Adaptability – a new indicator for selection in Romanian companies

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Abstract

The research and practice effort of this paper firstly strives to understand the role of managerial adaptability within the context of a dynamic organizational change. Secondly, it aims at increasing the value of adaptability indicators for professionals responsible with personnel recruiting in Romanian organizations. This paper presents a selection model based on the interaction between cognitive and personality factors. Practical aspects of these research efforts are reflected by the development and implementation of a new recruiting and selection strategy in changing organizations.

Introduction

We tend to describe the Romanian organizational field as being in a permanent transition, like being in a sort of continuous convalescence, with a reserved prognostic, and the organizational environment in constant change. This is an environment that faces a lot of resistance coming from employees.

Several years ago Romanian employees did not respond to complex motivational initiatives, mainly due to the importance of basic needs like salary, working hours, the job itself, working conditions, and accessibility of organizational resources. By that, individual performance was easy to predict and sometimes to control. But the qualified and cheap Romanian workforce attracted a lot of foreign companies that found a good place to develop branches and business units at the eastern European border. This represents a major contribution to the maturity of the Romanian workforce and to an increased professionalism in the organizational environment.

In 2007, Romania has a mature workforce, who are client oriented, and sensitive to differences in organizational culture and climate. Moreover, Romanian employees show an increased respect for managers that set high performance standards, appreciate clarity in internal communication and career development opportunities.

Thus Romanian employees create and participate in a functional market economy, understand organizational requirements and have increased expectations towards their employers.

Given the latest changing context in the balance between offers and demands in the job market, the need for job stability has decreased visibly. These are some conclusions from the Best Employer survey, a global survey carried out by Hewitt Associates International implemented for the first time in 2006 by Pluri Consultants Romania in partnership with Business Media Group (Drăgan & Ardelean, 2007). The employee survey was realized in 2006-2007 in 10 Central and East European countries: Austria, Bulgaria, Czech Republic, Hungary, Slovakia, Slovenia, Turkey, Poland, Romania and Russia. The survey concluded that companies having human resources policies that focused on talents, professional development and performance were paying increased attention to recruitment and selection of employees.

Organizational change context

Digitalisation, the Internet and global high-speed data networks are allowing organizations to shift knowledge work to lower-waged countries; Romania is a good example of this change. Globalisation, expanded capacity, and advances in technology have combined during recent years to make it imperative that organizations are fast and flexible if they're to survive. Jobs are being continually redesigned; tasks are increasingly being done by flexible teams rather than individuals; and jobs are being subcontracted out to other firms (Robbins, 2005). Workers need to update their knowledge and skills continuously to perform new job requirements. Today's managers and employees have to learn to live with flexibility, spontaneity and unpredictability. An important consequence of this new environment is that employees' knowledge, skills, and abilities (KSAs) are subject to continual obsolescence and displacement (Howard, 1995). An approach to managing human resources in a dynamic environment is to hire individuals who are capable and willing to work in a changing environment (Le Pine, Colquitt & Erez, 2000). That is, you have to rely on the organization's selection and staffing systems to provide the organization with people who are more adaptable.

The combined effects of globalisation and new IT&C technologies have produced major changes both in organizational structure and the level of organization's employees. Pressures from external and internal organizational environment make employees keen to learn and to transpose learning into practice. The environment produces subtle changes in work tasks at one hand, and at the level of employees that perform those tasks on the other hand.

Continuous learning, innovation, technical expertise and functional knowledge tend to become essential attributes for recruitment and selection, especially for upper positions in competitive companies (Vlăsceanu, 2003). Beyond these requirements, persons that want to work in such companies need to have other critical skills and abilities as well.

Adaptability to change in a complex environment is an important feature that leads to success in organizations. For instance, in a global company like Microsoft an important principle that guides the selection process is to employ people that are "well fitted" with the organization. The term "organizational fit" refers to the degree to which the applicant approximates to the organization's modal personality and value profiles (Herriot, 2003). Bill Gates describes the ideal candidate for Microsoft as having a good technical expertise together with an increased capacity to develop new skills and abilities, in order to keep in line with technological changes and developments. Smart employees are creative, well informed about market movements, have entrepreneurial spirit and abilities to solve problems, and abilities to perform in the absence of procedures and detailed rules (Dainty & Anderson, 2000).

Recruiting and selection practices

Conventional selection practices are geared toward hiring employees who's KSAs provide the greatest fit with requirements of specific jobs. Traditional selection techniques rarely consider organizational specific features in which the jobs reside. These selection practices often ignore characteristics of the person that are irrelevant to immediate job requirements. A new model of selection is emerging, however, that is geared toward hiring the "whole" person who will fit well into the specific organization's culture (Bowen, Ledford & Nathan, 1991). This reflects a fundamental reorientation of the selection process toward hiring "people", not just KSAs for "organizations" and not just jobs. This leads to hiring practices that seem peculiar, and somehow extravagant, from a traditional human resource standpoint, but well integrated in the new characteristics of human management practices, especially to that of human capital management.

Personality traits have been linked to success in a wide range of jobs. As a result, many companies have altered their selection system to emphasise personal characteristics. Personality measurement has also assisted companies in job transfer decisions. Personality assessment is not limited to improving the fit between the individual and the job, but also the fit between the individual and organization (Parnell, 1998). Specifically, personality affects the ability to embrace change within an organization.

Person-organization fit requires that two types of fit be achieved in the hiring process:

- between individual KSAs and the task demands or critical requirements for the job; and

- between the overall personality of the individual and the climate or culture of the organization (Bowen, Ledford & Nathan, 1991).

Decision-making and organizational change

When the organizational environment is dynamic, full of uncertainty and has poorly structured problems; goals are often either unclear or not defined. Decision- making takes place in a series of activities that have varying results over time. Situations requiring strategic decision-making within a changing context whilst maintaining high quality standards will involve high levels of stress. Decision-makers will be under time pressure, and alternative strategies are diminished.

Organizational change programmes require the involvement of individuals placed at all organizational levels, and consist of both individual and organizational activities. Participation in decision-making is a strong requirement in organizational change. But the plurality of decision-makers makes the decision-making process difficult. The organizational context, goals and norms of the organization are likely to impact on the decision-making process, with ambiguity, conflict and uncertainty being features of these processes.

Approaching decision-making in the context of organizational change, we start from current theoretical assumptions (for example, bounded rationality) founded in individual decision-making research studies. We need to examine change both on the organizational environment and on its managers. Decision-making performance before the change is a good indicator of performance in the current task. Decision-making performance after the change is a good indicator of the type of adaptability required within an organization.

Preliminary experimental research revealed the importance of *personality factors*, together with *general cognitive abilities*, in predicting the adaptability to change in complex decision-making tasks. Although general cognitive ability predicts decision-making performance before the change, the intensity of such relationship is significantly increasing after the first and subsequent changes in the decision- making task. Moreover, although personality factors do not influence the initial decision-making performance, they become more and more important (even more so than general cognitive abilities) in predicting the decision-making performance after change has occurred. Thus, we can say decision-making during change has different requirements than decision-making in stable contexts; where information is processed more automatically and behavioral requirements are usually explicit.

The organizational context investigated

The model described was tested and applied in the organizational environment of a multinational company; a global player in telecommunications industry. Testing coincided with a major strategic change that was reflected differently to an organizational and departmental level. The organization is structured in five departments; four are software developers for fixed telephony, mobile communications, data transmission on optical fiber, and integrated services for mobile communication. In addition, there is an operations department offering technical support to clients in installation, maintenance and development of the telecommunication devices. Research was carried out in the technical departments with the agreement of the top management and the co-operation of departmental managers.

The organization's headquarters has a parenting role in defining and implementing general strategy. Regional and local units have the role to adapt corporate strategies and policies in order to integrate as best as possible to the local context. Rapid changes in the telecommunication industry today leaves little chance to adopt and implement best practices models; while best fit models seem to be more adequate. From a strategic integration perspective the organization acts like a prospector. The Human Resources department has the objective to sustain organizational structural changes, and thus is focused on identifying, developing and retaining the best employees, good performers (experts), and creative and

independent persons in order to achieve the higher levels of innovation necessary in the telecommunication industry today.

This research was carried out due some external factors (mainly related to job market) and some internal pressures (a significant and spectacular increase of need for new people in all company departments). There had been significant organizational changes in the Romanian branch of this company over the last four years. These changes varied from a job position freeze to a high increase in the need for newcomers to be involved in new corporate projects. There are far more job openings than qualified candidates on the local market. New departments have been developed (especially in R&D area) and other departments have been developed in terms of personnel (like a Financial Services Center for the entire group). Thus there is strong pressure on Human Resource management to recruit and select the best people.

The selection process within the organization was complex and well structured using multiple methods (technical tests, cognitive abilities assessment, structured interviews, psychological testing and employment interviews). Due to internal pressures and external context the initial focus on person-job fit was changed to an assessment of the learning and development potential and on person–organization fit. Particularly person–department fit have the same importance in this changing context due to different development paths of the various departments.

The research model

The need for adaptation to change leads to a more nuanced value of cognitive factors that contribute to decision-making performance of managers in changing organizations. In the theoretical model the focus was on the importance and the role of *cognitive competencies*. Thus, together with general cognitive abilities, were introduced *decision-making capacity* (as a measure of sensibility to errors and cognitive heuristics) and *cognitive complexity* (as a capacity to process information from multiple approaches), along with *personality and coping style*.

General cognitive abilities are related to work performance in different contexts. Decision-making is a cognitive task requiring mental representation and processing of information from long-term memory and environment stimuli. Therefore, general cognitive abilities are correlated with decision-making performance. High levels of general cognitive abilities increase individual capacity to process dissimilar information and to make decisions. In addition, personality factors are viable predictors of decision-making efficiency both in stable and in changing organizational contexts. Style type variables such as *rational decision-making style* and *vigilance* as adaptive coping styles are moderators within the model indicating the value of an adaptation approach in decision-making in situations of organizational change. Decision-making style and coping style are both individual variables that facilitate adaptation to change and help decision-making performance. *Decision-making performance*, as a specific type of task performance, is a criterion for managerial efficiency in the case of organizational stability. These factors are illustrated in Figure One below.

After discussing our preliminary objectives we now move on to discuss the theoretical model that we have elaborated. There were applied measures of model variables in the organizational environment both at the managerial and operational levels. Model validation was conducted at managerial level (N=88) and a comparative study between subjects with different performance included the whole sample (N=193).

The instruments used in this research are: two instruments specially developed for the study, plus the California Personality Inventory (CPI 260), the General Decision-Making Style Questionnaire (GDMS), the Decision-Making Questionnaire (DMQ), Decision-making capacity (included in the BTPAC set), Raven Progressive Matrices test (*Plus* form), and the Melbourne Decision-Making Questionnaire (MDMQ).

The main research objective was to provide evidence for the influence of cognitive and non-cognitive factors on decision-making efficiency, through construction and review of a theoretical model showing links between cognitive variables, personality variables and decision-making performance. Thus, persons who are approaching a *rational decisional style* are characterized by: cognitive complexity, good judgment, ability to explain their decisions, ability to manage

interpersonal relations, strong leadership skills, ability to cope under pressure, are self confident, able to apply procedures, and evaluate issues from a practical point of view.

Figure One: The research model
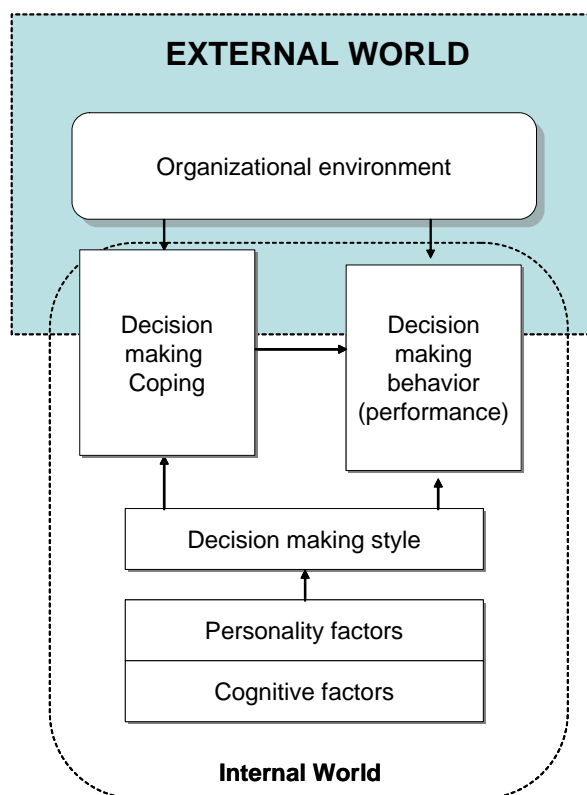
Persons who are approaching *vigilance* as a mechanism for adaptive decisional coping have: good decision-making capacity, are less sensitive to decisional errors, able to apply a rational decisional style using less general decisional heuristics, have strong leadership skills, are self confident and strongly motivated to accomplish themselves in fluid situations, have a preference for work that allows initiative and independent thinking, are skilled at defining their own objectives.

This illustrates that style-type variables, *rational decision-making style* and *vigilance* indicate an adaptation approach to decision-making in situations of organizational change.

Persons who are able to represent more information in the cognitive space where behaviours are processed, are able to learn faster from their own experiences and are able to gain greater working knowledge and skills. They are likely to be responsible, self confident, tasks oriented, and have efficient work habits. They are motivated by accomplishments in a clear structured environment, and will be respectful towards other's rights and beliefs. They will tend to have *good performance in decision making-tasks* at the organizational level.

In this study hierarchical regression analyses established that in conditions of uncertainty cognitive competencies (described in behavioural terms) together with personality factors predict best organizational decisional efficiency and performance.

In stable conditions, general cognitive abilities and dimensions of personality are predictors of decisional performance. Thus dimensions of personality significantly contribute to the explanation and prediction of decisional performance. Further, rational decision style and vigilance as adaptive coping mechanisms are seen as measures of adaptability in conditions of organizational change.

Comparative research with people with different levels of decision-making performance

In order to investigate adaptive performance in situations of variable decision-making performance we used three selection criteria:

- job level (executive level vs. operational level)
- decisional efficiency in tactical decisional tasks (high vs. low performance)
- decisional efficiency in strategic decisional tasks (high vs. low performance).

Using these criteria we found important differences. *Persons of executive level* have a higher resistance to errors and cognitive heuristics, are more analytical towards decisional alternatives and are more cautious in their decisional choices, being characterised by a higher capacity for information processing and transmitting more information. They are also able to differentiate and integrate information better and to tolerate informational ambiguity.

Persons efficient in *tactical decisional tasks* in stable conditions with sufficient information and low risk are characterised by higher cognitive capacity, a strong desire to learn, and a more pronounced intellectual curiosity for observing and establishing causal relations between events and behaviours. They also possess better tolerance to ambiguity meaning that they can manage a larger quantity of undefined or contradictory information and are able to emotionally tolerate new, uncertain, fast, undefined or contradictory change than less efficient persons in tactical decisions. Differences were also found between subjects regarding cognitive level, but not personality.

Persons having good performance in *strategic decisional tasks* are likely to be self confident, to have strong leadership skills, and to be purposeful with efficient working skills. Differences between subjects were also found at personality level, but not with cognitive level.

In summary, these results sustain the position that *while there is uncertainty and a high degree of risk situations are less predictable, the importance of the individual personality factors in decisional performance increases.*

Design of a modal profile of the high performing decision-maker and the implementation of a new recruitment strategy

The last stage of the research involved the elaboration of a modal profile of decision-making at an organizational level and the identification of inter-departments differences. This information was the basis for implementing change in the selection strategy.

Based on our research the *modal profile* suggests the typical employee is an ambitious person who accepts and respects the rules and procedures of the organization, is well organised and disciplined, task oriented and orientated to achieve their objectives. They have moderate confidence in their abilities, are conscientious but don't like routine work. They will be sociable but may sometimes prefer to work alone. They manifest a strong need for social recognition, and will be driven by the motivation for success and accomplishment in an organised and structured working environment. They prefer to work in conditions that allow initiative and independent thinking even if they are not always interested in new ideas and things.

Our research demonstrated some differences of profile between departments signifying the importance of the relation to the modal departmental profile during the selection process.

Practical application of this work

A paradigm change in personnel selection has turned the focus away from the evaluation of skills and knowledge at job level to the adjustment between an individual and the organization specifically in relation to adaptation to organizational change. As jobs change constantly in content tasks, they are more frequently accomplished by flexible teams of people. Employees have to continuously update their knowledge and abilities in order to meet the new job market

requests. Managers and employees have to learn to live flexibly, almost spontaneously and in unpredictable conditions.

Successful companies are characterised by an alignment between individual and organizational values placing new emphasis on identifying specific values held by organizations.

The use of psychological testing of candidates within the selection process can provide valuable information about the employee's profile. This will enable organizations to select candidates with higher adaptability potential. Candidates with development potential and learning capacity, motivation and a higher level of cognitive complexity will have more chances to be employed in a company that has a changing environment. For the Human Resources Manager who is focused on innovation, creativity and diversity; it is probable that those candidates differing from the modal profile are the best choice.

Configuration of psychological tests batteries for selection both at managerial and operational levels was the applied component of our study. The outcomes of our research represented the base of revising the selection strategy for new employees. This strategy was quickly implemented within the organization and successfully applied during 2005 for recruitment and selection in departments. The implementation of the selection strategy involved several stages, one of them consisting in organising a training session in each department involving all those people responsible for recruitment projects.

Other training sessions were organised for people with responsibility for selection from each department inside the organization. These individuals play a significant role in the selection process and need to have a vision of the whole selection process as described by the Human Resources function. Training sessions provided coherence for the selection process and generated compatibility of processes at departmental level. This was important due to the complexity of the selection process, it's important to ensure a sense of coherence and a good collaboration between the HR department and the executives.

In addition to describing a model for selection, the use of psychological testing also increased the accuracy of data contributing to the selection decision. Moreover, the assessment of cognitive competencies, transposed in behavioural terms like decision-making ability and cognitive complexity, helped to better select managers with higher adaptive capacity to organizational change.

In practical terms a psychological test battery was constructed at managerial and operative level that could be used for evaluation purposes such as promotional decision-making, in order to encourage selection of the best candidates who will be able to adapt to organizational change.

In summary, due to this organizational context the focus of the selection processes was translated from an evaluation of technical KSAs to an assessment of learning and development potential at individual level and the adaptability capacities towards organization or department. The modal profiles can be used as landmarks in the selection processes, in order to identify the best-fitted candidates with the organization, individuals that will easily integrate in the organization culture (Vîrgă, 2005). However, an important point is to evaluate person–department fit, using specific modal profiles, because there are significant differences between the company departments, generated by the respective activity itself.

Candidates with developmental and learning potential, motivated and with high levels of cognitive complexity will have increased chances to get a job within this organization. If the HR management focuses on innovation, probably candidates with a somewhat different fit from the modal profile will be the best option.

After newcomers are hired they are introduced to training and formation programmes aimed to get the best fit of the individual with the job and with the department or even the project team. One possible action regarding future research is to investigate the relationship between personality and organizational values.

Conclusion

This research was in an organizational environment overcoming many operational obstacles. This work offers many benefits both from the researcher and the practitioner view in the field of

organizational and work psychology. The transfer of scientific discoveries into organizational practices brings valuable benefits for all concerned.

In conclusion, the research was undertaken in the context of some intense organizational changes and emphasises the significance of cognitive and personality factors in relation with the identification of adaptative potential of managers and operators.

The optimisation of the decision-making process starts, practically, with the adequate selection of the persons with high adaptive potential for change both at the level of task and organizational level. These individuals will make good quality decisions in turbulent environments. It is helpful that training programmes stimulate these attitudes enabling the internalising of adaptative behaviour in the context of organizational change.

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