Abstract

Much is said about the skills and competencies that South African candidates require as they enter different jobs, but little is known about criteria that employers use during hiring processes. In this research report, Human Capital Theory (HCT) (Becker, 1962; Schultz, 1961) serves as a theoretical starting point. After engaging with HCT and its critiques and modern adaptations, I have three criteria that seem to capture the main sets of issues that concern employers. These three criteria are: degrees and qualifications; work experience; and social factors like race, age and gender. I want to understand if these three criteria can be used as criteria with which to understand employer decision making in hiring criteria. I then want to understand the implicit criteria that they use, within my chosen criteria.

In this research project, I assume that employers value degrees and qualifications, work experience and social factors individually and I am trying to understand what about them is valued. In the literature review, I engage with several concepts that relate to hiring criteria and I have chosen these three criteria in anticipation of their ability to better understand my empirical object of study. Each concept is discussed within the context of relevant literature to further develop the meaning of the criteria.

Overview of research: How can employers' criteria be understood using these three criteria in regulated and unregulated sectors in hiring criteria? In this comparative study, I aim to understand how employers think about hiring criteria using the three criteria I have chosen from the literature. I aim to do so through interviewing hiring members and asking them to rank hypothetical resumes to gain insights into employer perceptions in this regard.

Key finding: The key finding of this research suggests significant differences between the hiring criteria of the engineering and the finance industry respectively in relation to how social factors are prioritized by employers. For example, the findings from the engineering industry suggest that the race of the candidate is less likely to be considered to be a factor that influences their chances of being hired. Simultaneously, they do not make an explicit effort to be racially inclusive when they are hiring. Finance firms, on the other hand, are more cognisant of Employment Equity during hiring processes and strive to ensure an inclusive workplace. In addition to racial inclusivity, finance firms value diversity in the workplace from all aspects, including age, gender, and sexuality.

Regarding degrees qualifications, I found that the hiring process in engineering industry resonates strongly with the main assumptions of HCT as a great deal of importance was placed on relevant qualifications, the content of qualifications and achieving high grades overall. Those who achieved highly within their degrees and qualifications were perceived by employers as being engaged with the content of their degrees and committed to their field. This was true for all participants in the engineering industry.

In the finance industry, I found that for accounting firms, a relevant qualification was necessary but in other organizations having a relevant qualification was not necessarily a determining factor of getting an interview or being hired once interviewed. Participants placed less emphasis on the type of qualification or the level of the qualification and more emphasis on work experience and performance during the interview. A university degree was perceived to represent a baseline of literacy and competence. So, candidates with university degrees would meet this baseline requirement and be considered a potential candidate.

Regarding work experience, I found that relevant work experience was partially important in the finance sector because it was associated with professional knowledge and familiarity with the workplace (Humburg, van der Velden, et al., 2013). In the engineering industry, I found that while work experience was considered advantageous, its absence could be compensated for with high grades in individual modules. According to the participants in the engineering industry, achieving highly in qualifications shows genuine interest in the field which can, in some cases, be more important than familiarity with the workplace.

Overall, I found that preferences regarding social factors played a dominant role in the finance industry and did not play a role at all in the engineering industry, In the finance industry, strong consideration of Employment Equity and commitment to inclusivity in general was evident. In the engineering industry, the complete disregard of social factors and the absence of Employment Equity was evident. In the finance industry, social factors were explicitly addressed and discussed for their importance and in the engineering industry the opposite was true. I find that because social factors are overlooked by hiring members in the engineering industry, they are not important in hiring criteria or hiring processes.