



Recruitment And Selection Practices In Mncs- An Appraisal

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Abstract:

The success of MNCs especially in emerging economies depends on the extent they cope with competitive market dynamics in various sectors. One way of coping with the situation is through effective recruitment and selection of the right and diverse employees for business units operated beyond the traditional markets. Effective acquisition of the right human resource is dependent on the policies and practices embraced bearing in mind that there are no universal best practices that could be applied in all the markets. The practices are normally dictated by the parent company and subsidiary relationship, the constantly changing business environment. Based on this backdrop, this article describes hiring issues and empirically evaluates selected recruitment and selection practices for MNCs in the state of Karnataka.

Key words: Recruitment and Selection Practices, MNCs

1.Introduction

The success of multinational enterprises depends on how well the human talent is acquired, developed and maintained in the long run. Acquiring employees involves recruitment and selection at the parent country and overseas entities. It is also concerned with managing the international mobile workforce hired in one locale and relocated to others for a variety of reasons. MNCs with overseas expansion strategy are prompted to find the right talent in meeting employment needs wherever they decide to operate from the available resource buffer.

The HR manager and other professional agencies serve as the source of providing sufficient information about the adequacy of the local labour markets prior to making decisions about where to locate operations and whether to participate in any cross-border acquisition, joint venture or alliance. Although other business factors such as financial and legal considerations must be explored fully, the human capital and social issues form part of the due diligence process which should work in tandem with the business strategy to ensure that whatever the form of the new international venture, focus is placed on strong performance within the employment relationship. It is assumed that strategy formation has material effect on organizational outcomes. Such an assumption and resultant choice making blend ways in which multinational management invest in positioning an organization in employment markets; how potential human capital is identified and attracted and the care with which the selection, socialization and corporate memory-building is undertaken. The degree of direct involvement of senior management in resourcing activities offers another tangible indicator of perceived value of human capital management in the governance of an organization.

2.Global Recruitment Strategies

There are basically three global strategies applied in developing recruitment and selection policies and practices around the world. Firstly, firms have the option of having a common set of recruitment and selection policies and practices; replicating the parent company's system across all overseas entities. Secondly, firms have the option of designing different recruitment and selection policies and practices locally or regionally. Thirdly, firms have the option of adopting a hybrid system between a local and a global solution, perhaps developed with global input or one that has a common structure with local adaptation. Such an approach is contingent on the overall orientation for a given firm and/or for a given role.

3. Recruitment Channels

Recruitment channels are routes through which business enterprises follow in search for the right human capital. Recruitment is a process carried out by an organization or its agents for the primary purpose of identifying, attracting and influencing the job choices of competent candidates. Recruitment activities are either directed towards external candidates from outside organizations or towards current employees.

The recruitment process varies in complexity and degree of difficulty depending on the recruitment objectives and sources chosen. The most commonly applied sources for external recruitment are newspaper ads, private and public employment agencies, internet job boards, corporate websites, employee referrals, colleges and universities, search firms, job fairs.

4. Conventional Recruitment

Conventional recruitment applies formal sources. Advertising a job starts with the identification of required applicants, their location and placement in the labour market, and then proceeds with activities to attract and persuade qualified applicants to apply. Job applications are then received, screened, and sorted, leading to the drawing up of shortlisted candidates. The process ends with communicating the pre-screening results to applicants.

5. Internet Recruitment

Advancement in ICT has made internet recruitment a key medium for recruitment and selection by employers and recruitment agencies. Since 1998 there has been a significant increase in the number of organizations using corporate websites as a recruitment channel (Searle, 2006). Internet recruitment is seen as an effective medium especially when hiring graduates, IT and technical professionals and tactical managers. With internet recruitment organizations have a number of choices: encouraging direct applicants through their own websites, setting up their own recruitment websites or advertising vacancies on specialist internet recruitment sites.

The benefits of internet recruitment for an organization include: reduction in recruitment costs, reaching a wide pool of applicants, reduction in the recruitment cycle, technology can be used to scan CVs and match against key selection criteria, reduction in the amount of paperwork associated with the recruitment process as well as providing a positive corporate brand image. Internet recruitment provides greater flexibility for candidates matching job-seeking habits of the contemporary labour market. Large

business enterprises combine internet technologies with other technologies, such as video technology, to make it easier and more cost-effective when recruiting in the global marketplace. In addition internet recruitment creates opportunities for large enterprises to use pre-selection tools and tests, thus helping to improve the likelihood of a match between applicants and job vacancies.

6.Selection Process

Predicting future job performance is complex a process given that successful performance in any given job role is affected by individual and organizational attributes. Hence, it is important not to isolate selection decisions from other human resource management (HRM) practices that take place before and after the selection process, such as providing adequate information in advertisements and recruitment literature about job roles. This is thought to ensure a favourable employer image and attend to initial socialisation of new recruits. Research by Ng and Burke (2005) suggested that diversity management practices are also an important factor in the decision making criteria applied for highly educated female and ethnic minority applicants. The best practice approach to HRM suggests that organizations should use a sophisticated set of selection processes, rather than relying on a single source of information on which to base decisions about an applicant's suitability for a specific job task. The selection approaches that organizations draw on include: unstructured interviews, either face-to-face or conducted over the telephone, structured behavioural or situational interviews, competency-based interviews, psychometric tests and selection through assessment centres. However, there has been much debate and research into how to enhance the validity and reliability of the selection process. In addition, debates ensue about how to ensure a 'fair' selection process, one that address procedural justice (i.e. fairness in the processes used) and distributive justice (i.e. fairness in the outcomes).

The use of psychometric tests in the selection process ensures procedural justice given that tests are administered equally to all candidates though the tests lead to distributive injustice given that they are often based on the assumption that there is one 'best' way to do a job. What is needed is for organizations to acknowledge that individuals can carry out a task in different ways and still be effective. Based on this backdrop, it is crucial that multinational companies systematically monitor the outcomes of recruitment and selection policies and practices regularly.

7.Objectives Of The Study

- To examine the present HR demographics (sex, age, level of education) in MNCs.
- To study the recruitment, and selection practices of MNCs.
- To offer suggestions in the limelight of the findings of the study for MNCs to effectively utilize the human asset and development for sustainable competitive advantage and success in emerging economies.

8.Hypotheses Of The Study

Ho: There is no significant impact of educational qualification, experience, previous employment on employee recruitment and selection for MNCs.

Ho: There is no significant impact of reference, interview, written tests and practical work on selecting employees in MNCs.

9.Research Design

The analytical research design was applied in appraising recruitment and selection practices of MNCs.

10.Sample Size

For the realisation of the sample respondent to investigate, the study has adopted stratified random sampling method and selected respondents from different sectors as viz.; logistics 31, information technology 36, pharmaceutical 28, garments & textiles 17, automobiles 27, food processing 19, electrical equipment 18, retail 20, telecommunication 30, financial services 24. Therefore, the total sample respondents for the study are 250.

11.Sources Of Primary And Secondary Data

Primary data were gathered through a structured questionnaire presented before the management and employees of selected multinational enterprises from ten stratified sectors in the major cities of Karnataka. Secondary data sources for this study such as research articles, library and internet website resources were accessed and relevant data gathered.

12. Statistical Data Analysis Techniques

After collecting data we edited, classified and tabulated it ready for analysis with the help of SPSS. Frequencies were applied to confirm recruitment and selection issues and practices; F-test was applied for measuring significance of perceptual attitudes which acted as a source of inference. Mean scores were also applied in order to make an inference on the most preferred acquisition and selection practices in MNCs.

13. Limitations Of The Study

Employee perceptions were only studied within a specified period. Since employee perceptions change in the long run, the assertion given by the respondents through the structured questionnaire may not be similar currently.

Having dealt with the theoretical issues of recruitment and selection in the global context and research methodology above, the following is an empirical analysis of the staff demography, recruitment and selection practices in selected MNCs.

14. Gender Distribution Of Employees

Employee gender distribution in business enterprises could vary from one firm to other and based on the nature of work done.

Sector	Response		Total
	Male	Female	
Logistics	27(14.8%)	4(5.9%)	31(12.4%)
IT	29(15.9%)	7(10.3%)	36(14.4%)
Pharmaceutical	19(10.4%)	9(13.2%)	28(11.2%)
Garment & Textiles	7(3.8%)	10(14.7%)	17(6.8%)
Automobiles	26(14.3%)	1(1.5%)	27(10.8%)
Food Processing	17(9.3%)	2(2.9%)	19(7.6%)
Electrical Equipment	17(9.3%)	1(1.5%)	18(7.2%)
Retail	15(8.2%)	5(7.4%)	20(8.0%)
Telecommunication	10(5.5%)	20(29.4%)	30(12.0%)
Financial services	15(8.2%)	9(13.2%)	24(9.6%)
Total	182(72.8%)	68(27.2%)	250(100%)

Table 1: Sex and Sector of Respondents

Source: Field Survey

Table 1 reveals the sex and sector of respondents. Out of 250 respondents; 72.8% respondents accepted that they were male. It led with the response of 15.9% followed by logistics, automobiles and pharmaceutical with the response of 14.8%, 14.3% and 10.4% respectively. An equal threshold of 9.3% was shared by food processing and electrical equipment. Another equal threshold response of 8.2% was for retail and financial services. The rest of the sector response ranged between 5.5% and 3.8%; 68 respondents accepted that they were female. Telecommunication led with the response of 29.4% followed by garment & textiles with the response of 14.7%. A threshold of 13.2% was taken by pharmaceutical and financial services. It took fourth position with the response of 10.3%. Retail took the fifth position with the response of 7.4%. The remaining sector response ranged between 2.9% and 1.5%.

Based on the above analysis, it is inferred that majority of employees in MNCs are male. Thus there is need for the enterprises to take seriously the issue of human resource diversity in terms of gender equity for their survival where a greater percentage of the population in the marketplace is female.

15. Age Distribution Of Employees

While hiring employees for various tasks and responsibilities age is an important consideration. Some enterprises require young people for particular tasks and elderly blood for other responsibilities. Other enterprises require a blend of the young and the elderly due to the dictates of the market.

Sector	Response				Total
	<=30	<=39	<=49	<=59	
Automobiles	17(11.9%)	9(20.0%)	0(0.0%)	1(9.1%)	27(10.8%)
Pharmaceutical	12(8.4%)	5(11.1%)	8(15.7%)	3(27.3%)	28(11.2%)
Electrical Equipment	7(4.9%)	5(11.1%)	6(11.8%)	0(0.0%)	18(7.2%)
Financial Services	11(7.7%)	4(8.9%)	7(13.7%)	2(18.2%)	24(9.6%)
Food Processing	1(0.7%)	3(6.7%)	12(23.5%)	3(27.3%)	19(7.6%)
Garment & Textiles	13(9.1%)	1(2.2%)	3(5.9%)	0(0.0%)	17(6.8%)
IT	14(9.8%)	10(22.2%)	10(19.6%)	2(18.2%)	36(14.4%)
Retail	16(11.2%)	2(4.4%)	2(3.9%)	0(0.0%)	20(8.0%)
Telecommunication	29(20.3%)	1(2.2%)	0(0.0%)	0(0.0%)	30(12.0%)
Logistics	23(16.1%)	5(11.1%)	3(5.9%)	0(0.0%)	31(12.4%)
Total	143(57.2%)	45(18.0%)	51(20.4%)	11(4.4%)	250(100%)

Table 2: Age and Sector of the Respondents

Source: Field Survey

Table 2 reveals the age and sector of respondents. Out of 250 respondents; 143 respondents said that they were 30 years old and below. Telecommunication led with the response of 20.3% followed by logistics, automobiles, retail and it with the response of 16.1%, 11.9%, 11.2%, and 9.8% respectively. The remaining sector response ranged between 9.1% and 0.7%; 51 respondents opined that they were 50 years and below whereby food processing led with the response of 23.5% followed by it, pharmaceutical, financial services and electrical equipment with the response of 19.6%, 15.7%, 13.7% and 11.8% respectively; 45 respondents asserted that they were 40 years and below. It led with the response of 22.2% followed by automobiles with the response of 20.0%. Pharmaceutical, electrical equipment and logistics, took an equal response of 11.1%. The rest of the sector response ranged between 8.9% and 2.2%; 11 respondents said that they were sixty years and below. Pharmaceutical and food processing retained elderly employees with an equal response of 27.3% followed by financial services and it with an equal response of 18.2%. Automobiles took third rank response of 9.1%.

In view of the above analysis, it is observed that all types of employees are hired right from those who have more work experience to those with less work experience though majority of employees hired in MNCs are 30 years and below.

16. Employee Level Of Education

The education system existing in an economy determines the nature of the human resource available for hire in business enterprises in terms of educational qualification and technical competencies. Government policies towards prevailing education system also determine the kind of human asset to be hired in various sectors.

Sector	Response					Total
	High School	Graduate	Postgraduate	Doctorate	Other	
Automobiles	0 (0.0%)	18 (12.1%)	8 (14.8%)	0 (0.0%)	1 (2.9%)	27 (10.8%)
Pharmaceutical	0 (0.0%)	19 (12.8%)	8 (14.8%)	1 (33.3%)	0 (0.0%)	28 (11.2%)
Electrical Equipment	2 (20.0%)	14 (9.4%)	1 (1.9%)	0 (0.0%)	1 (2.9%)	18 (7.2%)
Financial Services	0 (0.0%)	16 (10.7%)	4 (7.4%)	1 (33.3%)	3 (8.8%)	24 (9.6%)
Food Processing	0 (0.0%)	8 (5.4%)	11 (20.4%)	0 (0.0%)	0 (0.0%)	19 (7.6%)
Garment & Textiles	1 (10.0%)	5 (3.4%)	2 (3.7%)	0 (0.0%)	9 (26.5%)	17 (6.8%)
IT	0 (0.0%)	24 (16.1%)	9 (16.7%)	1 (33.3%)	2 (5.9%)	36 (14.4%)
Retail	4 (40.0%)	11 (7.4%)	1 (1.9%)	0 (0.0%)	4 (11.8%)	20 (8.0%)
Telecommunication	3 (30.0%)	18 (12.1%)	8 (14.8%)	0 (0.0%)	1 (2.9%)	30 (12.0%)
Logistics	0 (0.0%)	16 (10.7%)	2 (3.7%)	0 (0.0%)	13 (38.2%)	31 (12.4%)
Total	10 (4.0%)	149 (59.6%)	54 (21.6%)	3 (1.2%)	34 (13.6%)	250 (100%)

Table 3: Educational Qualification and Sector of Respondents

Source: Field Survey

Table 3 reveals the educational qualification and sector of respondents. Out of 250 respondents; 149 respondents asserted that they were graduates whereby it led with the response 16.1%, followed by pharmaceutical, automobiles and telecommunication with the response of 12.8%, 12.1% and 12.1% respectively. Logistics took fourth position with the response of 10.7% and electrical equipment in fifth position with the response of 9.4%; 54 respondents said that they had a master's degree. Food processing led with the response of 20.4% followed by it with the response of 16.7%. Automobiles, pharmaceuticals and telecommunication took third position with an equal threshold of 14.8% followed by financial services and logistics with the response of 3.7% respectively; 34 respondents opined that they had other qualifications whereby logistics led with the response of 38.2% followed by garment & textiles, retail, financial services and it with the response of 26.5%, 11.8%, 8.8% and 5.9% respectively; 10 respondents

opined that they had high school education. Retail led with the response of 40.0% followed by telecommunication and electrical equipment, garment & textiles with the response of 30.0%, 20.0% and 10.0% respectively; 3 respondents accepted that they had doctorate qualification whereby pharmaceutical, financial services and it sectors took an equal response of 33.3%.

In view of the above analysis, it is inferred that majority of MNCs hire graduates.

17. Recruitment And Selection Policy

Recruitment and selection policy determine the effectiveness of acquiring the right manpower through various sources and tools.

Sector	Response		Total
	Yes	No	
Logistics	31(12.5%)	0(0.0%)	31(12.4%)
IT	36(14.5%)	0(0.0%)	36(14.4%)
Pharmaceutical	28(11.3%)	0(0.0%)	28(11.2%)
Garment & Textiles	17(6.9%)	0(0.0%)	17(6.8%)
Automobiles	27(10.9%)	0(0.0%)	27(10.8%)
Food Processing	19(7.7%)	0(0.0%)	19(7.6%)
Electrical Equipment	18(7.3%)	0(0.0%)	18(7.2%)
Retail	20(8.1%)	0(0.0%)	20(8.0%)
Telecommunication	29(11.7%)	1(50.0%)	30(12.0%)
Financial Services	23(9.3%)	1(50.0%)	24(9.6%)
Total	248(99.2%)	2(0.8%)	250(100%)

Table 4: Sector and Opinion of Respondents towards Existence of an Effective Recruitment and Selection Policy

Source: Field Survey

Table 4 reveals the sector and opinion of respondents towards the existence of an effective recruitment and selection policy. Out of 250 respondents; 248 respondents opined that their organization had effective recruitment and selection policy whereby it led with the response of 14.5% followed by logistics, telecommunication, pharmaceutical and automobiles with the response of 12.5%, 11.7%, 11.3% and 10.9% respectively. The rest of the sector response ranged between 9.3% and 6.9%; 2 respondents opined that

effective recruitment and selection policy did not exist which was shared between telecommunication and financial services with an equal response.

From the above analysis, it is inferred that majority of MNCs have an effective recruitment and selection policy.

18.Sources of MNC Employees

The sources of employment for multinational enterprises are subject to the nature of the market and government regulations. The following sources of employment were examined for this study.

19.Parent Country Nationals

Parent-country nationals are employees whose nationality is the same as that of the parent company. They are hired in affiliate enterprises due to non-availability of job talent, information network consistent with the corporate culture is to be created and when the parent company wants an overall control of its affiliates.

Sector	Response		Total
	Parent Country Nationals	Non-parent Country Nationals	
Logistics	31(15.1%)	0(0.0%)	31(12.4%)
IT	34(16.6%)	2(4.4%)	36(14.4%)
Pharmaceutical	27(13.2%)	1(2.2%)	28(11.2%)
Garment &Textiles	6(2.9%)	11(24.4%)	17(6.8%)
Automobiles	17(8.3%)	10(22.2%)	27(10.8%)
Food Processing	14(6.8%)	5(11.1%)	19(7.6%)
Electrical Equipment	17(8.3%)	1(2.2%)	18(7.2%)
Retail	13(6.3%)	7(15.6%)	20(8.0%)
Telecommunication	24(11.7%)	6(13.3%)	30(12.0%)
Financial Services	22(10.7%)	2(4.4%)	24(9.6%)
Total	205(82.0%)	45(18.0%)	250(100%)

Table 5: Sector and Opinion of Respondents towards Parent Country Nationals

Source: Field Survey

Table 5 shows the sector and opinion of respondents towards parent country nationals (PCNs) as a source of employment. Out of 250 respondents; 205 respondents opined that parent country nationals were a source of employment whereby it led with the response of 16.6%, followed by logistics, pharmaceutical, telecommunication and financial services with the response of 15.1%, 13.2%, 11.7% and 10.7% respectively. The remaining sector response ranged between 8.3% and 2.9%; 45 respondents opined that PCNs was not a source of employment. Garment & textiles led with the response of 24.4% followed by automobiles, retail, telecommunication and food processing with the response of 22.2%, 15.6%, 13.3% and 11.1% respectively. The rest of the sector response ranged between 4.4% and 2.2%.

In view of the above analysis, it is inferred that PCNs are a source of employment in majority of MNCs.

20. Host Country Nationals

Host country nationals are employees with the same nationality as the location of the subsidiary enterprise. The host country nationals could be hired in MNCs perhaps for the reason of meeting one of the terms of operating in a given market.

Sector	Response		Total
	Host Country Nationals	Non-Host Country Nationals	
Logistics	29(12.4%)	2(12.5%)	31(12.4%)
IT	35(15.0%)	1(6.3%)	36(14.4%)
Pharmaceutical	28(12.0%)	0(0.0%)	28(11.2%)
Garment & Textiles	15(6.4%)	2(12.5%)	17(6.8%)
Automobiles	27(11.5%)	0(0.0%)	27(10.8%)
Food Processing	17(7.3%)	2(12.5%)	19(7.6%)
Electrical Equipment	18(7.7%)	0(0.0%)	18(7.2%)
Retail	20(8.5%)	0(0.0%)	20(8.0%)
Telecommunication	22(9.4%)	8(50.0%)	30(12.0%)
Financial Services	23(9.8%)	1(6.3%)	24(9.6%)
Total	234(93.6%)	16(6.4%)	250(100%)

Table 6: Sector and Opinion of Respondents towards Host Country Nationals

Source: Field Survey

Table 6 reveals the sector and opinion of respondents towards host country nationals as a source of employment. Out of 250 respondents; 234 respondents asserted that host country nationals were a source of employment whereby it led with the response of 15.0% followed by logistics, pharmaceutical, automobiles and financial services with the respective response of 12.4%, 12.0%, 11.5% and 9.8%. The remaining sector response ranged between 9.4% and 6.4%; 16 respondents opined that host country nationals were not a source of employment whereby telecommunication led with half of the total response. Logistics, garment & textiles and food processing took an equal response threshold of 12.5% and it was with the response of 6.3%.

21. Third Country Nationals

Third country nationals are citizens of countries other than the country in which an MNC is headquartered or the one in which they are assigned to work by the MNC. The reason for third country nationals' utilisation by MNCs is due to their expertise.

Sector	Response		Total
	Third Country Nationals	Non-third Country Nationals	
Logistics	2(3.0%)	29(15.8%)	31(12.4%)
IT	27(40.3%)	9(4.9%)	36(14.4%)
Pharmaceutical	4(6.0%)	24(13.1%)	28(11.2%)
Garment & Textiles	0(0.0%)	17(9.3%)	17(6.8%)
Automobiles	3(4.5%)	24(13.1%)	27(10.8%)
Food Processing	8(11.9%)	11(6.0%)	19(7.6%)
Electrical Equipment	1(1.5%)	17(9.3%)	18(7.2%)
Retail	0(0.0%)	20(10.9%)	20(8.0%)
Telecommunication	19(28.4%)	11(6.0%)	30(12.0%)
Financial Services	3(4.5%)	21(11.5%)	24(9.6%)
Total	67(26.8%)	183(73.2%)	250(100%)

Table 7: Sector and Opinion of Respondents towards Third Country Nationals

Source: Field Survey

Table 7 reveals the sector and opinion of respondents towards third country nationals as a source of employment. Out of 250 respondents; 67 respondents opined that third country nationals were a source of employment. It led with the response of 40.3% followed by telecommunication, food processing and pharmaceutical with the response of 28.4%, 11.9% and 6.0% respectively. Automobiles and financial services took fifth rank with an equal response of 4.5%. The remaining sector response took the threshold of between 3.0% and 1.5% and; 183 respondents opined that third country nationals were not a source of employment. Logistics led with the response of 15.8% followed by pharmaceutical, financial services and retail with the respective response of 13.1%, 11.5% and 10.9%. Garments & textiles and electrical equipment took an equal response of 9.3%. The rest of the sector response ranged between 6.0% and 4.9%.

In view of the above analysis, it is inferred, that third country nationals are not a source of employment for majority of MNCs.

22. Inpatriates

Inpatriates are individuals from host country or third country nationals assigned to work in the home country of a company. The growing use of inpatriates has helped MNCs better develop global competencies.

Sector	Response		Total
	Yes	No	
Logistics	14(12.3%)	17(12.5%)	31(12.4%)
IT	27(23.7%)	9(6.6%)	36(14.4%)
Pharmaceutical	7(6.1%)	21(15.4%)	28(11.2%)
Garment & Textiles	1(0.9%)	16(11.8%)	17(6.8%)
Automobiles	16(14.0%)	11(8.1%)	27(10.8%)
Food Processing	14(12.3%)	5(3.7%)	19(7.6%)
Electrical Equipment	11(9.6%)	7(5.1%)	18(7.2%)
Retail	1(0.9%)	19(14.0%)	20(8.0%)
Telecommunication	19(16.7%)	11(8.1%)	30(12.0%)
Financial Services	4(3.5%)	20(14.7%)	24(9.6%)
Total	114(45.6%)	136(54.4%)	250(100%)

Table 8: Sector and Opinion of Respondents towards Inpatriates

Source: Field Survey

Table 8 reveals the sector and opinion of respondents towards inpatriates as a source of employment. Out of 250 respondents; 136 respondents opined that inpatriates were not a source of employment. Pharmaceutical led with the response of 15.4% followed by financial services, retail, logistics, and garment & textiles with the response of 14.7%, 14.0%, 12.5% and 11.8% respectively. The remaining sector response ranged between 8.1% and 3.7%; 114 respondents opined that inpatriates were a source of employment whereby it led with the response of 23.7% followed by telecommunication and automobiles with the response of 16.7% and 14.0% respectively. Food processing and logistics took an equal threshold of 12.3%. Electrical equipment took fifth rank with the response of 9.6%. The remaining sector response ranged between 6.1% and 0.9%.

Based on the above analysis, it is inferred that inpatriates are not a source of employment in majority of MNCs.

23.Sub-Contracting And Outsourcing

Sub-contracting and outsourcing implies having a contract with other external institution to perform tasks or offer services which could have been performed or offered by employees of an organization. This has been necessitated by the fact the decision makers long their organizations to focus on activities they perform significantly well.

Sector	Response		Total
	Yes	No	
Logistics	31(15.6%)	0(0.0%)	31(12.4%)
IT	36(18.1%)	0(0.0%)	36(14.4%)
Pharmaceutical	28(14.1%)	0(0.0%)	28(11.2%)
Garment &Textiles	3(1.5%)	14(27.5%)	17(6.8%)
Automobiles	12(6.0%)	15(29.4%)	27(10.8%)
Food Processing	16(8.0%)	3(5.9%)	19(7.6%)
Electrical Equipment	17(8.5%)	1(2.0%)	18(7.2%)
Retail	13(6.5%)	7(13.7%)	20(8.0%)
Telecommunication	21(10.6%)	9(17.6%)	30(12.0%)
Financial Services	22(11.1%)	2(3.9%)	24(9.6%)
Total	199(79.6%)	51(20.4%)	250(100%)

Table 9: Sector and Opinion of Respondents towards Sub-contracting and Outsourcing

Source: Field Survey

Table 9 reveals the sector and opinion of respondents towards sub-contracting and outsourcing as a source of employment. Out of 250 respondents; 199 respondents indicated that sub-contracting and outsourcing was a source of employment for global enterprises whereby it led with the response of 18.1% followed by logistics, pharmaceutical, financial services and telecommunication with the respective response of 15.6%, 14.1%, 11.1% and 10.6%. The rest of the sector response ranged between 8.5% and 1.5%; 51 respondents opined that sub-contracting and outsourcing was not a source of employment. Automobiles led with the response of 29.4% followed by garment & textiles, telecommunication, retail and food processing with the response of 27.5%, 17.6%, 13.7% and 5.9% respectively.

In view of the above analysis, it is inferred that sub-contracting and outsourcing is a source of employment for majority of MNCs.

24.Descriptive Statistics On Sources Of Employment

Some sources of employment could be more applied than others in getting the right talent because they are cheaper than others and vice versa.

Source	N	Mean		Std. Deviation	Variance
	Statistic	Statistic	Std. Error	Statistic	Statistic
PCN	250	2.12	0.052	0.817	0.668
HCN	250	2.56	0.059	0.926	0.858
TCN	250	0.35	0.043	0.68	0.462
Inpatriates	250	1.16	0.03	0.47	0.221
Sub-contracting & outsourcing	250	1.24	0.057	0.908	0.824

Table 10: Descriptive Statistics on Sources of Employment

Source: Field Survey

Table 10 reveals the descriptive statistics of various sources of employment on the basis of 250 respondents. 2.56 mean value indicates that MNCs hired host-country nationals followed by home-country nationals with a mean value of 2.12. Sub-contracting and outsourcing was the third source of employment. Inpatriates and third-country nationals took the fourth and fifth rank respectively.

In view of the above analysis, it is inferred that host-country nationals are highly regarded as a significant source of employment for majority of MNCs.

25. Recruitment Determinants

Here an attempt is made to study the different factors influencing manpower recruitment in MNCs. For this purpose, the study has applied appropriate statistical tools viz., mean and standard deviations.

Factor	N	Mean		Std. Deviation	Variance
	Statistic	Statistic	Std. Error	Statistic	Statistic
Size of business	250	2.35	0.041	0.643	0.414
Local employment conditions	250	2.08	0.045	0.707	0.5
Recruitment policy for retaining good workers	250	2.22	0.046	0.729	0.531
Work environment & compensation package	250	2.18	0.04	0.637	0.405
Growth rate, cultural, legal, economic factors	250	2.18	0.039	0.624	0.389
Cost of recruitment	250	2.28	0.049	0.773	0.598

Table 11: Recruitment Determinants (Descriptive)

Source: Field Survey

Table 11 reveals the descriptive statistics of factors that determine employee recruitment and selection based on 250 respondents. The size of business has a mean value of 2.35 indicating that it was the most preferred factor in determining recruitment followed by the cost of recruiting and recruitment policy for retaining competent workers with second and third rank having a mean of 2.28 and 2.22 respectively. Work environment and compensation package and reward took a threshold mean of 2.18.

Thus in view of the above analysis, it is inferred that the size of business determine greatly the direction of recruitment and selection activities in majority of MNCs.

26. Factors Influencing Recruitment And Selection Process

Several factors are considered in the employee recruitment and selection process. The significance of these factors depends on the nature of work to be done and adaptability of new changes whenever they arise.

Factor		Sum of Squares	df	Mean Square	F	Sig.
Educational qualification	Between Groups	.302	1	.302	.777	.379
	Within Groups	96.322	248	.388		
	Total	96.624	249			
Previous employment	Between Groups	.000	1	.000	.000	.990
	Within Groups	209.600	248	.845		
	Total	209.600	249			
Experience	Between Groups	.001	1	.001	.001	.971
	Within Groups	155.999	248	.629		
	Total	156.000	249			
Professional qualification	Between Groups	1.689	1	1.689	2.840	.093
	Within Groups	147.495	248	.595		
	Total	149.184	249			
Available database	Between Groups	1.505	1	1.505	2.185	.141
	Within Groups	170.851	248	.689		
	Total	172.356	249			
Background checks on conduct	Between Groups	.377	1	.377	1.123	.290
	Within Groups	83.223	248	.336		
	Total	83.600	249			

Table 12: Significance of Selected Factors Influencing Recruitment and Selection Process

Source: Field Survey

Table 12 shows the significance of the randomly selected factors influencing recruitment and selection process. Analysis of variance technique (ANOVA) was applied in order to determine the significance of these factors. At 5% level significance the computed mean values of 0.00 and 0.01 are less than the table values of 1.0 and 0.97 respectively for previous employment and experience. This implies that the two factors were insignificantly considered in the employee recruitment and selection process. While as educational qualification, professional qualification, available databases and background checks on conduct with mean values of 0.78, 2.84, 2.19 and 1.12 against the table values of 0.38, 0.93, 0.14 and 0.29 more significantly influenced recruitment and selection process in MNCs. Based on the hypothesis formulated for this study to examine the significant impact of educational qualification, experience, previous employment on recruitment and selection, it is inferred that educational qualification has a significant impact on recruitment and selection unlike experience and previous employment in MNCs.

27. Employee Selection Techniques

The effectiveness of selection process is basically the subject of rational and scientific methods adopted.

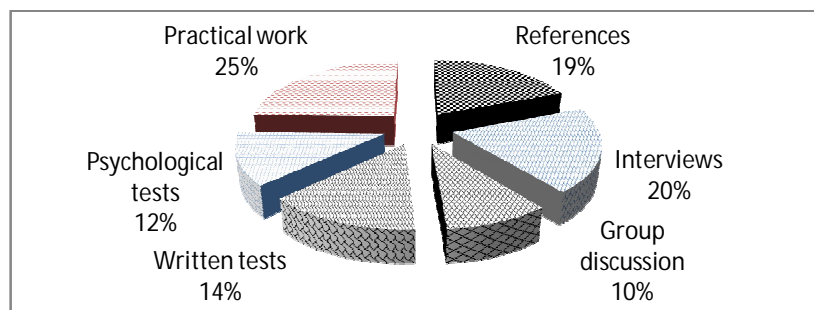


Figure 1: Employee Selection Methods

Source: Field Survey

Figure 1 reveals the opinion of respondents towards employee selection methods. Out of the six selected techniques practical work took a higher toll of 25%, followed by interviews, references, psychological tests and written tests with the respective response of 20.0%, 19.0% and 12.0%. Group discussion was the least applied selection tool with the response of 10.0%.

Based on the above analysis, it is inferred that majority of MNCs select employees with practical knowledge and skills.

Selection Method		Sum of Squares	df	Mean Square	F	Sig.
References	Between Groups	.010	1	.010	.023	.880
	Within Groups	105.594	248	.426		
	Total	105.604	249			
Interviews	Between Groups	.052	1	.052	.112	.738
	Within Groups	114.448	248	.461		
	Total	114.500	249			
Written tests	Between Groups	2.105	1	2.105	1.567	.212
	Within Groups	333.211	248	1.344		
	Total	335.316	249			
Practical work	Between Groups	.639	1	.639	.602	.439
	Within Groups	263.205	248	1.061		
	Total	263.844	249			

Table 13: Significance of References, Interviews, Written Tests and Practical Work

Source: Field Survey

Table 13 indicates the significance of references, interviews, written tests and practical work on employee selection. At 5% level of significance the calculated values for references and interviews are less than the table values. While as written tests and practical work calculated values are more than the table values. Based on this backdrop and in reference to the hypothesis formulated regarding employee selection, it is

concluded that written tests and practical work have a significant impact on employee selection; while as references and interviews have no significant impact on employee selection for MNCs.

28.Suggestions

Majority of the sample respondents indicated that MNCs have an effective recruitment and selection policy. Based on this backdrop, it is suggested that the recruitment and selection policy be made consistent with the tripartite guidelines on fair employment practices for it to work more effectively.

Majority of MNCs select employees with practical knowledge and skills as opined by 25% of the total sample respondents on employee selection criteria. In order to have a sound and scientific selection process, it is suggested that MNCs utilise a blend of the conventional and scientific techniques of selecting employees with multitasking skills.

75% and 63.3% of the respective total IT and telecommunication sector sample respondents opined that third-country nationals are not a source of employment. However third-country nationals are a potential workforce pool readily and cheaply available especially in successful regional economic integrations. Hence, it is suggested that the firms in it and telecommunication sectors tap third-country source of labour at cheaper rates.

29.Reference

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