

# A Comparative Study on Recruitment & Selection Process in Big Four Accounting Firms

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## ARTICLE DETAILS

### Article History

Published Online: 10 November 2018

### Keywords

Recruitment, selection, talent acquisition, sources of recruitment and selection, organisational outcome

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## ABSTRACT

Recruitment and selection are often entitled as the talent acquisition in the organisation and it is one of the key components at the starting point of human resources in organisation. There are many factors which contribute to the company's prosperity such as employee ability, education, skill, experience, personality traits and motivation. Efficient recruitment and selection process will boost the organisational growth. The main objective of this paper is to study the recruitment and selection process in the Big Four accounting firms. This research paper highlights the odds and evens of the policies being followed by the Big Four. India has its own advantage in becoming the natural hub for the outsourcing, apart from the labour skills even there is a rapid growth in the infrastructure to support the enhancing future of the country. The Big Four is one of them and comprises of the world's largest accounting firms. Deloitte, PwC, EY and KPMG together are called the big four. The big four was initially called big eight which further got reduced to the big six and then the big five and finally it came down to the BIG FOUR. The Big Four initiated only after the of Arthur Andersen in the year 2002. The research study is analytical in nature and the data has been collected from secondary data which consists of company employees, online journals and research papers. Recruitment and selection are a tedious process however recruiting and selecting the right candidate for the organisation can be executed efficiently if there is a well-defined policy set in the organisation.

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## 1. Introduction

Recruitment and selection are two essentialities of the human resource in any organisation. The recruitment is done first followed by using of various selecting methods to finally choose the right applicant for that particular job. Recruitment provides a base in acquiring the number and the types of people necessary and required for ensuring continued operations of the organizations. Recruitment is finding the potential candidates for actual or anticipated org vacancies thus, it bridges the gap between people and jobs. It is one of the most essential part of the personnel administration whereas selection deals with getting right information about the candidate.

The main objective of selection function is to find out whether the particular applicant have the qualification which is required to do that particular job or task. So it all starts from the interview and all ends with the contract or the offer of employment with the particular organization.

### 1.1 Methods of Recruitment

There are two types of markets in which employers may search for the perfect candidates

- Internal Recruitment
- External Recruitment

During the Initial stage, the company search for a candidate in the databases of the currently employed workers i.e. the people who the employees know and this type of recruitment is divided into two – an open and a closed one. The former focusses on passing the information about the new positions or openings to all of the employees and letting them

know that this would be closed competition. Even the employees who would like to develop in that area to which the announcement is related to and who has the required skills can apply for that position. Wherein the latter, the assessment of a potential candidate is made by a few selected narrow group of managers or superiors.

The external recruitment is aimed at including the people through various announcements in the media, Staff Recommendation, Employment agencies, company specialisation, universities and schools. The external recruitment makes use of media reaching out to the potential employees (such as Internet, the press and other types of media). In order to choose the best applicant who can best suit the requirements, the different selection methods are used on them. These methods are very important as they help in selection of candidates who will not only meet all the required criteria but are totally aware of the position for which they applied and within which sphere they need to develop.

Selection is the process of finding correct individuals who have relevant qualifications and are apt to take up that particular job positions in an organization. It is better way to get a better balance between what the applicant can do and what the company expects out of him.

### The Process of Selection:

1. Reception
2. Screening Interview
3. Application Blank
4. Selection Tests
5. Selection Interview

6. Medical Examination
7. Reference Checks

## 2. Review of literature

Miyake, (2002) through his study in almost seven European countries found that the utilization of best used range of selection methods. The study concluded that the usage of most of the common methods was infrequent.

Taylor, P. (1998). The areas under his study was of the different various selection and recruitment measures like interview & reference check, there is a requirement of extensively increase the efficiency of them and even find out the common myths and perceptions of the selection process. According to David A De Cenzo The recruitment has following types of needs that has to be fulfilled: (a) Planned Needs: this occur due to the various changes that happen in the organisation. Likewise, retirement which causes new job positions. (b). Second one is Anticipated Needs: they are personal needs which organization assumes looking at the recent happenings in the internal and external environments. (c) Last one is Unexpected Needs: this occurs due to various emergency like accidents, deaths, relocation, resignations, illness, etc.

Armstrong (1991) through his study found out the various reasons and issues related to the recruitment and selection methods and the simplified on whether they are effectively utilized or not like the total cost, ease of the process and total time taken to finish off with the whole process and efficiency (e.g., staff hours per recruited participant). He also found that there are various number of methods through which we can reach out the people for the current openings in the organisation like advertising, direct mail, telephone, internet etc.

## 3. Objective of the study

1. To analyse and interpret the recruitment process of big four accounting firms.
2. To study the selection process of big four accounting firms.
3. To study the preference of selecting candidates in the organisation.

## 4. Research Methodology

The data was collected from the various secondary data sources such as company websites, online journals, Government reports on various topics, books, Newspapers, and other research reports.

### 4.1 Research Design

The research design of the study is analytical in nature. An attempt has been made through the research to find out the comparative study of the recruitment and selection process prevailing in the big four accounting firms.

## 5. Analysis

Data analysis is very important aspect of study, as it basically involves the analysis of all the information that we collected.

## 5.1 Deloitte Recruitment Process

Deloitte Touché Tohmatsu, popularly known as just "Deloitte", was founded by William Deloitte in 1845. It is a UK-incorporated multinational professional services firm with operational headquarters in New York City, United States. Deloitte is the largest accounting firm in terms of revenue.

1. Online application submission along with enclosed: CV, covering letter, references.
2. Filling in the online tests verifying the knowledge about the analytics, checking reading comprehension skills and the English language skills.
3. The recruitment meeting or the Assessment Centre is a full-day exercise session taking place in conditions resembling the actual work. It allows the employer to have a detail check on the candidate on if he / she is equipped with the skills that are required for a particular position and whether the candidate can be a good team worker. The other features of a potential candidate examined by the employer are as follows: efficient communication, problem-solving ability and organization of work. Case studies are conducted in small groups carefully supervised by the assessors - people from HR department
4. The interview, conducted by the HR employee or by the manager of the department for which the candidate applies. The interview is conducted to know the competency, experience in that sphere of work, his/her knowledge and skills in that particular area of requirement.

## 5.2 Deloitte Selection Process

- **Essay:** Candidates are asked to write an essay or a brief note on a particular topic decided by the organization in order to know the level of knowledge they have on that particular topic and their abilities in writing skills.
- **Aptitude:** Candidates will be asked to attend an aptitude test in order to determine their level of analytical, writing, quantitative, logical, verbal, and reading skills in written English.
- **Email Writing:** Candidates are asked to write an email on a topic given by the organizers to check on their skills and knowledge about the email which is an important aspect in any organization.
- **First round interview:** The first round of interview is taken by two panel members and it mainly focuses on the behavior, general knowledge, attitude and communication skills. The interview is used by the company to know more about the candidate's personality and know them personally. It is also an avenue for the firm to see how much the candidate knows about their firm.
- **Second round interview:** Only Candidates who will be clearing the first round of interview successfully will be sent for the second round, here in this round two the questions will be more specific about the areas of specialization of the candidates or the knowledge the candidate should possess in regard with the job position he/she applied for.

- **Offer:** Getting the placement offer letter. Only those candidates who cleared the second round of interview will be given the offer.

### 5.3 PRICEWATERHOUSECOOPERS (PwC) Recruitment

#### Process

PwC is the second largest accounting firm in terms of revenue. The company was formed by the merger of two large accounting firms – Price Waterhouse, and Coopers & Lybrand in 1998.

1. Filling in the application form and the execution of numerical and logical reasoning online test
2. English placement test conducted at the company's headquarters.
3. A four-level assessment centre consisting of:
  - 10-minute conversation in English,
  - A group exercise during which the entrants, together with the other candidates participating in the recruitment process, are to develop solutions to the fictional problem. This exercise is meant to check the teamwork skills,
  - The interview concerning the experience the candidate has gained so far, his motivation and interests,
  - The individual exercise during which the candidate is to conduct the case study and prepare the presentation.

### 5.4 PRICEWATERHOUSECOOPERS (PwC) Selection

#### Process

- **Online SHL:** SHL is a company that conducts various types of psychometric test that is used to examine an applicant's competency. It's like a numerical based reasoning test for a quantitative position. This test is mostly conducted online by companies.
- **Panel interview:** An interview will be conducted by a group of panel members who will be questioning the candidates on various topics and will be judging them on various criteria.
- **Assessment day:** This is an interview day and various interviews will be conducted technical as well as non-technical. Applicants will be grouped and can be asked to complete a task together, thereafter are invited for a final interview with senior managers or directors.
- **Offer:** Candidates who clears all other rounds will be getting the placement offer letter.

### 5.5 Ernst & Young (EY) Recruitment Process

Ernst & Whinny merged with Arthur Young to create Ernst & Young in 1989. Ernst & Young is a global organization of member firms in more than 150 countries. It employs people equipped with professional skills and values of integrity, respect, teamwork, enthusiasm, and motivation. These form the core values of Ernst & Young. Ernst & Young is the third largest accounting firm in terms of revenue.

1. Submission of applications through the application form available online.

2. Filling in the online tests concerning the analysis of the figures, verbal information and logical thinking
3. The "paper-pencil" tests concerning the figures analysis and checking the knowledge of the English language along with the email writing.
4. The final meeting with the partners or directors of those particular line of the selected department.

### 5.6 Ernst & Young (EY) Selection Process

- **Aptitude test:** Candidates will be asked to attend an aptitude test in order to determine their level of analytical, logical as well as qualitative skills.
- **Assessment day:** This is an interview day and various interviews will be conducted technical as well as non-technical. Applicants will be grouped and can be asked to complete a task together, thereafter are invited for a final interview with senior managers or directors.
- **Offer:** Getting the placement offer letter.

### 5.7 KLYNVELD PEAT MARWICK GOERDELER (KPMG)

#### Recruitment Process

KPMG is a global network of accounting firms providing audit, tax, advisory, special interest and industry-specific services. It employs approximately 189,000 professionals working together to provide quality service in 155 countries around the world. KPMG is the fourth largest accounting firm

1. Sending applications through the application form or through online web portals along with the following documents enclosed: CV, covering letter, references, a list of university subjects with the grades, certificates, trainings, and attestations about taking an active part in student organizations or in voluntary service.
2. The interview which aims at getting to know the candidate, his motivation and zeal to work in the chosen department and company and his development plans for the upcoming years ahead.
3. Assessment Centre session - the candidates are observed during the simulation work on some specific and practical tasks. The most common exercises are as follows: group discussion, role play, individual presentation, and search and information analysis.

### 5.8 KLYNVELD PEAT MARWICK GOERDELER (KPMG)

#### Selection Process

- **Aptitude test:** Candidates will be asked to attend an aptitude test in order to determine their level of analytical, logical as well as qualitative skills.
- **Business awareness test:** this is conducted basically for the checking of the alignment of the candidate's behavioural competencies with KPMG's skills and behaviour expected.
- **Assessment Center:** This has usually three stages starting with Panel Interview, simulation and followed by the 5 minute presentation of the simulation topic.
- **Partner interview:** The candidates who cleared the previous will be invited for an interview with the partner or director of KPMG
- **Offer:** Getting the placement offer letter.

## 6. Findings

1. These four organisations follow a common set assessment procedure with a very little variations in the application of them.
2. It is found from the study that the organization recruits people with necessary qualification and skill set
3. It has been found from the study that the organisations recruit more from internal recruitment than external.
4. The image and goodwill of your organization makes recruitment and selection process more effective
5. It has been found that majority of the employees refer their acquaintances in the organization due to its usage and goodwill

## 7. Suggestions

1. Candidate's selection criteria must be improvised and modified according to the current trends of selection process and should be intimidated with the proceedings in the interview time itself.
2. The interview procedures should add on more of situational tests and simulations like overcoming stress, the risk-taking ability, basic of maintaining interpersonal and intrapersonal relations.
3. Active employee referrals should be rewarded and recognized.
4. Aptitude tests should be used as a filtering tool only when the candidate is a fresher to the industry.
5. Make sure the selection process makes justice to the candidates attending the process.
6. The candidates should be allotted with particular time slots for their part of the assessment so as to avoid the overlap and confusions
7. The recruitment and selection through head hunters should be kept as a last option.

## 8. Conclusion

Recruitment and selection process are of great importance these days in all organizations. To evaluate the human

resource is quiet a tedious job. These procedures and its importance changes from organization to organisation. The effectiveness of the company depends on the quality of work of its employees. The crucial factors influencing the company's prosperity are as follows: employee's abilities, education, skills, experience, goals and values, attitudes and behaviours, personality traits of people and the motivation required. Some of these skills are provided the company on its own but the vast majority of them is innate or learned from the previous experience. Therefore, the selection of the appropriate employees allows you to optimize the work of the whole corporation. Very often, in order to select the best candidates, the recruitment process consisting of several stages is a bit complicated. In these transnational corporations the managers prefer both internal and external source of recruitment and selection. As well as they even have an upper hand on taking candidates through third party references. The above mentioned Companies mostly do not take the help from the head hunters where as they go mostly for the campus recruitments or even the casual application that are coming through walk-ins or internet portals. Most of the managers incline to the process of direct interviews than taking telephonic interviews. When they hire applicants from a little faraway places or different geographical locations then they give the benefit of getting interviewed through video conferencing.

Taking the examples of "Big Four" companies, it is clearly noticeable that the selection of candidates is a rigorous process through which only those candidates who have the potentials and talent will get through. Nowadays, only a Resume and a covering letter along with the filled application form is not that enough to get into an organisation. There are various tasks, case studies, and tests on various topics that the candidates have to go through and if they clear them they might get the offer or they can even negotiate for their needs to the employers.

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