

Area: Human Resources Management

Subjects: Impact of Recruitment Policy in Local Communities

Title: How much should a Human Resources Manager care?

Setex is an electronics' company located in Kavala, a region with the population of under 2 million people. With only 198 employees Setex has become an important exporter of the region, and is recognised by the regional government of Kavala due to its significant impact on Kavala's economy. Ever since it entered this market 5 years ago, Setex has been growing steadily, taking over the majority of the production functions from its headquarters owing to significant advantage of low labour costs as well as high knowledge of electronics and engineering in Kavala. None of the end products of Setex remains in the region and is 100% exported abroad as supplies to the telecommunication giants. This in mind, the company seems to show no interest towards the local economy and society, except for its workforce and good relations with the government.

Mr. Setu is the Human Resource Executive of Setex in Kavala. He has just come out of the management's weekly meeting, where he found out that the further expansion plan of Setex in Kavala is confirmed, according to which the company will grow 30% in terms of its human resources within next 2 months. According to the General Manager: "We are going to get those people". It seemed to be impossible to recruit 50 skilled people last year, but we did it then and will do it now as well." According to the plan, there is going to be a new recruitment campaign coming up during the following week with primary target in South-Western Kavala that Mr. Setu has to organize. This part of the region is known for the high unemployment rate due to collapse of several mining and chemical enterprises in the past, as well as over 60% of the population being non-native Kavalians who are somewhat less competitive in human resource market, and would go for lower conditions when employed. As the Human Resource manager mentioned at the meeting, this would mean being able to pay smaller salaries and recruiting more people as they would be happy getting at least some kind of a job. However, Mr. Setu has several doubts that he expressed at the meeting.

Firstly, the recruitment of mainly female workers in that region would mean separating many families, as new recruits would have to be re-located 250 km away from their present homes, which is approximately 3-hour journey from their families. Secondly, according to the longer term perspective, the competitive advantage of low labour cost is decreasing and it is already known that within a period of maximum three years, the company will be moving out of Kavala, moving its production further east, taking the advantage of lower costs in Eastern markets. "Helping" the people of that region of Kavala, as his manager stated, is only a short-term solution and would mean that sooner or later these people will be out of job again, having missed out opportunities for their further training and facing harmed personal lives.

As Human Resources Executive, Mr. Setu is the youngest of the people in the Human Resources Department of Setex, being in his mid-twenties. He has been just recruited half a year ago, and therefore feels that it is hard to position himself at the management meetings yet. He likes his job, and perceives it as a great career advantage, but he is also keen on sustainable development of his region and he would like to do everything he can for his company to act in a responsible way. Despite of the fact that his company is abiding the formal laws and regulation of the country, this situation has raised an ethical dilemma that Mr. Setu would like to solve.

1. What are the major CSR issues in this case?
 2. What would you do in Mr. Setu's position?
 3. If having 2 choices – leave or launch the campaign – which would you choose (and on what conditions)? How would you approach the management with your thoughts (discussion in small groups).
 4. How much truth would you tell at the recruitment campaigns in South-West Kavala?
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Before discussing this ethical dilemma with your trainees, make sure that there is at least basic knowledge about CSR and ethics among the participants, so that they could rely on it while discussing and solving the situation.

There are several ways of using this ethical dilemma.

- 1) You can divide your audience into groups of 3-4 participants, giving them a task to read it through and discuss it in small groups, followed by sharing major points with the rest of the participants.
- 2) Another way, perhaps more interactive would be to run a role play where trainees would have to pair up, 1 of them being in the role of HR manager, and the other in the role of General Manager. They could simulate the meeting in the following day, where Mr. Setu would have to present the outline of the Recruitment Campaign.
 - Would he be able to do that?
 - Would he have courage to express his ethical dilemma?
 - How would GM react?

You could then ask 2 volunteers to make a role play in front of the whole audience.

Please note that the four questions provided at the end of the ethical dilemma are just suggestions. You can modify and adjust them to your audience.