



INVESTING THE FACTORS IMPACTING RECRUITMENT AND SELECTION PRACTICES AT IT COMPANIES- AN EMPIRICL STUDY

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ABSTRACT

Recruitment is a task that needs business outlook, expertise, capacity to find as well as equal the best prospective candidate for the firm, diplomacy, marketing skills (as to sell the position to the candidate) along with knowledge to align the recruitment processes for the advantage of the business. A number of studies have been done with regard to factors affecting recruitment in organizations especially in developed economies. In view of this context, the present study is also on the same line to identify the relationship between human resource functions, challenges, employee perception, and recruitment and selection methods with recruitment and selection process. The study has employed survey method of research.

The primary data – recruitment practices followed by IT organizations – are collected from employees in IT organization with the help of a questionnaire. Convenience method of sampling was adapted. A total of 406 respondents were taken as the sample for this study. As an initial stage of data analyses, statistical information was examined with various tests. At First, the percentage analysis was done for demographic and other variables related to recruitment and selection. Then Confirmatory Factor Analysis was checked with LISEREL by having all this HR Policies , Recruitment and Selection, HR Methods ,Employee Perception and Challenges as their the dimensions of research. Subsequently the reliability analysis was performed to identify the consistency of used scales for each item of scales such as HRP, RS, HRM, EP and Challenges. SEM is drawn to testify the predicting nature Hr functions, Hr methods, employee perception and challenges towards recruitment and selection process.

The study affirms that the policies and procedures used by IT companies in staff recruitment, the policies and procedure should address requirements for posting/advertising, screening and, pre-employment testing, offering employment and recordkeeping in accordance with labour laws and regulations requiring nondiscrimination and affirmative action in employment.

INTRODUCTION

Recruitment is a task that needs business outlook, expertise, capacity to find as well as

equal the best prospective candidate for the firm, diplomacy, marketing skills (as to sell the position to the candidate) along with knowledge to align the recruitment processes for



the advantage of the business. The Human resource professionals – managing the recruitment task of the firm- are continually facing new disputes. The biggest test for such professionals is to source otherwise recruit the most excellent people or possible candidate for the firm, attract as well as give confidence for more plus more candidates to submit an application in the company (Buchan, 2002).

In view of the study by Lawrence (2006), distant from procedural aspects, there are on the other hand substantive matters which merit concentration, for instance appointing the most qualified as well as competent candidate in the most appropriate position. If the above does not happen, it poses severe challenges for the reason that the standards that are set often prove to be inappropriate. As reports of political office bearers sometimes deviate from the recommendations of the panel without fully recording reasons for such deviations, is a reason for concern, as it may be viewed as undue interference.

Studies conducted by Shandu (2006), regarding recruitment and malpractices have also revealed the lack of detailed departmental policies and procedures to inform the objective, fair, equitable and responsible application of recruitment practices. National departments also fail to thoroughly consider what skills, competencies and traits are required of candidates for vacant posts before advertising these. As a result there is a failure to structure recruitment and in accordance with this criterion. A number of studies (Tlhabanelo, 2003),) have been done with regard to factors affecting recruitment in organizations especially in developed economies. In view of this context, the present study is also on the same line.

REVIEW OF LITERATURE

Concept of Recruitment

Erasmus et al (2005) enrollment can be characterized as "those exercises in human asset administration which are attempted with a specific end goal to draw in adequate occupation applicants who have the vital potential, skills and characteristics to fill work needs and to help the wellbeing segment foundation in accomplishing its destinations". Then again Cloete (1997) characterizes enrollment as about ensuring that qualified individuals are accessible to meet the work needs of government. Ineffectual enlistment blocks any shot for viable hopeful since when enrollment misses the mark, must continue with a pool of inadequately qualified competitors. The errand of enrollment is to create an adequate pool of candidates to guarantee that there are individuals accessible with the important abilities and prerequisites to fill positions as they emerge.

Policies and procedures

As indicated by Erasmus (2005) the enlistment arrangement and methodology record ought to be a urgent component that gives direction to the board of trustees and ought to be counseled. This record ought to be counseled in conjunction with significant enactment that aides the enrollment and of applicants in the wellbeing part. Such enactment incorporates the Health division Act 103 of 1994 and the Employment Equity Act 55 of 1998. The scout should remember more extensive institutional plans while counseling this archive. Also, this archive ought to mirror the foundation's perspectives in regards to the approach and techniques to be followed in the establishment and could incorporate strides in the enlistment procedure. The arrangement and strategies archive will demonstrate, for instance whether enrollment



ought to be done inside or remotely and will determine the cost constraints.

Job analysis

Expected set of responsibilities posting the errands, obligations, and duties of a particular employment. Having avant-garde, exact and professionally composed sets of expectations is basic to an association's capacity to draw in qualified hopefuls, arrange and prepare workers, build up work execution measures, create remuneration programs, lead execution surveys, set objectives and meet legitimate necessities. Preceding the advancement of the expected set of responsibilities, a vocation investigation must be directed. Occupation examination, a fundamental piece of HR administration, is the social occasion, investigation and documentation of the critical features of work including what the worker does, the setting of the activity, and the necessities of the activity. The advantage of having a computerized cloud-based framework for the upkeep and administration of sets of responsibilities include: Effectively team up between HR, office heads, administrators, and topic specialists; effortlessly make, alter and keep up sets of responsibilities; hold a chronicle of sets of responsibilities and keep up and coming and precise sets of expectations. The scout should be target while deciding key execution territories in order to furnish the board with understanding into the genuine activity necessities. This may shape some portion of a set of working responsibilities (Swanepoel, 2003).

Labour market

A work market can be comprehended as the system through which human work is purchased and sold as a commodity and the

methods by which work request (the number and kind of accessible occupations) is coordinated with work supply (the number and sort of accessible laborers). Accordingly, the work advertises constitutes the orderly relationship that exists amongst specialists and work associations. So as to accomplish its vital goals, an essential worry for an association is to guarantee that it has the correct individuals with the correct abilities, learning and traits in the proper positions. The past part sketched out two contending approaches a firm may embrace to obtaining required work: 'make' or 'purchase' procedures. The previous alludes to designing HRM exercises to satisfy a company's human asset prerequisites by creating existing representatives and holding their administrations over the long haul (DeVaro, 2005).

Businesses and occupation searchers are united for potential matches through enlistment and quest for new employment exercises that assistance the two gatherings procure data about the other. The better the data they get preceding entering a business relationship the higher the probability of a decent match. The urgent part of data in the work advertise has been perceived since Stigler (1962), however in spite of a voluminous writing on work coordinating and hierarchical conduct in labor markets, we know far less about bosses' enlistment systems than about occupation searchers' hunt methodologies.

As Granovetter (1995) notes, "while individuals are discovering occupations, bosses are discovering individuals to fill them, and their practices, techniques, and purposes play a focal however regularly disregarded part during the time spent coordinating individuals to employments."

Competition



It is broadly acknowledged that the human asset administration field is expand upon four fundamental columns, which are staffing, preparing and improvement, inspiration, and support and maintenance separately (Dessler, 2005).The staffing column is basically separated into three primary capacities, in particular human asset arranging, otherwise called work constrain arranging, enrollment, and capacities individually. Rivalry between both open and private doctor's facilities enhances their effectiveness and can spare critical measures of cash. In any case, enabling open doctor's facilities to contend with private suppliers has not created similar positive results for people in general part healing facilities.

Zack Cooper, one of the creators, says: 'Rivalry makes clear motivators for healing centers to end up more effective. Be that as it may, this is certifiably not a 'one size fits all' arrangement where more rivalry is unambiguously better. Markets in social insurance require solid direction to get great results. 'Healing facilities should contend to offer fantastic care and better administration. In any case, we have to ensure that it isn't more beneficial for them to abstain from treating certain conceivably more expensive patients.' The human asset arranging capacity is worried about enumerating out the arrangement of the quantity of representatives that will be employed consistently, where, when, and spending plan of each.

OBJECTIVES OF THE STUDY

The present study is specific to the following objectives

- To identify the relationship between human resource functions, challenges, employee perception, recruitment and

selection methods with recruitment and selection process.

- To suggest measures to improve recruitment and selection practices of IT firms.

HYPOTHESIS OF THE STUDY

- **H1:** Altogether Hr functions, Hr methods, employee perception and challenges has significant impact on recruitment and selection process

METHODOLOGY

The study has employed survey method of research.

Data Sources and Collection

The secondary data is drawn from research reports, journals, magazines and internet. The case studies and practices of certain organizations are collected from secondary data sources. The primary data – recruitment practices followed by IT organizations – are collected from employees in IT organization with the help of a questionnaire.

The questionnaire is developed based on earlier studies (Filip lievens, Karen van Dam, Neil Anderson 2002, Pandit Y.V.L 2007, Noreen Hearty and Michal Morely 1998,) Philip J 2006, Laurie J.Bassi 1999, HR connect 2006, HR focus 2006, Yu-Ru Hsu, Mike Leat 2000) and it is modified based on the observations during the pilot study. The questionnaire comprises of 21 items mostly of closed end type. For many of the questions 5 – point scale is used to measure degree of agreement.

Sampling



Confirmatory Factor Analysis

Convenience method of sampling was adapted. The population for the study was IT companies in India. IT companies located in Chennai, Hyderabad, Bangalore are contacted for participation in the study. About 77 companies have finally responded. The total of 612 employees from various 77 IT companies was distributed with questionnaire. Among them 612 questionnaire distributed 437 is returned as the filled one. We inspected every questionnaire in order to identify the questionnaires with incomplete form; those are separated and excluded from further analysis. A total of 406 respondents were taken as the sample for this study.

Data analysis

SPSS™ version 20 for Windows and LISEREL 8.72 version statistical software program was used to run all the statistical analysis. As an initial stage of data analyses, statistical information was examined with various tests.

At First, the percentage analysis was done for demographic and other variables related to recruitment and selection. Then Confirmatory Factor Analysis was checked with LISEREL by having all this HR Policies , Recruitment and Selection, HR Methods ,Employee Perception and Challenges as their the dimensions of research. Subsequently the reliability analysis was performed to identify the consistency of used scales for each item of scales such as HRP, RS, HRM, EP and Challenges. SEM is drawn to testify the predicting nature Hr functions, Hr methods, employee perception and challenges towards recruitment and selection process.

RESULTS AND DISCUSSION

Factor structure of the set of observed variables can be verified for by a statistical component called as Confirmatory factor analysis (CFA). CFA helps the researcher to test hypothesis and to explore relationship between observed variables. For this research Confirmatory factor analyses was performed for the scales measuring HR Policies, Recruitment and Selection, HR Methods, Employee Perception and other Challenges with the help of LISEREL 8.72 software with maximum likelihood technique to confirm construct structure of the variables. The results of the CFA interpreted with the suggestions provided by various authors some of them are listed below.

Joreskog&Sorbom, (1984) explains the Goodness of fit index value of CFA model drawn with study variables always lies between 0 to 1. The value more than 0.90 and closer to 1 represents the perfect fit of model. From Browne&Cudeek (1993) statement we can infer that Root-Mean square error approximation (RMSEA) ranges from 0 to 1 with a value closer to zero indicates a better model fit. Expected Cross Validation Index (ECVI) with positive sign less than or equal zero, i.e. 0 to 1 indicates model with perfect fit. ECVI value used to compare how well the results of this study can be generalized.

Chi square is value is essential on dealing with larger samples to bear the power of the test. Hence it is recommended to use ratio of Chi square to degree of freedom.

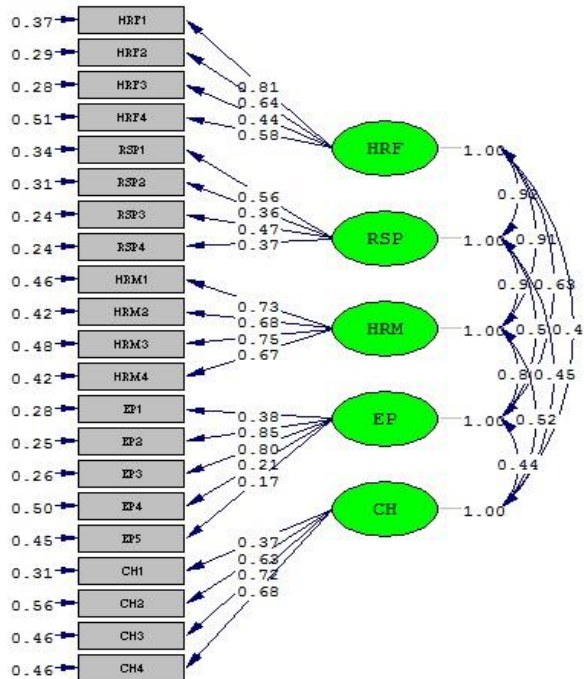
For this ratio of chi-square values Carmines&Mclver(1981) suggested that 2 to 1 or 3to 1 is indicator of acceptable model with respect to hypothetical model with the collected



Overall CFA MODEL with all variables

sample data. Chi square ratio approximately five or less is considered to be reasonable.

Figure 1 Overall CFA MODEL with all variables



Chi –square 7.96, df=2, P-Value =0.00249, RMSEA=0.324

Table 1 Over all CFA for all variables

Model	Normed Chi square	P-value	GFI	AGFI	CFI	NFI	RMSEA
Study model	3.98	0.96496	0.98	0.99	0.97	0.99	0.324
Recommended value	Less than 5	>0.05	0.8-0.9	0.8-0.9	0.8-0.9	0.8-0.9	Less than 0.080

The table values of GFI, AGFI, CFI, NFI and RMSEA are lies within the prescribed limit as per the recommended value, so it proves the model has good fit.

SEM is drawn to testify the predicting nature Hr functions, Hr methods, employee perception and challenges towards recruitment and selection process.

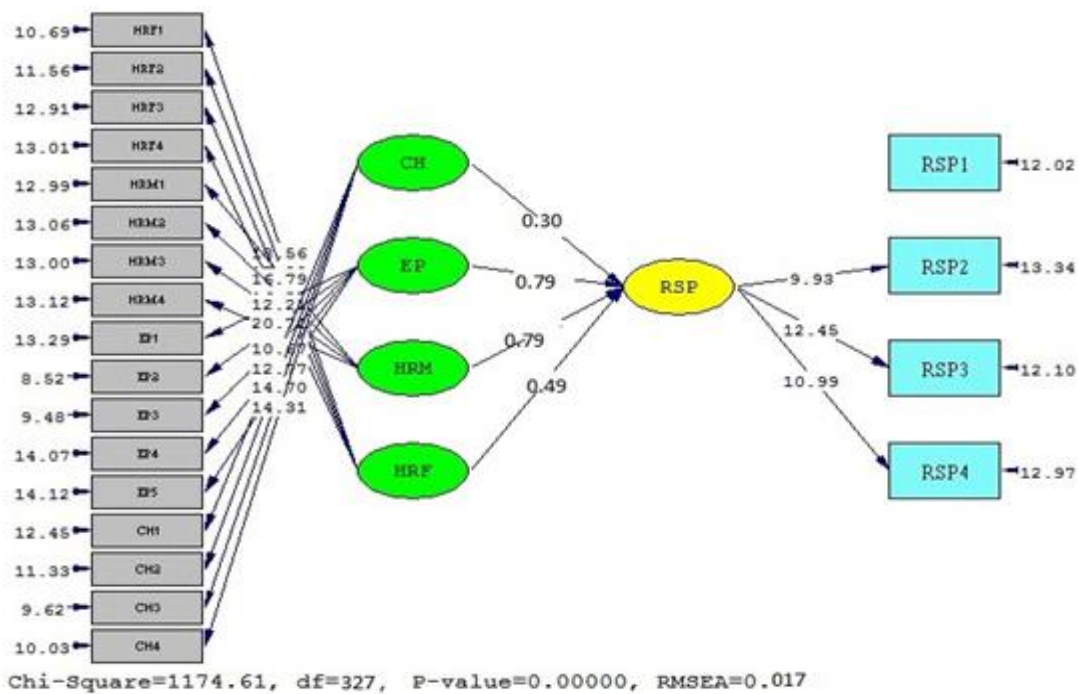
Structural Equation Modeling

Based on this we framed hypothesis



- H-1: HR functions has significant impact on recruitment and selection process
- H-2: Employee perception has significant impact on recruitment and selection process
- H-3: challenges has significant impact on recruitment and selection process
- H-4: HR methods has significant impact on recruitment and selection process
- H-5: Altogether Hr functions, Hr methods, employee perception and challenges has significant impact on recruitment and selection process

Figure 2 Structural Equation Modeling



Interpretation of Model Fit Index

The values of model drawn with the help of liserel statistical package is interpreted with

the fit index combination given by Hu and bentler.



Table 2 Model -fit indices our study

Model	Normed Chi square	P-value	GFI	AGFI	CFI	NFI	RMSEA
Study model	3.59	0.000	0.86	0.82	0.98	0.96	0.017
Recommended value	Less than 5	>0.05	0.8- 0.9	0.8- 0.9	0.8- 0.9	0.8- 0.9	Less than 0.80

From the above table it can be inferred that the values of various goodness of fit indices are within the desired limits as normed square values with 3.59, p-value with 0.000, GFI 0.86, AGFI 0.82, CFI 0.98, NFI 0.96 and RMSEA with 0.017.

More than this we interpreted the model with the criteria given by Hu & Bentler and those results are presented below.

As per Hu & Bentler model (1999) fit index combination rules the model drawn was fully fit. The beta coefficients of HRF, HRM, EP and CH values 0.30, 0.79, 0.79 and 0.49 proves all this HRF, HRM, EP and CH has positive impact on recruitment and selection process. By this the hypothesis we framed H17 to H 21 is proved.

H1=HR functions has significant impact on recruitment and selection process (*Accepted*)

H2= Employee perception has significant impact on recruitment and selection process (*Accepted*)

H3= challenges has significant impact on recruitment and selection process (*Accepted*)

H4=HR methods has significant impact on recruitment and selection process (*Accepted*)

H5= Altogether Hr functions, Hr methods, employee perception and challenges has significant impact on recruitment and selection process (*Accepted*)

CONCLUSIONS

The study affirms that the policies and procedures used by IT companies in staff recruitment, the policies and procedure should address requirements for posting/advertising, screening and, pre-employment testing, offering employment and recordkeeping in accordance with labour laws and regulations requiring nondiscrimination and affirmative action in employment. Failure to adhere to the terms of this policy could lead to disciplinary action up to and including termination. Furthermore the policy and procedures will indicate, for example whether recruitment should be done internally or externally and



will specify the cost limitations. Its, however, a dynamic document and must be reviewed as and when required. The human resource planning function is concerned with detailing out the plan of the number of employees that will be hired throughout the year, where, when, and budget of each. The recruitment function is concerned with creating a large pool of qualified candidates that are both willing and capable to perform the required job.

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