Decruitment process in selected companies of Lodz Province in the opinion of human resources specialists

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Abstract:

Aim: The aim of this paper is to present the processes of decruitment applied by the selected companies across Lodz Province in terms of actions taken, their effectiveness and effects.

Design/Research methods: The pilot research included semi-structured interviews conducted with employees whose role in the organization involved the management of human resources.

Conclusions/findings: The research has shown that while respondents understand the decruitment processes as a complex process involving actions that are planned, implemented and monitored by the employer, none of these processes evinced a complex character. Actions taken by the employer were incidental and the whole process could be described as "chaotic" and "neglected". Moreover, in none of the organizations did the employer initiate or implement activities aimed at maintaining relations with former employees.

Originality/value of the article: Considering that in the Polish-language literature there are no descriptions of the decruitment process as a complete procedure, the results of the pilot research and examples describing the decruitment process from English-language literature may constitute a prerequisite for introducing changes in these processes in many companies. Therefore, employers as well as researchers may find this paper interesting.

Implications of the research: The research findings indicate that the decruitment process is clearly neglected in the entities investigated, and therefore they may provide a motivation to a number of employers to analyze the decruitment procedures for their modification and improvement. Moreover, the findings may provide the basis for future research conducted by other scholars on decruitment processes in Poland.

Keywords decruitment, dismissal, layoffs, outgoing employees, outplacement
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1.Introduction

Over decades the management process concerned with human resources has changed considerably. These changes become particularly visible just by focusing alone on how we account for and monitor workers working time, remuneration and motivation systems or staff recruitment procedures. Moreover, the measures taken by organizations in terms of employees parting with the company have changed as well (Hoffman et al. 2014: 1106-1111; Deloitte 2017: 44-46; Randstad 2017).

Meanwhile, the ever more prevalent use of technologies in performing tasks which used to be carried out by workers brings about ever greater loss of jobs (Deloitte 2016: 8). This phenomenon makes it necessary for companies to make strategic decisions not only in terms of reorganizing management processes but, above all, within the area of human resources.

While gaining more insight into decruitment as a function of human resources management, the author has observed that in the Polish-language literature there are no decruitment processes outlined as a comprehensive procedure for layoffs and departures taking place in an organization, and neither for redeployment of workforce. In searching for information on measures taken by organizations and methods and techniques applied within this field, the most likely outcome is to come across descriptions of the initiatives which employers undertake incidentally. Although there are formalized descriptions of individual decruitment actions, they are mainly reduced to the basic activities involved in the decruitment process. For layoffs initiated by employers, they are comprised of: evaluation of employees, interviews informing about the layoff, completing the necessary formalities, severance pay or organizing outplacement process (Schwan, Seipel 1997: 238; Pocztowski 2007: 169). If the decision about leaving the company is made by employee, employer usually holds a conversation with the outgoing worker to find out about the reason behind his or her departure. If retaining the worker is not possible, employer says farewell, with his or her only worry being how fast can he or she find a new worker for the position just vacated.

However, the comprehensive approach (Алифанов 2011; Ragan 2011; Riemer 2016; Lachiewicz 2011) to the decruitment process assumes that it is necessary to perform additional

actions (Zbiegień-Maciąg 1996: 163) whose aim is not only to keep the effects of the worker's departure to a minimum but also to contribute to the company's growth.

According to the yearbook of labor statistics 2015 (GUS 2015: 154, 158) the layoffs rate in Poland over the period of 2013-2014 grew from 18,9% to 19,3%. In Lodz Province this situation is even worse (the rate grew from 21,1% to 22%). In 2014 there were in total 211,8 thousand employer-initiated layoffs, while 178,9 thousand workers left their jobs based on their own decision. Taking into account workers who exit the company because of retirement, disability pension for incapacity for work or rehabilitation (81,1 thousand), almost half a million workers participated in the decruitment process.[1]

Across the region in question,[2] although the year 2014 saw a growing number of people getting jobs, the number of layoffs also increased (by nearly 5,2%), making the number of workers who lost their job exceed by 5 thousand that from the year before. For the sake of comparison, it should be stressed that for entire Poland the increase in the number of workers exiting company was at 2,6%.

The factors outlined above were the primary reason for the author to conduct preliminary research and to make an attempt at identifying the decruitment process implemented in companies operating across the Province of Łódź.

The main aim of the paper is to present the process of decruitment in terms of the actions taken, their efficiency and effects. The auxiliary objective is to present the views of human resources specialists on how they believe a sound decruitment process should look like.

2. Decruitment – basic definitions and concepts

In academic literature, the definition of decruitment that is most likely to be cited is that it is a phenomenon involving the emergence or implementation of changes with respect to the quality and quantity of human resources in an organization (Schwan, Seipel 1997; Zbiegień-Maciąg 1996: 163) with the long-term objective being optimization of those resources (Pocztowski 1998; Sochacka 2011). In this approach, the changes **implemented** refer essentially to actions initiated by the employer (layoffs, internal outplacement, demotion) while the changes **already existent** are

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[1] The data pertain to full-time employees (including seasonal employees and those employed on a casual basis); without taking account of economic entities employing up to 9 persons.

[2] Province of Łódź.

concerned with workers who leave the organization for reasons that are not attributable to the employer (e.g. voluntary departure, retirement because of old age or invalidity).

The once narrow approach to this process assumed that decruitment was to be confined merely to actions implemented by the company within the scope of layoffs (voluntary and employer-initiated). Today, however, decruitment is perceived in a much broader sense. It encompasses (Pocztowski 1998: 91-92) all the measures taken and implemented by the employer, but also the actions that are unfolding regardless of the employer's will, whose outcome is parting company with the employee (direct decruitment) or enforced modification of the conditions of employment (indirect decruitment). The possible solutions around indirect and direct decruitment are presented in Figure 1.

Figure 1. Decruitment types by actions taken
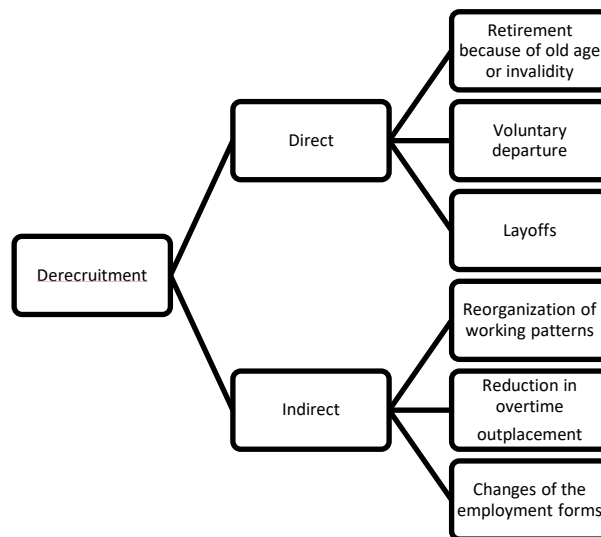
Source: self-reported data based on: Schwan, Seipel 1997; Sullivan 2001a, 2001b; 2009a, 2009b, 2009c; Sidor-Rządkowska 2010.

Considering who is the initiator of the decruitment decision, we can divide it into active and passive. Active decruitment covers layoffs initiated by the employer and all those measures taken within the frame of indirect decruitment. Voluntary departures, on the other hand, as well as retirement due to old age or invalidity, represent passive decruitment. It should be stressed at this point that the employer's "passivity" refers only to the initiation of the process. Even if the decision to leave is that of the worker's, the employer is still required to take specific actions if only to

prepare the relevant documentation, to hold a conversation with the departing employee or initiate the recruitment process for the vacated position.

For the purpose of this paper, it has been assumed that a correct decruitment process should include all the necessary actions and procedures initiated and implemented by the employer for the internal and external labor market (Geißler 2007) with a view to optimize employment given the "negative"[3] change in the employment structure.

3. Research methodology

The study carried out by the author was of a qualitative nature. As the research method, the author chose the semi-structured interview. The choice of this method justifies its nature. During the free-form interview there is the possibility that certain problems could be revealed, their scope specified and the main points identified (Pocztowski 2000: 25). On the other hand, the free-form interview that is partially structured enables the researcher to act upon respondents through the questions posed to them. This allows for inducing the respondent to provide responses to the topic, it being the main focus of the study (Korzeniowski 2010: 140).

The individual interviews the author conducted with the representatives of selected firms (persons involved in performing the human resources function in the firms) were held in June and July as well as September 2016. The sample choice was non-random, for the author was set on choosing the participants who would meet both of the criteria presented below:

1.   They perform the role, within their organization, involving, among other things: recruitment of workers, development, implementation and monitoring of motivation systems; appraisal and award systems; management of staff development paths; running staff matters and being responsible for accounting and payroll documentation; employment optimization and building employer brand;

2.   Respondents agreed to partake in the study concerned with the decruitment process.

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[3] The author understands the negative change as the reduction of, e.g.: work positions if there is employment reduction; the existent number of workers in the case of layoffs; specific qualifications together with the outgoing employee; knowledge and experience together with the employee's retirement because of old age or invalidity.

It should be underlined that out of 8 people asked to participate in the study who met the first criterion, only half was willing to be interviewed. The author managed to carry out three interviews out of four that had been planned. One of the respondents did not come to the scheduled meeting and has not so far informed about the possible reasons why she failed to appear, nor did she speak about having changed her mind and being no longer willing to give the interview. This allows for conclusion that the issues the author has chosen to focus on appear to be extremely sensitive not only for employees but also employers and persons pursuing the firm's staffing policy. Respondents' fear caused by the very topic or its nature and the meaning it has for them is a great challenge for the researcher (Jakubowska 2007: 727).

All respondents were female aged between 25 and 35 years. The companies they spoke about were involved in providing services of sales and servicing – 1 entity, and commercial services – 1 entity, investment management – 1 entity, and production and trade – 1 entity. It should be noted at this point that one of the respondents had changed her employer a few months before the interview took place and was therefore willing to talk about the recruitment processes in both of the enterprises where she has been employed. The survey was voluntary and anonymous.

Moreover, the emphasis should also be put on the fact that in its nature the study was a pilot study with its main objective being to identify the most difficult areas in terms of actions taken within the decruitment processes, from the hrm specialists' point of view. The additional aim was to verify the research tool which was to be one of the tools to be used for work on the author's dissertation.

The methodology chosen not only enabled the author to demonstrate the decruitment process applied by the firms in question but it also allowed for illustrating the respondents' views on how they believe a sound decruitment process should look like.

The relatively small number of respondents participating in this study may burden its findings with a higher level of mistrust, yet, in line with the assumptions of pilot research, a smaller population to be explored is justified by its nature and main aims which are characteristic for a pilot study (Nowak 2007: 59).

The questionnaire the author used in the course of the study included questions pertaining to the three major issues explored: what is respondents' understanding of the concept "decruitment"; the decruitment process deployed in the firm where respondents are employed and

what in the respondents' opinion a sound decruitment process should look like. The findings of the interviews carried out within the framework of the pilot study are presented below.

4. The decruitment process applied in companies across the Province of Lodz – research findings

The first part of the questions posed to respondents was concerned with their understating of the "decruitment" concept, what they associate it with and what actions an organization has to take within the framework of this concept. All persons interviewed responded that they associated decruitment with layoffs initiated by the employer and voluntary departure of employees from their organization. In addition, according to the respondents, decruitment also involves all those actions that the employer undertakes in these two situations. Moreover, only one respondent referred to employees parting with the organization on account of retirement due to their old age or invalidity. In order to be able to understand their attitude towards the issue discussed, the author's next question was, "What do you associate decruitment with?".The responses given suggest that the interviewed representatives of the companies see the decruitment process as a rather negative phenomenon (reduction, saying goodbyes, dismissal, difficulties).

Further questions were concerned with the decruitment process according to which layoffs and departures are carried out in the organizations where the respondents are employed. One of the respondents described this process as follows:"When a worker decides to leave the company and informs his superior about it, the superior holds a conversation with the worker inquiring why this decision has been made. Often, workers respond by saying that there are no development opportunities here, no prospects of getting better pay or simply saying that they are bored with the job. Yet, in the majority of cases, nothing is being done about it. The employer is not trying to stop the worker from leaving, instead, immediately after having been notified, he starts looking for replacement. […] When the situation involves dismissing somebody, no one is told about the reasons why. Other workers find out about the dismissal through informal channels. I don't know what these decisions are based on, they come to us from "the top". Then we are supposed to prepare an entire set of documents and start recruiting for the just vacated position".

Another respondent, on the other hand, says that in the company where she works decruitment happens very rarely. Even so, it is most likely to be initiated by an employee. "Given the company's familial organizational culture, as soon as the worker decides to leave, everybody [employees and employers] knows immediately about it. It is common then for the owner to ask the worker to have a talk to find out why he or she is leaving. Our company is rather small and that's why the boss tries to change the worker's decision by, for example, offering him or her a pay rise".

Asking the same respondent about layoffs initiated by the employer, the author was told that over the 8 years of the respondent's working in the company there had been no layoffs. Although after a moment she recalled the situation when the work contract was terminated by a mutual agreement. "Obviously, this was the boss who suggested this option to her [a female worker]. Her marginal efficiency, all the time on sick leave and "ongoing" pregnancies forced the company to keep the position which, as it turned, out nobody actually needed". After parting with the worker, the position was liquidated. When asked about conducting interviews with the workers leaving the company with a view to gain some insight into their opinions as to the company, work processes and the business the company pursues (exit interview), the respondent stated clearly that such initiative had not been undertaken. What is more, she believes that the employer did not even stop to think about the fact that the departing worker "[…] takes away a considerable amount of knowledge and private observations about the company which the employer might, after all, have benefitted from".

The third respondent characterized the decruitment process applied by her employer as chaotic and incidental."Layoffs were frequent. The nature of the business required from us constant hiring and firing people. The hostesses working for one promotional campaign, while accepted by one client were not liked by another, and so were losing their job […]. Everything that we did [the respondent and other female workers employed in similar positions] was explaining to the worker the new situation, signing no new agreement [the persons were employed on the basis of civil-law agreements] and promising them that we would get in touch and ask them for further cooperation". However, what was very seldom were the "comebacks" of the former workers. The respondent said that in their informal conversations, the workers often spoke about not being satisfied with their pay, as it was not adequate to their working conditions and the way they were treated by

people in places where they had to do their job [shopping centers, main city streets or entertainment centers]. "On more than one occasion I passed these opinions on to my supervisor, but he did nothing about it […]. That is why the girls never came back to us. And then, of course, when a job order came and we had to hire more than a dozen people, we were in trouble".

When asked whether the actions taken within decruitment were formalized, all respondents gave a similar answer. "[…] There is no formalized decruitment program in our company. When a problem comes up, we solve it. Everyone usually knows what to do, so when somebody leaves they notify the employer, with the employer handing this matter over to the HR department […]. Sometimes, the employer has an interview with the outgoing worker, but when he knows anyway the reasons why the worker wants to leave, then this stage is omitted" – relates one of the respondents. Another respondent, confirming the lack of a formalized decruitment process, explains this situation as follows: "In our company these layoffs and departures are very rare. Formalizing and describing something that is not used seems unnecessary".

On being asked what is the basis for deciding about worker's dismissal, each respondent needed some time before answering. One of the surveyed responded that usually, the basis for "suggesting that an employee should leave the company" is the evaluation of the employee's work by his or her immediate superior. "If the manager says that the employee consistently fails to do the tasks appointed, nobody is arguing. Suggesting the contract termination by a mutual agreement meanwhile is always a convincing argument with the workers accepting this proposition, for then they will receive testimonial, otherwise everyone would know that they were fired". "To tell the truth, I can't even recall a situation when somebody was dismissed with the employer terminating the contract – she adds. Moreover, she stresses that it happened once that the manager refused to give testimonial to such a person. "He was adamant, saying that he would not do it because this worker did not deserve it. And he was not going to lie about it".

The second respondent while talking about the reasons why people are dismissed in her company, said that, "[…] dismissals occur but only if somebody has failed to pass the periodic worker evaluation several times in a row". Most frequently though (if it is possible) the employer, described by this particular respondent, waits until "the contract runs out" or the superior leads to a situation in which the worker decides by himself to leave the company.

As to the question about the parties participating in the decruitment process, the respondents answered as follows: "It is usually the manager, employee to whom the decruitment refers and somebody from the HR department". Sometimes, the top manager takes part in this process, too. "If the worker disagrees with the manager's decision or has problems with him, he or she can go to the director/owner and talk to them." Thus, if the decision to dismiss the worker remains unchanged, the top manager also participates directly in decruitment.

The author was bewildered by the fact that the respondents did not bring up other workers employed in their companies as parties also participating in the decruitment process, and thus posed an additional question to which she was given an unequivocal answer. "In our company other employees are not taken into consideration when somebody is leaving the company. There is no time for explaining to everybody what happened". "Besides, employee departures happen so frequently that it wouldn't make any sense" – adds the second respondent.

In the enterprises outlined in the paper, examining employee experience takes only place for voluntary departures and is essentially concerned with the reasons for this decision, and in the majority of decruitment cases conducted in those companies other workers are not informed about their causes and effects.

The respondents believe that the most of the problems in the decruitment process can be attributed to the communication with the departing employees. "Many of them, immediately afterwards, go on sick leave or take paid annual leave, and so practically overnight we've lost a worker. We can't prepare for this". "Furthermore, it is not that easy to explain to the worker why you no longer want him to work for the company. A person conducting such an interview needs to have good nerves". Handing over the outgoing worker's responsibilities to the new one is hampered, too. "The outgoing employee is not set on handing over his or her responsibilities as well as possible to the new worker. They come to work, rattle through and only wait till their period of notice is over". Perhaps this is why in none of the organizations described by the respondents are formal contacts maintained with the former workers. Although one of the respondents says that there have been cases of some employees being hired again, yet they all ended the same – "after some time this worker would leave again".

It should further be emphasized that none of the respondents referred to the financial costs of decruitment process, which might suggest that this process is not perceived strategically. Its

implications for the personnel policy planning in the organization are not taken into account and nor is the personnel management efficiency considered during the assessment.

5. Findings and conclusion

The HR specialists under study understand decruitment as a complex process of actions that are planned, taken and monitored by the organization in terms of optimization of the organization's human resources. During their employment at the employers they described each of the specialists carried out decruitment actions, although none of them dealt with this process as a whole. The respondents emphasized that they could exercise no substantial influence on the majority of decisions made in the organization about decruitment. The companies have no formalized decruitment process, with the actions taken within the frame of decruitment being incidental in nature. Moreover, they believe that in the organizations no sufficient emphasis is put on actions performed in the course of this process (it is even neglected). Still, the respondents are aware of the consequences of decruitment that is not conducted in a sound way and underline the importance of this process in the context of building employer brand.

Furthermore, in none of the organizations investigated did the employer initiate or perform actions aimed at maintaining the relationships with former workers. A particular emphasis should be put on the fact that what becomes clear from the interviews is that employers pay insufficient attention to the communication with outgoing workers and those who stay within the organization's walls. Moreover, the information obtained in the course of these actions the organization could use not only to prevent the causes of decruitment in the future but also to improve the organization management at different levels (Krasnova 2016: 135). On the other hand, maintaining positive relations with former employees enables the company not only to build the image of a good employer (Sidor-Rządkowska 2010: 20) but it also provides additional opportunities to win valuable employees in the future (Sullivan 2009: 2).

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