A REVIEW ON CHANGING TREND OF RECRUITMENT PRACTICE TO ENHANCE THE QUALITY OFHIRING IN
GLOBAL ORGANIZATIONS

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Human capital is arguably the most treasured and valued asset ofany organization, and is primarily responsible for adding value to all other assets of an organization. The very word recruitment is a logistics nightmare for the HR of many organizations. It has been seen, in this rapid changing world, that various sourcing recruitment channels, such as social media (LinkedIn, Facebook, etc.) have been developed and used, in addition to the traditional ones (advertisements, employee referrals, recruitment agencies, etc). In this paper, an attempt has been made to identify the changing trends related to effective hiring sources and to study their impact on the leading global organizations. It is concluded that a shift is being made towards the modern and innovative sourcing channels due to various factors like quality, cost, availability, time, etc.

1. INTRODUCTION

The process of recruiting has changed significantly over the last few decades. What started out as the scope of office managers to place job advertisements in newspapers, or "help wanted" signs has now grown up into a multibillion-dollar industry. The individuality of talent requires national corporate recruitment effort, or utilization of external agencies, solely focused on performing the recruiting activities.

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A third-party recruitment agency or corporate recruiting department may be made up of individuals dedicated to just the sourcing of candidates. Human being resource is no longer considered a business requirement; rather it has magisterial itself as one of the key possession of any organizational formation. Human resource is no longer considered a business requirement; rather it has distinguished itself as one of the core assets of any organization. The statement by Mr Narayan Murthy, "my company's assets walk out of the door every evening", really holds the paradigm shift of the growing economy. In the above quote, emphasis has been given on effective talent management. Growing at a pace of about 100 to 150 percent, this recruitment mode promises, its share from 2 percent to 10 percent in the next 4 to 5 years. A recent study in Sunday Times by Chhapia (2012) showed that new recruiters like LinkedIn, Twitter and Blackstone have signed up.

In this paper, an attempt is made to do a small research survey on five major IT organizations to find out the recent trend of using source channels for sourcing the candidates i.e. an attempt to find out which source channel has the best reach keeping in mind its cost and the quality of candidates.

2. DEFINING THE MAJOR CONCEPTS OF THE STUDY

Recruitment is a vital function of human recourse management, which can be defined as the process of searching the right talent and stimulating them to apply for jobs in the organization. It is the process of discovering the sources of personnel to meet the requirements of the staffing agenda and attracting the adequate number of employees, as to be able to make the effective selection among the applicants. Hiring is the act of employing new staff, to engage the services of (a person) for a fee or to employ (someone) for wages. Hiring is an action of bringing on a new person to an organization. It is a step in the full employee lifecycle and represents end of a successful recruiting process. Depending on the size and culture of the organizational unit, recruiting may be conducted by the managing director, human resource generalists and/or specialists. Alternatively, recruiting can be also conducted by global employment agencies, commercial recruitment agencies, or specialized consultancies.

Sourcing is the use of one or more strategies to relate talent to organizational vacancies. It may use different sorts of advertisements, using appropriate media, such as local or national newspapers, specialized recruitment media, window advertisements, job centers, or the Internet. The actual act of sourcing for candidates is performed by either an internal recruiter, or a
dedicated (external) recruiter. Candidate sourcing activity typically ends once the name, job title, job function and contact information for the potential candidate is determined. In some organizations, a person "sourcing" candidates performs all stages of the sourcing process, i.e. identifying and pre-screening candidates. There is also a growing market for experts, performing the sourcing over the telephone and the Internet, as well as researching and profiling candidates.

3. CURRENT TRENDS IN RECRUITMENT PRACTICE

3.1. A review of social media and Internet-based recruitment

Social networking sites, such as Facebook and Twitter, allow individuals to post and share personal information, which has led many US employers to use social networking sites to screen job applicants (Shea and Wesley, 2006; Withiam, 2011). A reason for using social networking sites to screen employees is that employers might want to verify information provided by applicants. For example, ADP Screening and Selection Services found that applicants falsify their information on applications, such as their employment record, education, and credentials or licenses (Levashina, 2009). Other reasons for using social networking sites for selection purposes is that social networking sites have some advantages over traditional human resource tools, such as being accessible without costs (Jacobs, 2009) and are perceived to be reliable sources by users (Kluemper and Rosen, 2009).

A research was conducted to examine the relationship between use of the social media as a recruitment source and student attitudes (Rozelle & Landis, 2002). They hypothesized that that Internet recruitment would be seen as presenting less accurate information to applicants as compared to informal forms of recruitment. In addition, greater applicant use of Internet-based recruiting information was expected to be associated with lower satisfaction with the organization. The data did not support the hypotheses, hence the role of online recruitment was significantly established through this study.

A paper was recently presented at an international conference by Florea & Badea (2013), which emphasized the manner in which the organizations use technology increases or decreases its positive net effect. The findings suggest that through the Internet, HR can develop an effective recruitment program, which helps manage the highly competitive and time-consuming process of finding skilled personnel.
Another study addressed an important issue while using social media as a hiring tool that the reliability and validity of using social networking sites to screen and select applicants is unknown. Until the reliability and validity of the information from social networking sites is examined, hiring organizations should be cautious when relying on social networking sites to make selection decisions (Madera, 2012).

3.2. Recruiting trends in global organizations from distinct perspectives

The present review strives to highlight the trend of current recruitment practice from a global perspective. So, it is important to ascertain the role cultural differences play in the area of recruitment, if any. Ma & Allen (2009) did a conceptual research, which explores how cultural values influence the effectiveness of recruitment practices in different cultural contexts. In today’s business environment one of the popular sources of hiring people is the ‘word of mouth’ which significantly affects the behavioral and perceptual outcomes of the decisions taken to hire right people. This phenomenon was studied by Van Hoye and Lievens (2009) sample of potential applicants, targeted by the Belgian Defense. They found that having positive information regarding potential talents through word-of-mouth early in the recruitment process was significantly correlated with perceptual (organizational attractiveness) and behavioral outcomes (actual application decisions).

Another study conducted by Russo et al. (2001) attempted to investigate how employers' recruitment strategies change in response to different conditions on the relevant regional labor market. Their empirical findings show that the hiring of unemployed candidates and the use of the public employment service are events more likely to happen in a slack regional labor market. On the basis of their results they concluded that the use of advertisements and the hiring of already-employed job seekers are more likely to occur in the presence of excess demand on the relevant regional labor market.

The influence of personal networks positively influences the wages of referred individuals (Antoninis, 2006). However, the value of recommendations to the employer depends on the type of vacancy and the provider of information. It has been shown that new recruits receive a higher start wage when recommended by a causal agent with direct experience of their productivity. On the reverse, the use of recommendations from friends and relatives has no influence on the starting wage and may even be even negatively related to wages in non-expert jobs (Antoninis, 2006).
The effectiveness of different recruitment sources for new employees has been the topic of research for over 60 years. The effectiveness has primarily been assessed by examining the rates of turnover (and “job survival”), as well as job performance, with referrals by current personnel, in-house job postings, and the re-hiring of former employees being considered the most effective sources (Zottoli & Wanous, 2000).

From Indian organizational perspectives, a study by Sen and Saxena (1997) on managing the knowledge workers has given importance to the process involved during the time of recruitment and hiring. They believe that the most striking feature of the Indian labor market is the apparent abundance of labor, yet the right type of labor is not too easy to find. A similar study has been done by Tendon (2006) giving importance to hiring quality candidates who are hard to find. In his research article he has made an attempt to study why talent deficiency prevails in Indian job market in spite of a huge population.

Another important study by Unwin (2005) gives more significance to the process involved during the time of recruiting and hiring good candidate. Karen Unwin believes that recruitment is the only component for attracting and retaining knowledge workers. A review done by Reddy (2004) points out that Six Sigma is the best practice for the recruitment of human talent. Reddy (2004) also stressed the importance of hiring the right candidates through other source as per the business requirements.

A very important study on recruitment sources has been done by Subbarao (2006). He tried to explain the recruitment sources used by individual job seekers at various levels. Another study which highlights the importance of different types of approaches used at the time of recruitment which in turn makes any organization well-established or less established. Sarkar and Kumar (2007) have tried to identify the reasons for an organization to be either well-established or less-established organization - according to the approach which they adopt while recruiting their employees. They have importance to a holistic model of recruitment i.e. emphasizing the importance of the whole process of recruitment and the interdependence of its parts.

A recent article by Vyas (2011) has shown the critical role of online recruitment system. Organizations are looking for methods of reducing the time and effort. As per his study, this rush and explosion gave way to job portals to make recruitment more in-house and more effective. Job portals came as a transparent medium between the recruiter and the job seeker.
An evolving role of team staffing from a strategic human resource management perspective were investigated by Munyon et al. (2011). In this study they evaluated methods of team staffing that ascertained its competitive advantages to a firm. In particular, they studied how individual and cluster hiring modes influence the competitive advantage of organizations, linking human resource management practices with strategic outcomes.

Furthermore, to ascertain the labor market effects of employer recruitment choice, a study was conducted by DeVaro (2008). He chose a sample of clerical workers from the MCSUI, a large cross section of establishments in four metropolitan areas of the U. S. In this study, author proposed a model in which employers chose either informal recruitment methods or formal methods. (DeVaro,2008). He stated that the effects of exogenous policy or environmental changes can be decomposed into “pure wage effects” that affect the wage offers employers post, holding constant their recruitment strategies, and “recruitment-wage effects” that involve changes in recruitment methods. The results showed that changes in recruitment strategies represent an important channel through which changes in the economic environment affect the starting wages and vacancy duration for new hires. Breaugh & Mary (2000) introduced an organizing framework in their study of sources of recruitment, recruiters and job previews. Through their review research work on the area of recruitment they strongly recommend that the future studies need to be designed with an appreciation of the complexity of the recruitment process.

Through the literature review an effort has been made r to review the findings of past research work in the area of recruitment practices from global and distinct perspectives. Furthermore, we have also conducted a survey in some of the leading IT organizations in India. The main purpose of this study is to evaluate and understand the significance of the current positioning of various recruitment sources by doing a SWOT analysis.

3. METHODOLOGY

The major objectives of the survey are the following:

- to study the emergence of sourcing channels for effective hiring,
- to study the effectiveness of each recruitment source in companies in the global business environment and
- to investigate sources of recruitment which are appropriate for different levels of workforce.
The study is based on the primary data collected through the interview and questionnaire given to the HR personnel in major IT companies in India: Infosys, Wipro, TCS, HCL and IBM. Data was also collected from secondary sources like websites, e-magazines and e-Journals, secondary data from the Internet and newspapers. The survey result showed the reasons for the emergence of new sourcing channels and which sourcing channel is most commonly used.

A self-developed questionnaire (see Appendix II) for the HR department was used to find out which sources were most commonly used specifying the percentage of each, if different source is used for different levels/grades of candidates, the amount spent on the source used, which source was most effective, problems faced, etc.

There is a variety of recruitment approaches and most organizations will use a combination of two or more of these as part of a recruitment process or to deliver their overall recruitment strategy. Based on the above discussion, it has been found that the surveyed organizations mostly use the following sourcing channels for recruitment:

1. Employee Referral,
2. Campus Recruitment,
3. Advertising,
4. Recruitment Agencies/Consultants,
5. Job sites/portals,
6. Company Websites,
7. Social Media (LinkedIn, etc).

*Employee referral programs* are human resource mechanisms for stimulating referring by existing employees, who might be awarded with a bonus, especially if the referred employee does stay employed with the organization for a minimum amount of time. *Campus recruitment* is the process of approaching schools, universities and other educational institutions, as to attract and hire the best students. *Advertisements of vacancies* in newspapers and journals are commonly used in recruitment, with a wide reach to prospective talents.

*Employment agencies/recruitment agencies* have, historically, represented a "physical" service for matching the open positions with a pool of applicants, who were initially interviewed and referred to potential employers (depending on the existence of a possible match). However, this kind of service can be today replaced by *job sites/portals*, i.e. Web-based solutions. An employment
website is a web portal dealing exclusively with employment or careers. Many employment websites are intended to allow employers to post job openings for different positions and are usually known as job portals. Through a web career portal a prospective employee can place and fill out a job application, or submit resumes over the Internet for the advertised job openings.

Social media refers to the Web sites, which enable people to exchange and work together on digital content in virtual communities (networks). Some of the most popular include the Facebook, Blogger, Twitter, WordPress, LinkedIn, Pinterest, Google+, MySpace and Wikipedia. There has also been an increase in mobile social media, which has created new opportunities for marketing research, sales promotions, and customer relationship development.

Which recruiting channels should be used depends on the job position, on the company’s employer brand, on the resources the company has on its recruiting team, on how much recruiting budget the company has, etc. One can use them all and find out which suits the best. Every recruiting channel offers different benefits and limitations and works better for certain situations and companies. The key is collecting real-time recruitment metrics on these recruiting channels to figure out what works best for the company in different situations. The recruiting experience of each company is different and the best way to figure out what works best is to analyze metrics based on the past recruiting efforts, not the efforts of everybody else. Once the company has its recruiting metrics solution in place, it is time to start using the recruiting channels that the company thinks will work for it.

4. ANALYSIS AND FINDINGS

The analysis was conducted on to investigate which sourcing channel is most commonly used in most of the leading organization for hiring the required candidate. The study, conducted in five companies (Infosys, TCS, Wipro, HCL and IBM), showed that Job Site/Portals, Social Media like LinkedIn, FB, and Campus recruitment were the leading channels preferred by organizations for hiring the variant workforces.

These channels constitute 28%, 23% and 22 % respectively of overall hiring for these organizations. Other preferred channels are employee referral (11%), recruitment agencies/consultants (7%), advertising (4%), and company websites (5%). This is shown by Table 1.
Table 1. Overall average percentage of sourcing channels used by Infosys, TCS, Wipro, HCL and IBM

<table>
<thead>
<tr>
<th>Sourcing channels</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee referral</td>
<td>11%</td>
</tr>
<tr>
<td>Campus recruitment</td>
<td>22%</td>
</tr>
<tr>
<td>Advertising</td>
<td>4%</td>
</tr>
<tr>
<td>Recruitment agencies/Consultants</td>
<td>7%</td>
</tr>
<tr>
<td>Job sites/portals</td>
<td>28%</td>
</tr>
<tr>
<td>Company websites</td>
<td>5%</td>
</tr>
<tr>
<td>Social Media (LinkedIn/FB/etc)</td>
<td>23%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

Figure 1. The overall average percentage of recruitment channels used by Infosys, TCS, Wipro, HCL and IBM.

4.1. Discussion

The above values presented by Figure 1 are based on the findings of the survey conducted at five major global IT Companies. The percentage values indicate the current state of using various recruitment channels at five major MNCs from the IT sector. It can be clearly be seen that the recruitment trend has been significantly shifted from the usual recruitment resources i.e.
newspaper, advertisements, company’s official websites and placement consultancies or recruitment agencies towards campus hiring, online job portals and social media. Employee referral is now found to be somewhere in between now and then but inclined more to the lower side. In the survey, the companies also confirmed that there were huge variations in the distribution of different application channels, with three of the channels being used by a far greater proportion of candidates than the others. Job sites and portals, social media and campus recruitment have become major a source of recruitment and account for 28%, 23% and 22% of recruited candidates respectively. This suggests the growing trend in recruitment is that candidates rely and depend on these sources, more than any of the other channels such as employee’s referral, advertisement and company’s website, etc. Newspaper advertisements as a recruitment source are used considerably less used in the current scenario. The 2013 recruitment channel report released by the Web site top-consultant.com also supports the findings of this study. As per the said report, newspaper advertisers (direct employers and recruitment agencies) have continued to switch to other channels. Newspapers have suffered most in the last 13 years, with candidate penetration having fallen very considerably indeed from a figure close to 50% to just 10% of candidates making an application via this channel.

4.2. Conclusion

On the basis of analysis of the data in the present study, it has been found that in the current scenario, companies prefer to adopt social media, job portals and campus recruitment to hire candidates across skill sets. This system has helped the organizations to get the right talent pool while being cost effective. In other words, by using channels such as social media, job sites, and campus recruitment, companies have been able to get the effective resources with minimum cost. This has helped organizations to grow as they have been able to get the right people for their vacancies. In addition, the appropriate channels have helped the organizations to get the different and varied sources to which they can turn to for effective hiring. What is evident from these channel distribution figures is that no single channel alone will reach all the candidates and that a multi-channel approach is essential to cover up the market. Recruiters must consider both market flow and share of applications when deciding which channels to use and to what extent. Although the Web-based job portals generate many applications, they still do not reach all the candidates. To conclude, the channel distribution figures show recruiters not just the percentage of candidates that they are reaching via each channel, but also the percentage of candidates that they are failing to reach and the need to shift their source of recruitment.
4.3. Limitations and directions for future research

This paper is based on a critical review of findings of the recent studies aiming at indentifying the changing trend of practicing recruitment sources by the global organizations. In addition, to test the findings a brief empirical research has also been done in five major leading IT companies. While conducting this study, it was felt that the findings could reflect the distinct direction and could give us a more precise picture of recent and changing trend of using various sources of recruitment by different organization across the sectors. Therefore, it is recommended for future research in the said area to cover a majority of organizations to give a more sound and distinct picture and the various dynamics of the phenomena highlighted in the present study.

REFERENCES

PREGLED NOVIH TRENOVA PRAKSE REGRUTIRANJA KADROVA S CILJEM POVEĆANJA KVALITETE ZAPOŠLJAVANJA U GLOBALnim ORGANIZACIJAMA

Sažetak

Ljudski je kapital, kako se to često navodi, najznačajniji i najčuvaniji organizacijski resurs i primarni je izvor dodane vrijednosti za sve ostale resurse. No, sama riječ "regrutiranje" često stvara "logističku noćnu moru" za odjele upravljanja ljudskim resursima u brojnim organizacijama. U svijetu koji se brzo mijenja, uz tradicionalne kanale (oglasi, preporuke postojećih zaposlenika, agencije za regrutiranje, itd.), razvijaju se i koriste novi kanali za regrutiranje, kao što su društveni mediji (LinkedIn, Facebook, itd.). U ovom se radu pokušavaju utvrditi novi trendovi u području efektivnih kanala za regrutiranje, kao i utvrditi njihovo djelovanje na vodeće globalne organizacije. Zaključuje se da dolazi do promjena i prihvaćanja modernih i inovativnih kanala regrutiranja, uslijed djelovanja čimbenika, kao što su kvaliteta, troškovi, dostupnost, vrijeme, itd.
APPENDIX I. ADDITIONAL INTERNET RESOURCES

- http://hrmba.blogspot.in/2010/01/questionnaire-on-recruitment-process.html
- http://www.alexandermannsolutions.com/consulting/recruitment-operations/sourcing-channel-optimisation/
- http://www.linkedin.com/in/chrisbrable
- http://www.managementstudyguide.com/types-of-recruitment.htm
- http://www.sciencedirect.com/science/journal/10534822/19/4
- http://www.slideshare.net/WelingkarDLP/sources-of-recruitment-11441637
- http://www.top-consultant.com
APPENDIX II. QUESTIONNAIRE AND DESCRIPTIVE STATISTICS

Company’s name: _________

1. What source do you adopt to source candidates? (Please specify the percentage for each making a total of 100%)

<table>
<thead>
<tr>
<th>Sourcing channels</th>
<th>Infosys</th>
<th>Wipro</th>
<th>TCS</th>
<th>HCL</th>
<th>IBM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee referral</td>
<td>15%</td>
<td>10%</td>
<td>12%</td>
<td>9%</td>
<td>11%</td>
</tr>
<tr>
<td>Campus recruitment</td>
<td>29%</td>
<td>20%</td>
<td>21%</td>
<td>20%</td>
<td>19%</td>
</tr>
<tr>
<td>Advertising</td>
<td>1%</td>
<td>4%</td>
<td>5%</td>
<td>6%</td>
<td>5%</td>
</tr>
<tr>
<td>Recruitment agencies/Consultants</td>
<td>7%</td>
<td>5%</td>
<td>5%</td>
<td>9%</td>
<td>7%</td>
</tr>
<tr>
<td>Job sites/portals</td>
<td>27%</td>
<td>30%</td>
<td>28%</td>
<td>27%</td>
<td>26%</td>
</tr>
<tr>
<td>Company Websites</td>
<td>2%</td>
<td>3%</td>
<td>5%</td>
<td>6%</td>
<td>9%</td>
</tr>
<tr>
<td>Social Media (LinkedIn/FB/etc)</td>
<td>19%</td>
<td>28%</td>
<td>24%</td>
<td>23%</td>
<td>23%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

2. Do you follow different recruitment processes for different grades of employees?
   a. Yes
   b. No

(If yes, then please specify which recruitment process for which grade.)

The answer was ‘Yes’ for all 5 companies. These companies follow different recruitment processes for different grades. For entry level and up to Team Leaders, recruitment is done via campuses, walk-ins, referrals, job sites, consultants. For Assistant Manager and above, recruitment is done via referrals, consultants, job sites and social media.

3. What is the drop out percentage of candidates after being offered?
   a. Up to 5%
   b. Between 5%-10%
   c. Between 10%-15%
   d. Between 15%-20%
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Among the 5 organizations which were part of the survey, back-out percentage was in the range of 25-30%.

4. What is the average amount spent on the sourcing channel used?

Below is the snapshot of the average amount spent on sourcing channels by each of the 5 organizations.

<table>
<thead>
<tr>
<th></th>
<th>Infosys</th>
<th>Wipro</th>
<th>TCS</th>
<th>HCL</th>
<th>IBM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount</td>
<td>12%</td>
<td>14%</td>
<td>13%</td>
<td>15%</td>
<td>11%</td>
</tr>
</tbody>
</table>

5. Which source has more reach?

Among the surveyed 5 organizations, it was felt that job sites/online recruitment and social media, followed by campus recruitment have the maximum reach.

6. Which is the biggest challenge that you face in the whole process of recruitment? Specify the source.

For most of the organizations surveyed, the biggest challenge faced is that though there is a glut of candidates, the right talent is still tough to find.

7. Did you experience any limitations on the sourcing channel used that has led to emergence of new sources and why?

Among the organizations surveyed, it was felt that the existing sourcing channels were not catering to the resource requirements, which led to the emergence of fishing candidates from social media/Job portal. Social media also helps in reference checks and informal assessment of candidates.

8. Which new channel will be preferred if the present channels were not used effectively?

Among the organizations surveyed, it was realized that social media sites like LinkedIn, Tang, Peer power will be preferred if the present sourcing channels are not effective.