

Innovative Recruitment of High Potentials: The Potential Benefit of Organising Professional Student Competitions – Results of a Cross-national Study

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Structure

- The Paper in Brief & Why is This Important?
- Labour market flexibility, atypical employment
- Corporate talent management, succession planning
- Global talent management vs. MNCs
- Linkages – Research questions
- Methodology
- Results & findings
- Conclusions – Theory vs. Practice & Limitations
- References

The Paper in Brief

- Literature review
 - Global talent management
 - Atypical employment
 - Employer branding, etc.
- Analysis of the **potential benefits of (international) student competitions;**
 - Do such competitions serve as a new means (tool) for talent recruitment?
 - Are internships beneficial for both parties?

Why Is This Important?

- Globalisation – fierce competition – (economic) recession ⇒ flexibility & innovativeness are crucial.
- **‘As war for talent shows no signs of letting up’,** being able to attract and recruit high potentials are of vital importance. (Fernández-Aráoz et al., 2011. p. 76)
- Sufficiently chosen HR management practices ⇒ sources of HR-based competitive advantage. (Guest, 1999)

Labour market flexibility

- One of the **,key determinants of national competitiveness and successful corporate performance'** (Michie , Sheehan, 2005)
- **Definitions** (Williams, 1993; Cazes, Nesporova, 2003; Solow, 1997)
- **Flexible Firm model** (Atkinson, 1984)
- **Flexicurity** – **,at the core of the European Employment Strategy'** (Burroni, Keune, 2011, p. 75)

Atypical employment

- Typical employment:
 - full-time,
 - at the given workplace,
 - for an indefinite amount of time. (Nacsa, 1997)
- ~ through **numerical flexibility** :
the capability of a company to ,easily increase and decrease its total number of workers in the short term [...] through [...] different types of contracts and variations in the distribution of working time'
(Valverde et al., 2000, pp. 650-651)

Atypical employment

- Typical employment:
 - full-time,
 - at the given workplace,
 - for an indefinite amount of time. (Nacsa, 1997)
- ~ through **numerical flexibility**
- But:
 - rather loose definition (e.g.: Finna, Forgács, 2010),
 - legal regulations may vary from country to country.

Corporate talent management, succession planning

- Strategic issue, its 'one but first' step:
 - the attraction of young talents and high potentials
- War for talent?
 - the McKinsey articles (Chambers et al., 1998; Axelrod et al., 2001) – competitive advantage... via talents & high potentials
- New challenges
 - need for coordination of talent pipelines on a global basis (Farndale et al., 2010)
 - demand for talent? (Lane, Pollner, 2008)

Global talent mgmt. vs. MNCs

companies need more and more talents who 'remain'
talents **regardless of the geographical, cultural or
language environment**

(Huselid et al., 2009)

MNCs & attraction of young talents

- The main elements of attracting young, talented individuals (based on e.g.: Chambers et al., 1998; Tarique, Schuler, 2010; Schuler et al., 2010):
 - **continuous** recruitment;
 - the use of **innovative techniques** of recruitment;
 - the attraction of young high potentials who are also **interested in** working in an **international environment**;
 - the development of an **attractive corporate identity** – in which the practice of employer branding has a growing role.

Linkages

- Numerical flexibility vs. talent management
 - Continuous recruitment via numerical flexibility
 - Employment of young graduates via atypical employment (e. g. part-time employment, internship)
- The potential in professional student competitions:
 - ✓ continuous recruitment;
 - ✓ innovative recruitment techniques;
 - ✓ individuals w/ interest in working in an international environment;
 - ✓ employer branding - attractive corporate identity.

Who benefit from interships?

- Lack of scientific research
- Functions of interships (Mátyási et al., 2007, pp. 25-26):

Functions of internships

(Mátyási et al., 2007, pp. 25-26)

Benefit	For whom?
Gaining professional experience	student
Obtaining key competencies	student
Networking	student + educational institution + company
Feedback from the company where the internship takes place	student
Extra labour force	company
First step of recruitment and training of future co-workers	company
Feedback regarding the contents and the quality of the educational program	educational institution
Possibility of deepening contacts, obtaining academic, research assignments	educational institution

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(Pianko, 1996, p. 32):

Trial run	student + company
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Primary research

1. Are internships, in fact, beneficial for both parties?
2. Do (international) professional student competitions serve as (potentially) new means of talent recruitment?

Methodology

Employers:

- Original idea:
 - Hungarian employers only – personal interviews
- What really happened:
 - Employers from countries other than Hungary
 - Online questionnaire – open-ended questions

Potential employees (university students):

- Various nationalities – online questionnaire

Results & findings - Employers

- Responses from 4 countries:
 - Austria, Belgium, Hungary, Slovak Republic
 - Organisers w/ 3-4 years of experience
- Main aim of competitions:
 - **The hunt-up and attraction of potential talents** (high potentials)
 - **Corporate image development**, the expression of **social responsibility** and **employer branding** are also admitted purposes.

Results & findings - Employers

- Plans regarding successful participants:
 - *‘to hire them either as interns or full time employees’*
 - *‘The successful participants have the opportunity to network with senior manager to get an insight into daily business and aspects that are important besides the hard facts they learn in university – what are the issues which are worked on in daily business. Besides that we try to **offer internships** to those participants who left a good impression during the game.’*
 - *‘To stay in touch with them and if the possibility is there **to offer them an internship or a permanent position** once these students have finished their studies.’*
 - *‘In case we have suitable job offerings **we intend to hire them.** Otherwise they are also available to our branches in other countries, including headquarter.’*

Results & findings - Employers

- Direct benefits of such competitions:
 - *‘meeting young graduates and high potential students, strong presence at universities’*
 - *‘potential interns and young professionals; get to know students which are motivated and interested in [the company’s] **employer branding activities** with an added value for the students (more than posters and career fairs)’*
 - *‘**Meet interesting business students (internships)**; Get to know how business students see the future.’*

Results & findings - Employers

- Direct benefits of such competitions
- Indirect benefits of such competitions
 - *‘good contacts with universities, **employer branding**’*
 - *‘to get to know young and enthusiastic students who are interested in [the company]; if the **students** have a positive impression during the game they **tell their friends about their positive impression** and this is very important in such times’*
 - *‘**Position the company as an attractive employer towards students.** Stay in touch and maybe hire high-potential students once they have finished their studies.*
 - *‘**image improvement; employer branding; attracting students; new interesting experience for managers**’*

Results & findings - Employers

- Reasons for employing interns:
 - This is also a way/tool of corporate talent management.'
- Advantages:
 - *'our interns are the first source for hiring, we train them and if possible hire them afterwards'*
 - *'to have future hiring potential; to get to know students and to learn about their working style; to have support in the daily business'*
 - *'Its a way to get in touch with talented students and to see them in 'action' for a couple of months.'*

Results & findings - Employers

- Reasons for employing interns:
 - This is also a way/tool of corporate talent management.'
- Advantages
- Disadvantages:
 - *'none (we are flexible on working hours and we only hire interns for long term)'*
 - *'for those interns who are interested in [the company] and **when we cannot offer an entry position** afterwards; they are **disappointed** afterwards; the effort to hire interns is as high as for positions for young graduates'*
 - *'**The introduction period** sometimes takes **quite long** and after 6 months most of the interns left already.'*

Results & findings - Employers

- Costs of employing interns & do these pay off?
 - *‘Yes, this is **definitely a good investment**, by the time they finish their studies and their internship at [the company] we already know them (and they know the company as well), we have an overview about their performance and potential --> higher possibility for retention after hiring, loyalty, choosing the best person for the given job.’*
 - *‘**costs of advertising is zero**; the payment is depending on the collective agreement (valid for all companies in our industry); most costs are due to personal effort of the recruiter; **investment pays off most of the time** because the students do a great job’*
 - *‘The **cost differs, but is not of a lot of interest**, it's about having talented interns that might stay on a permanent contract after their studies. So yes **the investment def. pays off**.’*

Results & findings - Students

- data collection still in progress
- ~80% has no such experience
- mostly business-related, case study competitions
- in various countries from Austria to China
- Contribution of the listed factors to their participation:
 - professional experience,
 - the challenge itself
 - the hope of getting an offer (internship/position) from the company'

Results & findings - Students

- Potential benefits:
 - Experience, networking, gained knowledge
 - *,international (professional) relations; to get acquainted deeper with the teamwork; to compose high level argumentations; significant improvement in presentations and convincing other people; research; unforgettable experiences; English language skills; confidence'*
 - *'Challenging and interesting tasks, good result can be a **good point in the CV** or at the company, experiencing teamwork'*
 - *'experience on (intercultural) teamwork, one can improve their presentation skills, networking, **professional experience'***

Theory vs. practice

- theory is in accordance with practice
- the main reason for organising such competitions is the hunt-up and attraction of talented young individuals, high potentials
- valid conception to study these competitions as a way or means to the atypical employment (e.g. internship) of young high potentials
- practice shows that professional student competitions can lead to the atypical employment of talented young individuals

Limitations

- Not all actors involved
- Motives of educational institutions & parents?
- Low number of participants
- Not representative data – pilot study

Conclusions & recommendations

- organising as well as taking part in professional student competitions provide mainly benefits for both sides
- participating in such competitions may lead to atypical employment (e.g. internship)
- a bit more attention to the organisation of such events, especially in terms of the marketing/advertising activity
- providing some kind of feedback for all those with an evaluable performance
- more (pro)active role of educational institutions

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(<http://www.kjmalapitvany.hu/>)

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**Thank you for your kind
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