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UAB SDG: Recruitment based on values

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Case study on Bachelor level

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Abstract

JSC SDG is a group of companies providing safe work consultancy services. The company was established in 2002 and has grown to the group of the companies. During the growth period organization faced various human resource management problems. One of the most significant issues are leadership. Recruiting suitable employees is a challenging aspect, as it affects the well-being of the employees and the goals of the organization.

Keywords

Human resource management, recruitment, values, leaders.

*) THANKS TO RŪTA JASIENĖ, UAB SDG HR AND COMMUNICATION MANAGER

Company background

In 2002 established the consulting company SDG (Guarantor of Safe Work) has become a real partner of safe work of Lithuanian companies in a couple of years, consulting and training company managers and employees to work safely.

Since 2011, the company has grown from one single into a group of companies - JSC SDG (consultations and training), JSC SDG kodas (trade in work clothes and personal protective equipment), JSC SDG grupė (management of group companies), JSC SDG academy (driving training), JSC SDG statyba (services in the construction sector), VšĮ Saugi pradžia (social projects, support), consulting company OÜ Ohutu Töö Garant in Estonia and SIA Droša darba garantants in Latvia.

The services of the consulting company SDG are remarkable due to high intellectual requirements for the employees. 98 percent of all employees have higher education. The provided services need excellent understanding of legislation and its application to companies.

"Success is the result of effort! We made fewer mistakes than our competitors. We started with 2 services and today we offer over 250. The risk to fail is and will always be high and if we think about how to reduce it, we will never introduce new products. We trust the qualifications, education, intellectual abilities and creativity of our employees, therefore we entrust them to create new services." (Eduardas Jasas, President of the SDG Group).

SDG services –consultations and implementation of management systems, environmental protection, occupational health, engineering services, energy certification of employee, industrial safety, fire and civil safety, signs and registers, laboratory services, occupational risks, project management, lawyer services, accounting and HR services.

JSC SDG mission:

Share knowledge and ideas in order to create a safe, healthy, competitive, socially responsible and viable environment

JSC SDG vision:

An international innovative business and society partner.

JSC SDG values:

S – Skaidrūs (transparent)

D – Dinamiški (dynamic)

G – Garbingi (respectfull)

In September 2020, 213 employees are working in JSC SDG. The dynamics of employees' exchange rate is presented below:

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	Fired, number	During the trial period	Retired	Rotated to another SDG group organization	Employee number at the beginning of the period	Total employee change rate, percentage	Employee number at the end of the period
2009	52	9	3	0	208	25,00	185
2010	53	7	0	2	185	28,65	182
2011	51	8	1	8	182	28,02	176
2012	26	3	0	2	176	14,77	181
2013	26	2	0	3	181	14,36	184
2014	22	5	1	2	184	11,96	201
2015	20	1	4	1	201	9,95	205
2016	45	3	1	5	205	21,95	197
2017	26	4	0	2	197	13,20	206
2018	32	2	2	1	206	15,53	209
2019	24	3	2	0	209	11,48	218
2020 01-09	17	3	1	1	218	7,80	216

Table 1. Dynamics of employee number, period

A sudden management gap

In 2015, the Kaunas branch consisted of 30 employees, whose average age was about 45 years. In that year, the branch was challenged by a difficult situation. Ona, the head of the department, was already retired, but still working. One day she reported that she had severe oncological disease and was going out for treatment. At first an interim manager was appointed for a month, but then Rita announced that she would definitely not return to work. Thus, she was temporarily replaced by one of the employees from the department, and Rūta, the head of HR department, started looking for a new manager, because she realized that it would still be necessary to solve the issue.



Fig. 1 Kaunas headquarters.

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Usually Rūta and her team preferred internal recruitment channel. The strategy to grow as an organisation with internal talents was successful, because employees knew the company, its culture, values and were loyal. They saw possibility for self realisation and career as well.

Standart recruitment process consisted of several stages:

At first Rūta was thinking about who could take a position from existing employees. If there was a suitable option, she would first talk to that person, then present the candidate to management board and to the president of SDG group, Eduardas Jasas, and if everyone agreed, then appoint an inner person.

However, if they could not find a suitable candidate within the organization, they would resort to external candidates as well.

Attraction of a new manager

Rūta's internal search was unsuccessful. All theoretically possible candidates lacked management experience and needed more time for growth.

It just happened that one person who had been in a managerial job for a long time was looking for a new job. Antanas was over fifty years old and had more than 20 years of leadership experience in public institutions.



Employment History

Manager, Kaunas city museum, Kaunas
May 1996 — December 2008

Manager, Kaunas energy, Kaunas
February 2009 — October 2012

CEO, Kaunas accounting, Kaunas
November 2012 — May 2016

Skills

Teamwork
Leadership and Teamwork
Business Strategy

Communication
Account Management
Human Resource Management

Courses

Internal audit, Bureauveritas
February 2012 — November 2012

November 2020 — November 2020
I am communicative, I always listen to both sides, I find clear arguments for a decision.

Languages

English

Russian

Hobbies

Travelling, reading books, numismatics

Fig. 2 Antanas' CV.

Since the company just needed a head for the Kaunas branch, and a candidate was recommended here, the head of HR department Rūta thought that this person might be suitable. Selection interviews have begun. There were as many as 4 meetings: with HR department, the president of the SDG group of companies, and the interim head of the Kaunas branch, and even more than once. The conversations were long, interfering with both 2 and 3 hours.

Rūta was sure that everything seemed to have been spoken, told, listened to with Antanas. She thought that even can predict how he would behave or not behave in one or another situation.

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Antanas' organizational skills, leadership, honesty and openness impressed everyone, although he was a little intimidated by differences in values: his work experience was just in public institutions, where all made decisions usually are "top-down". Antanas also had no experience in how to run business, which SDG executives saw as a minus. They were worried that he will understand his job as a CEO, and there is the usual "working manager as manager as well as a specialist" in the company, very similar to a "playing coach". However, it was estimated that the Kaunas branch is close to the headquarters, and its main manager and president is nearby at all times and, if necessary, he will be able to help and control in different situations. All the more so as the interim manager agreed to help only temporarily, as he had his own work to do, so a decision had to be made quickly. It seemed that they had talked to Antanas enough and he turned out to be a suitable candidate for the heads of Kaunas branch.

Therefore, the president of SDG Eduardas Jasas has made a final a decision to hire Antanas and appoint him the head of the Kaunas branch.

Rūta introduced Antanas to the company's values, common behaviour, code of ethics, introduced that they do a lot of meetings, that there is a lot of talking to employees and there is no need to book a meeting, that the door is open all the time and employees can come talk about their problems even with top managers. Antanas said he would also talk to all the staff.

The first days

For the first two days, Antanas was sitting in his office. He sat and did not communicate with his team. He delved into structures, into various formal things. And on the third day of work, Antanas, having set up meeting schedules for everybody to come in person at some point, started having those conversations with the employees. One hour was allotted for each conversation, but some were discussed longer, some shorter. The people who came out of those conversations felt very disgusting. Everything took place in one space and everyone saw what was going on. People came to the HR department and comforted that they felt interrogated. One employee, that was pregnant and had to take maternity holidays in one month, was kept in the office for two hours and had to present her future insights on her work.

Differences in Values

Increasingly, value and experience differences began to emerge that it wasn't their man. It was decided to talk to Antanas and advise him. The people from the HR department met with him and talked that maybe it is better to talk to the whole department together, present his vision as he sees the future, what it will be like, explained that in this company everybody communicate each other as an equal, not like a manager and dependant.

Antanas, listening to his colleagues, nodded understandingly, agreed with the suggestions and promised to do so.

After meeting with the staff of the HR department, Antanas convened a general meeting of the department and angrily said:

"Are you snitching on me?"

The person from the HR department attended the meeting so that she could actually hear with her ears how the meeting went. When she heard this phrase from Antanas, she throw her hands up in amazement because everything what he was doing was the opposite of what he had just promised.

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Questions

1. What would you do in such a situation?
2. What errors and omissions would you identify in the selection process?
3. What are the values of UAB SDG and what are of the candidate?
4. Why do you think Antanas was the wrong candidate?
5. Prepare interview questions based on behaviour.

Aftermath

After the meeting, Rūta and her colleague talked to Antanas again and tried to explain that he was doing the wrong policy, that there would be nothing like that, because people would run away, good professionals would leave. It takes several years to grow up good specialists and if all leaves the company then it would simply not have someone to lead. And Eduardas Jasas, the president of SDG group, spoke with him, then went to the employees of the Kaunas branch, talked to them and made a decision. He decided that people were more important than the one person. Antanas, on the ninth day of his work, was offered to resign.

This mistake has brought great benefits to the company. People saw the difference between the company's executives and the person from outside. They saw what kind of executives can be. People appreciated that the president of the SDG group of companies chose the team instead of the manager, they understood how strongly they are valued.

Questions

1. What mistakes did the new manager make?
2. Was the decision to fire correct? If not, what needed to be done?
3. What should be the selection process to avoid such situations?

Appendix

UAB "SDG" ORGANISATIONAL MANAGEMENT STRUCTURE

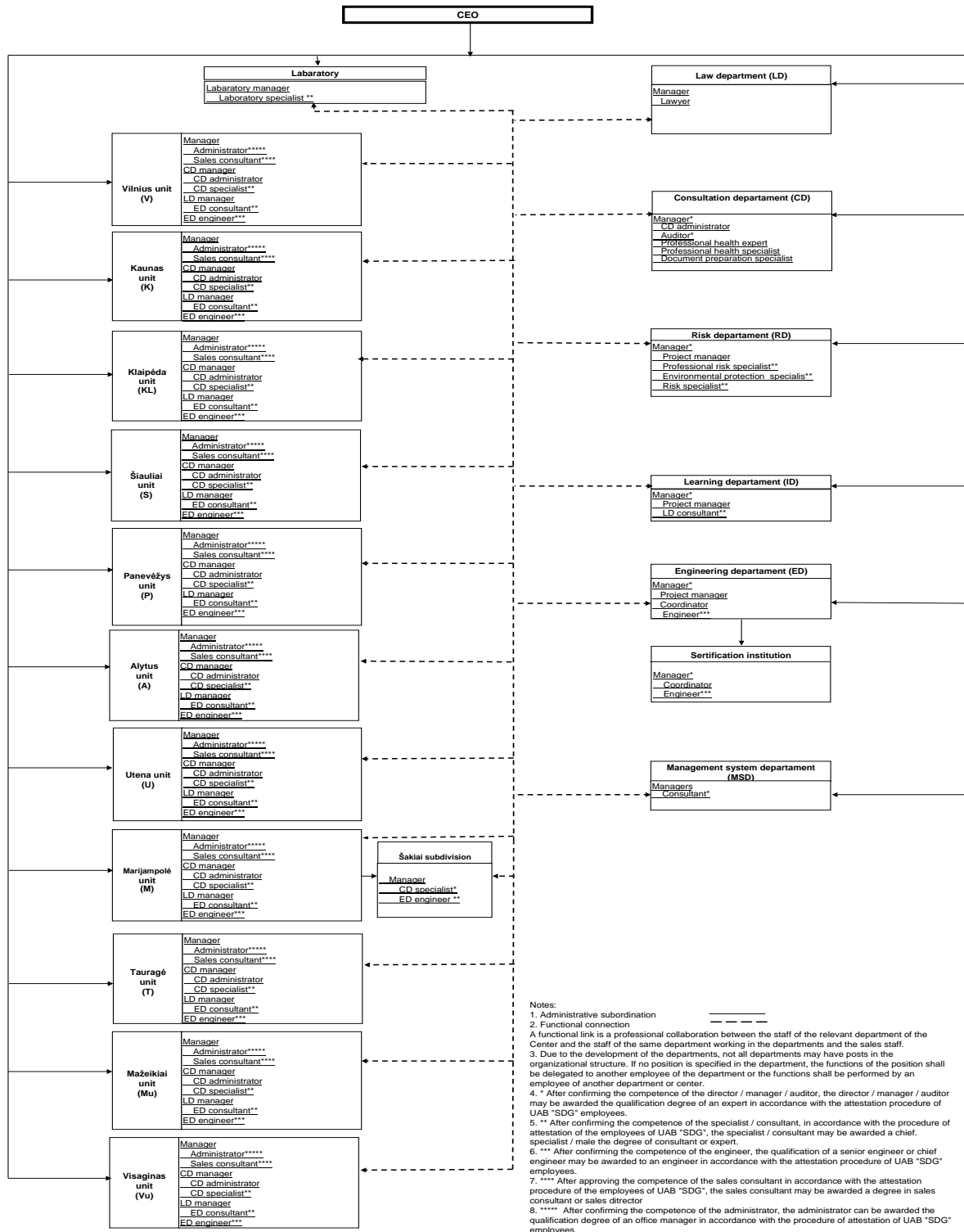


Fig. 3 UAB SDG group organizational structure.

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The main architect of the building is one of the employees of JSC SDG. The president Eduardas Jasas agreed to implement his ideas and construct a building which represents their core values, vision and mission. A lot of glass provides transparency in every day performance. Two separate but at the same time connected parts of the building represents dynamics and cooperation with partners and society. Various internal zones for relax shows that they respects differences and all people can find the most suitable place for them.

<https://www.sdg.lt/puslapis/sdg-veikla>

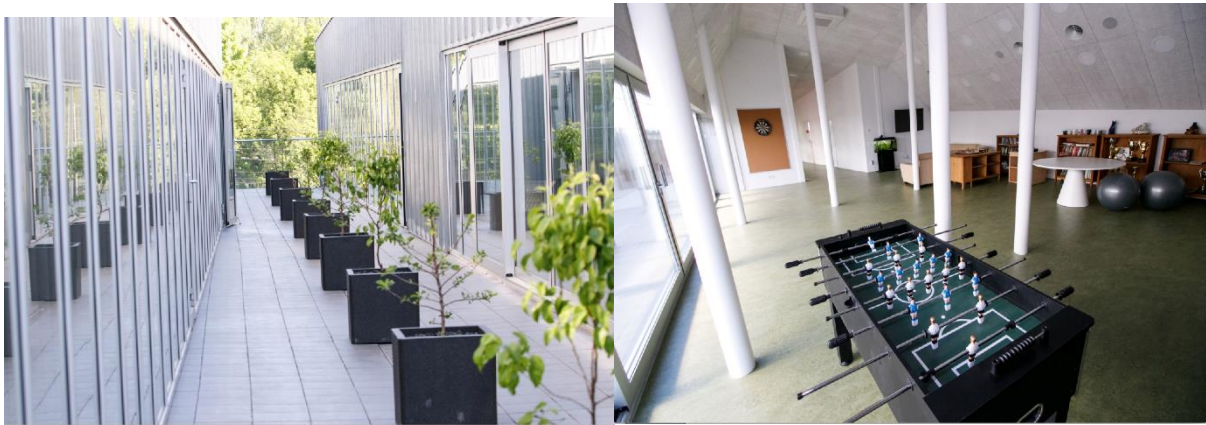


Fig. 3 JSC SDG headquarters.

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Teaching Note

Discipline background and target groups

Discipline background of the case study:

Human resource management

General target groups:

UG students

(b) Synopsis according to the integrated case method process

[Synopsis] This case is about one of Human Resource Management functions - selection process in JSC SDG. It is designed for students who seek to gain knowledge about employee recruitment based on values. This case was developed in a close cooperation with JSC SDG. The preparation of the case consisted of following stages:

- Oral presentation of the project to JSC SDG.
- In depth interviews with people from HR department (recorded interviews)
- The second interview in order to gain extra qualitative information (values, organizational structure, etc.) was accomplished in written form.
- JSC SDG review of the written case and comments.

(c) Type and format of the case

This written case is an exercise case. It allows student to apply specific techniques explained in a traditional lecture. It includes infographics and photos.

(d) Teaching objectives, target groups and target courses

[Objectives] This case is designed to reach such learning objectives as:

- to understand how is important omissions of the candidate and organization values
- to be able to organize proper selection process in an organization
- to be able to prepare behaviour based interview questions

[Target group] The case is written for Bachelor students (the 3rd and 4th year).

[Target courses] The case is especially intended for courses in management and human resource management.

(e) Teaching approach/area and strategy/organisation

[Approach/area] The case is intended to gain knowledge in human resource management and especially concentrates on the following topics:

1. recruitment process
2. communication

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3. adaptation
4. decision making
5. culture

Students are required to study theoretical material related to Human resource recruitment process, interview structure, questions based on behaviour.

The case is prepared for teamwork. Therefore, before starting to work on the case students have to organize teams. The team should consist of 3-4 team members. The case can be studied in the classroom or combining homework and work in classroom.

[Strategy/organization] of the case study has been organised as follows:

1. **Case Briefing:** The teacher should present the topic, its purpose, time frame and course. After, students should read the case study carefully. A 30-minute time period should be allowed for this. The teacher can ask students to read the case before coming to class. Students should be given time to discuss details of the case study and the associated work assignment with the teacher. A further 30 minutes should be allowed for this.
2. **Case Coaching:** While working on the case, students should have the opportunity to interact with the teacher in the form of coaching sessions. For this purpose, approx. 60 minutes should be scheduled again.
3. **Upload of analysis results:** After 2 weeks, students should upload their results to the learning platform in the form of a presentation.
4. **Case presentation.** Students should present their results orally during the period of 15 minutes including discussion as well.

(f) Evaluation/Grading

[Evaluation criteria] Evaluation shall take place based on the following criteria:

- a. Completeness
- b. Accuracy
- c. Argumentation
- d. Activity

[Grading/weights criteria] Evaluation shall take place based on the following criteria

Maximum number of points achievable, thereof for 100

- Case research: max. 60 points
- Case presentation: max. 30 points
- Class participation: max. 10 points

Final graduation: $60 + 30 + 10 =$ **100**

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(g) Analysis and solution outline

A detailed case analysis and solution outline

Part I

1. What would you propose in this a situation?

Solution is to talk with Antanas in order to explain culture, values, routines, behaviour of UAB SDG. Also prepare proper adaptation plan.

2. What errors and omissions would you identify in the selection process?

During all recruitment process no colleagues from the department were involved. They could present their daily life and evaluate candidate also. RJPs (real job preview) also should be prepared in various forms: presentation, meetings, video, etc.

3. What are the values of UAB SDG and what are incompatible values of the candidate?

UAB SDG values are transparent, dynamic, respectful. Antanas values are not presented, just behaviour: threatening, individual talks, dictating.

4. Why do you think Antanas was the wrong candidate?

Candidate was jack in office, lacked respectability, used old fashion management methods.

Part II

1. What mistakes did the new manager make?

Antanas did not present himself and his future vision related to the work with all his team. His organized meetings were individual, which is uncharacteristic of this organization. His communication style was not respectable. Even after HR people comments about his inappropriate work style, he continued to work in the same style and even told the phrase „so you snitched me”.

2. Was the decision to fire correct? If not, what needed to be done?

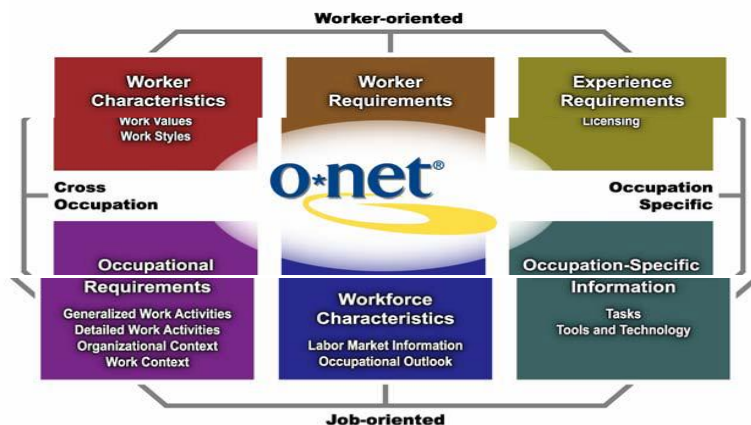
Decision to fire was correct, because this person did not have the same values as all organisation. His further work would destroy department.

3. What should be the selection process to avoid such situations?

Preparation for the interview:

- RJPs (real job preview) should be prepared and applied.
- Requirements for work place should be prepared and applied (www.O'netonline.org model can be used)
- Prepared interview questions based on behaviour

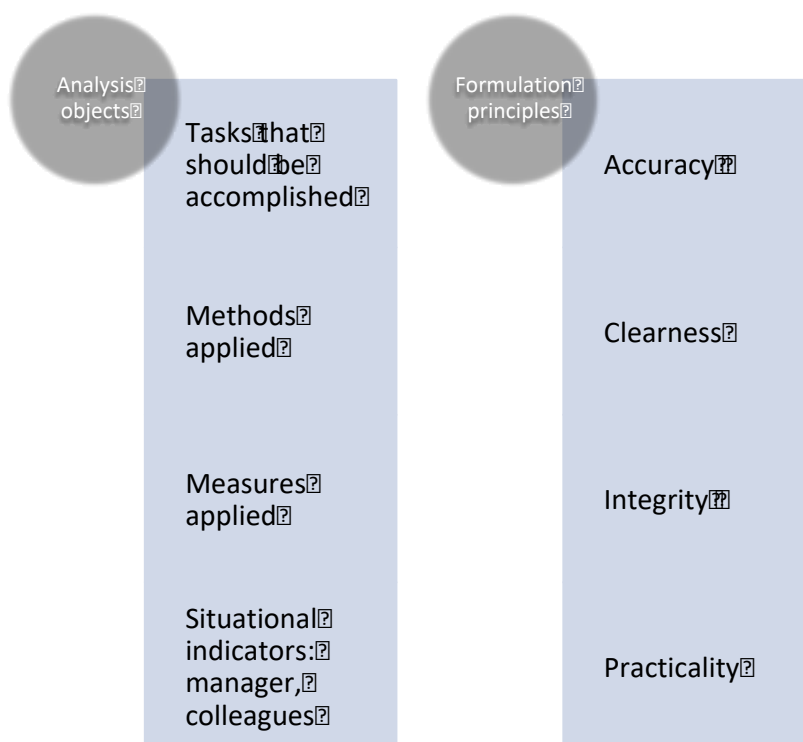
Requirements for work places



(O' Net content model)

Recommendation for formulation of requirements for a work place:

Formulation of requirements for a work place



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Selection process:

- Several meetings for interview (the first with HR manager, the second – with the team (management Board, the third – with the president).
- During selection process questions and situations provided should be based on behaviour in the past and values evaluation.

Recruitment based on values



After recruitment- adaptation process:

- Appointment of the mentor for the adaptation period
- Preparation of adaptation plan, evaluation form including results, tasks and expectations.
- Consultations

Further readings:

Armstrong, Michael (2006), A Handbook of Human Resource Management Practice, 10th ed., Kogan Page Ltd.

Thompson, Alexandra, "Values-Based Recruitment: Recruitment Strategy Effectiveness on Gaining Generation Z Matriculation" (2020). Masters Theses. 4799. <https://thekeep.eiu.edu/theses/4799>

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