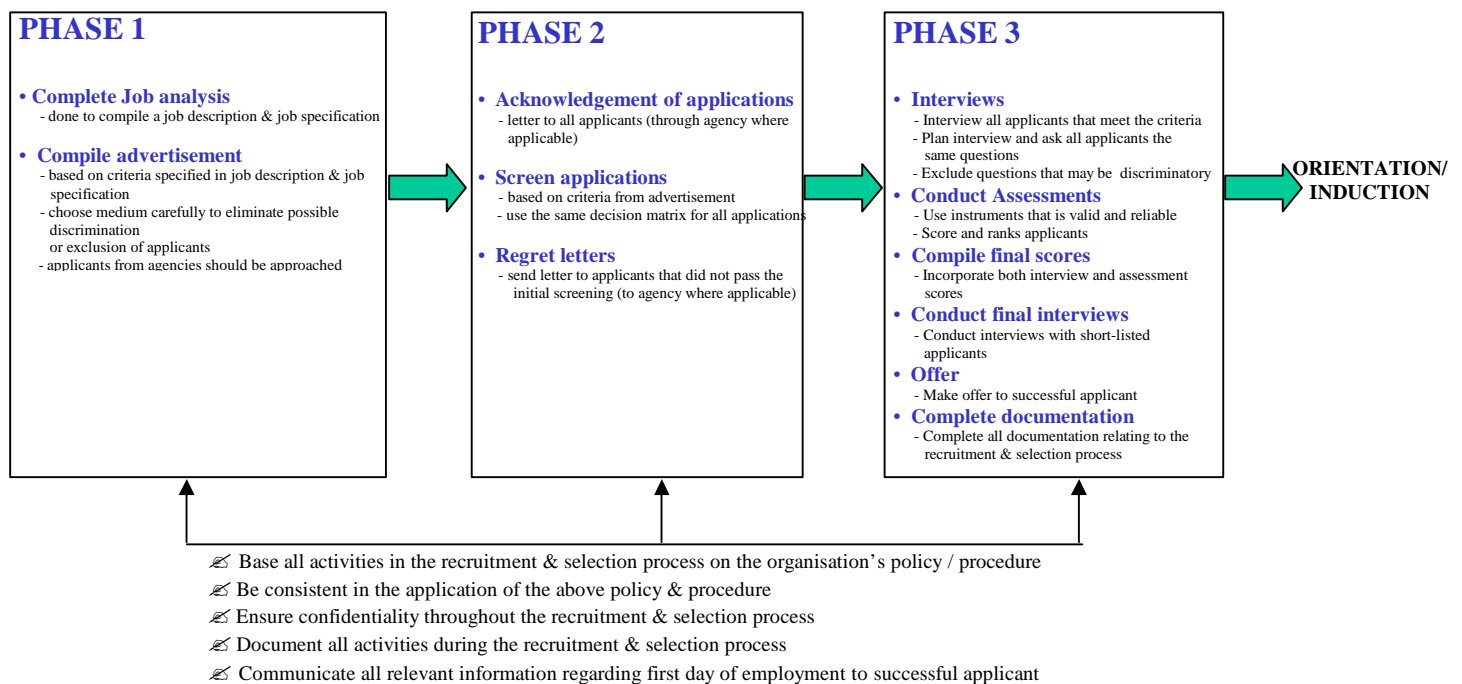
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8.3 INTEGRATED MODEL

8.3.1 Two important assumptions were made for the purpose of developing the integrated model, namely :

? that any item which has been evaluated as important or very applicable consists of some content validity; and

? that the more members of the panel (over 50 %) see an item as important or very applicable, the higher the content validity.

Each item list had a section where every expert could give any comments or suggestions regarding the items included in the list or even the possible addition of items that might have been left out. None of the experts had any comments or suggestions with regards to changing any items or additions to the current list. The assumption was therefore made that the necessary information was included in the original item list.

8.3.2 Based on the CVR values and feedback from the panel, the model that incorporates ethics in the recruitment and selection process is illustrated below in figure XI :

Figure XI : integrated model which incorporates ethics in the recruitment & selection process

PHASE 1

• **Complete Job analysis**
  - done to compile a job description & job specification

• **Compile advertisement**
  - based on criteria specified in job description & job specification
  - choose medium carefully to eliminate possible discrimination or exclusion of applicants
  - applicants from agencies should be approached

PHASE 2

• **Acknowledgement of applications**
  - letter to all applicants (through agency where applicable)

• **Screen applications**
  - based on criteria from advertisement
  - use the same decision matrix for all applications

• **Regret letters**
  - send letter to applicants that did not pass the initial screening (to agency where applicable)

PHASE 3

• **Interviews**
  - Interview all applicants that meet the criteria
  - Plan interview and ask all applicants the same questions
  - Exclude questions that may be discriminatory

• **Conduct Assessments**
  - Use instruments that is valid and reliable
  - Score and ranks applicants

• **Compile final scores**
  - Incorporate both interview and assessment scores

• **Conduct final interviews**
  - Conduct interviews with short-listed applicants

• **Offer**
  - Make offer to successful applicant

• **Complete documentation**
  - Complete all documentation relating to the recruitment & selection process

ORIENTATION/ INDUCTION

✍ Base all activities in the recruitment & selection process on the organisation's policy / procedure
✍ Be consistent in the application of the above policy & procedure
✍ Ensure confidentiality throughout the recruitment & selection process
✍ Document all activities during the recruitment & selection process
✍ Communicate all relevant information regarding first day of employment to successful applicant

8.3.3   Discussion of the phases of the model

8.3.3.1 PHASE 1

Items 1 – 11 of the item list were incorporated in phase 1 of the model. This phase comprises the following activities :

Completion of a job analysis

The job analysis should form the cornerstone of the information used in the job description and job specification. The job analysis is usually the starting point in the process of recruitment and selection. The information contained in the job description and job specification will determine the selection criteria and form the basis of information when compiling the advertisement.

Compiling the advertisement

The selection criteria in the advertisement will be based on information obtained from the job analysis.   The medium should be chosen carefully in order to eliminate any possible discrimination or exclusion of applicants.

Consideration of initial applications

All applications will be compared to the minimum criteria as laid out in the advertisement. The elimination process should be completed according to the guidelines set out in the company recruitment & selection policy and procedure.

8.3.3.2 PHASE 2

Items 12 – 16 of the item list were incorporated in phase 2 of the model. This phase comprises the following activities :

Acknowledgement of applications

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A letter of acknowledgement is sent to every applicant to inform them that their applications have been received. Where an employment agency is involved, the acknowledgement letters will be sent to the agency for distribution to the applicants.

Screen applications

All applications are screened according to the criteria mentioned in the advertisement. The same selection criteria should be used for all applicants.

Regret letters

Send regret letters to the applicants that did not meet the minimum criteria to inform them that they have been eliminated from the process. Where an employment agency is involved, the regret letters will be sent to the agency for distribution to the applicants.

8.3.3.3 PHASE 3

Items 17 - 38 of the item list were incorporated in phase 3 of the model. This phase comprises the following activities :

Arrange & Conduct Interviews

All the short listed applicants (those who were selected according to the criteria) are interviewed. The interviews should be planned to ensure consistency in asking questions. All applicants should be asked the same questions. Only in the case where more information is needed on the answer of an applicant, can probing questions be asked to get more information or clarity on the answer given. Ensure that any possible discriminatory questions are eliminated from the list of possible questions.

Conduct Assessments

Ensure that a test battery is chosen that is relevant to the constructs being measured and that these instruments are reliable, valid and culturally fair. Ensure that the test administration is done by trained / qualified assessors and that the scoring is accurate.

Compile final scores

Complete final scores by incorporating the scores of all the selection methods used for instance the scoring obtained in the interview and assessments. Rank the applicants according to scores to determine who was the successful applicant was.

Offer

Notify the successful applicant and send all the relevant offer documents to the successful applicant. Where an employment agency is involved, the agency will be notified that one of their applicants was successful and they will communicate it to the applicant. If the offer is accepted, the agency will charge a commission on the placement made.

Complete documents

Ensure that all the necessary documents are completed for recording purposes. This is very important to safeguard the organisation in the case of a dispute on any placement or activity in the recruitment and selection process that was followed.

8.3.3.4 ORIENTATION / INDUCTION

The successful applicant will undergo an orientation / induction programme as part of the process to settle the employee into the organisation.

8.3.3.5 GENERAL

Some of the items from the item list were incorporated as general notes or guidelines in the model. These items are :

- ? Base all activities in the recruitment and selection process on the organisation's policy & procedure;
- ? Be consistent in the application of the company policy & procedure;
- ? Ensure confidentiality throughout the recruitment and selection process;

?   Document all activities during the recruitment and selection process; and

?   Communicate all the relevant information regarding the first day of employment to the successful candidate once the offer has been accepted.

8.4   RECOMMENDATIONS

The model was compiled based on consolidated feedback from experts in the field of Human Resources Management and Industrial Psychology. Lawsche's formula was used to calculate the CVR values of each item. The items with CVR values of 0.42 and higher, was simplified and incorporated into an integrated model.

Although the items of the model were evaluated by a panel of experts, the final model still needs to be validated for use by organisations which intend to incorporate ethics as part of their recruitment and selection process.

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