

Czech University of Life Sciences Prague

Faculty of Economics and Management

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Diploma Thesis

**Recruitment and Selection of Employees in a Selected
Company**

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CZECH UNIVERSITY OF LIFE SCIENCES PRAGUE

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Bc. Barbora Šejdová

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Objectives of thesis

The main aim of this diploma thesis is to evaluate the process of recruitment and selection of employees in a selected company on the basis of a thorough analysis. Subsequently, further recommendations are to be suggested to the recruitment and selection process.

Methodology

This diploma thesis is divided into two parts – theoretical and empirical. The aim of the theoretical part is to create a theoretical framework based on a comparison of relevant literature. The empirical part is based on outcomes of qualitative and quantitative research.

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- ARMSTRONG, M., TAYLOR, S. Armstrong's handbook of human resource management practice. Philadelphia, PA: Kogan Page, 2017. ISBN 978-0749474119.
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Declaration

I declare that I have worked on my diploma thesis titled “Recruitment and Selection of Employees in a Selected company” by myself and I have used only the sources mentioned at the end of the thesis. As the author of the diploma thesis, I declare that the thesis does not break copyrights of any their person.

In Prague on 30th November 2019

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Recruitment and Selection of Employees in a Selected Company

Abstract

This diploma thesis deals with recruitment and selection of employees in W.A.G. payment solutions, a.s. The main objective of this diploma thesis is to evaluate current recruitment and selection of employees in W.A.G. payment solutions, a.s. On the basis of an analyses, if any shortcomings detected, propose appropriate improvements.

The thesis is divided into two parts, a literature review and a practical part. The first part consists of a description of a process of recruitment and selection of employees based on the literature review. The practical part includes a description of recruitment and selection of employees in W.A.G. payment solutions, a.s. and examines its strengths and weaknesses. The practice and methodology of recruitment and selection are described. A data collection technique included documentation analysis, a semi-structured interview and a questionnaire. With the use of qualitative and quantitative research, an analysis of the current system of recruitment and selection in the company was performed. Based on evaluation of the research, proposed changes and recommendations for improvement were suggested as the main objective of the thesis.

Keywords: recruitment, external sources, internal sources, employee selection, methods of selection

Vyhledávání a výběr zaměstnanců ve zvoleném podniku

Abstrakt

Diplomová práce se zabývá tématem vyhledávání a výběru zaměstnanců ve společnosti W.A.G. payment solutions, a.s. Hlavním cílem diplomové práce je zhodnotit současný proces vyhledávání a výběru zaměstnanců ve W.A.G. payment solutions, a.s. Na základě analýzy, v případě zjištění nedostatků, navrhnout možné zlepšení.

Práce se skládá ze dvou částí, teoretické a praktické. Teoretická část práce zahrnuje popis procesu vyhledávání a výběru zaměstnanců, který se opírá o zjištěná teoretická východiska z literární rešerše. Praktická část zahrnuje popis systému vyhledávání a výběru zaměstnanců ve W.A.G. payment solutions, a.s. a zkoumá přednosti a nedostatky v tomto podniku. Způsoby a metodika vyhledávání a výběru zaměstnanců jsou popsány v této části. Technika sběru dat zahrnovala analýzu dokumentace, polostrukturovaný rozhovor a dotazníkové šetření. Za použití kvalitativního a kvantitativního výzkumu byla provedena analýza současného systému zajištění potřeby zaměstnanců. Na základě výzkumu byly závěrem shrnuty návrhy změn a možné doporučení pro zlepšení jakožto hlavní cíl diplomové práce.

Klíčová slova: vyhledávání zaměstnanců, externí zdroje, interní zdroje, výběr zaměstnanců, metody výběru

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List of abbreviations

- CV - Curriculum Vitae
- EU - European Union
- HR - Human Resources
- HRM - Human Resources Management
- KPI - Key Performance Indicator
- RPO - Recruitment Processes Outsourcing
- SLA - Service-Level Agreement

1 Introduction

In the current demanding market situation, it is the human factor that drives, supports and gives strength to a company. It is people, the employees, who connect the company's resources to the outcomes. Human resources ensure growth and competitiveness of a company. Every company nowadays realises the importance of people in a company and successful enterprises invest in human capital as they are aware of the fact that the investment will be returned.

Over the last decades human capital is believed to be vital for development of companies and human resources are shown to being one of the departments that bring the most value to a company. Recruitment, thus, is one of the crucial and utmost important activity of human resources management. For each company its structure, size, sector, company culture or approach to recruitment defines the process purposes. The need of a new position or a new employee has to be strategically positioned in a company structure and long-term plans of a company. Well-organised recruitment process will not only secure best candidates for each position but will also save resources of a company. A company is focused on the quantity and quality of applicants for each position in order to proceed with the most suitable and qualified ones.

Selection is a following activity to recruitment and focuses on choosing the best candidates from a pool of applicants to a certain position. Finding the best candidate is safeguarded by numerous steps before a company offers a position to a successful candidate. With each job come responsibilities, long-term fit to a team but often a change of lifestyle or relocation of a new hire as well. All of those factors need to be taken into consideration when selecting a candidate. Selection therefore consist of a thorough investigation of candidate's motivation, qualifications, capabilities and aspirations together with the company's requirements for each position.

When decision over a new position opening is done, it requires precision, outlined strategy, target and a long-term approach. A candidate that suits a position is considered a future return of investment for an employer. Therefore, an approach a company has to the human resources management can widely affect its prosperity.

2 Objectives and Methodology

2.1 Objectives

The main objective of this diploma thesis is to evaluate current recruitment and selection of employees in W.A.G. payment solutions, a.s. On the basis of an analyses, if any shortcomings detected, propose appropriate improvements. The main objective will be achieved through secondary objectives.

The secondary objectives are following:

- Theoretical introduction of the topic on the basis of a theoretical knowledge.
- Definition of the concept of recruitment and selection.
- Characteristics of the company W.A.G. payment solutions, a.s.
- Description of current conditions of recruitment in W.A.G. payment solutions, a.s.
- Description of current conditions of selection in W.A.G. payment solutions, a.s.
- Preparation, implementation and evaluation of an interview with a selected HR employee.
- Preparation, implementation and evaluation of a questionnaire.
- Conclusion of suggestions and recommendation of better practices of recruitment and selection in W.A.G. payment solutions, a.s.

2.2 Methodology

This diploma thesis is divided into two parts, a literature review and a practical part. The main focus of the literature review is to create a theoretical framework of the topic of recruitment and selection of employees based on a comparison of literature review. Determining fundamental terms of human resource management as well as selection of key words such as human resource management, human capital, recruitment and selection defines the first part. The main sources of candidates in recruitment and the use of different methods of selection of employees are added.

The practical part of this thesis is based on a qualitative and quantitative research method. In order to determine the current state of recruitment and selection in the

company, data was collected through a documentation review, an interview and a questionnaire.

The following methods of data collection were used:

Documentation analysis

Analysis of a documentation related to recruitment and selection in W.A.G. payment solutions, a.s. was conducted on the materials and documents provided. The subject of the documentation mainly focused on methods of selection of employees and current conditions and occupations of the recruitment team in HR department. The analysis of the documentation lasted through February to June 2019.

Interview

After thorough examination of the documentation on the subject of current conditions of recruitment and selection and the tasks and occupations of HR department in W.A.G. payment solutions, a.s., the qualitative research was conducted. Initially, the questions of the interview were prepared regarding recruitment and selection. The questions were sent beforehand to the interviewee in order to prepare the employee for the interview. The objective of the interview was an acquaintance of recruitment and selection in the company, the functions of the positions in HR department as well as recognition of possible improvements in recruitment and selection of W.A.G. payment solutions, a.s.

A semi-structured interview was selected as a type of interview to obtain more detailed information from HR employee (see Appendix 2). The interview was conducted with HR Recruitment Team Leader by way of this position oversees the entire recruitment and selection in HR department. In order to allow the employee to stay in the ambient of a workplace and for scheduling reasons, Skype interview was chosen. The semi-structured interview was performed during the month of July 2019.

Questionnaire

Following the interview and documentation review the questionnaire was used to collect further data about recruitment and selection in the company. The questionnaire (see Appendix 3) had 30 questions divided to 3 parts. The first 3 questions were dedicated to characteristics of gender, age and employment length of respondents. Additionally, 6 questions focused on the experience of employees with recruitment in W.A.G. payment solutions, a.s. Next, 19 questions related to the experience of employees with selection.

The last 2 questions examined the referrals program of the company and motivation to apply to job positions internally.

The questionnaire was sent by email to all employees through Internal Communication & Employer Branding Manager. The deadline for the submission of the answers was the end of the month of August and the dedicated time for filling the questionnaire was 14 days. The overall 160 respondents filled the questionnaire which, after adjustments, represent 46% return rate.

Finally, recommendations and improvements of recruitment and selection were suggested to W.A.G. payment solutions, a.s. in order to increase effectivity.

3 Literature Review

3.1 Human resources management

As implied by numerous names like human capital, human resources, intellectual capital or talent management, human resources management (HRM) is a highly valuable company resource. The debate over differences between the terms as personnel management and human resources management continue but in general, it is assumed they mean the same. The consensus suggests that HRM evolved from personnel management to align with company's long-term strategy (Crawley, et al., 2013).

Armstrong (2014) defines human resources management as a strategic, coherent and logically positioned approach to management of the most valuable estate in a company, meaning the people that work for a company as individuals and as a collective contribution to reach its objectives. He states that HRM means utilization of the efforts of line managers and human resources employees in a company. HRM and therefore a human resources department supports the company, develops its culture, assures that the company hires the most qualified and skilled personnel and build a positive relationship between employees and management.

Human resources create an exceptional and complex social system which a company can self-regulate and self-develop. Therefore, taking care of such a system is extremely sensitive to a managerial approach (Current Tendencies of the Development of Service of Human Resources Management, 2014).

An approach to human resources management that suggest that human resources are the utmost valuable strategic resource in a modern company and consequently should be considered as a unity of each unique human being with its own personality, needs and offers propose that this resource is very different to all the others in the company (Reflections on Human Resources – Vital Intangible Assets of Organizations, 2014).

On the opposite, HRM is considered to be "*largely framed as a business issue*" which leads it to be pressured as a cost effective and up-to-date with the latest technology in that field (Practitioner talk: the changing texts cape of HRM and emergence of HR business partnership, 2010).

Meanwhile, the focused efforts, treatments and care of recruitment and maintenance of people with unique powers guarantees an increase in efficiency through

innovation and development of information technology processes (Human Resources Management in the System of Organizational Knowledge Management, 2015).

Although there exist many highly different outlooks toward human resource management they meet in the conclusion that HRM is a strategic part of a company and should be approached as an investment through people to a company.

3.1.1 Objectives of human resources management

Objectives of human resources management are carried by human resources (HR) employees in accordance with the sustainable growth of a company in the market environment that inevitably and rapidly changes. The importance is now placed on HR to be business-like, to generate value and process people management (Armstrong, et al., 2014).

Human resources employees are in constant contact with the rest of the employees but also business partners of the company. The other activities remain relations with recruiting agencies, different government offices, employment offices, media, trade unions or company on-line platforms. Inside of the company HR is directly responsible for human resources planning that is strategically agreed on together with the other departments. The plans consist of human resources capacity management, number and structure of employees in teams, departments and company structure, employees' trainings and relocation or decisions of termination of employments (Crawley, et al., 2013).

Koubek (2007) indicates the main activities of human resources management occur as:

- Creating and analysing job positions
- Human resources planning
- Acquisition, selection and subsequent recruitment
- Employee evaluation
- Placement of employees and termination of employment
- Compensations
- Employee training and career development
- Employee work relationships
- Employee well-being
- Employee information system

By Armstrong (2014) the main objectives of human resources are considered to be employee relations, learning and development, performance and reward management, recruitment and selection, workforce planning, organisational development, corporate and social responsibility, knowledge management, human capital management, employee well-being and provision of employee services with an international dimension.

Nowadays, many companies are globally connected and operate in different countries. In case of an international company, human resources objectives are applied in a complexity of an international environment. Human resources then operate in various national categories of workers and a range of countries. Special consideration needs to be placed on activities above the national scope such as: international taxation, host-government relations, language translation services, immigration policy, international relocation and orientation or administrative services to expatriates (Dowling, 2008).

3.1.2 Human resources function in a company

The HR department and its structural position inside a company is decided on the bases of each company's structure, business model, number and division of employees, company culture, organisational layout of HR department and general strategy. The importance of the HR department is different for each size of a company and resources it dedicates to it. Each company varies in the inclusion of human resources to their general management and chooses differently what processes and activities the department provides (Bedrnová, a další, 2011).

Armstrong (2014) believes that various roles are applied inside the structure of a human resources department. The roles depend on a generalist approach (HR manager, HR specialist), specialist approach (head of development, head of talent management), level of function (administrative, strategic), requirements of a company, a general strategy or HR own capabilities.

HR managers are considered staff managers which means that they internally advise and consult line managers. Line managers control, create and manage the actual operations of a company as well as they oversee the work of the rest of the employees (Snell, et al., 2015). Staff managers generally occupy positions such as accountants, lawyers and HR employees. HR staff has a major responsibility inside the company of

developing HR policies and programs for the rest of the employees to implement daily and to create internal functions of the company (Lussier, et al., 2015).

Armstrong (2006) describes to principal functions of the HR department as:

- ***The in-house agency*** – where HR department is considered as a cost centre and its activities are charged across the company's departments and divisions.
- ***The internal consultancy*** – the HR department sells its services to other departments (line managers) internally, implying that there is a freedom of choice whether the line managers will use the services of HR department or use outside sources.
- ***The company within a company*** – the HR department is formed into a semi-independent company where the activities of the function can be sold out externally as well as provide services internally.
- ***External consultancy*** – the departments of the company seek advice and services externally from an independent company.

Human resources employees have a specific role within a human resource department, the positions are arranged into a company structure and a clear role of the human resources director is stated in the circle of general management of a company. Larger companies usually cover HR departments under general management, so HR director is structurally positioned at the same level as the other department's directors. This equality in a company structure gives HR more strength in comparison to the medium sized companies where HR positions or departments are created mainly due to a law obligation (Armstrong, 2006).

The roles of HR employees are described as:

- The general role
- The service delivery role
- The strategic role
- The business partner role
- The innovation role
- The change agent role (Armstrong, et al., 2014)

3.2 Recruitment

The core resourcing activities of a company include recruitment and selection. These activities are vital and contain both sides of the process- companies resourcing candidates and competing in the labour market with the other employers. On the opposite side are potential employees who seek new employment in the pool of the other candidates. A timing and an actual situation on the labour market are crucial for both.

Armstrong (2014) clearly describes recruitment as: “*A process of finding and engaging the people the organisation needs.*”. He also states that although recruitment is costly, the aim of recruitment and selection is to acquire the amount and quality of employees that satisfy the company’s requirements of human resources with the minimum resources utilized.

Walker (1993) expresses recruitment as a process where a company is resourcing and motivating qualified candidates who apply for a job position. This process starts by searching for new employees and finishes by candidate’s job application.

Recruitment is defined by Mathis (2010) as a part of the staffing process based on a retention and planning of human resources in a company. Recruitment is a process of generating a pool of applicants with desirable qualifications for the jobs in a company. Recruitment is viewed as a key part to staffing.

Armstrong (2014) furthermore declares the stages of recruitment as:

- ***Defining requirements*** – preparation and specification of a job position, decision over requirements and conditions of employment.
- ***Attracting candidates*** – inspection and evaluation of different sources of candidates both internally and externally, job advertising, use of recruitment agencies and consulting.
- ***Sifting applications*** – Screening of applications, interviews, testing, evaluation of candidates, assessment centre, employment offer, obtaining references, preparation of employment contracts.

Moreover, one of the tasks of recruitment is an external presentation of a company and its brand image. One of the most important missions of a worthy presentation is an effective realization of recruitment, specifically focused on financial side of recruitment for each position. Efficiency goes hand in hand with effectiveness, therefore recruitment is

done in the manners of efficiently using the company's actual needs of human resources (Foot, et al., 2008).

3.2.1 Human resources planning

A strategic planning of human resources in a company is a crucial point for successful business and growth of a company. The focus is on forecasting future human resources needs. Planning emphasizes the number and structure required for these future needs.

Human resources planning is a crucial process of human resources in which the strategic establishment of a satisfying number of employees with the right skills in the right time meets company's objectives and intentions (Armstrong, et al., 2014).

The importance of strategically handled recruitment is fundamental for filling job positions and therefore raising productivity of a company with each filled position. The focus of effective recruitment lies in prediction of future needs of human resources. It is vital for a company to:

- Have a clear understanding of the industry and therefore in what places to recruit employees with the best qualities.
- Create a strategy for the labour market so a company succeeds over its competitors.
- Care of the highly valuable sources of the prospective candidates.
- Build an employer brand in the terms of a good place to work.
- Analyse the data from recruitment metrics to distinguish the effectiveness of the recruitment's efforts (Mathis, et al., 2010).

Creation of a resourcing strategy guarantees that the company obtains and retains employees that it needs and use them as an efficient source. The basic principle of human resources management conditions that a company is matching human resources with strategical needs of operating a company. The concern is placed not only on acquiring required number and quality employees but the ones that fit to the company culture and are strategically positioned to their jobs (Armstrong, 2006).

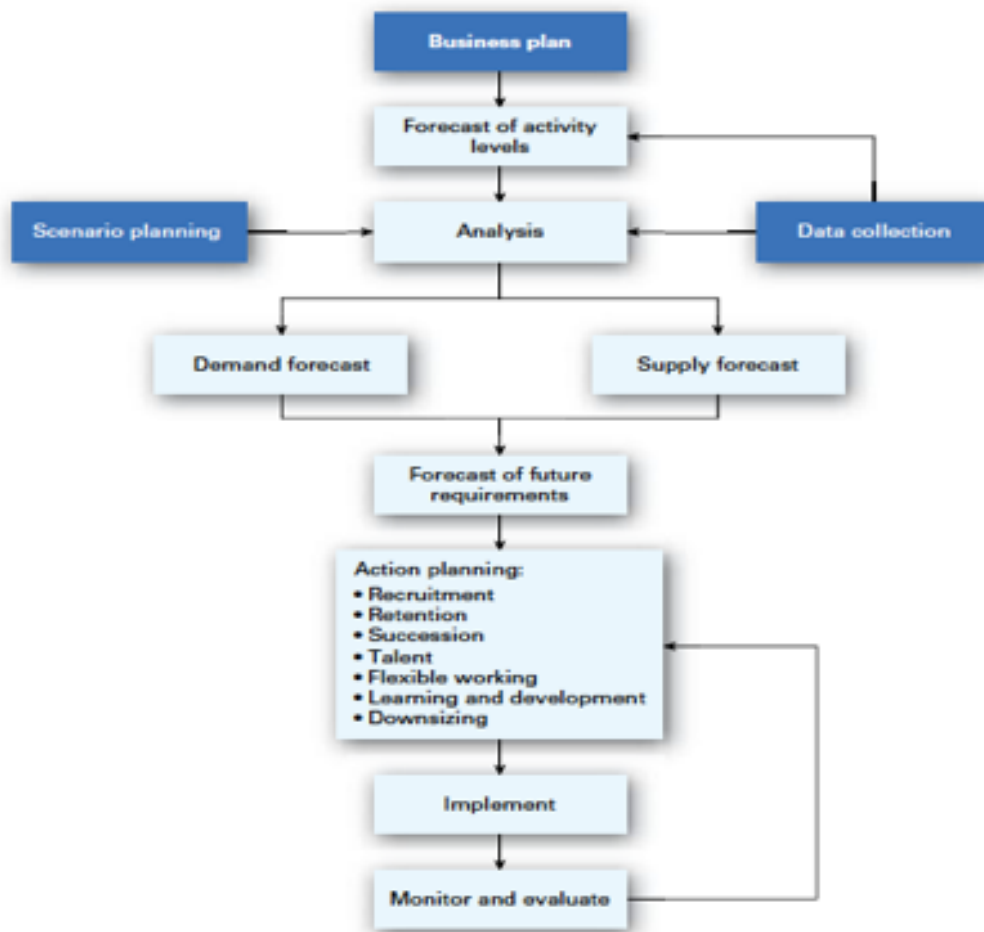
A well-managed employment process and an ability to retain quality employees is the measure of distinction between an average and an outstanding manager. It is essential

for the new employees to have abilities and qualities that are necessary for the designated job position. It is highly valuable to get new employees acknowledged with the team work flow and establish a functional work relation with their manager (Dale, 2006).

According to Armstrong (2014) the components of strategic resourcing are integrated in a business plan. The strategies include:

- **Workforce planning** – a planning of human resources, satisfying a company requirement for the number and type of employees correspondingly to a business plan.
- **Developing the company's employee value proposition and its employer brand** – the good image of an employer is an external presentation of a company; an employee value proposition is offered to future or current employees as the brand value; it is the value for which current employees remain with the company and future prospective candidates join the company.
- **Resourcing plans** – an internal source of human resources for development and learning programmes for further increase of skills; external sources are used when internal sources are not sufficient in establishing a design of the long-term strategies for recruitment.
- **Retention plans** – keeping employees working for the company.
- **Flexibility plans** – a fast adaption of human resources in order to use human resources efficiently under the changing environment.
- **Talent management** – talented employees used for present and future company's growth.

Figure 1 Workforce planning flowchart



Source: Armstrong (2014)

As seen in Figure 1, a flow chart of workforce planning identifies crucial planning activities in a company. While the areas of activities are separate, they can be interconnected as well. For example, collection of data is a crucial point for forecasting and analysing at the same time. Monitoring of recruitment and implementation can run in a circle for a better understating of the human resources needs.

3.2.2 Job position specification

A properly defined and specified job position covers all aspects of a job. The process of recruitment runs properly with a clear definition of what the company can offer to a candidate and what company expects from the candidate. In order to comply with the long term plans the specific requirements of each positions are created.

A job position analysis is a process of examination of a job-related data and requirements of a particular job position. The analysis outputs are documents such as job description and job specification. The data are further used for proceeding with definition of a job position (Armstrong, 2006).

The first step in a recruitment process is to decide whether there is an available position to occupy. The vacancy may be a new position that has been identified by a business strategy plan or might be created by an employee who terminated at a position, retired or was deployed. Occasionally, the term re-filling of a job is used as opposed to placing new employees to new jobs. The possibility of decision for a part-time employee for an employee who no longer wish to continue working full time (Foot, et al., 2008).

Koubek (2011) also proclaims that on every occasion when a job position is vacated the company's first intention is an examination of the necessity of recruitment for such a position. A company thoroughly considers other possibilities such as:

- Cancellation of a job position
- Part- time position coverage
- Fixed term contract position coverage
- Position that requires a full-time contract

As well as Armstrong (2006), Dale (2006) affirms that the initial task of a new position or a current one being vacated is a job description. This up to date information provides employers sufficient information to recognise the skills, qualification, knowledge and experience to look for in candidates. The job description traditionally contains a statement of the key responsibilities and a range of tasks. With additionally outlining the role a job position has for a company which is defined by the modern approach.

Koubek (2011) remarks that a company cannot effectively recruit, fairly assess and reward employee's work performance, identify further training needs or efficiently place employees without specification and a job description.

Creating realistic job previews of a position with its demands, expectations, advantages or challenges serves as a platform for attracting the right types of candidates and grows the retention period of the new employees. Balanced and realistically outlined job positions are providing benefits to recruitment for a company (Mathis, et al., 2010).

The information for planning human resources in a company is based on particular data collection:

- ***Qualitative internal data*** – data related to a product/ market development, work performance system or changes in the company, data related to employees, their capabilities, performance.
- ***Quantitative internal data*** –human resources data, especially fluctuations (arrivals and departures), absences, demographic development, skills.
- ***Qualitative external data*** – data collected using PESTLE analysis: capturing political, economic, social, technological, legislative and environmental impacts of a company.
- ***Quantitative external data*** – labour market data, particularly demographic development and available skills at the labour market (Armstrong, et al., 2014)

Motivation for candidates to apply for a job position had its groundings in characteristics of a company, the job and a company brand strength. The traditional motivation remained rewards are in the form of money. Rewards such as a higher pay and other bonuses are motivators only for the mechanical jobs. Cognitive skills, decision making and creativity involved tasks in a job position need more than a higher financial compensation. Purpose of a job is valued higher with the higher positions in a company. A lot of companies still operate on the outdated data and information about motivation. Motivation of candidates is highly valuable after creating a job position (Pink, 2011).

3.2.2.1 Requirements of a job position

Armstrong (2006) analyses particular qualifications for a job position which are narrowly linked to a job position specification. The specification gives a company the advance of knowledge of the requirements for each job position therefore more effective recruitment. A company chooses how much data it analyses in order to particularly specify a purpose of each job position.

Koubek (2011), on the other hand, suggests a more flexible approach to a job specification and therefore more flexible requirements for a job position. It is highly valuable for small and medium sized companies to track changes and developments of job

positions in order to create up to date roles. Strict requirements for a specific role do not work well in smaller companies where the concept of more flexible roles is applied.

Requirements of a job position serve as a detailed plan for recruitment or a particular role. The plans are resulting from a long-term workforce plans of the company. Focus lies on the main job position requirements:

- **Knowledge** – knowledge to fulfil the job requirements.
- **Skills and abilities** – special skills and abilities to carry out the job needs.
- **Trainings and qualification** – previous job position experience; qualification in professional, academic or technical field; required trainings.
- **Experience** – accomplishments through previous activities in the same field or in a similar company.
- **Specific demands** – specific areas of work where the candidate is supposed to succeed, e.g. Activities of developing new products or reaching new markets; designing new processes or systems; improving sales, productivity or revenues.
- **Specific requirements** – weekend working hours, frequency of travelling, international mobility.
- **Behavioural competencies** – required behavioural competencies for a successful accomplishment of the role, these values are closely linked to the outline of company's values and competencies as well as culture of the company (Armstrong, et al., 2014).

Dale (2006) expresses that there is no need for a job position to be described in too much detail as the candidate's pool becomes narrower as well as the aspects of their personality and necessary skills visibility to a recruiter. The primary focus should be on the aspects of the position that are essential rather than desirable in a candidate. The important personnel specifications are very similar to Armstrong's job position requirements:

- **Aptitude** – skills necessary for a successful fulfilment of the role.
- **Ability** – learning obligatory for functional performance of the role, qualification and prior learning.
- **Achievement** – record of experience indispensable for the job.
- **Attainment** – personal abilities and skills to enable requirements of the job.

Recruitment is done in the manners of achieving organisational objectives and comply with the management strategy, but it is compulsory to obey legal requirements such as labour law, employment equality, human rights and other applicable law as well (Catano, 2009).

With over 240 million employees across the European Union (EU) companies are obliged to correspond with the labour law of the EU. Labour law defines the obligations and rights for employees and employers. Working conditions, specifically working hours, part time conditions, fixed work and posting workers are one of the focused areas. Moreover, the labour law is informing and consulting workers over the areas of collective redundancies or transfer of companies. The main positive outcome for employers is the protection of health of the workforce, sustainable economic growth and a framework of obligations of the employer regarding workplace (European Commission, 2019).

3.2.3 Sources of human capital

Currently, best practices for sources of a human capital signify far more than a manager looking over a couple of resumes, interviewing two or three candidates and hiring a person acquainted to a current employee. Recruitment provides a qualified pool of candidates which translates into performance difference once a candidate is employed (Catano, 2009).

Subsequently to analysing strengths and weaknesses in order to develop an employee value proposition and company brand for the purposes of recruitment and after evaluating the requirements of a position, company is at the point of identifying its sources of candidates. Referrals or returns of previous employees are a great source of human capital and are almost always first choice of an employer. If these approaches do not fill the vacated positions, the other sources of candidates are applied: online recruitment, social media, advertising, recruitment agencies, jobcentres, recruitment consultants, executive search consultants, educational and training establishments or recruitment processes outsourcing (Armstrong, et al., 2014).

Globally, more important role is expressed by a social media recruiting. This new trend is set to develop its power in the upcoming years even more. Social networking sites are used in recruitment processes on various basis. HR specialist often use available

information from applicant's social media. In the Czech Republic, HR recruiters mostly use this tool as a supporting tool in the final steps of decision making of selection in addition to the main tools (The Influence of Social Networking Sites on Recruiting Human Resources in the Czech Republic, 2015).

Majority of companies combine internal and external sources of recruitment. External recruitment (recruitment outside of the company) as well as internal sources (human resources within the company) has its advantages and disadvantages for each type of company. In addition to internal sources faster-paced companies in a progressively changing environment need to focus more on external recruiting sources. One of the strategies states that emphasis is put first on internal and then on external sources (Mathis, et al., 2010).

3.2.3.1 Internal sources

Internal sources of recruitment are used frequently in companies of larger human resources capital. Changes within and between departments are often used as company already acquainted itself with the performance of each internal candidate. Promotions or internal moves are a common practice. Company that can offer an inner career development plan is valued on the job market by candidates.

Development of internal sources of recruitment and creation of internal labour market is motivating for employees to develop their professions within a specific company and feel employment stability (O'Meara, et al., 2013).

Mathis (2010) lists sources of internal recruitment:

- Internal transfers
- Promotions
- Internal job postings
- Referrals
- Former employees
- Temporary lay-offs – maternity leaves
- Re-hired employees

O'Meara (2013), Mathis (2010) and Raju (2009) all emphasize the advantages and disadvantages of internal recruiting.

- Advantages are:
 - Possibility of hiring entry level employees and further along their employment offer promotion
 - Motivation of internal process of succession planning, promotions and development of career paths of employees
 - Motivation for good performance at job positions
 - Time effectiveness
 - Familiarity of the work ethics, environment and company culture
 - Lower recruitment cost
 - Larger and better assessing abilities of candidate's qualification based on previous work performance
 - Retention of employee
 - Morality of a promoted employee is usually higher
- Disadvantages are:
 - Less diversified workforce
 - Lack of creativity
 - Internal promotions discontent of not chosen candidates
 - Development of training program for transferred jobs
 - Restricted number of candidates

3.2.3.2 External sources

External recruitment is part of an efficient recruitment process in a company and is usually necessary in case a company does not hire candidates internally. These sources are occupying a relatively large spectrum of possibilities for an employer. Candidates mostly bring fresh new views; more diverse working environment and external sources of candidates prove to be expanding candidates' pool for recruitment purposes.

The list by Koubek (2011) consists of primary sources (first 3 itemized) and additional sources (following four listed) of external recruitment:

- Free labour in the labour market- jobseekers at the labour offices
- Fresh graduates or candidates from other professional training institutions
- Employees of other companies who seek a change of employment
- Housewives

- Pensioners
- Students
- Working resources abroad

Mathis (2010), O’Meara (2013) and Raju (2009) underline clear advantages and disadvantages of external recruiting.

- Advantages are:
 - New perspectives and habits
 - Larger pool of candidates
 - Higher work place diversity
 - Cheaper and faster training based on external experience
 - New industry insights, different technology or expertise
- Disadvantages are:
 - Wrongly picked hires for a company culture and the job position requirements
 - Moral dispute of current employees not picked
 - Longer adjustment periods
 - Costly
 - Time consuming

3.2.4 Methods of recruitment

When choosing the methods of recruitment, a company can choose from various and highly differentiated methods. Some are more traditional, and some are new approaches, but both are constantly evolving. The most common case for an efficient use of the following methods is their combination. In that case, a company can recruit effectively.

Job fairs

Companies, economic development entities or HR associations and community groups are bringing employees to applicants on job fairs or other recruiting events. Skill-focused and industry-specific events are useful for candidates looking for particular positions. Another type are virtual job fairs used mainly by government and state’s offices (Mathis, et al., 2010).

Online recruitment

Globally, the growth of the Internet has led to an extensive use of online sources for both employers and employees. Advantages of the use of internet recruiting lies in the resources savings, larger pool of applicants and international spread of information, higher visibility of information to an employee. With the broader exposure, internet sources create more work for HR employees. Only applicants with reachable Internet sources can apply and submission of applications that are no longer valid are the disadvantages. E-recruiting means such as Internet job boards, professional or career websites and employer websites are among the most used means. Internet connections, social media and networking websites connections present a unique recruiting advantage and an informal network for both sides of the recruitment process. Other online means such as a special technology and some more unconventional tools can be used for recruiting. Blogs, e-video or recruiting through Twitter are utilized (Mathis, et al., 2010).

Labour unions

In specific fields labour unions are a source of connection between employees and employers. In electrical or construction fields the candidates' pool is open for recruitment through unions. In various companies, labour unions are strong enough to influence recruiting activities and control apprenticeships (Mathis, et al., 2010).

Media sources

Newspapers, radio, television, billboards, magazines, direct mailing are the traditional ways of recruiting. Together with Internet the media expanded to webinars, videos, advertisements, postings. Nowadays, based on traditional media postings, applicants usually expand their detailed search on the Internet to get more information about a job posting (Mathis, et al., 2010).

Television and radio have an advantage of a broad market resource as they are aware of when and who tuned in. From this data advertisers and recruiters make useful resources. Using leaflets alongside newspapers' job advertisements, sending fliers out or handing out are other more traditional possibilities (Dale, 2003).

Social media

Social media such as Facebook and LinkedIn are among the technologies to search for candidates with the use of extensive information recruiters find about those candidates through this media. Additionally, Twitter is used in order to communicate job offers by

company's official accounts. Numerous Facebook pages work for the recruiting specific groups or they are used for hosting a question and answer session by HR employees and therefore used as a communication tool (Armstrong, et al., 2014). For recruiters aiming to obtain a large quantity of applicants social media such as Facebook and Twitter are the best and the easiest. Social media recruitment stands for inexpensiveness, simplicity and efficiency (Facebook or Twitter: Effective recruitment strategies for family caregivers, 2018).

Competitive recruiting sources

Professional societies and trade associations usually publish job offers in their newsletters or magazines or online. Trade publications or competitors are another source. Sometimes retailers want to convert customers into employees by publishing job offers and creating programs for recruitment directly specified for their customers (Mathis, et al., 2010).

Recruitment agencies

Recruitment agencies are divided into private and public entities. Their purpose is to connect potential candidates of employment to an employer. Public agencies or jobcentres are country sponsored institutions that operate as employment agency, for both applicants or employers the agencies do no charge a fee. Branch offices spread all over the country depending on its divisions or regions. On the other hand, private employment agencies collect a fee for their services and can be reached also in many parts of a country (Mathis, et al., 2010). The downside of paying a private recruitment agency is that a company needs to provide information of desired candidate very carefully otherwise unsuitable candidates are delivered and company's resources are wasted (Armstrong, et al., 2014).

Headhunting agencies

Certain recruitment agencies with aggressive approach, higher fees and a focus on executive, management and other professional job roles are called headhunting agencies. The agencies directly consult and connect with prospectus candidates and companies. Candidates that are outstanding performers in their field are delivered to the employers directly (Mathis, et al., 2010). Head hunters usually use first their own contacts in the industry or a profession. Head hunter agencies are pricey, but they prove to be cost effective for senior level jobs (Armstrong, et al., 2014).

Recruitment consultants

A recruitment consultant is a person who advises, interviews and produces a shortlist of candidates. Their field also spreads to expertise and general consulting in human resources. An individual choice of a consultant means that a company focuses on the reputation, qualification and assessing skills of such a person (Armstrong, et al., 2014).

Educational and training establishments

Entry level positions are a great opportunity for an employer to use a source of college and university graduates. Universities often have career offices where applicants and employers meet, or employers come directly to present the company and career opportunities with it. Career days or student job fairs are organized on campus so that students' recruitment is made effective for them and recruiters. Guest speaking in a class or maintaining a relationship with a certain faculty of department are other choices employers often practise. Vocational schools or high schools are valued for catching the potential of students early so the companies offer summer work programs, internships and the potent students are later retained (Mathis, et al., 2010).

Recruitment processes outsourcing

The process of paid end-to-end recruitment and delivery of a candidate for a certain position is called recruitment processes outsourcing (RPO). Specifications, requirements and a detailed description is provided by managers and HR department employees. Some of the recruitment processes are not outsourced to RPO fully. Very specific or senior positions that are handled by the company itself. Saving time and bringing new expertise to the recruitment activities are the advantages. Disadvantages consist of the process being too remote or a misunderstanding of the company needs (Armstrong, et al., 2014).

As described above, the existence of various methods testifies the importance of choice of each company. At numerous times, companies choose a combination of methods or change them with the ongoing recruitment process to develop the best strategy. Each position requires different approach and resources.

3.2.5 Documentation required

Documentation, certification or proves of trainings are among the documents candidates need for a successful application submission. Apart from these supporting

materials, Curriculum Vitae and a questionnaire are the usual means of description of person's qualifications and basic data. Companies prefer to have the most information ahead of selection.

By Koubek (2011) a job position requirement together with a recruitment strategy of a company lead which documents a candidate is required to have:

- Questionnaire
- Curriculum Vitae
- Certification of education or trainings
- References
- Cover letter

Noe (2011) specifies that providing background information such as an application form or a resume is an inexpensive method for a company obtaining information about an applicant. Checking the information and references is part of the process. He advances with the specification of these required documents.

Application forms

Application forms are created to standardize categories of information that are provided. The document focuses on generating contact information, work experience, educational background and applicant's signature after a statement of true and complete information is provided. Other areas may include specific work experience, technical skills, memberships in professional groups (Noe, et al., 2011). Bohlander (2015) complements this information with questions about arrests or criminal records, national origin or disabilities.

Resumes

By submitting a resume, a potential employee provides a personal introduction. Educational background, related work experience among with an insight of a communicational style of a candidate is reviewed. Unclear, grammatically incorrect or confusing resumes are typically declined. If an employment application cannot provide the space, resumes are used by candidates to express their achievements and highlight positive traits (Noe, et al., 2011).

References

References from previous employers or other reliable sources are provided by candidates so a potential employer can later check it. Job performance, abilities and correctness of the information provided by a candidate is checked later with the referred people. The form of a letter of recommendation written by the person of reference is often used as well (Noe, et al., 2011).

3.2.6 Pre-selection of candidates

Foot and Hook (2008) created a list of pre-selection activities performed by HR employees:

- Pre-selection is done by at least two independent persons.
- Record of where candidates fulfil or miss the position requirements is created.
- Sorting all applications by: suitable/ acceptable/ unsuitable.
- Order of all suitable applications is carried out.
- Persons performing the pre-selection act based on specific requirements of the job position and a pre-selection of accurate number of candidates suitable for an interview is achieved.

To save time and resources, the pre-selection of candidates is done based on details provided in the applications. The information provided by a candidate suggests if a person meets or does not meet the job basic requirements and specifications (Armstrong, et al., 2014).

Some literature places required documentation such as resumes, background checks, references and application forms together with the pre-selection of candidates under the section of selection. Initially, recruitment and selection follow each other and the line between them can be blurry. Selection itself is described in the next chapter.

3.3 Selection

Hiring decisions try to find the people who would be a great fit into a company. There is not probably more important topic in human resources than selection of employees. Hiring the best and brightest people in a company supports its success and

growth therefore the necessity is to take care of the process in a proper manner. Selection methods and criteria are various, but interviews or tests are one of the most used ones. A company tries to predict accurately who would be a good selected applicant and tries to avoid selecting a candidate that would not be suitable for the company.

Selection is defined as a combination of various processes leading to a selection of one or more candidates over the rest of them for one or more job positions or roles (Edenborough, 2007).

Selection definition by Armstrong (2014) explains that the process is aiming to assess the suitability of applicants by foreseeing their future success in a job role. The characteristics of a candidate such as competencies, experience, qualifications, education and training are compared to a person specification and concluding in a choice between candidates. Traditional and generally used selection methods consist of an application form, references and interviews. Assessment centres and selection tests are added based on individual company's needs.

Selection is used as a decision-making tool over people who will or will not join a company. The reduction to a one best candidate, who can perform the available job, from a pool of candidates through recruitment is understood to be the selection. The principle suggests that combination of several sources of information provides a better understand of selection (Noe, et al., 2011).

Bohlander (2015) describes selection as: *“The process of choosing individuals who have relevant qualifications to fill existing or projected job openings.”*. After recruitment process is administered and a relevant number of applications is received, selection reduces the number and let recruiters choose only among the applications that describe the candidate as the one with relevant qualifications. The overall process of selection is managed by the HR department, but line managers are a part of the final decision in order to run their units competently.

Raju (2009) declares that securing application from various sources of recruitment gives space to a start of selection. In order to reduce cost of a labour turnover a careful reviewing of candidates' skills, abilities, qualifications and personality fit is essential.

The strategy approach to selection safeguards that it contains reliable valid information that can be generalized and highly utilized and that the selection criteria comply with legal requirements. Especially equal employment opportunity and candidate's

privacy rights are protected. In case of international selection, the company provision is to ensure the compliance with immigration laws. The information provided in applications is confidential and companies' promise is to handle them securely (Noe, et al., 2011).

3.3.1 Criteria of selection

A company should express the importance of a chosen criteria in order to reflect the nature and a qualification for each job position. Criterion should be measurable, so a fair approach is taken to all current or future applicants. No discrimination of applicants in selection is non-negotiable. Armstrong (2014) states that criteria of a person specification is compared to the information in applications. Criteria is classified in an order to guide the primary selection decisions:

- ***Essential*** – Unless this criterion applies, candidates are not further processed.
- ***Very desirable criteria*** – Applicants fulfilling this criterion are given a preference.
- ***Desirable criteria*** – Not an essential criterion but a possession of this criterion makes applicant favourable. If a candidate possesses both previous criteria, the decisions are based on this criteria satisfaction.

Afterwards, the initial sifting of applications occurs. The possible, marginal and unsuitable labels are put on applications and the desirable number of successful applicants is left for the next steps of selection (Armstrong, et al., 2014).

3.3.2 Methods of selection

Use of specified methods of selection, before the decision of employment is made, are essential and highly important. The existence of various methods indicates that the use can vary depending on each company and position. Different methods are diversely measurable and have distinctive importance.

Companies regularly adopt various selection as there is no commonly accepted one. Depending on a nature of a position or requirements selection is designed to measure, evaluate and finally offer the decision to make about employment. Steps of selection are applied in order to predict the performance of applicants in a job (Durai, 2010).

Armstrong (2014) acknowledges the main stages of selection:

- Interviewing
- Testing
- Assessing candidates
- Obtaining references
- Checking applications

3.3.2.1 Interviews

Dale (2006) presents that the interviewers perceive the first impression of a candidate within the first 30 seconds and during the first two minutes a strong and lasting impression is made. Usage of words, an accent, a tone of voice together with the non-verbal skills, clothing, gestures or references and a previous information gathered from a resume plays a role on how a person is perceived.

The most frequently used method of selection is interviewing. Candidates are hardly often hired for a position without an interview. Interviews are in a great majority conducted on one-to-one basis. In order to avoid biased results another employee may join the interviewing process. Selection board or a panel of all parties interested is used in the public sector interviews at times (Armstrong, et al., 2014).

A highly used setup for an interview is an individual face-to-face approach of an HR professional or a manager of the unoccupied position to a candidate. In panel interviews a board of involved employees ask questions to a candidate in one interview setup. The interviewers take turns in asking questions and after the interview the boards decides together (Noe, et al., 2015).

Video interviews are nowadays used to evaluate candidates as well. Their advantages are related to a cost, speed and flexibility and are used in order to move selection faster (Bohlander, et al., 2015).

Nondirective/ unstructured interview

Roberts (1997) defines unstructured interview as an interview of a free-ranging general discussion with the interviewee asking a few job-related questions and an overall picture of a candidate is created based on the HR employee perception. Random questions tend to be used as well. The subjective judgement of an interviewer is used as a performance review of the candidate.

Structured interview

A defined framework of questions serves as a guideline for a structured interview. A rating system might serve as an assessment tool to a predefined set of questions. A candidate's Curriculum Vitae or application is developed by the questions asked in order to gain knowledge of candidate's abilities, skills and knowledge (Armstrong, et al., 2014).

Situational interview

A structured interview where the interviewer describes a job-related situation and expects the candidate to describe his or her behaviour in that situation is called a situational interview. A job future performance is predicted in this type of interviews (Noe, et al., 2015).

Behaviour description interview

Bohlander (2015) defines behavioural description interviews as a description of candidate's past work situations and their solution offered by the applicant. Future performance is predicted based on past action of a problem-solving situational scenario. High-level professional positions or general and executive manager candidates are often involved in this type of interview.

3.3.2.2 Tests

Tests should work as a supplement to other methods of selection. Standardized conditions are one of the preliminaries of testing in order for the test to be unbiased and without external influences of the results. Tests generally provide highly valuable information to companies. The accuracy in selection, objectiveness, cost effectiveness or a help in reducing an employee turnover are among the advantages of the testing (Raju, et al., 2009).

Noe (2015) declares that, frequently, after a narrower pool of candidates is established by passing on the successful candidates through resumes and application checks or initial interviews, a testing is introduced. The two categories of tests that are used are:

- ***Aptitude tests*** – Test that evaluate how well a candidate is able to learn and acquire skills and abilities for a position.
- ***Achievement tests*** – A test that assess a candidate's already gained skills and knowledge.

By Armstrong (2014) a test provides a valid and reliable prove of applicants' aptitudes, accomplishments, personality characteristics, abilities and intelligence. When interpreting the results, the tests are assessed based on a comparison of the results to norms or criterion scores. Norms provide the scores achieved by other applicants before in a form of a reference group or a normative score. Criterion scores measure the relationship between the scores of the test and an indicator of designated measure. A well-managed testing measures data that provides reliable predictions of performance and behaviour of people for the job positions they apply to. Standardization of criteria of a same measure in order to create a norm is required to propose a fair comparison. Reliability and validity are the two key criteria for a successful testing.

Physical ability tests

Noe (2015) indicates that with automation and modern technology, the physical ability tests pay less role. Still some jobs involve certain physical skills or psychomotor abilities. If physical abilities are essential to a job performance, the tests are required by a company. Muscular tension, power and endurance or cardiovascular endurance, flexibility and balance are some of the areas to be tested.

Cognitive ability tests

Mental capabilities such as general intelligence, numerical ability, verbal fluency or reasoning ability are measured by cognitive ability tests (Bohlander, et al., 2015).

These tests, at times called intelligence tests, measure mental abilities of a candidate such as mental abilities and quantitative skills. A requisition for many jobs is a strong mental ability so companies use test to get a valid information about these abilities. The relatively low cost and validity are the advantages of the cognitive ability tests, on the other hand, occasionally the problem of their legality arises (Noe, et al., 2015).

Job performance test and work samples

By Bohlander (2015) job sample tests involve a candidate to perform job related tasks. The potential of an applicant is observed while performing the tests to acquire knowledge over their competency to perform the job tasks.

Specialized tasks such as an operation of certain machines, customer calls service performance or presentation of advertising materials are evaluated on these skill-based tests. Samples of previous work or a test of possible future work tasks are handled in.

In-basket tests show a person's ability to manoeuvre variety of demands or keyboarding skills and are the object of testing for managers (Noe, et al., 2015).

Personality tests

Personality tests assess a candidate's personality as well as interests, values or work behaviour. The information is used as a supplementary evaluation of a person and provide non-biased data (Armstrong, et al., 2014).

Less often, companies test candidates in personality inventories. Extroversion, agreeableness, conscientiousness, inquisitiveness and adjustment are the terms that are assessed in personality tests. The tests' positive value for a company lies in a smooth team work prediction when a good personality fit is found. Certain personalities are searched by companies with a strong company culture to further promote their values (Noe, et al., 2015).

3.3.2.3 Assessment centres

Assessment centres date back to the Second World War where they were used by British, US and German armed forces for an officer selection. The assessment techniques that are nowadays used provide ways for a creation of a behaviour which is understood as an evidence or a competency. The method is used in the private sector as well. The standardized practices of assessment centres are used to measure candidate's fit to a position (Edenborough, 2007).

According to Armstrong (2014) in assessment centres a group of applicants is created and various assessment methods are used in a certain time frame which is usually one or two days to provide a steady and comprehensive overview of a suitability of an individual candidate for the purposes of a job position. The practice of an assessment centre provides more information than a usual interview but tends to be more financially demanding and time consuming, so the use is mostly limited to graduate or managerial positions.

An assessment centre presents a standardized evaluation of behaviour based on various inputs and evidence constructed practices. A prediction, diagnosis and development are the purposes of assessment centres. The tools for assessment vary from behavioural simulation exercises, structured interviews, situational judgmental tests, role-

plays to other tools (Investigating the Entrepreneurial Potential of Students – Design and Preliminary Validity Data of the Assessment Center Method, 2015).

3.3.2.4 Background checks

Background checks create a verification of candidate's statements and provided information. Using criminal checks or simply the Internet to investigate on a person is used most frequently. Criminal records check and social security check are among the first to look into by a company. Other special checks are conducted if needed: motor vehicle records, credit cards or military checks are used at times. Some companies outsource these sensitive checks to screening companies or government offices with the validity and sources to do so (Bohlander, et al., 2015).

3.3.2.5 Physical examination

Medical tests ensure the physical requirements of the job and are often requested by an employer (Durai, 2010). Due to higher costs, the medical examination comes as a later step in selection. The initial medical check also provides data for future comparison when an employee undergoes the examination in the future. Some companies demand drug testing as part of medical examination or as a separate testing (Bohlander, et al., 2015).

3.3.3 Decision of employment

A company concludes selection with a decision of employment after their offer to a candidate is presented. A prospectus candidate and the company then sign a contract of employment of the candidate and the process is finalized.

At times, there are several eligible candidates in the final stage of selection when a company wishes to make sure that a position will be occupied in case the most desirable applicant withdraws from the process or an employment offer is not agreed upon (Armstrong, et al., 2014).

The final decision is most frequently provided by managers or supervisors of the role after an interview with the applicant. The decision is then communicated to human resources department. The HR department employees are usually the ones notifying candidates of the decision. If physical examinations are not provided by this step, their passing serve as the last confirmation of the decision of employment by a company. The

deadline for candidate's decision, working arrangements, rewards and benefits, a wage and other important details are communicated to the applicant (Bohlander, et al., 2015).

Noe (2015) specifies that an offer presented to a successful candidate should contain job responsibilities, work schedule, rate of pay, starting date and other relevant data. For professional or management positions a negotiation over a pay or benefits may occur. After an offer is accepted by both sides of the employment contract, HR department notify the supervisor or manager to prepare for the new hire's starting date.

3.3.4 Follow-up

Mostly, recruitment and selection are perceived as a process up to a decision of employment of a candidate is made. An offer is usually made to a candidate who suits a position at the greatest level from all other candidates but not always perfectly. Therefore, it is important to plan an introduction process, adjustment to a job and re-design the role if needed. Managers of the new hires are informed on what specific requirements for the employee should be done based on collected information during selection (Roberts, 1997).

Following up with a review of the recruitment process itself is important for improving any procedure during the process. If any mistakes or misunderstandings were conducted their elimination for a future practice is desirable (Armstrong, et al., 2014).

4 Practical Part

In order to apply the theoretical knowledge from literature review part of the thesis the company W.A.G. payment solutions, a.s. was analysed. All the information provided in the practical part was gathered from internal sources of the company and by interviewing HR Recruitment Team Leader of Human Resources department of the company.

4.1 Characteristics of a selected company

W.A.G. payment solutions, a.s. is a joint-stock company founded by Martin Vohánka in the Czech Republic in 1995 that provides integrated mobility solutions. The company headquarters in Prague 4 in Na Vítězné pláni 1719/4, 140 00. W.A.G. payment solutions, a.s. is operating under a corporate brand Eurowag (EW).

A registered capital of the company counted of 111,728,196 CZK in 2000. The registered capital was repaid in 100%. Capital stocks of the company are divided in 108 shares of the value of 1,000,000 CZK, 30 shares of the value of 50,000 CZK, 1 share of the value of 296,000 CZK, 1,929,916 shares of the value of 1 CZK and other types of shares covering the rest of 2,280 CZK (Ministerstvo spravedlnosti České republiky, 2019).

The company was established as a single man company under the name W.A.G. minerální paliva, a.s. and changed its name to W.A.G. payment solutions on 1st August 2012 to aligned to its strategy of international expansion. Over the last 24 years the company increased to the current size of 18 offices distributed across 18 European countries. The first geographical expansion abroad occurred in 2007 after the Czech Republic's succession to the European Union in 2006.

The company initially focused on the distribution of petroleum products from Czech refineries to agricultural holdings, industrial enterprises and petrol stations across the Czech Republic. The company became the first holder of certification ISO 9001 in the industry in 1999 (W.A.G. payment solutions, a.s., 2018). The scope of the company later developed into card payment solutions for fuel and tolls and other services to the ground transportation companies across Europe. The growth from a small to a medium size company befell between the years 1995 and 2011. The company established itself as a corporate company in the transition period of the years 2011 to 2016. Eurowag nowadays consists of 51 daughter companies of W.A.G. payment solutions, a.s. that are together unofficially called W.A.G. group (W.A.G. payment solutions, a.s., 2018).

In 2018 Eurowag expanded to three more Eastern European countries: Belarus, Russia and Ukraine (W.A.G. payment solutions, a.s., 2019). The company employs 820 people to the third quarter of 2019 and is growing.

Figure 2 New logo



Source: W.A.G. payment solutions, a.s. (2019)

In 2018 the company completely rebranded its visual communication by changing its logo and all other visual identity elements. The current logo is simplified and represented by single coloured EW letters together with the brand name Eurowag as shown in Figure 2.

4.1.1 Objectives of the company

The objectives of the company are focused on the prosperity of the relationships with the customers, business partners and society as a representation of all company's stakeholders. Digitalisation of processes and innovation are the long-term objectives of Eurowag and the company's strategies are developed accordingly.

Eurowag is offering integrated solutions in fuel and toll payments, tax refunds, financial services, fleet management systems and broad scope of other road mobility related services to international transportation companies. The company serves daily over 250,000 commercial road transport vehicles and 90,000 passenger cars through Europe, Asia and Middle East (W.A.G. payment solutions, a.s., 2019).

With annual rate of growth of 28% between years 2008 and 2018 the company is the fastest growing provider of integrated mobility solutions in Europe. The company's turnover in 2017 reached 1.2 billion EUR and EBITDA of the same year grew to 23 million EUR. The net revenue results of 2018 are a 27% growth compared to the previous year 2017. Eurowag grew amid 25% to 35% between the decade in their core

business of fuel and petrol payments, toll payments, tax refunds and telematics. Tax refunds services is the fastest developing segment of the company reaching growth rate of 3,792% in one year (Eurowag, 2018).

The five most significant products as of 2019 are:

- **EETS on-board unit** – The on-board online unit provides services of tolls and fleet control.
- **OBD Dongle** – A mobility telematic hardware of latest technology offers access to OBD Diagnostics, CAN connection, driving style evaluation and alarm solutions.
- **Payment cards** – Fuel card propose access to fuel payment, TIR wash and parking in 11.000 sites in Europe. Eurowag Mastercard introduces the possibility of sending emergency cash from clients to their drivers.
- **Telematics unit** – A telematic hardware called Vectronics 770 provides an installed GSM and GNSS antenna and wireless Bluetooth connection for drivers.
- **Petrol stations and truck parks, TIR wash** – Branded petrol stations with close by truck parks are distributed across Europe. Truck washing is offered in one location in Modletice, the Czech Republic (W.A.G. payment solutions, a.s., 2019).

The values of the company represent the key principles of company's culture, its employees and management style. The values are put in action by company's behaviour on the market. The values are (W.A.G. payment solutions, a.s., 2019):

- Trust
- Independence
- Joy
- Teamwork
- Social Responsibility
- Integrity
- Excellence
- Innovation

4.1.2 Organisational structure of the company

The organisational structure evolved from a small to medium size company up to a corporate company that still sustains the culture of informality, friendliness and causality but proposes the systematics of processes of a corporate company in order to succeed internationally among other well-established companies on the market.

The division of the organisational structure consists of senior management that is overseen by a supervisory board to meet the legal requirements of a joint stock company. Other management positions in the company structure are Executive Directors, managing Directors, Cluster Directors, Heads of departments, Country Managers and Team Leaders.

Supervisory Board

Supervisory board to senior management counts 7 members with a supervisory board chairman Ketil Thorsen. Promoting the interest of shareholders and selection of executive board is the board duty.

Senior Management

Senior management of Eurowag is responsible for success of the company and represents the values of the company. The chairman of the board is the company's CEO and founder Martin Vohánka together with 6 more members of the top management. The positions within top management are represented by Chief Commercial Road Transport Officer, Chief Operations Officer, Chief Financial Officer, Chief Quality Officer and Chief Corporate Development Officer.

Executive Directors, Managing Directors and Cluster Directors

Under the senior management in the organisational structure the positions belong to Executive Directors, Managing Directors and Cluster Directors. These positions are at the same level in the structure and cooperate between each other in order to make informative and successful decisions. Finance Executive Director, Executive Operations Director or Executive HR Director are some of the positions at this level in Eurowag.

Heads of departments and Country Managers

The next managerial level in the organisational structure is represented by Heads of departments and Country Managers. Eurowag is represented in 18 countries with distinguished market where the roles of Country Managers are needed. Head of Sales role in some smaller offices across Europe is often represented by Cluster Director. The reason

is that in the smaller Eurowag's offices there is a minimum of other employees than in the sales department.

Team Leaders

The last level of the management of the company is embodied by Team Leader's position. This position is the ultimate one that is leading a team and has larger decision-making responsibilities.

Division of Eurowag to various departments allows employees to focus on different areas of work in their positions (see Appendix 1).

4.1.2.1 Nationality of employees

Eurowag is a company that spreads through 18 countries of Europe therefore the distribution of nationalities is wide. The nationality represented the most in the company is Czech based on the headquarters' set in the Czech Republic's capital Prague. Slovak and Polish nationality is the second most represented which complies with the size of offices in these two Central European countries (see Appendix 1).

Eurowag's annual report of 2018 state that from 820 employees, 30 different nations were represented. This diversity brought the company to the use English as the company's official language across all levels of the organisational structure.

4.1.2.2 Age of employees

The age is not a criterion for a successful candidate's recruitment in Eurowag, but it plays its importance structurally in different levels of management, in performance of a team or in making decisions based on previous professional experience.

As of June 2019, the diversity in age of employees is normal (see Appendix 1). A relatively young average of employees is represented by 69% employees between the age 20 to 30 and a group of employees between 31 to 40 years old.

The average age of the top management in Eurowag balances between 34 years and 47 years. The youngest average among the positions is Chief Financial Officer with the average 34 years old employee representing this role. Followed, the same 35 years on average for the role of Chief Corporate Development Officer and Chief Commercial Road Transport Officer. The average of 37 years is represented by Chief Quality Officer and the

highest average 38 years in the position Chief Operations Officer. 47 years on average is represented by Chief Executive Officer.

4.1.2.3 Education of employees

Education provides the theoretical grounds that are later applied in a professional career. Collecting theoretical knowledge is most commonly done through attending colleges, universities or other institutions of higher education. The most common degree students reach is bachelor's degree, master's degree or PhD.

The highest studied educational degree reported in Eurowag is PhD, followed by master's degrees and bachelor's degrees. MBA program was studied by the company's founder and CEO Martin Vohánka.

The most universities attended by Eurowag's employees are located in Prague (see Appendix 1). Majority of employees studied at the University of Economics, Prague; followed by Czech University of Life Sciences Prague and the third most attended was Charles University in Prague. All of the universities have faculties dedicated to education in the field of management and economics.

4.1.3 Analysis of current state of Human Resources in the company

Human capital is the key to success of any company and therefore its functions are vital for a prosperous company. Attracting the right people to the company and retaining them or helping them grow professionally within the company is the highest accomplishment of HR department. HR departments might be less visible to the outside of the company, but they care for the core of the company: its people.

The high number of opened positions and new employees in the company is due to the growth of the company as well as an employee turnover. In the previous years the rapid growth of the company provided the space to recruit about 100 employees a year. During 2018 Eurowag welcomed overall 160 new employees to the company. In the same year the company also completely changed its leadership team.

Whereas previous years turnover of employees was caused by the growth of the company, in 2019 the reason behind high employee turnover is the rising number of departures. Employee turnover reached 20% of employees up to the third quarter of 2019. Currently, the average period of employment in Eurowag lasts 2 years. Up to the third quarter of 2019 total of 27 positions are available.

4.1.3.1 Organisational structure of Human Resources department

Human Resources department in Eurowag complies with the overall strategy of the company and is organised in a way that it provides sufficient support to other departments internally as well as sustains its own needs and work successfully externally as well. The department works in the general areas of Human Resources Administration, Recruitment, Training and Development and Compensation and Benefits. The position of Internal Communication and Employer Branding is also covered by this department. HR department is headquartered in Prague and supports all other 17 offices across Europe.

With the company growth of about 20 new hires each month, the largest work tasks of the department belong to the recruitment process and HR Administration. The recruitment processes are managed for the Czech Republic and Slovakia from Prague office. Other offices around Europe administrate the recruitment process by their own means and the headquarters supports them additionally in methodology, contracts administration or social media (LinkedIn) job postings.

The HR department consists of seven different positions:

HR Executive Director

The HR department is led by HR Executive Director that is a director level position within the hierarchy among other department's directors in the organisational structure. The HR Executive Director directly reports to Chief Operations Officer but is not a member of the board of the company. The position oversees all operation within the department and is responsible for achieving set indicators and objectives of the department as well as develop and implement organisational programs. Four positions directly report to HR Executive Director: HR Administration Team Leader, HR Recruitment Team Leader, Compensation & Benefits Specialist and Internal Communication & Employer Branding Manager.

HR Administration Team Leader

The HR Administration Team Leader is responsible for managing tasks connected to all employees and new hires together with 4 HR Specialist colleagues in HR Administration section of HR department. This role directly reports to HR Executive Director. The main tasks of the HR Administration team are preparation of new recruits' contracts before their starting date, appendices to contracts and changes of current contracts that require adjustments or modifications obligated by the law. The termination

of employment is proceeded through HR Administration as well. Documentation for payroll processing is prepared by the team and is further administrated by an external company. The Team Leader works together with HR Specialist with the HR system that is applied in the company to efficiently process HR related assignments. The segment is also a primary contact to all employees answering to their ad hoc questions related to their employment or HR agenda.

HR Recruitment Team Leader

The role of HR Recruitment Team Leader together with one other colleague run the recruitment process of the company. Selection is outsourced and managed externally by 4 recruiting agencies. In Prague's headquarters the help of 3 contractors in the recruitment team is used to enforce the externally proceeded selection. The recruitment team is responsible for recruitment of candidates by posting jobs, pre-selecting candidates and managing job interviews. Interviews take place in cooperation with other departments and specifically line managers of the new positions. The job task of this section of HR department is completed when a successful candidate accepts a job offer.

HR Specialist

There are 5 HR Specialists in the HR department divided between three sectors: Training & Development, Recruitment and HR Administration. The positions are responsible for operation of the department and report either directly to HR Executive Director in the case of HR Specialist in Training & Development or to their managers in case of HR Specialist in Recruitment and HR Specialist in HR Administration.

HR Specialist in Training & Development

The position accounts to HR Executive Director and is solely responsible for implementation of training agendas, offering professional courses, application of development programs and coaching. The role requires the HR Specialist to oversee the needs of trainings in various levels of management and develop a training strategy in the company.

Compensation & Benefits Specialist

The Compensation & Benefits Specialist directly reports to HR Executive Director and is represented by a single employee in the section. This position management of system of benefits offered by the company to its employees, calculation of bonuses and preparation of budgets and forecasts for the HR department.

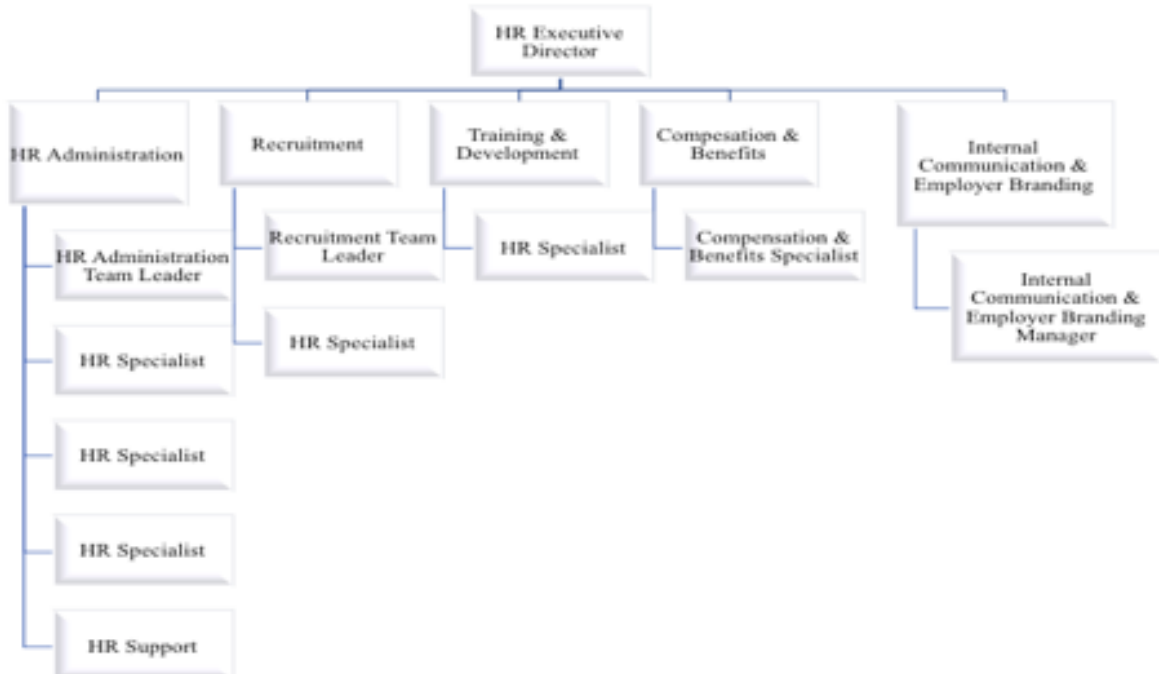
Internal Communication & Employer Branding Manager

This role is part of HR department because of a close work relation establishment with the data provided by HR department. The Internal Communication & Employer Branding Manager is responsible for internal communication, creation of newsletters, informing employees of changes in the company as well as organisation of company's incentive trips, team buildings and events such as Christmas party for the employees of headquarters. External communication and building Eurowag's brand are part of the duties of this role. This position reports to HR executive Director.

Contractors

Among the established organisational structure there are 3 contractors in the Recruitment section of the HR department. They directly report to HR Recruitment Team Leader. Contractors' priority job task is search of external sources of candidates and direct contacting of candidates over the professional social media platform LinkedIn. The main reason for establishing these positions is the enlargement of pool of candidates.

Figure 3 Structure of HR department



Source: own work (according to W.A.G. payment solutions a.s., 2019)

The organisational structure of HR department is visible in the organisational chart of HR department in Figure 3 above. Direct reports in the department are connected by blue lines.

4.2 Current recruitment and selection

The recruitment section of HR department plays a key role in attracting candidates to job vacancies, selecting candidates to job positions, managing job postings online and run the overall effective process of human capital sourcing. Subsequently, these activities comply with the human capital strategy of the company.

The newly opened positions are planned in advance by the senior management each year. The usual process takes place in the second half of the previous year so that the human capital of the company is planned for the entire year ahead. The plan mainly depends on a budget dedicated to the recruitment of new candidates. The strategic plan is developed in a close partnership with controlling department. Even if the human capital plan is not followed strictly, the company is very agile to adjustments based on the current human capital needs.

The recruitment and selection for all positions in the Czech Republic is maintained by the HR department in Prague's headquarters. The HR department supports all recruitments for the positions in Prague and in Dačice office. The department also partly supports the recruitment and selection of Slovak branch of Eurowag. Hardly often the recruiters from headquarters select candidates for other offices across Europe. HR Recruitment Team Leader together with one HR Specialist and three contractors are responsible for the overall successful hiring processes.

The most job openings are in sales and IT departments followed by finance department. The other hiring activities occur mostly for positions in administration, marketing or customer service. The job openings are also divided between part-time, full-time and absolvent positions. The company does not have any particular program for absolvents of universities, but the positions are marked as suitable for absolvents next to a title of a position. The company generally prefers candidates with previous professional experience.

Line managers of various departments are responsible for a job position specification. Internally, the information about a position in organisational structure of the

position as well as location in a specific work team is shared between line managers and recruiters. The job specification complies with a contract type and full-time or part-time work demand. Further information covers the preferred starting date, salary range and the professional experience desired in a candidate. Soft-skills such as creativity or assertiveness are detailed together with qualities, language demands, trainings or skills that are needed to succeed in the position.

The description of a position delivered by line managers is revised by the recruiters and either sent back to line managers for corrections or processed further into job postings. The job postings are solely a responsibility of the HR department.

The official information about a position in a job posting that is used externally includes the following:

- Title of a position
- Job location
- Employment type
- Contract type
- Duration of employment
- Required education
- Required languages
- Job responsibilities
- Desired experience, skills and knowledge
- Offered benefits and compensations

Normally, the recruitment and selection for a new position is managed within the range of 2 months and at times in a shorter period. During this time HR recruitment team is in close contact with the line managers in order to update them about the process. The job specification can be adjusted during the recruitment in order to gain more quality or quantity of candidates.

4.2.1 Current recruitment

The balance between internal and external sources of candidates in recruitment is an important factor for connecting the desirable candidate to a new job. The company selects the best fit for a position from a pool of internally or externally pursued candidates.

Acquiring a large pool of candidates for a certain position gives the recruiters a chance to select the top candidate. Therefore, the activities of recruiters largely involve raising awareness of vacated positions by selecting quality sources of candidates.

The ideal employee by the company's Candidates manual (W.A.G. payment solutions, a.s., 2019) should poses further mentioned skills to comply with the culture and values of the company:

- Curiosity
- Teamwork
- Humour
- Leaving comfort zone
- Courage
- Social Intelligence
- Digital first
- Customer experience
- Learn fast, learn cheap

4.2.1.1 Internal sources

The internal sources of candidates for newly opened positions in the company are generally not preferred. For one reason, the newly selected employee for a position will leave behind a vacancy. The process therefore gets twice as long because of the unoccupied position left by the newly promoted or internally transferred employee. The number of opened positions is high thus internal sources are not preferred. For another reason, the company prefers new employees with fresh approaches and ideas. The new candidates usually possess professional experience and qualifications from companies within similar field and therefore pushes the business of Eurowag forward with the knowledge brought. Lastly, the set of skills the company seeks for a new position is commonly not found within the current employees.

The company does not have a priority in recruitment of internal sources of candidates neither does the HR department send any information through internal communication about a new position prior to a job posting to give advantage to current employees. Eurowag's employees should check the job postings online on the career

website of the company or on the intranet platform of the company in the HR section if they wish to pursue a career path change in the company.

Referrals

The company supports referrals by employees through a referrals program with a bonus of 20.000 CZK if a new hire stays with a company longer then the probation period of the first 3 months. This program is aimed at the professional acquaintances of employees, previous colleagues or any other relevant candidate for the vacated positions.

4.2.1.2 External sources

In the current situation on the Czech labour market with a very low unemployment rate, the employer's activities to attract candidates from external sources are amplified. The company focuses on attracting the active job seekers as well as searching and targeting the passive candidates that are potentially interested in a change of employer. External sources are used as a main source of candidates for Eurowag.

In order to expand the sources of human capital the company regularly uses the services of various recruitment agencies, sourcing and headhunting activities provided by contractors of HR department, postings of job offer on a company career website and a social media platform LinkedIn.

Online recruitment

Job postings to online job boards are one of the most important sources of candidates in Eurowag. The platform Teamio is used to manage the pre-selection of candidates and share the information with other colleagues. The platform is connected to an online job board Jobs.cz which is one of the most used job portals in the Czech Republic. Through this website applications are submitted by candidates. The career website of the company is connected directly to the online job portal Jobs.cz so the candidates gather in the same database when applying online through this job board or directly through the career section on the company website. The career website of the company is delivering the same level of information about new job vacancies and is updated with every new job opening.

Social Media (LinkedIn)

Targeting potential candidates and headhunting qualified passive candidates on social media is another activity providing a source of human capital to the recruiters.

Research and direct targeting activities on LinkedIn are managed by contractors in the recruitment team and are focused on amplifying the number of candidates to open positions.

Job Fairs

The company is attending job fairs and recruitment events 1 to 2 times a year in a pursuit to gain more candidates to open positions and to raise awareness about Eurowag as an employer. Job fairs are a source of networking between candidates as well as employers.

Recruitment agencies

Recruitment agencies have been used in Eurowag on a regular basis for more than 5 years. A solid long-term work relation is established between the company and the recruitment agencies in order for the agencies to select the best candidates. The applicants are selected not only based on knowledge, skills and professional experience but also on a fit to the company culture.

Outsourcing recruitment to a recruitment agency provides more space to recruiters to focus on selection of candidates. The agencies solely pre-select candidates by inviting them for an interview. After this step the successful candidates' profiles are sent to the company for further process of selection.

Four different recruitment agencies are contracted under a service-level agreement (SLA). The agreement does not specify a defined number of candidates delivered for a certain position, but the aim is to provide the company with candidates with the specified skills in the least possible time. A regular progress reporting is established between HR Recruitment Team Leader and the agencies.

4.2.2 Current selection

The company uses various methods of selection of candidates to assess a right candidate for a position and to successfully hire a prospective new employee. Different methods are used by recruiters to validate if a candidate possesses the right skill set, knowledge of the field, previous job experience, education and fit to a company culture.

In order for a candidate to be considered for a position an online application and submission of a CV on a career website of the company is mandatory. Together with personal information a candidate states the level of English and Czech language, salary

expectations per month, a desired job location and an available starting date. Together with a Curriculum Vitae a choice of another supportive document submission is offered. Further, another option provided is a section of a cover letter. Lastly, the application provides a space to express candidate's opinion on where they heard about the position.

4.2.2.1 Examination of CV and application form

An online application and a Curriculum Vitae are reviewed by recruiters as a first step of selection in Eurowag. Merely these two documents serve as a base to decision in this stage of selection. Further methods of recruitment follow to examine the remaining candidates.

In case a recruitment agency is involved in the first step of selection, the pre-selection is done by the agency. The agency delivers pre-selected candidates and from this point the recruiters in Eurowag handle selection. The recruitment agency is therefore responsible for acquiring the same or similar information from candidates as the company itself by using the company's online application form and CV submission.

If the company needs obtaining missing information about a candidate after thoroughly studying the online application together with a Curriculum Vitae, a telephone call is made to the applicant to fill in the empty information. For some positions, such as Marketing Manager, previous work samples are requested over the telephone call as well.

4.2.2.2 Interviews

Interviews are predominantly considered the most valuable method of selection of candidates in the company and are used preferably. A recruiter prepares for an interview by studying information in a candidate's CV, reviewing a previous professional experience and understanding the key requirements for the position.

The company does not establish a defined number of interviews a successful candidate should undergo for a position but in 90% of cases a line manager together with a recruiter is present in the first round of interviews. Hence, group interviews are the most used method. For the capacity reasons the HR department involves the line managers in the first round of interviews in order to decide over a candidate in shorter period of time. Sometimes a candidate is selected after the first interview and at other times, a second

interview is scheduled with the candidate. Usually, no more than 2 rounds of interviews are used.

A combination of unstructured and structured type of interview is usually held in order to obtain information about professional experience, skills, knowledge and to get a general feeling about a candidate. If a second round of an interview is needed the manager and a recruiter meet with the candidate again within a 7 to 14 days range to source the missing information.

Skype video call interviews are performed often for remotely positioned candidates and for positions for the office outside of Prague. Also, the interviews for Slovakian positions are managed through Skype video calls.

4.2.2.3 Tests

Commonly, tests are not performed as part of selection of candidates. A testing of Microsoft Excel spreadsheet skills for some analytical positions or a case study for marketing positions are evaluated internally by recruiters and used specifically in the cases certain positions.

The more advanced testing is outsourced and evaluated externally. The cognitive ability tests such as knowledge and skills tests and qualifications tests are used to senior management positions only and require psychological diagnosis, leadership skills and logical thinking tests. This set of tests is used only in about 5% of all cases.

4.2.2.4 References

Officially, references are not required from candidates. If an applicant is asked for a reference, the reference is not obtained from a current employer to comply with a discreet approach. Therefore, a reference from a previous employer is acquired if a candidate is employed at the moment.

For senior level positions references are obtained by networking outside of the company or attaining information internally in an informal way from Eurowag's employees who worked previously with a candidate or know a colleague of the candidate. This approach is only applicable because the sector is quite small, and people are acquainted professionally.

4.2.2.5 Decision of employment

The decision of employment is executed by a recruiter together with the line manager of the vacancy. The decision is made either right after a final interview if two interviews are performed, or in few days following if more candidates are involved in a final round of selection. An offer is presented to a successful candidate by a telephone call as well as in writing form by an email. A standardized form of an offer is sent to a prosperous candidate. When the candidate accepts the offer, recruiter follows up the process of signing the contract and all other lawful requirements to HR administration to finish the recruitment process successfully.

In order to be recruited, candidates also need to present an approved medical examination form in the day of signing the contract of employment with Eurowag.

The company sends an email to unsuccessful candidates to let them know about not being selected for the position. This notification email is sent to all unsuccessful candidates that attended any step of the recruitment.

4.2.2.6 Follow up process

A follow-up on recruitment and selection of a particular position is performed in a casual way of a talk between the line manager and HR Recruitment Team Leader or HR Specialist after the process finishes. The intention is to reach an agreement on positive aspects of the recruitment and selection as well as suggest future improvements.

A follow-up on the newly hired employee involves an adaptation process managed by line manager of the position and a feedback provided regularly within the probation period of the first 3 months of employment. Apart from that, a colleague “buddy” in the team is working as a first contact for the day to day work assistance. One official sitting before the 3 months lasted and one casual meeting after a probation period are held by HR Specialist in presence of a line manager and the new hire.

4.3 Empirical part

The empirical part of the diploma thesis is divided into two parts in order to be able to deeply understand the recruitment and selection in Eurowag. An interview and a questionnaire were selected as the research methods to increase knowledge, gain valuable information and understand the processes in the company.

4.3.1 Interview with HR Recruitment Team Leader

A semi-structured interview was conducted with the HR Recruitment Team Leader in order to acquire deeper comprehension of the recruitment and selection. This type of interview was selected to provide space for ideas, facts and more detailed description of answers of the interviewee as well as a clear structure of questions on the side of the interviewer. The interview questions were shared with the interviewee in advance. HR Recruitment Team Leader asked to stay in anonymity, they were acknowledged with the aim of the interview as well as with the interview structure beforehand.

The questions of the interview (see Appendix 2) were focused on acquiring information about the positions and the responsibilities of the team of recruiters, thorough understanding of the process of recruitment and selection and the connection of HR recruitment team to the company functions.

In conclusion, it is visible that the company follows certain processes and structure in recruitment and selection even though there is no company guideline for this section of HR department. The process of recruitment is administered at a fast pace with a lot of responsibility put on the line managers to create the positions, define the ideal new employee as well as draft the job description. In selection, the importance of a candidate's quality is laid on a previous professional experience, education and also a fit to the company culture. The company is still quite young but fast growing and the friendly ambiance of a workplace and relations between employees are important even when interviewing a potential employee. Recently, the process of selection is changing and progressing in order to stay active on the competitive labour market, according to the HR Recruitment Team Leader.

4.3.2 Questionnaire

To be able to determine and gather more valuable data on recruitment and selection in Eurowag, a questionnaire was selected as a further method of research. The questionnaire was communicated to the employees through the internal email communication sent by Internal Communication & Employer Branding Manager.

The method of Computer Assisted Web Interviewing (CAWI) by the means of Google Forms was used to present the questionnaire to 820 of the company employees' email addresses. Total of 160 answers were received. Though, only 500 employees occupy

the headquarters' office in Prague and the rest of the employees are working as operations staff or operations support with a significantly lower accessibility to internal email correspondence reaction. Another count of 150 employees are in the company longer than 4 years and were hired by a different selection process than described in the practical part of this diploma thesis, therefore the questionnaire was insignificant to them. Therefore, out of the rest of 350 employees 160 respondents create 46% return rate. The lower return rate was also caused by another comprehensive questionnaire sent by the HR department in one month ago.

All 30 questions in the questionnaire were closed in order to ease the understanding of the questions (see Appendix 3). Initially, the identification questions were asked in order to characterize the respondents. Further, questions about the individual experience with selection were asked. All answers were anonymous and respondents had 10 days to fill the questionnaire.

4.3.2.1 Structure of respondents

The initial part of the questionnaire was devoted to characteristics and identification of respondents. The employees were asked about their age, gender and the length of employment (see Appendix 4).

The gender of respondents was divided between 48% female respondents and 52% male respondents. Therefore 78 female and 82 male employees answered. The gender of respondents is balanced between men and women.

Subsequent question was focused on the age of employees. From the offered answers were 11% respondents 18-25 years old, 27% respondents 26-30 years old, 43% respondents 31-40 years old, 16% respondents 41-50 years old and 3% respondents 51 years old and more. Therefore, majority of 70% of respondents were quite young, 26-40 years old, which corresponds to the age distribution in the company as well.

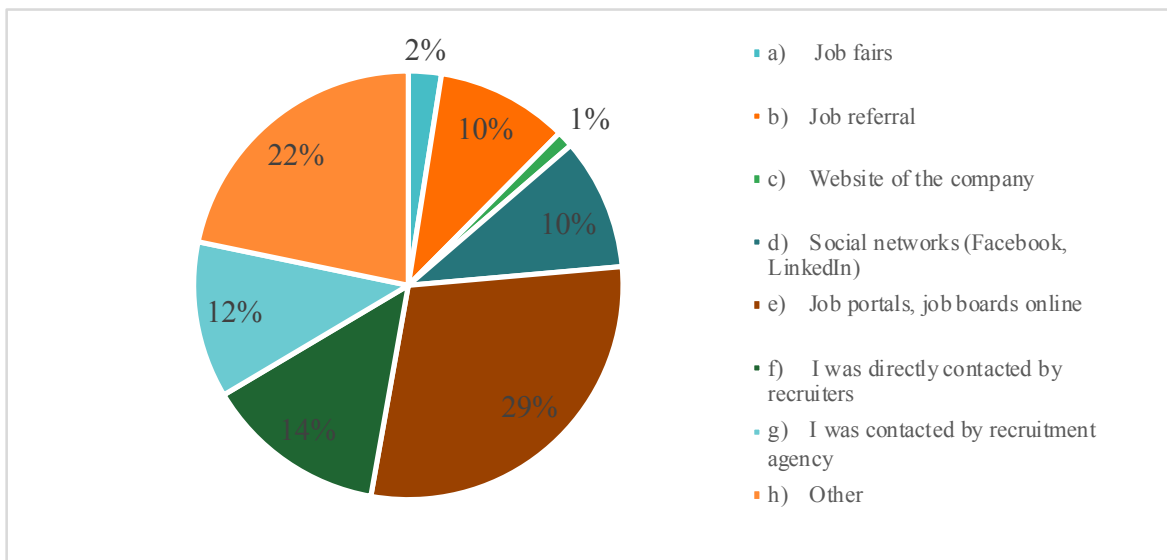
The last question was dedicated to the employment duration. The majority of respondents was divided between respondents working in the company for less than a year with 32% and working in the company 1-2 years with 32%. Together this group make 64% of all answers. Following is a group of 23% respondents working in the company for 3-5 years, then 11% respondents working for 6-10 years. There were only 2% respondents employed in the company for more than 10 years. The answers show that almost three

quarters of respondents are employed in Eurowag for less than 2 years which relates to the information of a large number of new employees recruited between the years 2018-2019 and the fluctuation of approximately 20% employees in the recent year.

4.3.2.2 Recruitment and selection

The second part of the questionnaire was established in order to obtain detailed information about perception of employees towards selection, experience with the process and attitude to the recruitment and selection in the company.

Figure 4 Job posting encounter

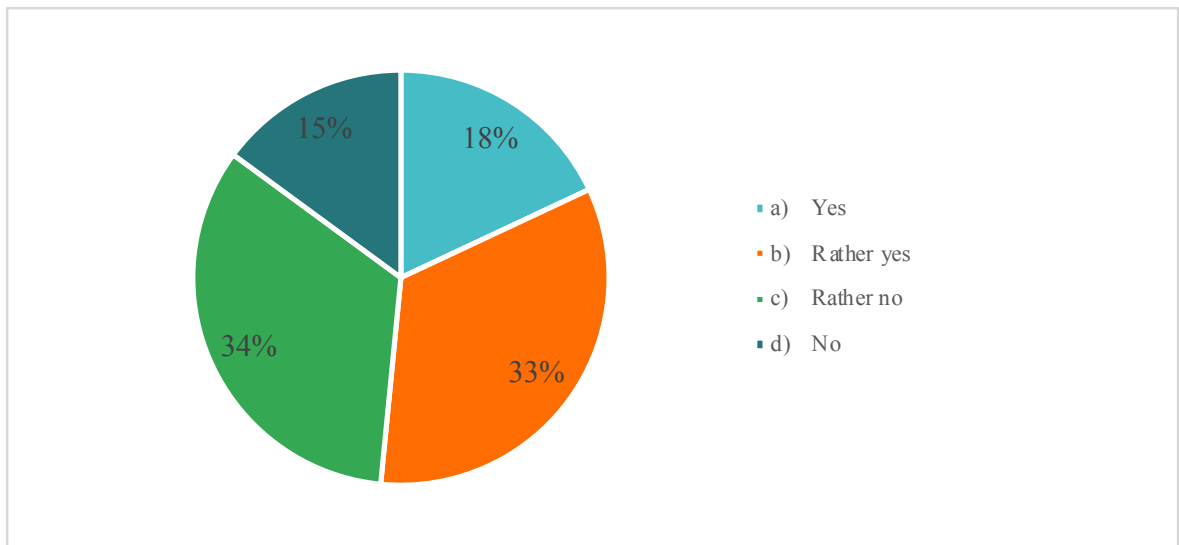


Source: own work, data collected from the questionnaire (2019)

Figure 4 is showing that the respondents mostly heard about the job posting at job portals and job boards online with 29% respondents, followed by 22% respondents selected the option Other, 14% respondents were directly contacted by recruiters and 12% respondents were contacted by recruitment agency. The same amount of 10% respondents selected job referral or social networks (Facebook, LinkedIn), the rest 2% respondents found the vacancy at a job fair and only 1% respondent encountered the job posting on a company website. Respondents choosing the answer Other with 22% might heard about the job posting from another online media, public employment agency or internally in the company.

A significant amount of 68% respondents heard about the vacancy either from job portals, job boards online, social networks, website of the company and direct contact from recruiters which are the methods of recruitment directly managed by the company recruitment team. The sources of candidates are diverse and looking at the results, job fairs are not a valuable source.

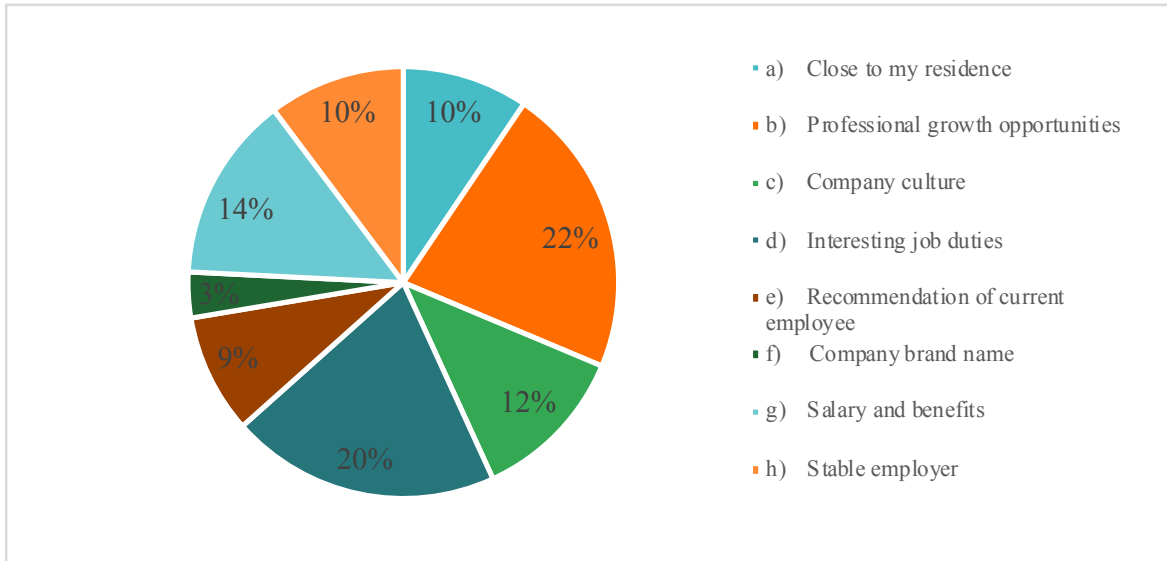
Figure 5 Company perception at the labour market



Source: own work, data collected from the questionnaire (2019)

Looking at Figure 5, 34% respondents answered rather no and 33% responded rather yes. Another 18% respondents answered yes, and the rest 15% respondents said no. Slightly larger half of employees are inclined to a (rather) strong presence of the company at the labour market which gives space to raise the employer brand awareness in order to attract more candidates. Stronger market presence is achieved by a greater importance put on the employer's branding and recruitment strategy.

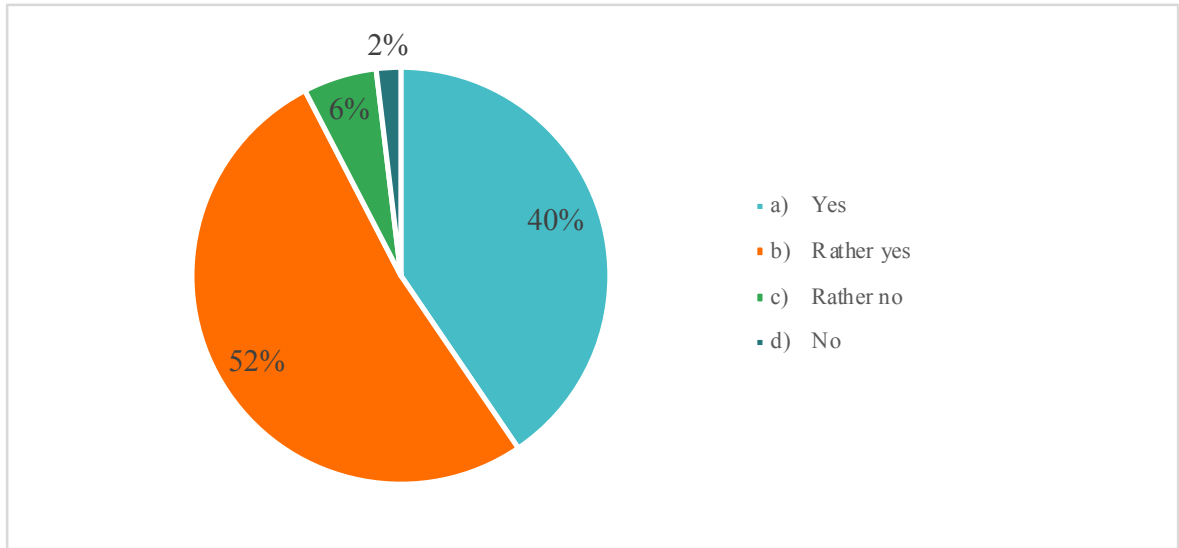
Figure 6 Interest in working in the company



Source: own work, data collected from the questionnaire (2019)

The reason for the interest to work in the company was questioned further and answers are visible in Figure 6. The question had multiple choice answer and the mostly answered was the option of professional growth opportunities with 22%, followed by 20% for interesting job duties, 14% for salary and benefits, then 12% for the company culture, being a stable employer drew 10%, close residence another 10%, following by 9% for recommendation of a current employee and lastly 3% for company brand name. Both professional growth opportunities and interesting job duties were chosen most frequently which signifies that the employees assess working for the company as perspective and stimulating professional environment.

Figure 7 Design of a job posting

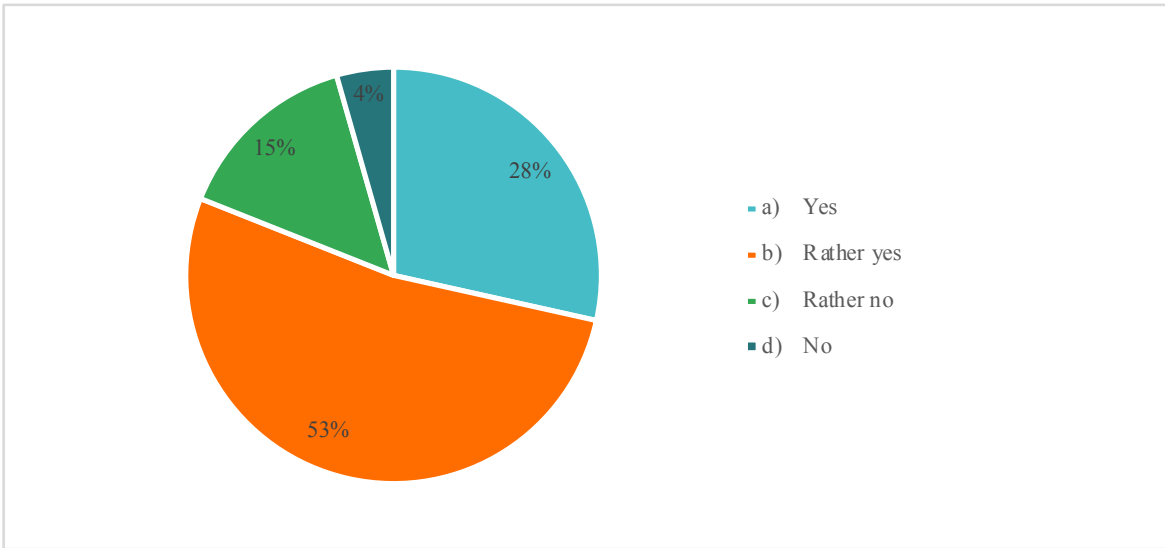


Source: own work, data collected from the questionnaire (2019)

Answers to the next question are meant to describe if the design and information in the job posting looked professional and are shown in Figure 7. Over three quarters of respondents inclined to yes or rather yes with joint response rate 92%. 52% employees responded rather yes, followed by yes with 40% respondents, rather no gained 6% votes and minimum 2% respondents voted for no.

Job postings appear very professional according to the answers. In the current competitive job market a professional looking as well as interesting job posting is usually a primary encounter of the possible applicants with the company. The design and layout of the job posting must catch attention to possible candidates in the first place.

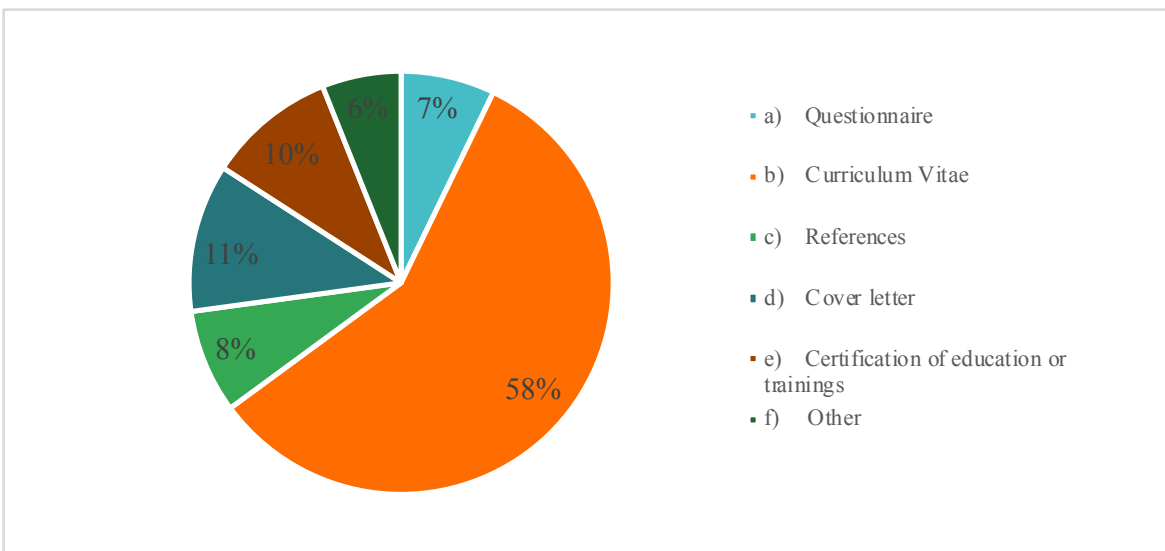
Figure 8 Information in the job posting



Source: own work, data collected from the questionnaire (2019)

In Figure 8, the majority of 53% respondents reacted rather yes, followed by yes with 28% respondents, rather no gained 15% respondents and for no voted 4% respondents. Thus, 81% respondents say they (rather) gained all information about the position from the job posting. The information is crucial to transmit the information about the job position, job responsibilities, candidate's requirements, professional experience and offered benefits to the position and the company.

Figure 9 Required documents

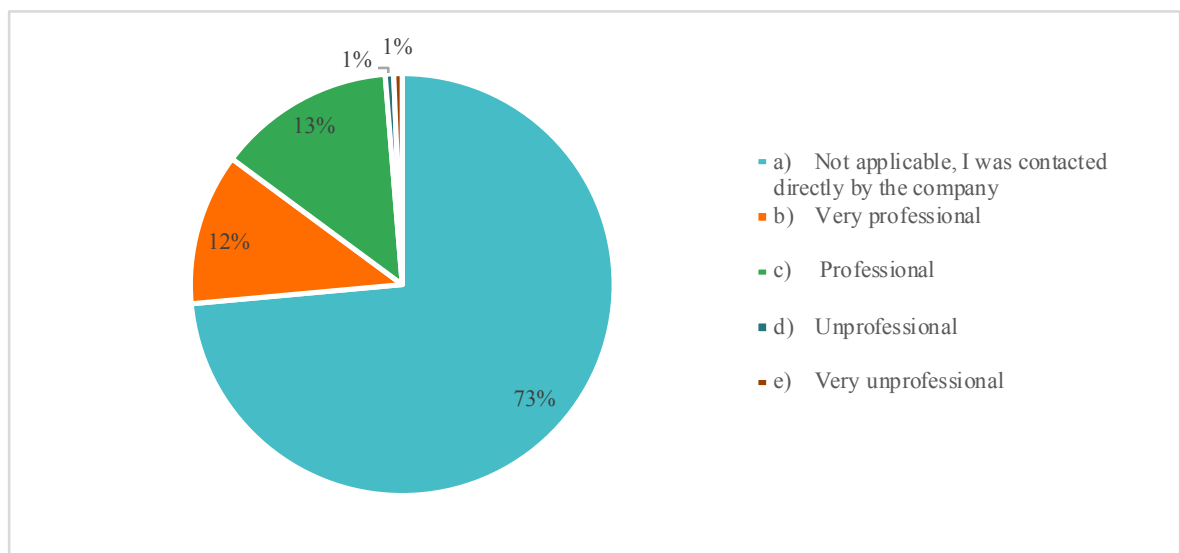


Source: own work, data collected from the questionnaire (2019)

The documents required by the company when applying for a position are described in the following Figure 9. In the multiple-choice answer question 58% answers represented Curriculum Vitae, 11% answers stood for cover letter, followed by 10% answers for certification of education or training, 8% answers stand for references, 7% answers for a questionnaire and 6% answers for other documents. Other documents might stand for samples of work or other professional certification.

Majority of candidates were obligated to provide Curriculum Vitae and a cover letter which stands for a standard procedure for gaining principal information about candidates for a job position. The documents provided by candidates are on the other hand a presentation and first contact by the possible future employees. Their fullness and representativeness bring attention to the most interesting candidates to recruiters.

Figure 10 Experience with a recruitment agency

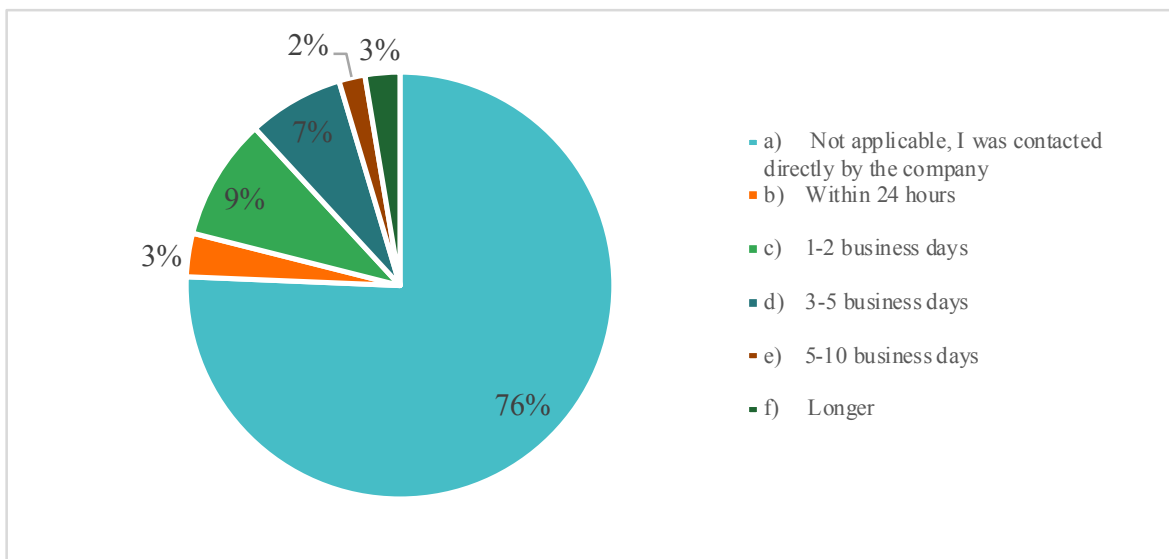


Source: own work, data collected from the questionnaire (2019)

The next question was focused on the respondents' experience with a recruitment agency in case the agency was involved in the recruitment process. In Figure 10 are shown results to the question. Almost three quarters of respondents (73%) were not part of this process. From the remaining 27% employees, 12% assessed the experience as very professional, a professional experience was evaluated by 13% and only 1 respondent voted for unprofessional and another 1 respondent for very unprofessional. The experience with recruitment agency is judged by majority of employees as professional.

The agency is a representation to the company in the initial steps of selection and the right candidates are then delivered by the agency to the company. Candidates assess the agency in the same way as if the first contact was done by the company itself. Hiring a recruitment agency that not only understands the needs of recruitment process of the company, but also reflects its values and objectives, is crucial for successful selection.

Figure 11 Direct contact by the company

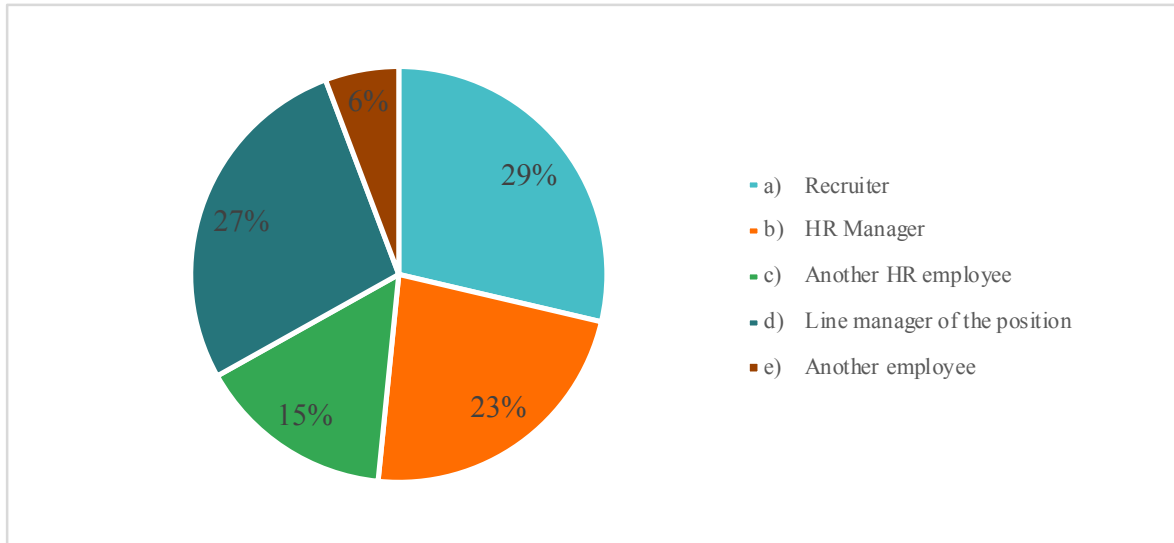


Source: own work, data collected from the questionnaire (2019)

The above shown results in Figure 11 are connected to an experience with the recruitment agency. The question was focused on the time respondents were required to wait after their initial interview with the recruitment agency until they were contacted directly by the company. Again, three quarters of respondents (76%) were not part of a recruitment process involving a recruitment agency. The remaining 24% distributed its votes between being contacted between 1-2 days with 9% respondents, 3-5 business days with 7% respondents. Another 3% respondents voted for being contacted within 24 hours, 2% respondents were contacted in 5-10 business days and remaining 3% respondents were contacted in a longer period.

The time of the early steps of selection is crucial in order to keep the best candidates interested in the position offered by the company. The recruitment agency passes the best candidates to the company as soon as they have all the information about the candidate and have done the initial interview.

Figure 12 Job application response

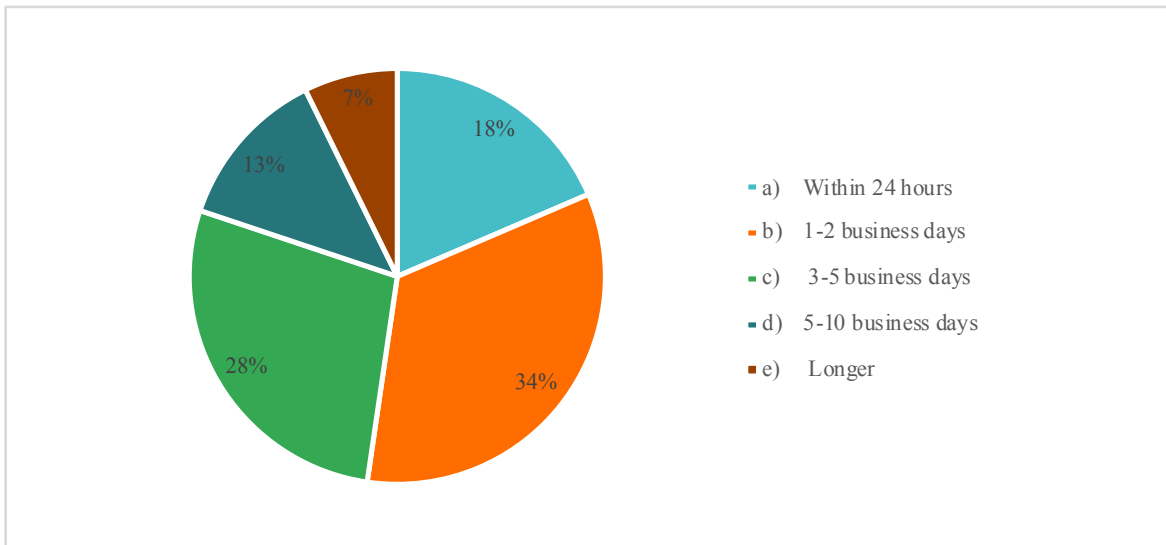


Source: own work, data collected from the questionnaire (2019)

Question 12 in the questionnaire concentrated on the primary respond to the job application. Mostly, a recruiter responded to the application with 29% votes, closely followed by a line manager of the position with 27% respondents and another close vote was for a HR manager with 23%. Another HR employee was selected as an answer by 15% respondents and residual 6% responded another employee.

The results in Figure 12 show that the distribution of the response to the job applications is divided between recruiters, line managers and HR managers which means that not solely HR department responds to the job applications. The process of passing a prospectus candidate straight to the line managers allows the process of selection to become faster. On the other hand, the efficiency is the question in that cases. HR employees are qualified, knowledgeable and professional with selection and the responses to the applications are done in a standard specialized way.

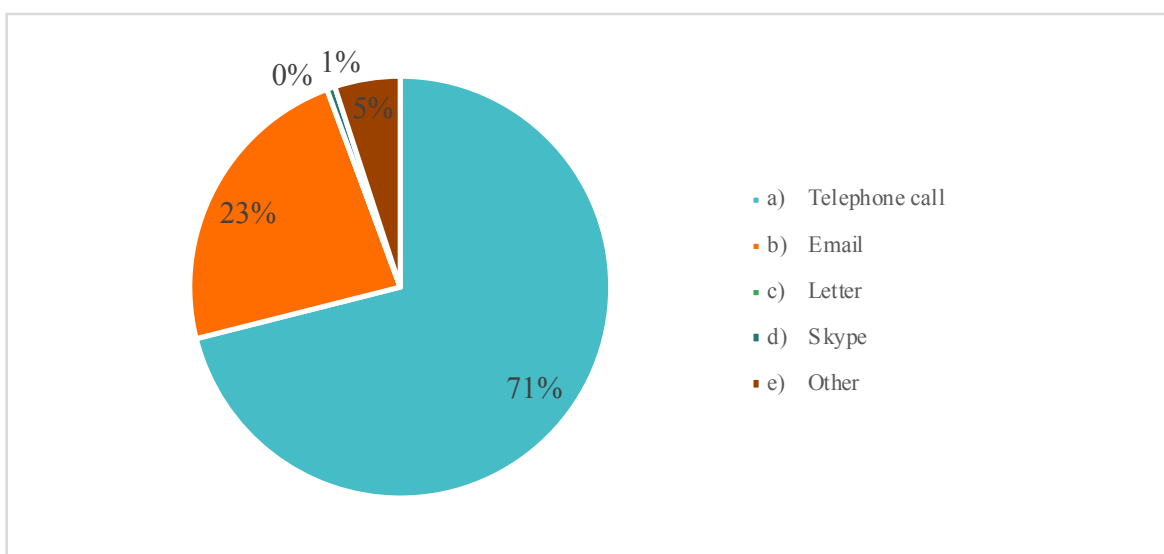
Figure 13 Time for a response



Source: own work, data collected from the questionnaire (2019)

In Figure 13, the company took 1-2 business days to respond in 34% cases, then 3-5 business days in 28% cases, trailed by within 24 hours in 18% cases and in 13% longer time of 5-10 business days. The minority of 7% received the response to a job application in a longer time period. 62% respondents received an answer to their job application in one business week which can be considered a short time for a company of this size. The company took similar time to react to the job applications as the recruitment agency.

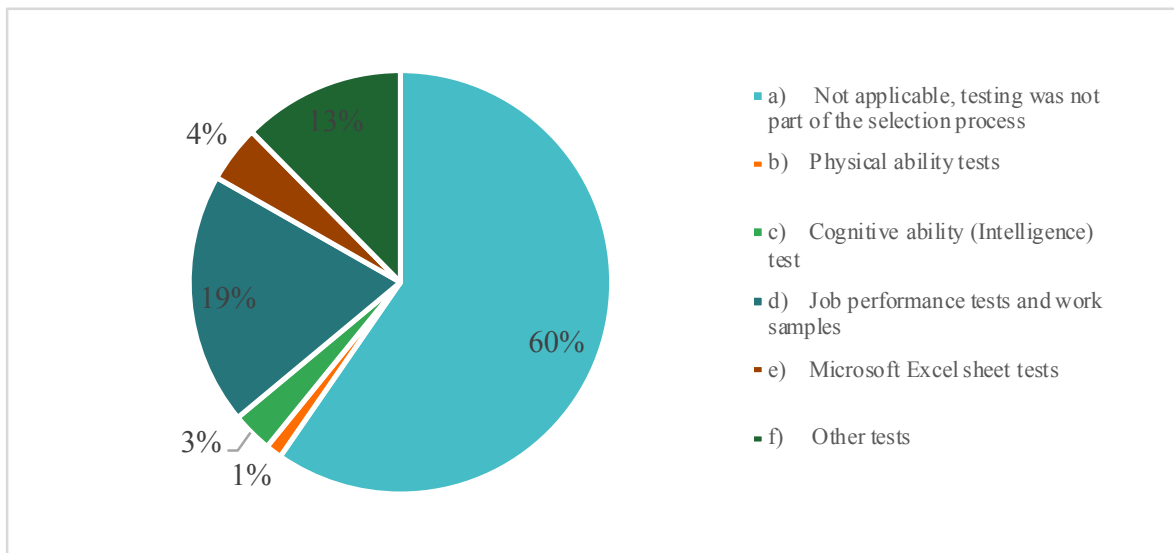
Figure 14 Means of initial contact



Source: own work, data collected from the questionnaire (2019)

Figure 14 demonstrates that majority of 71% of respondents received a telephone call as a form of an initial contact by the company. Another 23% respondents received an email and other method was used to contact 5% respondents. Other method can mean a LinkedIn messenger or other social media tool allowing instant messaging. Only 1% of respondents received a Skype call. Telephone calls are often used as a fast and flexible tool to contact applicants. During a telephone or Skype call the company can ask additional questions about the applicant's Curriculum Vitae or other provided documents. Answer letter was not selected.

Figure 15 Testing participation



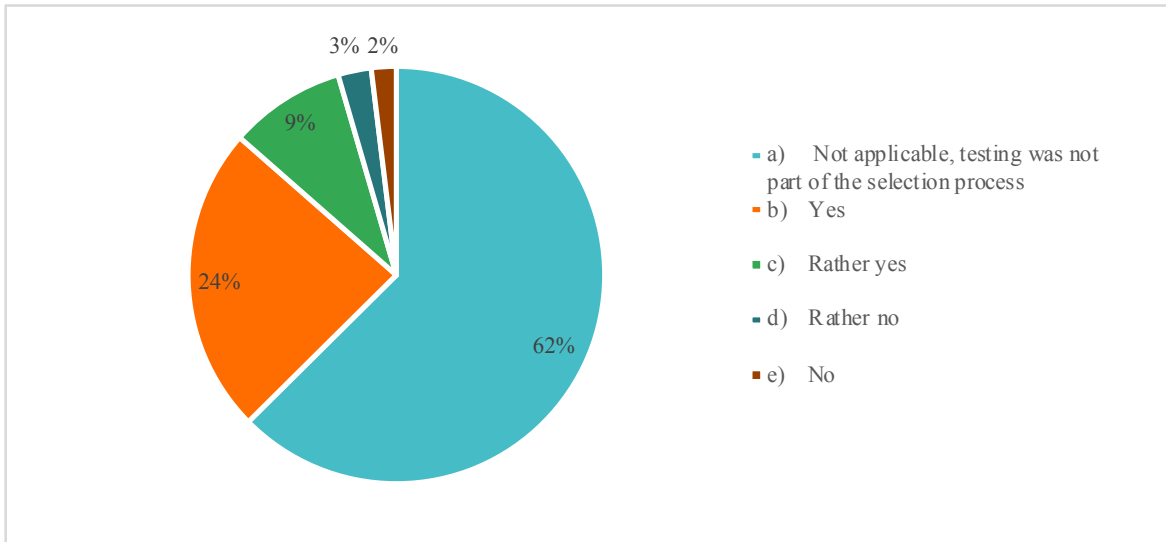
Source: own work, data collected from the questionnaire (2019)

As it can be seen in Figure 15, 60% employees did not participate in testing during the recruitment process. That is a high number considering a wide range of job positions that demand analytical, decision making, or managerial skill set which are not tested. Meanwhile, 19% employees participated in the job performance tests and work samples, 13% employees underwent other tests and 4% employees were tested in Microsoft Excel sheet tests. Cognitive ability (Intelligence) test was used for 3% employees and physical ability test with 1% employees.

Other testing might be considered by respondents as testing of certifications or training, reference proof or tests of specific work tools or systems. Tests are important part to measure applicants' knowledge, abilities or declared skills but when the other steps of

selection are designed in a resourceful way, the company does not need to use tests. Not using tests also speed up selection.

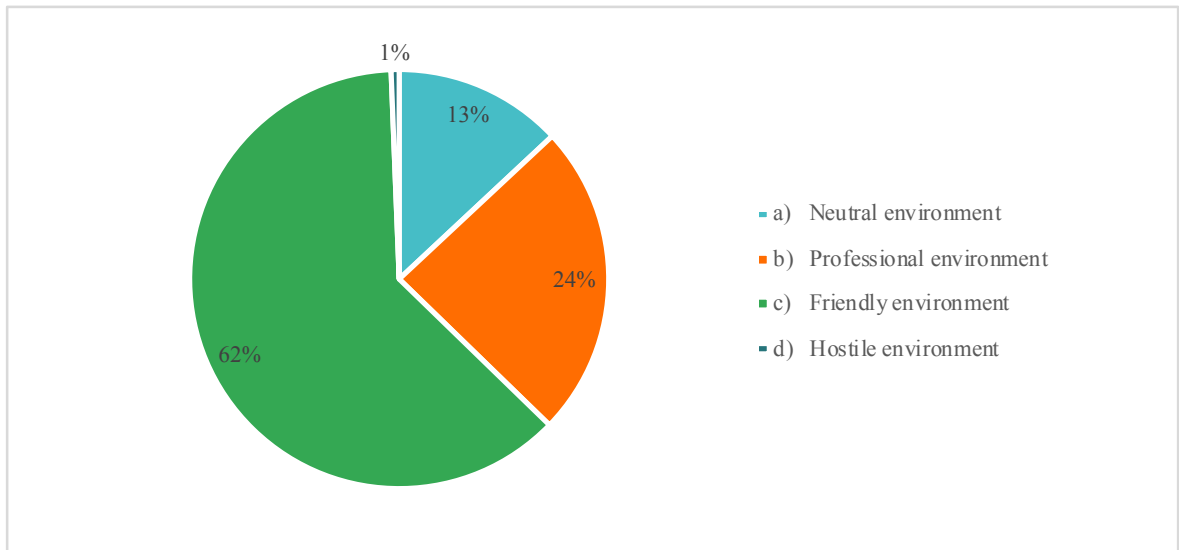
Figure 16 Job performance and work samples tests



Source: own work, data collected from the questionnaire (2019)

Further information about testing was examined in the next question. Specifically, if candidate participated in a job performance testing if the test corresponded to the actual job duties of the position they applied to. As shown in Figure 16, 62% respondents stated that they did not participate in the tests as part of their selection process, the rest of the answers were distributed between 24% respondents saying yes, rather yes chose 9% respondents, rather no 3% respondents and no only 2% respondents. Tests thus highly match the job responsibilities of positions the candidates applied to, from 38% participating respondents, rather yes or yes was selected by 33% respondents.

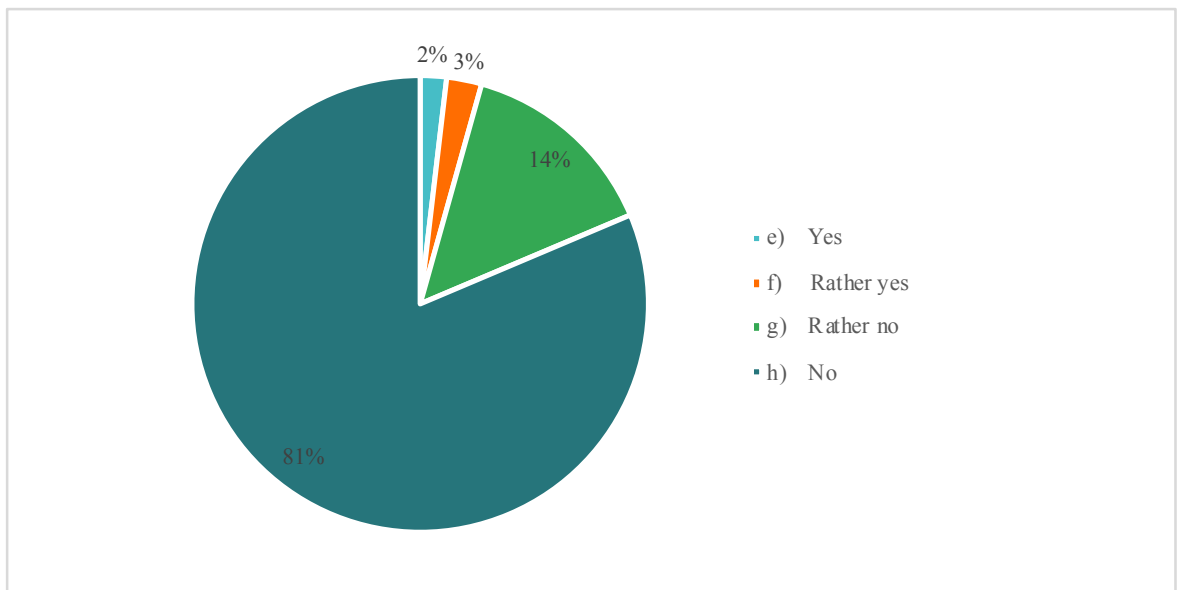
Figure 17 Personal interview ambiance



Source: own work, data collected from the questionnaire (2019)

It is viewed in Figure 17 that majority of 62% answers stand for a friendly environment during a job interview, 24% answers declared a professional environment, another 13% a neutral environment and only 1% represented felt a hostile environment. The prevailing majority stated friendly and professional environment which is a standard ambiance of job interviews led by the recruiters or HR manager in Eurowag.

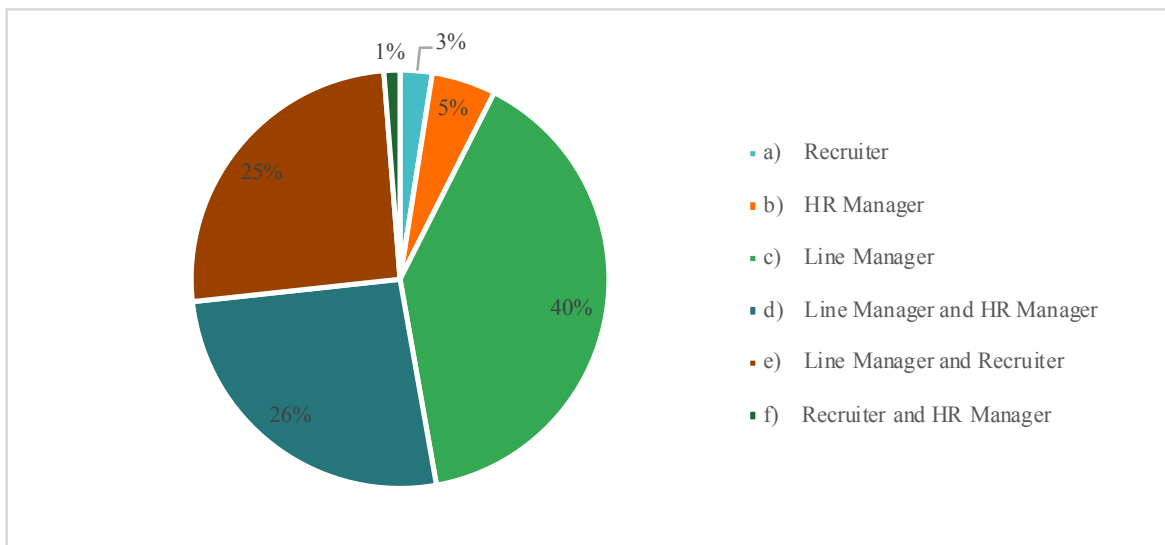
Figure 18 Inappropriate questions



Source: own work, data collected from the questionnaire (2019)

The following Figure 18 determined if there were any questions during the interview that the respondents would recognize as inappropriate. In 81% cases the answer stated no, in 14% rather no, 3% said rather yes and only 2% said yes. This signifies that the interviews are led in a professional manner and questions are focused on the topics related to the position. Some candidates might feel that questions about their personal life, their residence or marital status are unprofessional.

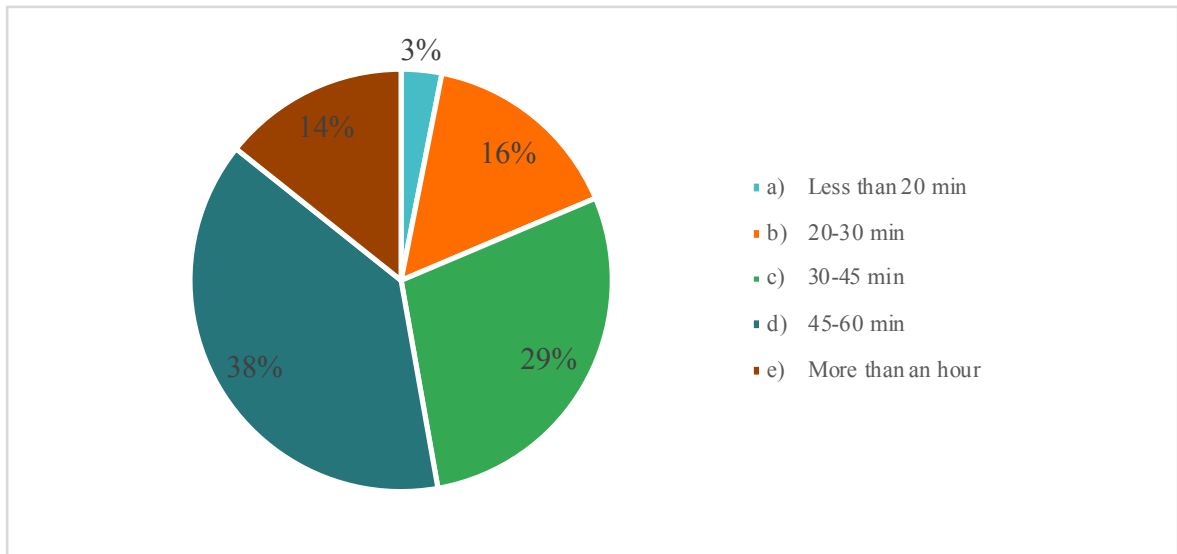
Figure 19 Interview participants



Source: own work, data collected from the questionnaire (2019)

As seen in Figure 19, Line manager was the mostly chosen answer to who was interviewing the respondent from the management of the company with 40%. With the same percentage of answers 26% both line manager and recruiter then HR manager and line manager were interviewing the respondents. Following 5% were interviewed by HR manager only, 3% by recruiter only and 1% were interviewed by HR manager and recruiter. Clearly, line managers are present at almost all interviews either by themselves or with a HR department representative. This suggest a large decision-making role of line managers.

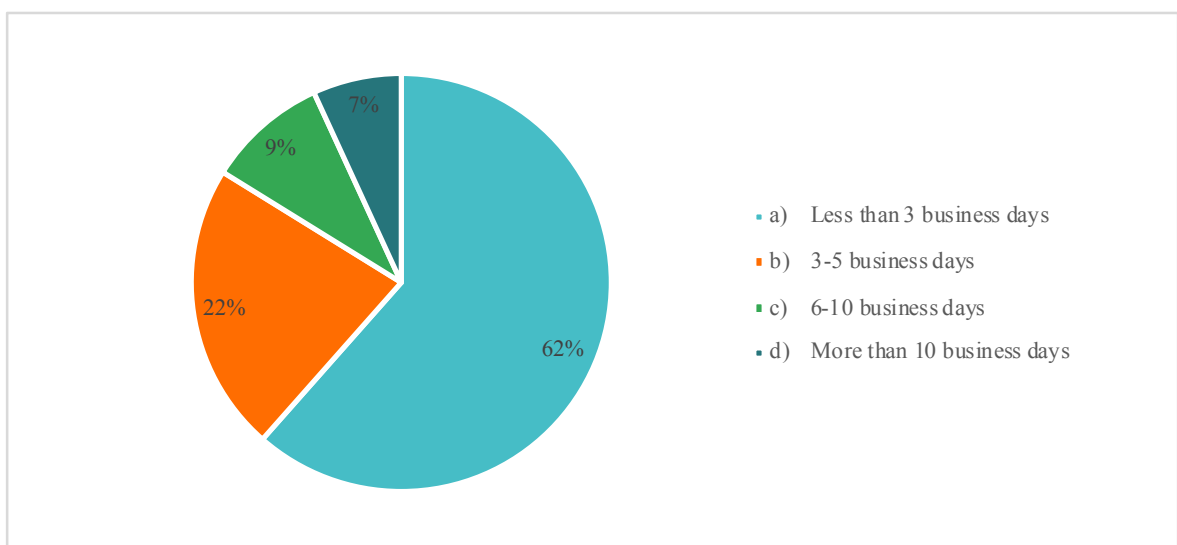
Figure 20 Interview duration



Source: own work, data collected from the questionnaire (2019)

All 38% respondents in Figure 20 agreed that the interview took 45-60 minutes, 29% respondents expressed that it took 30-45 minutes. Another 16% respondents underwent an interview in 20-30 minutes and 14% respondents declared an interview longer than an hour. Minimum 3% respondents were interviewed for less than 20 minutes. There is no standard time for an interview. In 67% the interview took 30-60 minutes. An in-depth interview allows recruiters to better understand candidate's abilities and skills.

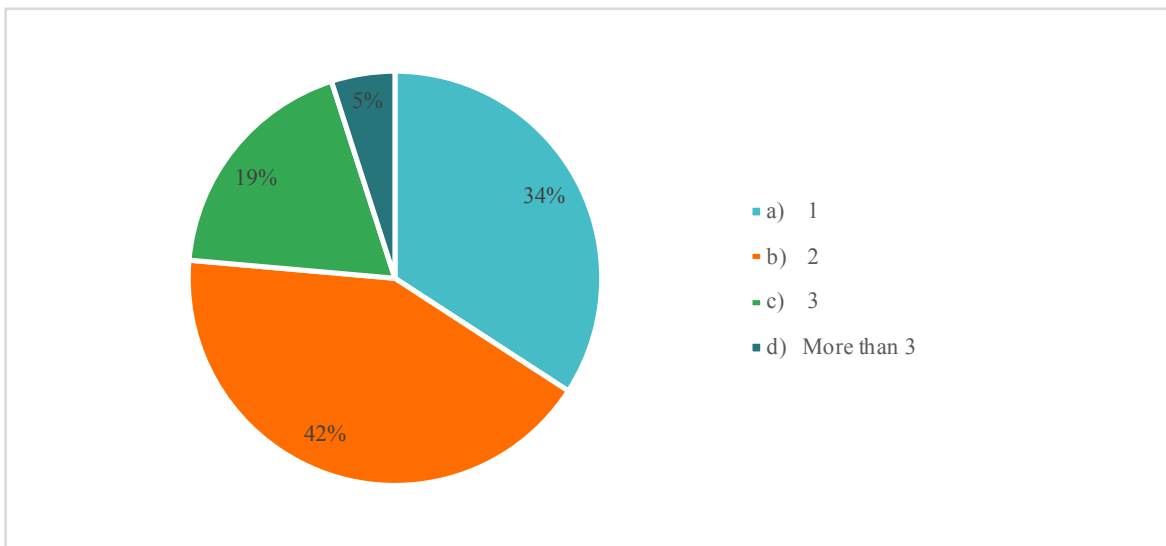
Figure 21 Interview feedback



Source: own work, data collected from the questionnaire (2019)

The time in which the respondents received a feedback from the interview was measured in Figure 21. Less than 3 business days was selected by 62% respondents than 3-5 business days were chosen by 22% respondents, 6-10 business days took to receive a feedback for 9% respondents and lastly 7% respondents received feedback in more than 10 business days. The delays in giving feedback can be caused by multiple suitable applicants who were interviewed at the same time. Otherwise, less than 3 business days to receive a feedback from an interview positions the company's selection as a very fast. The speed of selection is one of the biggest traits.

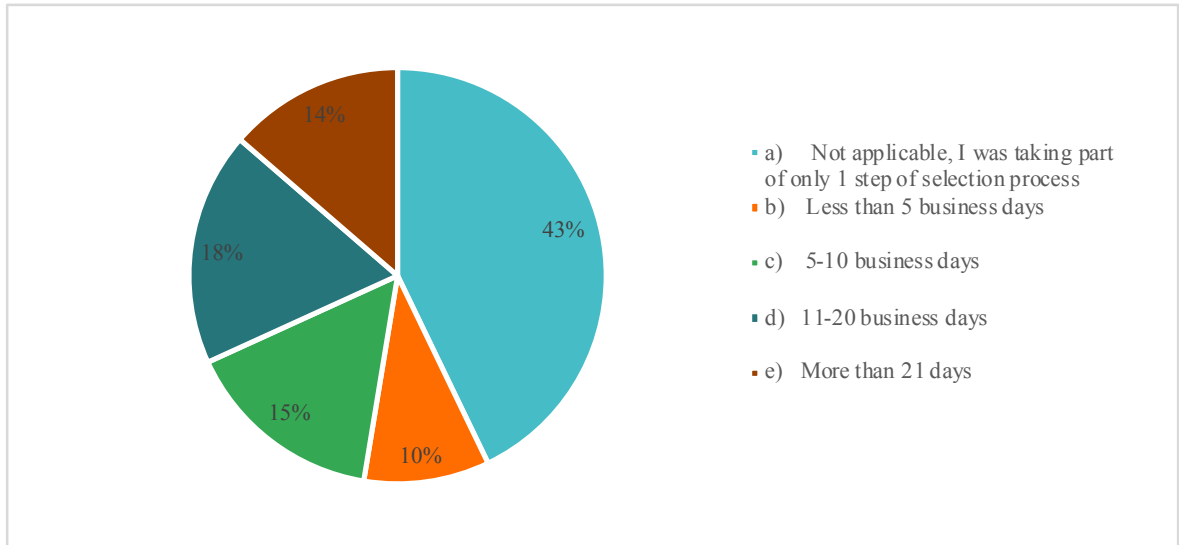
Figure 22 Steps of selection



Source: own work, data collected from the questionnaire (2019)

Evaluation of how many steps (interviews, tests) respondents passed in selection before being hired in the company was measured in Figure 22. With 42% respondents, the majority took place in 2 steps process, another 34% respondents passed 1 step selection while 19% respondents went to 3 steps of selection. More than 3 steps did only 5% of respondents. The distribution of 76% of respondents passing only 1 or 2 steps selection demonstrates that when line managers of the positions are represented in the initial or second step of selection there is usually overall lower number of steps in selection needed.

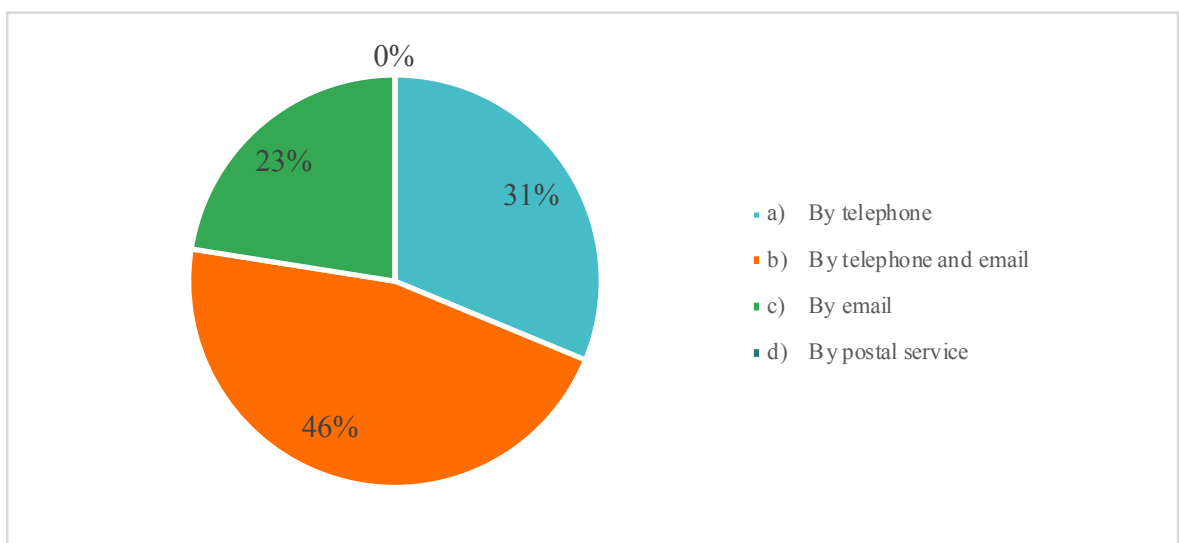
Figure 23 Selection duration



Source: own work, data collected from the questionnaire (2019)

The overall selection time for respondents who participated in 2 or more than 2 steps selection is seen in Figure 23. Majority of 43% employees answered that they were taking part in only 1 step selection. Another 18% employees received the final offer in 11-20 business days, further 15% employees received the offer in 5-10 business days, 14% employees waited more than 21 business days and lastly the offer was sent to 10% employees in less than 5 business days. The duration of selection depends on each position.

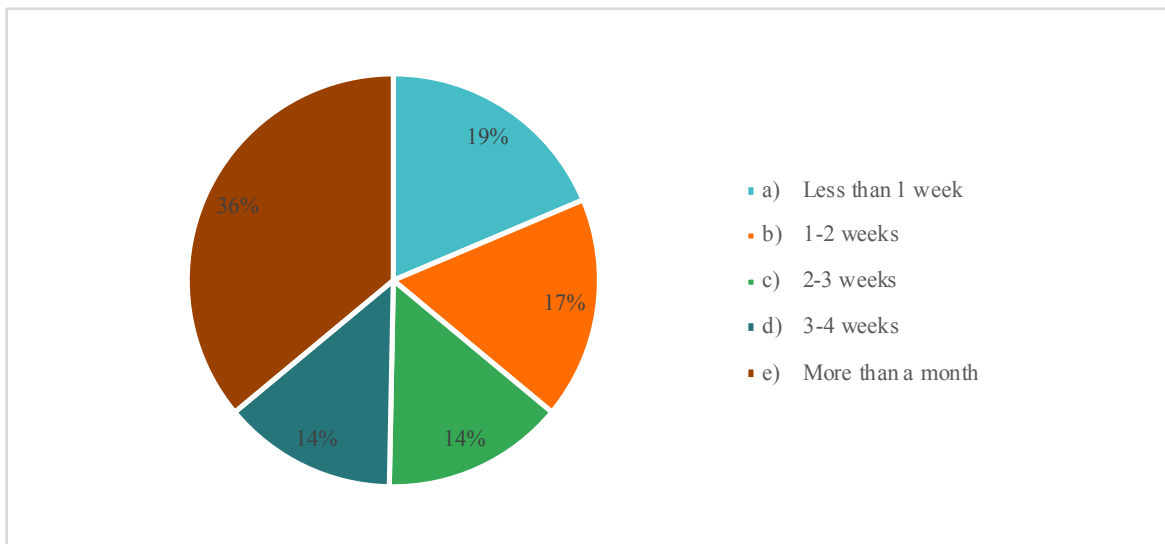
Figure 24 Job offer



Source: own work, data collected from the questionnaire (2019)

The next question focused on how the job offer was communicated to the respondents. For 46% respondents the offer came by telephone and email. Another 31% received it by telephone only and 23% received it by email. The allocation of answers shows that the HR department is flexible with communicating the offer and mostly uses the means of a telephone or a telephone with an email as shown in Figure 24. Sharing the good news of a job offer with candidates by telephone gives the offer a more personal feel and shows that the HR department selects time to do so. Answer by postal service was not selected.

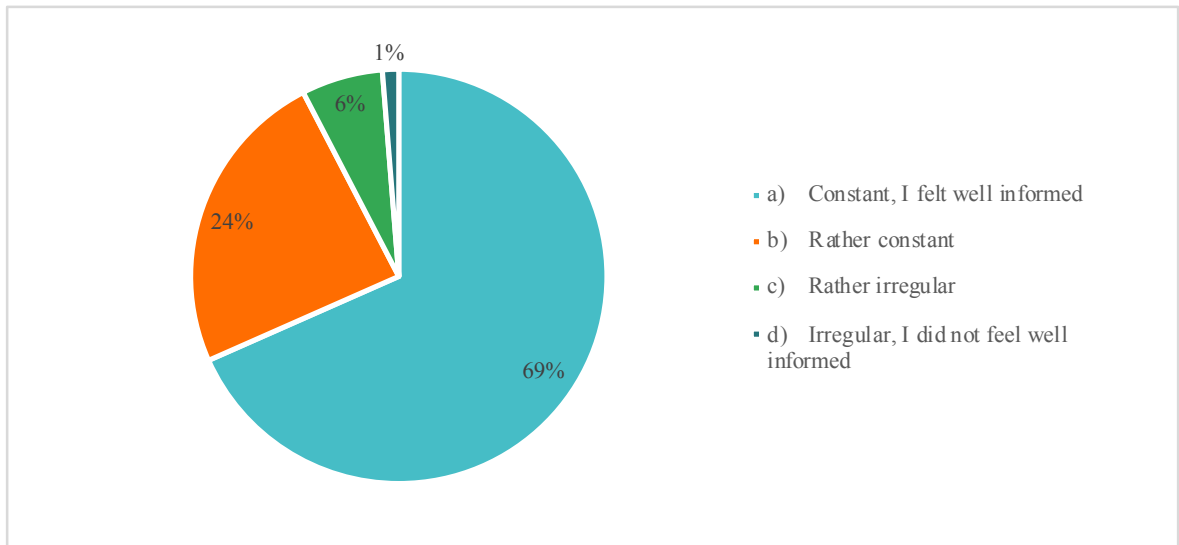
Figure 25 Start of the job



Source: own work, data collected from the questionnaire (2019)

As detected in Figure 25, 36% respondents could start working in the company after more than a month after they accepted the job offer. On the contrary, 19% respondents started working in less than a week. Another 17% respondents started in 1-2 weeks, 14% respondents began in 2-3 weeks and the rest 14% respondents commenced in 3-4 weeks. The difference in answers could be caused by respondent's ability to start working in the company because of previous job contracts or other time constraints. The company, on the opposite, shows flexibility in the terms of a short or long period of time before new hire's starting date.

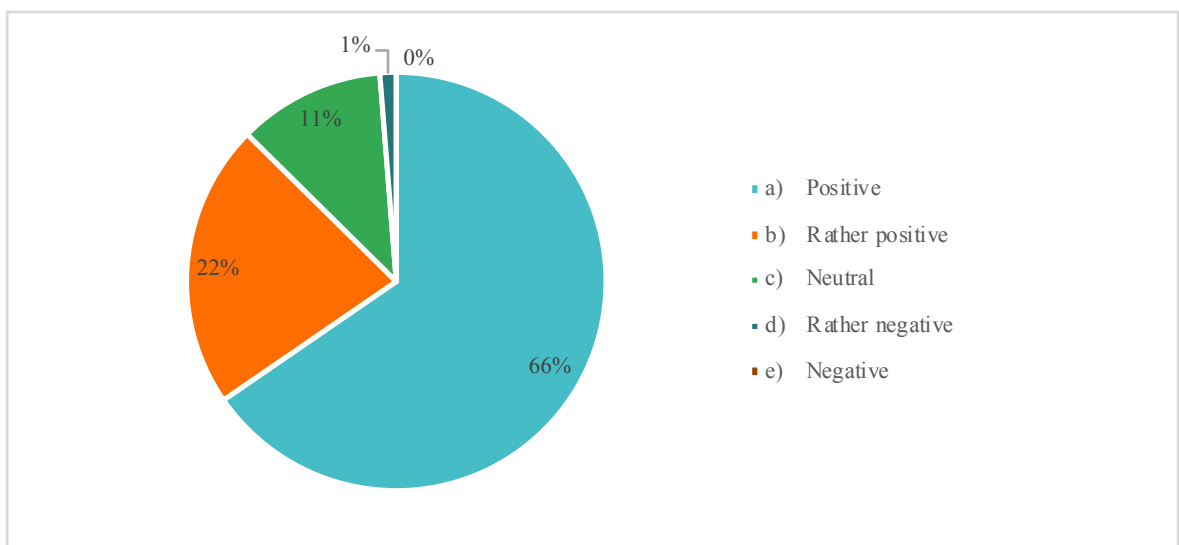
Figure 26 Communication during the selection



Source: own work, data collected from the questionnaire (2019)

Revealed in Figure 26 are results of the level of communication from HR department during selection. In most cases (69%), the communication was assessed as constant where respondents felt well informed. Other 24% respondents sensed the communication as rather constant, rather irregular communication was evaluated by 6% and solely 1% felt irregular communication where they did not feel informed. The results display a well communicated flow of information towards candidates.

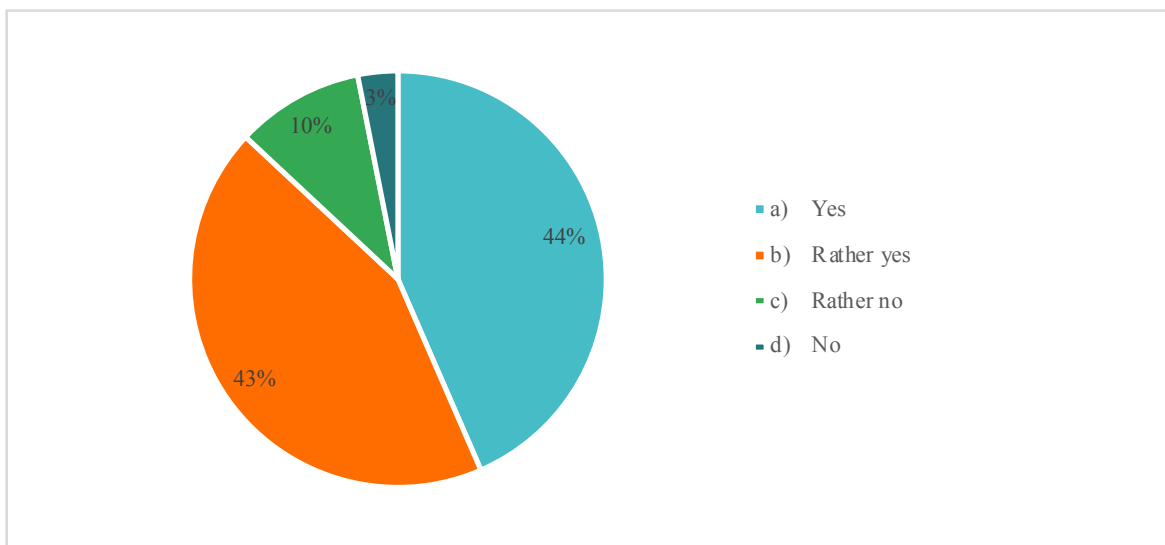
Figure 27 Overall experience



Source: own work, data collected from the questionnaire (2019)

As found in Figure 27 the overall experience with the recruitment and selection was in 66% positive, 22% of respondents voted for rather positive experience whereas 11% of respondents acknowledged the experience as neutral and a minimum of respondents (1%), voted for rather negative experience. The answer negative was not selected. Respondents selecting answers rather positive and rather negative might refer to their experience with the ambiance during the interview, the communication from HR department, time they waited for a feedback or the presentation of the job offer they slightly disliked.

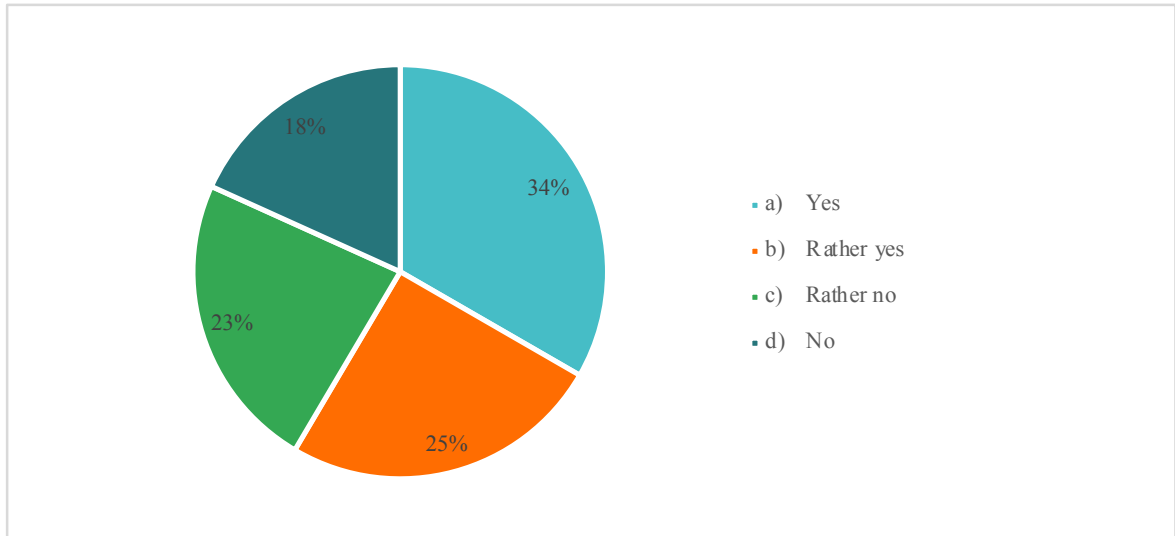
Figure 28 Job description accuracy



Source: own work, data collected from the questionnaire (2019)

Figure 28 uncovered that in 43% cases the job description was rather accurate in comparison to the actual work load. A very similar number of respondents (44%) answered that the description was accurate. For rather no voted 10% respondents and 3% respondents stated that the description was not accurate. Employees selecting answers rather no or no might started with certain job responsibilities, but the position evolved in a different direction while working in the company, other reason might be that the job description was not well communicated between the line manager and HR department who is responsible for the job posting.

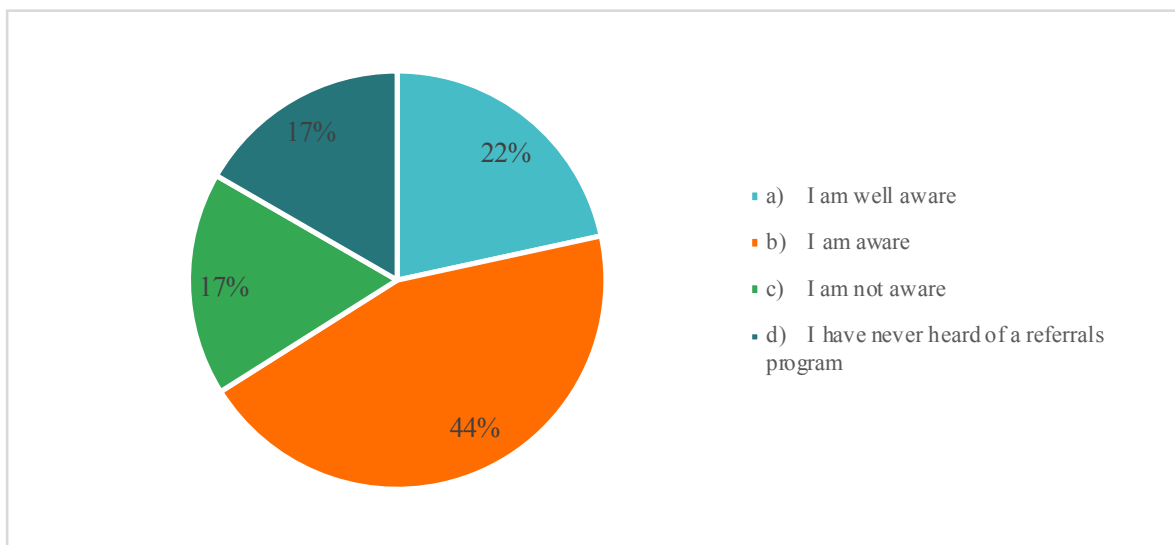
Figure 29 Support of internal applications



Source: own work, data collected from the questionnaire (2019)

The topic of support provided by HR department for applying internally to other positions in the company was selected as the next question. The answers are measured in Figure 29. With 34% answers for yes and 25% answers for rather yes, these positive answers values are more than half of the votes. Rather no was chosen by 23% employees and no by 18% employees. The negative answers support the strategy of HR department to recruit primarily externally.

Figure 30 Knowledge of referrals program



Source: own work, data collected from the questionnaire (2019)

Identified in Figure 30 is the general knowledge of referrals program among Eurowag employees. The most respondents selected the answer I am aware with 44%, then 22% respondents are well aware while 17% respondents are not aware, and 17% respondents never heard of a referrals program. The number of respondents who are not aware or never heard about the referrals program is quite high considering that there is a financial bonus involved if a successful referral passes the probation period of employment.

5 Results and Discussion

Based on a thorough research using two main research methods, an interview and a questionnaire, an analysis and evaluation of recruitment and selection in W.A.G. payment solutions, a.s. was conducted. Examination of the data and information collected in the practical part of the thesis was applied with regards to the knowledge gained in the literature review.

5.1 Evaluation of the research

While assessing both processes it was identified that the company follows the methods and steps of recruitment and selection described in literature review in the initial part of the diploma thesis. The company created an efficient system of recruitment and selection that is assessed as having a high standard and corresponding with the company's strategy.

The results of a semi-structured interview show a fast pace in which recruitment and selection is managed in W.A.G. payment solutions, a.s. From involving line managers in the initial response to a candidate, to managing the interviews either by themselves or in cooperation with HR recruitment employee and deciding of a job offer to a successful candidate selected. An involvement in selection helps prompt a general fast progress. The administrative tasks of recruitment and selection stays as a responsibility of HR recruitment team. The strong involvement and coordination of line managers in recruitment allows HR recruitment team to effectively manage large amounts of selected new hires each month.

In order to use a budget planned each year for opened vacancies well, HR recruitment team is working with the financial plan conscientiously. Costs for each position defer but are managed as part of the annual budget. Each external source of candidates has a different cost; therefore, HR recruitment team tries to attract maximum candidates with the lowest cost possible. Recruitment for an executive position or a higher management position involving a service of a recruitment agency has a higher cost. Contracts with the recruitment agencies regarding those positions with fees payed are signed with a special guaranty.

So far, there are no KPI's set in recruitment but instead, the satisfaction of line managers with the new employees is used as a measurement to recruitment. Apart from the

contentment with a new hire, the satisfaction of line managers with the processes is used as a measurement of successful recruitment. The feedback from line managers, after a job offer is accepted by a candidate, is an informal measurement to both processes between line managers and HR recruitment team.

A large number of new employees each month (average of 20 new hires) was detected as a result of a rapid growth of the company by the third quarter of 2019. The capacity of HR recruitment team is sufficient in order to keep the pace of recruitment although the capacity of HR administration team should grow in size to manage the further administration requirements of higher number of employees. There is no capacity increase intention in HR recruitment team as a human capital plan for year 2020 does not request that. HR system OK Base is being implemented gradually in the company to manage larger amounts of employees effectively. Apart from that, an online recruitment application system in selection called Teamio is used in order to collect all data from applicants, as well as use the system to pre-select candidates. Both systems are helping to modernize recruitment and selection in W.A.G. payment solutions, a.s.

A questionnaire uncovered that the majority of respondents were satisfied with recruitment and selection. Communication from the company was constant, feedbacks after each step of selection were delivered in a timely manner, the company showed flexibility in a requested starting date of a new employee and generally, selection was managed in 1-2 steps.

The possible detected problematic areas are connected to a use of internal source of candidates and a referrals program of the company. 41% respondents suggested that they do not feel supported by the HR department to apply internally to other positions. The fact suggests that the respondents would rather change an employer than pursue a change of position in the company. This circumstance might raise the fluctuation of employees that is already quite high with 20%. The fact was supported by HR Recruitment Team Leader stating that the company prefers external sources of candidates to internal sources.

One third of respondents (34%) are not aware or never heard of company's referrals program. The referrals program is an attractive source of candidates resulting in 10% respondents' source of candidates in the questionnaire. The referrals program is a powerful tool when used properly. If current employees refer a candidate, they know will

be a good fit for a position as well as to a company culture, a valuable source of candidates will be created.

5.2 Recommendations

Further, suggestions of improvements are proposed to problematic areas of recruitment and selection in the company. The recommendations are based on the research conducted as well as a general knowledge gained by review of literature.

Recruitment and selection guideline

As detected, there is no guideline or established process in recruitment and selection led by HR recruitment team. The entire company is working without any established processes and while the atmosphere in the company can remain casual and informal, a much-needed foundation of formal process is required for further prosperity.

The recruitment and selection guideline will indicate the main steps of recruitment and selection, methodology, provide evaluation forms, comparison charts of candidates in final steps of selection and sample selection situation solutions, sample emails, Skype or telephone conversations with applicants and sample job posting requirements in order to establish a common recruitment standard in the company.

A strictly managed recruitment guideline will offer a description of responsibilities and requirements of each position related to the processes. The description of HR Recruitment team's and line managers' specified coordination and cooperation will be provided. A more formal process will establish stability, clearer processes and accountability of positions in order to manage and evolve recruitment and selection.

The cost of creating the guideline is counted in 240 manhours and will include forming a team of HR Recruitment Team Leader, HR Executive Director, HR Specialist, HR Contractor in order to establish the guideline as seen in Table 1. The team will consult the solutions with line managers as they are part of recruitment and selection as well. One meeting room will be occupied for the estimated time of forming the guideline and work tasks will be distributed through a shared document on internal system of the company. HR Recruitment Team Leader will be responsible for the guideline deadlines, progress and general leadership of the project. The guideline will be available in an electronic version on the company's internal server in order to be reached by recruiters, other HR employees and line managers.

Table 1 Recruitment and selection guideline

Guideline process steps	Cost (manhours)	Responsible position
Assessment of current processes	40	HR Recruitment Team Leader, HR Specialist
Collection of data from current processes	25	HR Specialist
Detection of possible changes	40	HR Recruitment Team Leader, HR Specialist, Contractor
Review of literature, methodology	25	HR Specialist, Contractor
Creation of structure of recruitment steps	15	HR Recruitment Team Leader, HR Specialist
Creation of structure of selection steps	15	HR Recruitment Team Leader, HR Specialist
Creation of evaluation forms	10	HR Specialist, Contractor
Creation of comparison charts	12	HR Specialist, Contractor
Creation of sample email conversations	10	HR Specialist, Contractor
Creation of sample telephone, Skype conversations	10	HR Specialist
Creation of sample job posting	10	HR Specialist
Guideline final review	18	HR Executive Director
Consultation with line managers	8	HR Specialist, Line Manager
Guideline posting in internal system	2	HR Specialist

Source: own work (2019)

Recruitment training for line managers

Line managers in W.A.G. payment solutions, a.s. are fundamentally involved in decision making during selection as well as having the last word over a successful new hire. While present in interviews, line managers are exposed to a vast fragment of selection. In almost 30% responses line managers were the initial contact to applicants and another 40% responded that line manager was the only employee interviewing them. A structured, well managed and informative interview with a candidate gives a thorough base for evaluation of the candidate.

An online recruitment training or a training provided by HR recruitment team for line managers will be an effective tool to bring standardized results from selection and raise knowledge about the topic among line managers. Apart from many employees having

a personal account on LinkedIn, WAG payment solutions, a.s. has a company account so a further use is suggested.

LinkedIn Learning platform offers various online training courses to advance recruitment and selection skills. The yearly subscription costs 299.88 USD. An individual employee will gain access to LinkedIn online recruitment courses and will review them 2 times per year, third week of January and third week of July, to keep the recruitment skills updated. The courses will be assigned by a superior of line manager. Only a computer and a headset are needed to fulfil the courses. The cost of the courses will be covered by the company as operation costs because the training will be used by line managers from various departments.

Apart from the online courses, a simple structure and instructions to recruitment and interviewing will be provided by HR recruitment team to line managers. The cost is 10 manhours per a group of 3 to 4 line managers and 1 recruiter for one training. A meeting room will be needed as well as employees' computers for the training.

International recruitment

The company grew recently to a size of a multinational European company, but their HR database remained on a national level. A collective international database of candidates will help all offices across Europe to identify the best candidates for their location. As the company's language is English there is no problem in moving to a different country for a position a candidate applied to. Also, this candidate's platform will store unsuccessful candidate's Curriculum Vitae together on their profile in case they match to a different vacancy nationally or internationally.

EURES - the European job mobility portal, provides a network to support free movement in all 28 European Union countries. The network can be used by employers to be being active in the portal by offering jobs to job seekers from abroad. A creation of an employer account is free, and the company can view, download and select Curriculum Vitae of a candidate they favour. The company profile will be created by HR Specialist under the supervision of HR Recruitment Team Leader and will collect data about the company and current vacancies. Establishing the company's profile will cost 8 manhours. The additional cost is 1 manhour of an employee using the database after the company's profile is created and EURES is used as an external source of candidates. The profile will

be accessible to HR Recruitment team only as Curriculum Vitae can be later downloaded and shared to line managers if needed.

The company will also benefit from participating in recruitment event European Job Days which is an online or onsite recruitment event run by EURES. Founding an Exhibitor account at the website is free of charge and will cost 6 manhours of HR Specialist and 1 manhour of HR Recruitment Leader. HR Specialist will be instructed by HR Recruitment Team Leader how to create the profile and HR Specialist will fill the forms online. The profile displays all applicants with their Curriculum Vitae even after the event. The events will substitute the national job fairs which are not a valuable source of candidates to the company. The European Job Fairs will correspond with international expansion strategy of W.A.G. payment solutions, a.s. The profile will be used in long term on various online European Job Days and will bring more international applicants to opened positions. HR Recruitment team will have access to the profile and will manage it.

Recruitment KPI's

Measurement of effectivity in recruitment and selection is commonly done by fulfilling the need of a new employee for a vacancy. Further question arises of the employee performance, satisfaction with delivering a new hire and most importantly the additional value of a new employee on a certain position. How do we know a costly recruitment for a higher management position will bring additional value? Until now, there is no performance indicator set in HR recruitment, the effectivity is counted by satisfaction of line managers only.

A strategically planned human capital together with a strictly prearranged Key Performance Indicators (KPI's) will allow the company to measure an investment in a position, function of HR recruitment team and HR department linked to a performance of a new hire. The cost of creating the KPI's is counted in manhours and will include 1 meeting of HR Executive Director and HR Recruitment Team Leader with Cluster Director and Country Manager to create the recruitment KPI's. The estimate cost is calculated is 20 manhours per each manager. The meeting will take place in a meeting room and managers will need a computer. The outcome of the meeting will be an annual recruitment KPI's plan presented to HR recruitment team and will be shared through internal system. The plan will include number of new positions, minimal number of

candidates to positions, planned quarterly assessment meeting of HR Executive Director with Cluster Director. The KPI's will be applied to all HR recruitment team functions.

Calculation of recruitment cost is another smart tool to measure an annual progress. First, estimation of total number of new employees will be done together with estimation of recruitment costs that include cost of external sources of candidates, recruiters' salaries and cost of employer branding. Further, fixed costs like external recruitment agencies, recruiting events or membership in unions will be taken into consideration. Candidate's tracking system and HR system costs will be measured. In order to calculate cost-per-hire, the total count of external recruiting costs and internal recruiting costs are divided by total number of new hires. The calculation measures how the recruitment budget is used and on what cost is a new employee hired. The measurement will be part of KPI's and will be used by HR Recruitment Team Leader to report to HR Executive Director specifically on progress in recruitment.

Job fairs

As the questionnaire's results demonstrated, only 2% respondents encountered the job vacancy through a job fair. This external source of candidates is not valuable for the company anymore. It is important to constantly develop and assess the significance of each external source.

The job fairs will be abandoned as a source of candidates and in the meantime more importance will be put on a direct contact from recruiters. This source does not involve any additional costs, on the contrary, the job fairs budget will be used to buy the Premium version of LinkedIn for professional use. This platform also offers the first 30 days free trial and later will cost 119.95 USD per month. The cost will be covered by HR recruitment budget under the cost of external sources of candidates. The platform will be used by Contractors and HR Specialist to attract more candidates and perform a search on the passive candidates. The access to LinkedIn Premium will be granted to HR Recruitment Team Leader, HR Specialist and Contractors in recruitment. The profile allows recruiters to search and directly contact users with job offers.

6 Conclusion

A conscious approach to human resources management in a company maintains a stable and prosperous grounds for a growth of a company. The human capital is responsible for the performance and results of the company. In this diploma thesis recruitment and selection in W.A.G. payment solutions, a.s. was analysed by the means of a comprehensive research and subsequently, recommendations were suggested to specific areas.

The theoretical part of the thesis consists of a study of secondary sources which provided fundamental knowledge to the topic. An understanding of the key notions like human resources management, human resources planning, sources of human capital, recruitment or selection were described. Initially, in the practical part of the diploma thesis, are described characteristics of W.A.G. payment solutions, a.s., its brief history and overview of a current state of human resources as well as current conditions of recruitment and selection in the company.

The target of recruitment and selection in W.A.G. payment solutions, a.s. is to safeguard new employees for current position openings so that the company follows its strategy of growth and prosperity. The aim of the recruitment team is to source the best candidates to the described requirements of a position from a pool of candidates they created by sharing the job posting externally or internally. After a thorough investigation of professional experience, knowledge, abilities, skills and certification, the job is offered to a successful candidate. The task of the recruiters' jobs is to manage both processes with the least possible time and resources.

A qualitative and quantitative research in the practical part of the thesis demonstrated that recruitment and selection in the company operates based on company's strategy, targets and objectives of company's executive management as well as line managers and recruitment team. A strong cooperation between line managers and HR recruitment team is established in order to share responsibility and cooperate in proposing descriptions of new position openings and correspondingly interviewing prospective candidates. The equal partnership between the departments and less systematic approach to recruitment and selection creates space for improvements and suggestions from all employees involved. A current approach to creation of a new job position opening

allows line managers to specifically describe the ideal candidate that is recruited together with HR department.

A questionnaire revealed that majority of employees were pleased with current recruitment and selection in the company. An evaluation of the processes is defined, and suggestions and recommendations are proposed. In order to improve specific parts of recruitment and selection, recommended changes should follow. Improvement of the overall system of recruitment and selection should affect the elimination of minor detected shortcomings. The development of recruitment and selection is an important aspect of an overall success of the company. By employing the right people on the right positions, a strong and competitive company is built.

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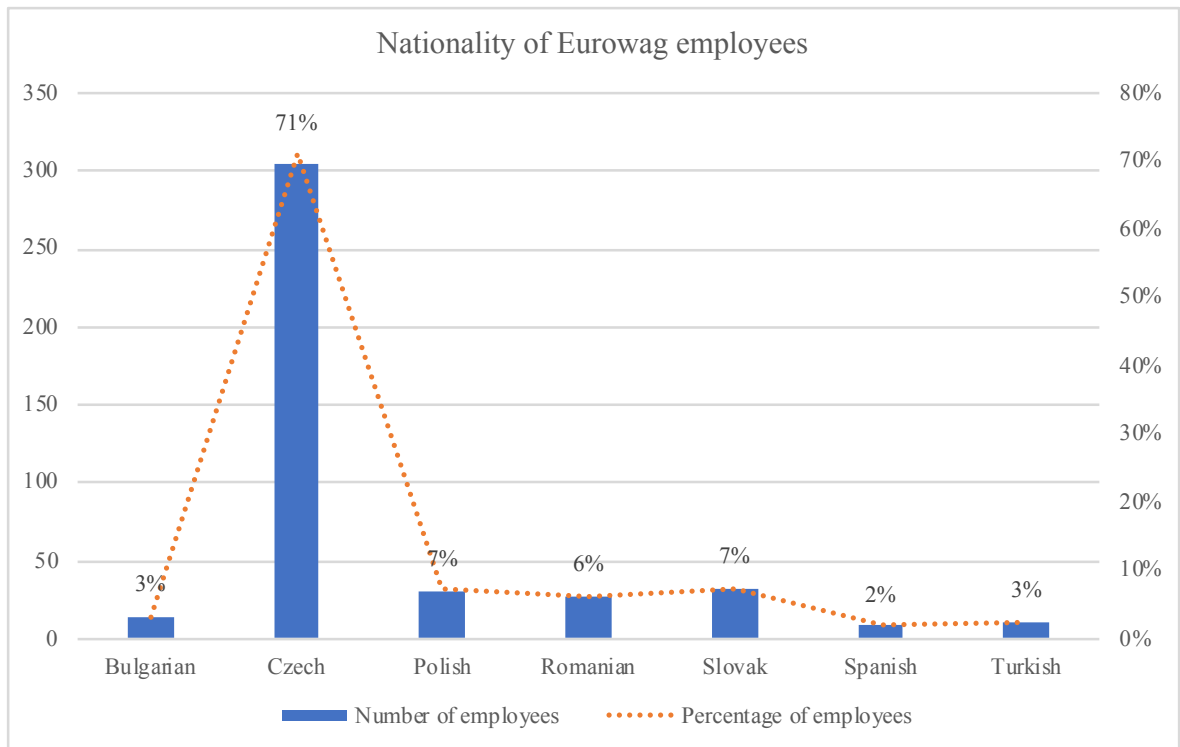
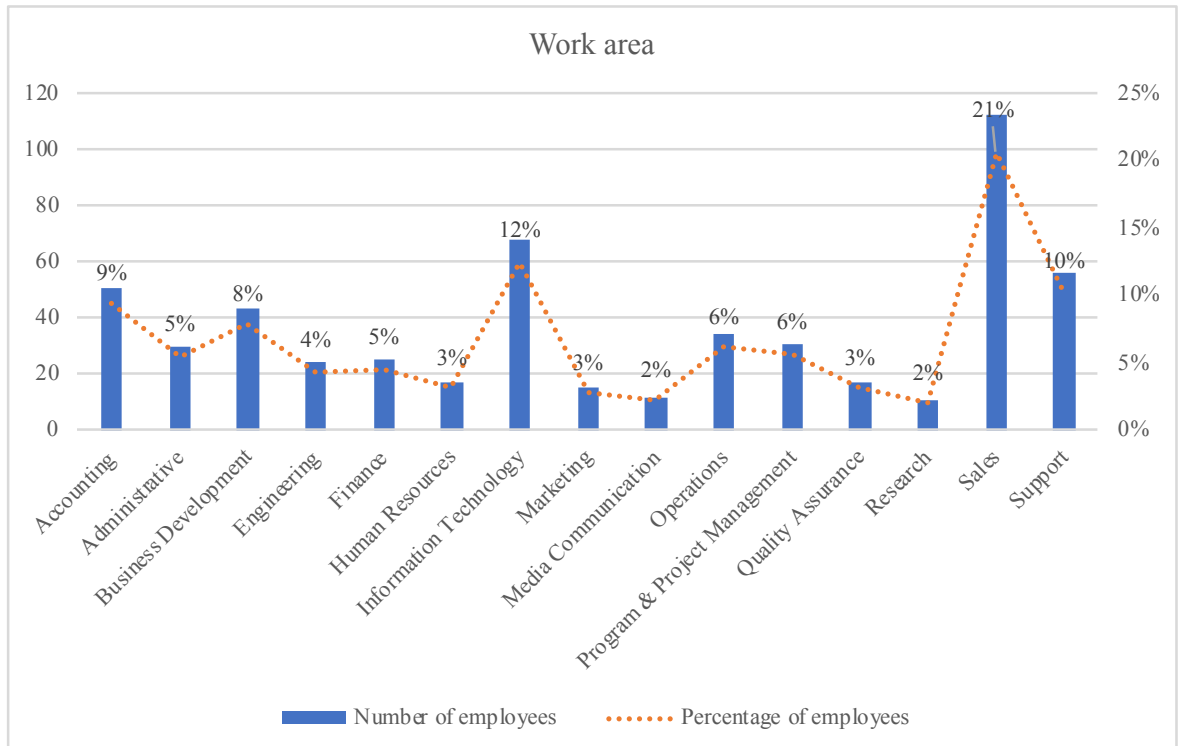
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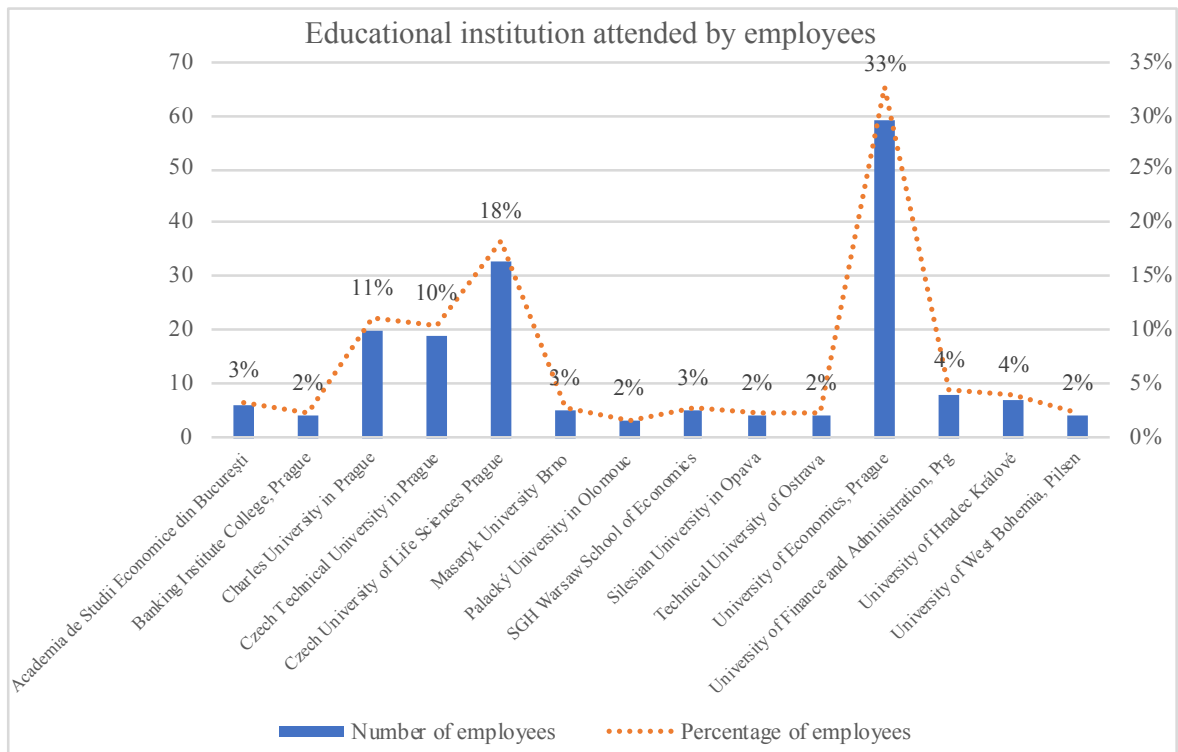
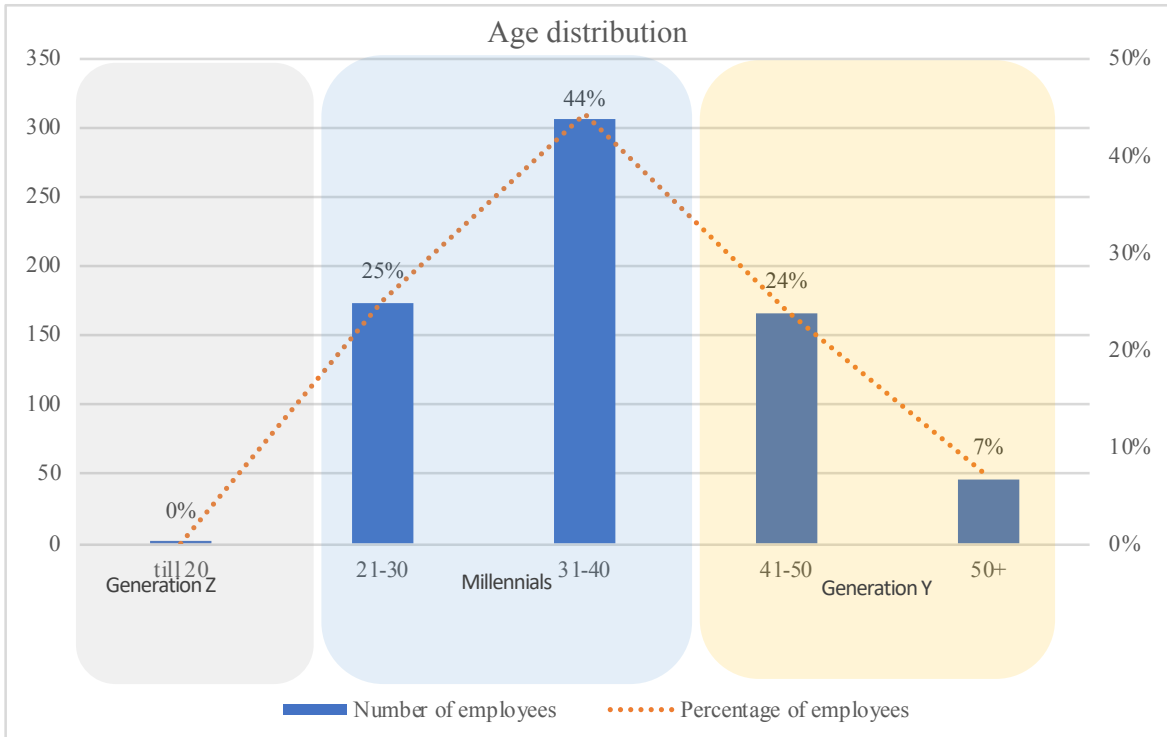
8 Appendix

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- Appendix 5 Job posting
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Appendix 1 Structure of Eurowag's employees





Source: own work (according to W.A.G. payment solutions a.s., 2019)

Appendix 2 Interview with HR Recruitment Team Leader

1. What is your work position within HR department?
“My position is called HR Recruitment Team Leader.”
2. What are your job responsibilities during selection and recruitment process?
“I am directly involved in recruitment interviews, job postings and pre-selection of candidates.”
3. What is generally the highest level of education of employees?
“The highest degree is generally master’s degree. The highest degree in the company is PhD degree.”
4. For what departments do you hire new employees the most?
“The newest hires are recruited to IT and Sales departments. Finance is also department we recruit often.”
5. Is there a high employee turnover in the company? Do you know the average employment period per employee?
„We recruit about 25 new employees per month this year. Employee turnover has been recorded to grow. It is about 20% of employees and the average employment period is 2 years. “
6. The reason behind the high employee turnover is the departure of employees or the growth of the company?
“I would say both answers are correct. The company grows, in the previous years we recruited about 100 new employees per year but this year 2019 the reason is more the employee replacements.”
7. Does the company plan human resources capital? If yes, do you perform analysis of internal and external resources?
“Yes, we plan human resources yearly. From the third and fourth quarter of the year the next year’s human capital is planned. The decisions about the plan are based on a defined budget dedicated to the recruitment. We mainly coordinate these activities with controlling department. The company is flexible to adjustments of the plan during the year as well.”
8. How do you specify requirements for a new job position and who is responsible?
“Line managers of the new positions are responsible for preparation of the job description and specification of requirements of the candidate. HR department then

controls the description and creates a job posting if everything is all right. If not, it is sent back for secondary corrections to line manager.”

9. How do usually HR employees prepare for a job interview?

“The recruiters study candidate’s CV’s, the information about if the candidate is employed at the moment, in which companies did the candidate work previously, what is the main responsibility of the position and what are other requirements of the position.”

10. Do you have an internal job positions database? Does it contain a job position description?

“Yes. We post the position on intranet in the HR section as well as our company career websites. We do not create any notification of new positions that is sent internally to employees. They are asked to check the company career websites.”

11. Do you prefer to hire internal or external human capital? Please, specify your answer.

“We prefer to hire external sources of human capital. Mostly because of the lack of desired skill set and knowledge for the new position. We do have a lot of job openings at a time therefore if we hire internally there would be another unoccupied position to hire for.”

12. Do you have any special recruitment program for graduates?

“No, we do not. We prefer candidates who already gained some professional experience. The jobs that are suitable for graduates are marked with a sign of a graduation hat next to the name of the position on our company career website.”

13. From which sources do you gain the most job applications?

“We acquire candidates mostly from job postings online on job boards, social networks like LinkedIn and recruitment agencies. We use about 4 recruitment agencies in order to gain more job applicants to the positions.”

14. What methods of external sources of candidates do you prefer?

“Online job posting on job boards like Jobs.cz, social media platform LinkedIn, recruitment agencies. These sources bring equal number of candidates. We use job fairs we attend as a source of candidates about once or twice a year.”

15. Is there any referrals program in the company? If yes, how does it work?

“Yes, there is. The bonus of 20,000 CZK is payed to an employee who referred a successful candidate. If the new hire stays in the company longer than the

probation period of the first 3 months, the bonus is payed to the employee who referred the new hire.”

16. What documents do you require ahead of a selection process from a candidate?

“We ask candidates for a Curriculum Vitae and filling out a questionnaire in a job application they submit.”

17. How exactly do you manage selection process and what methods do you use?

“The selection process is managed by both recruiters and line manager who select candidates together. Firstly, we require filling a questionnaire where a specification of experience, languages, location and financial expectations are expressed by a candidate. If the information on a desirable candidate is not complete and telephone call is made to require more information. The first interview with selected candidates is usually a group interview with a line manager and recruiter. If more candidates are in the first round of interviews, we schedule the second round of interviews within a week or two of the initial interview. The job offer is sometimes made in the same day of the final interview or within a week range. Feedback is sent to all unsuccessful candidates at any step of the selection.”

18. What type of interviews do you use the most?

“We generally use a group interview with one recruiter and 1 line manager together with the candidate.”

19. How often do you use online/ Skype interview?

“We often use Skype interviews for positions that are not based in Prague.”

20. What kind of testing do you use in a selection process?

“We do not use test often but when we use it we select job performance tests and work samples and cognitive ability tests. Internally we use Microsoft Excel tests for some positions that require these skills or case studies for positions in marketing department.”

21. What other methods of a selection process do you use?

“The only other method is a physical examination test which is given by law.”

22. Do you use medical examination test before a candidate is hired?

“Yes, but it usually takes place in the same day. A candidate with an employment offer is sent for a medical examination and brings the medical examination form filled by the doctor in the day of signing an employment contract. The form is checked by HR administration at the moment.”

23. Do you prove job candidate references? If yes, how?

“We do not ask for references generally. If we use references, we do not ask for references from a current employer if the candidate is still employed. We do our own research for senior positions. The field where we do business is relatively small so people know each other professionally.”

24. What are the criteria with highest value that decides if a candidate is hired?

“It is a mixture of knowledge, skills and abilities of the candidate together with the right fit to the company culture. We do not have any straight procedure or form to a selection process. We base the decision on the fit to the company and the ability of the candidate to perform the job.”

25. Do you give feedback to unsuccessful candidates? If yes, how?

“Yes. We send an email with a feedback to all unsuccessful candidates. The feedback is sent to all candidates that applied to the job.”

26. What is the final step of hiring a candidate?

“The decision to hire a candidate is mutual between line manager and the recruiter. The final step is the job offer. We use a written form that we send to a successful candidate by email. We make a call with the job offer telephonically as well to notify the candidate additionally.”

27. How long does a recruitment and selection process usually take for one position?

“It usually lasts up to 2 months.”

28. Do you create a follow-up on a new hire?

“Yes, we use a so-called adaptation process of the line manager. The line manager regularly gives feedback to the new hire and plans a meeting before the end of the initial 3 months for a bigger review of the new hire. After the 3 months period HR employee plans an informal meeting with the new employee. Apart from this adaptation process the new hire is assigned a “buddy” colleague in the team to help the new employee with day to day questions.”

29. Do you create a follow-up on the selection process for each position?

“We informally do after the job offer is accepted by a candidate. The communication distributes between recruiter and the line manager during the hiring process.”

Appendix 3 Questionnaire WAG payment solutions, a.s.

Dear employees,

My name is Barbora Šejdová and I am a student of European Agrarian Diplomacy at the Czech University of Life Sciences in Prague and I would like to ask you to fill out a short questionnaire for me. I am studying in English therefore do not be surprised that the questions are in English as well.

I am writing a Diploma thesis on the topic of Recruitment and Selection of Employees in a Selected Company. The thesis is aimed to describe and assess the current process of recruitment and selection in the company WAG payment solutions, a.s. based on a literature review.

Thank you in advance for filling out the questions. It takes only a few minutes. The questions have multiple answers so please pick the one (in some cases more answers can be correct) that you personally think suits your experience with selection process and recruitment in W.A.G. payment solutions, a.s. The answers and all data collected are anonymous and filling it out is voluntary.

I would like to ask you to fill it within the next 10 business days, so I can work with the data subsequently. If you have any questions, please get back to me at

barbora.sejdova@gmail.com.

Thank you and have a great rest of the day,

Barbora

Questions:

1. What is your gender?
 - a) Male
 - b) Female
2. How old are you?
 - a) 18-25
 - b) 26-30
 - c) 31-40
 - d) 41-50

- a) 51 and more
3. How long have you been working in the company?
- a) Less than a year
 - b) 1-2 years
 - c) 3-5 years
 - d) 6-10 years
 - e) More than 10 years
4. Where have you heard about the job posting for your position?
- a) Job fairs
 - b) Job referral
 - c) Website of the company
 - d) Social networks (Facebook, LinkedIn)
 - e) Job portals, job boards online
 - f) I was directly contacted by recruiters
 - g) I was contacted by recruitment agency
 - h) Other
5. Did you perceive that the company has a strong presence at the labour market?
- a) Yes
 - b) Rather yes
 - c) Rather no
 - d) No
6. Why were you interested in working in this company?
- a) Close to my residence
 - b) Professional growth opportunities
 - c) Company culture
 - d) Interesting job duties
 - e) Recommendation of current employee
 - f) Company brand name
 - g) Salary and benefits
 - h) Stable employer
7. Did the design and information in a job posting look professional?
- a) Yes
 - b) Rather yes

- c) Rather no
 - d) No
8. Did you gain all valuable information about the position from the job posting?
- a) Yes
 - b) Rather yes
 - c) Rather no
 - d) No
9. What documents were required by the company when applying for a job position?
- a) Questionnaire
 - b) Curriculum Vitae
 - c) References
 - d) Cover letter
 - e) Certification of education or trainings
 - f) Other
10. If your first job interview occurred with the recruitment agency, how was your experience?
- a) Not applicable, I was contacted directly by the company
 - b) Very professional
 - c) Professional
 - d) Unprofessional
 - e) Very unprofessional
11. If your first job interview was with the recruitment agency, how long did you have to wait until you were directly contacted by the company?
- a) Not applicable, I was contacted directly by the company
 - b) Within 24 hours
 - c) 1-2 business days
 - d) 3-5 business days
 - e) 5-10 business days
 - f) Longer
12. Who responded to your job application?
- a) Recruiter
 - b) HR Manager
 - c) Another HR employee

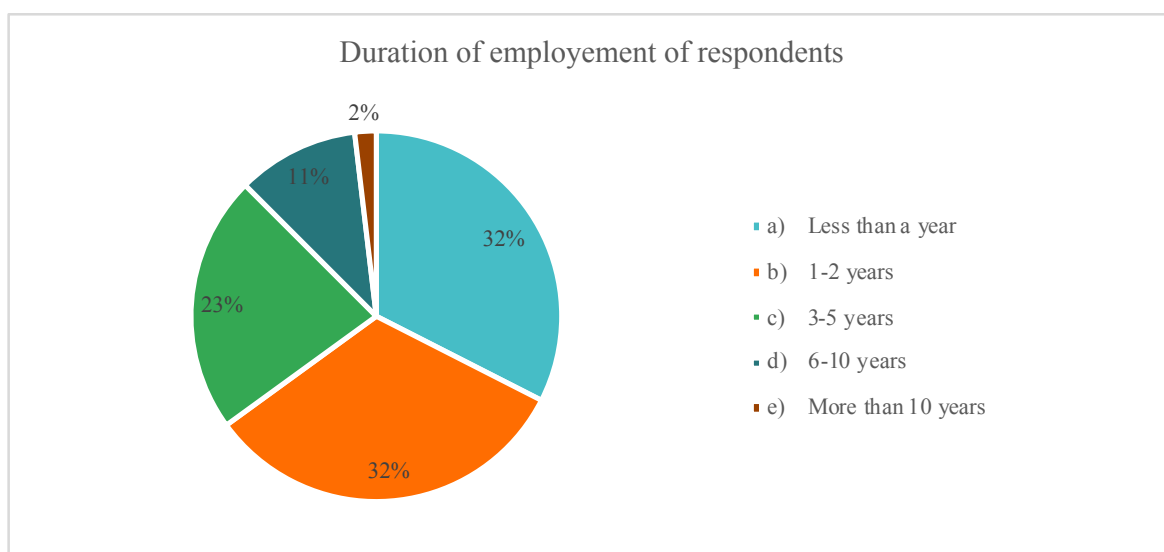
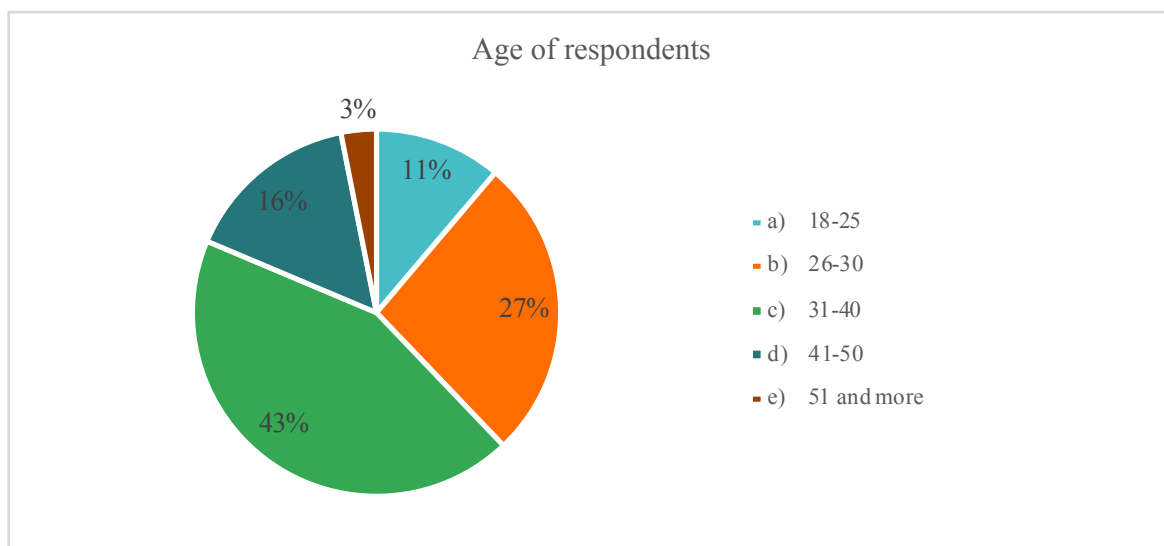
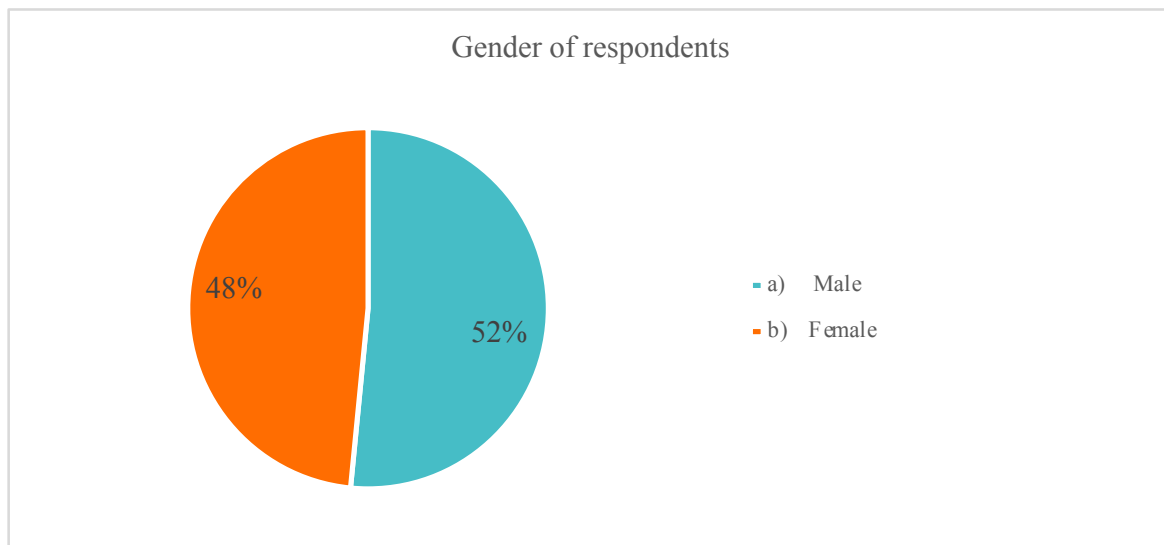
- d) Line manager of the position
 - e) Another employee
13. After how long did the company respond to your job application?
- a) Within 24 hours
 - b) 1-2 business days
 - c) 3-5 business days
 - d) 5-10 business days
 - e) Longer
14. How did the company make an initial contact?
- a) Telephone call
 - b) Email
 - c) Letter
 - d) Skype
 - e) Other
15. Did you participate in testing during the recruitment process?
- a) Not applicable, testing was not part of the selection process
 - b) Physical ability tests
 - c) Cognitive ability (Intelligence) test
 - d) Job performance tests and work samples
 - e) Microsoft Excel sheet tests
 - f) Other tests
16. If you participated in job performance tests and work samples, did it correspond to actual job duties of the position?
- a) Not applicable, testing was not part of the selection process
 - b) Yes
 - c) Rather yes
 - d) Rather no
 - e) No
17. What ambiance did you feel during a personal interview?
- a) Neutral environment
 - b) Professional environment
 - c) Friendly environment
 - d) Hostile environment

18. Were there any questions during the interview that you would recognise as inappropriate?
- e) Yes
 - f) Rather yes
 - g) Rather no
 - h) No
19. Who was interviewing you from the management of the company?
- a) Recruiter
 - b) HR Manager
 - c) Line Manager
 - d) Line Manager and HR Manager
 - e) Line Manager and Recruiter
 - f) Recruiter and HR Manager
20. How long did an interview take?
- a) Less than 20 min
 - b) 20-30 min
 - c) 30-45 min
 - d) 45-60 min
 - e) More than an hour
21. How long did it take until you received a feedback from the interview?
- a) Less than 3 business days
 - b) 3-5 business days
 - c) 6-10 business days
 - d) More than 10 business days
22. How many steps (interviews, tests) in the selection process have you completed before being hired in the company?
- a) 1
 - b) 2
 - c) 3
 - d) More than 3
23. If you took 2 or more than 2 steps in selection, how long did overall selection took from applying to the job position to a job offer?
- a) Not applicable, I was taking part of only 1 step of selection process

- b) Less than 5 business days
 - c) 5-10 business days
 - d) 11-20 business days
 - e) 21 days and more
24. How was the job offer communicated to you?
- a) By telephone
 - b) By telephone and email
 - c) By email
 - d) By postal service
25. How long, after you accepted the job offer, were you able to start working in the company?
- a) Less than 1 week
 - b) 1-2 weeks
 - c) 2-3 weeks
 - d) 3-4 weeks
 - e) More than a month
26. How would you assess communication from HR department during selection?
- a) Constant, I felt well informed
 - b) Rather constant
 - c) Rather irregular
 - d) Irregular, I did not feel well informed
27. What was your overall experience with recruitment and selection?
- a) Positive
 - b) Rather positive
 - c) Neutral
 - d) Rather negative
 - e) Negative
28. Was the job description accurate in comparison to your actual work load?
- a) Yes
 - b) Rather yes
 - c) Rather no
 - d) No

29. Do you now feel supported by HR department to apply internally for other positions in the company?
- a) Yes
 - b) Rather yes
 - c) Rather no
 - d) No
30. How much do you know about the referrals program of the company?
- a) I am well aware
 - b) I am aware
 - c) I am not aware
 - d) I have never heard of a referrals program

Appendix 4 Structure of respondents in a questionnaire



Source: own work, data collected from the questionnaire (2019)

Appendix 5 Job posting



Meet Eurowag – founded just over 20 years ago, today we are the fastest growing integrated mobility provider in Europe - focus on finding solution to simplify lives of commercial road transport companies. Whether it's fuel & toll payments, tax refund, fleet management or simple advice – we help our customers keep over 250 000 vehicles moving across Europe, Asia and Middle East.

We are proud of our truly unique culture that is built around being enterprising, adaptable, energetic and transparent – and that's what we are looking for in all of our new recruits. If you are ambitious, hard-working and are not afraid to go-an extra mile – we'd like to hear from you. Tired of following the routine and are ready to challenge the "status quo?" You're in the right place!

PROCESS MANAGER

We are strengthening our team of Process Designers and would like to welcome new colleague.

In this role you will be responsible for Process design and new services implementation as well as Process management and improvement.

WHAT WILL YOU DO?

Process design and new services implementation:

- Develop modern business processes, identifying best practices and process gaps
- Plan, co-ordinate and manage the effective translation of client business requirements into business processes
- Document current processes and define target business process model
- Support integration of new product, service, system, process etc. into operations/functional department

Process management and improvement:

- Analysis and optimisation of existing business processes to increase efficiency and reduce process related cost
- Define the key performance indicators (KPI) for the process and assist them in how they are measured and reported
- Conducts periodic operational reviews with management to review process performance, explain root causes of performance gaps, develop and execute plans to close them

Work reporting and efficiency:

- Assess variances from defined projects and operational plans, monitor and audit milestones and critical dates to identify potential jeopardy of schedule

WHO WE ARE LOOKING FOR?

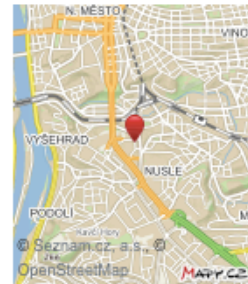
- Experience on similar position (Process Designer) at least 3 years
- Experience with methodologies in business process
- Knowledge / certification on process modelling tools will be an added advantage
- Excellent documentations skills
- English & Czech fluent

WHY YOU SHOULD JOIN US?

- 5 weeks holidays
 - Meal tickets / Contribution to pension or life insurance
 - Multisport card
 - Notebook & Mobile phone
 - Generous budget for education, trainings and language courses
 - Flexible working hours, home office possibility
 - 3 Sick Days
 - Employee fuel cards with advantageous refuelling prices
 - Great location – 3 min walk from the metro station
 - Modern offices, relaxing areas (yoga room, table tennis, boxing bag), summer terrace for your lunch or a cup of coffee
 - EWEREST company restaurant with very competitive prices
 - Fresh fruit at the workplace
 - Dog-friendly offices
 - Regular informal employee gatherings over the glass of wine, teambuildings, company Christmas party
 - BeBetter Day for volunteering and personal budget for a donation of your choice
 - Supporting employees in sports activities (bike stands and showers at your disposal, personal budget for team participation at sport events)
 - Referral bonus for bringing new colleagues
 - Loyalty & Performance rewards
-
- You will work in our modern offices in Prague 4 (3 min walk from subway line C Vyšehrad)
 - We are looking forward to receiving your CV.

Information about the vacancy

Job location	Na Vítězné pláni 1719/4, 140 00 Praha-Nusle, Czech Republic
Employment type	Full-time work
Type of employment	Employment contract
Duration of employment	Permanent
Required education	Bachelor's
Required languages	Czech (proficient), English (advanced)
Posted by	W.A.G. payment solutions, a.s.



CONTACT

W.A.G. payment solutions, a.s.
Alena Batelková

Source: W.A.G. payment solutions, a.s. (2019)

Appendix 6 Job application



PROCESS MANAGER

For the purpose of the selection procedure for this position, W.A.G. payment solutions, a.s., Business ID: 26415623, Na Vítězné pláni 1719/4, Praha, Nusle, as the controller, shall process the data you provided (or publicly obtained) in accordance with the General Data Protection Regulation (EU) 2016/679. The controller will assign the data processing to LMC s.r.o., ID No. 264 41 381, which will do so using its electronic systems. [See more](#)

Name *

Surname *

E-mail *

Phone *

Add

Knowledge of Czech language: *

Knowledge of English language:

What are your salary expectations per month? *

In what location are you looking for a new job? *

When could you start working for our company? *

CV *

Choose File no file selected

Add

Appendix - other

Choose File no file selected

Add

Cover letter

Where did you find out about this vacancy?

I give consent to W.A.G. payment solutions, a.s., Business ID: 26415623, Na Vítězné pláni 1719/4, Praha, Nusle company to let me know when there is another suitable position for me. [See more](#)

Send

* For successful sending of the form all fields with a star have to be entered.

* While entering at least one item from the marked field the marked items become mandatory.

Source: W.A.G. payment solutions, a.s. (2019)