

NOW HIRING



Hiring process and hiring decision



Chapter

Hiring / recruitment Process

- ▶ **Recruitment** is the process of searching the candidates for employment and stimulating them to apply for the organisation.
- ▶ Hiring is the process of engaging the services of a person either temporarily or permanently for a certain fee for the purpose of performing a certain job which is specified before the employee is hired by a company.

Difference between Recruitment and Hiring

- 1) Recruitment is the process of looking for and attracting members or employees for a company or organization while hiring is the process of finding and engaging the service of the person that best suits the job.
- 2) Recruitment is a long and tedious process involving personnel to select which candidate is best for the job while hiring is done the moment the right employee is chosen from among the many candidates.
- 3) Recruitment needs arise when there are changes in the company such as retirements, deaths, accidents, or illness and hiring is part of the recruitment process.
- 4) Recruitment is the first step in the process of attracting and finding new employees while hiring is the last step in the process.

Objectives

- ▶ Growth of the business
- ▶ Finding Skilled Employees
- ▶ Finding Employees Who Fit Your Culture
- ▶ It provides different opportunities to procure human resource.
- ▶ Workplace Diversity
- ▶ It forecasts how many people will be required in the company
- ▶ It enables the company to advertise itself and attract talented people

Importance of hiring

- ▶ Determines present and future requirements
- ▶ Meets organisations obligations
- ▶ Without a core team of quality and effective employees it is impossible for a business to stand apart, build a brand, and a unique customer experience.
- ▶ Each person being hired brings something unique to the business important to seek out those with the best qualities.



Factors affecting hiring

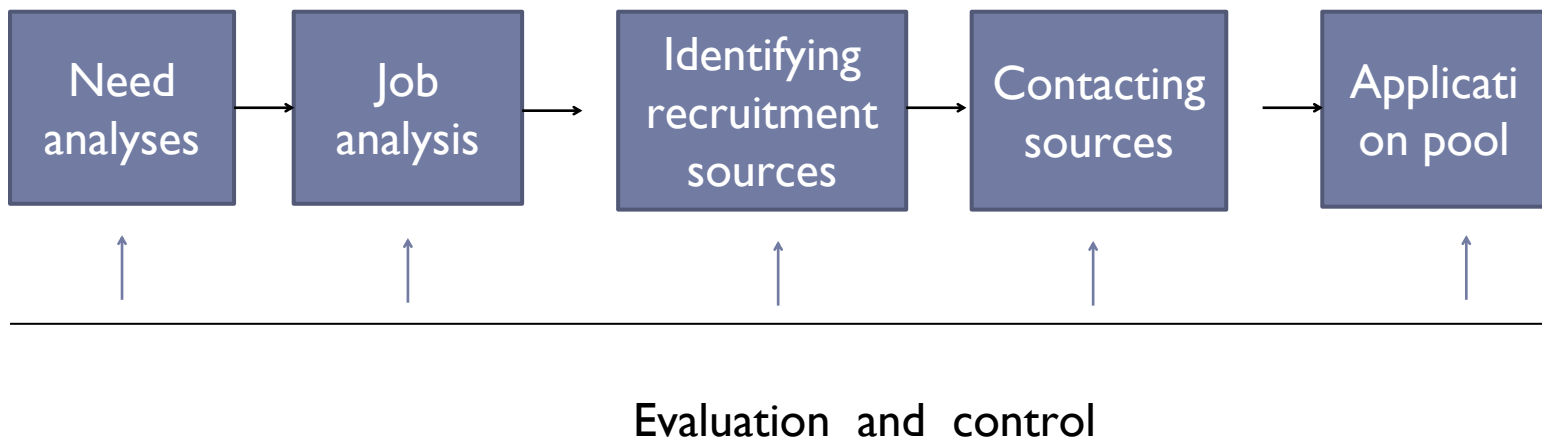
Internal Factors

- ▶ Recruiting Policy
- ▶ HRP
- ▶ Size of the Organisation
- ▶ cost
- ▶ Growth and expansion

External Factors

- ▶ Supply and demand
- ▶ Unemployment rate
- ▶ Labour Market
- ▶ Political-social- Legal Considerations
- ▶ Image

Hiring process



- ▶ Needs analysis: Recruitments provide opportunities for departments to align staff skill sets to initiatives and for departmental and individual growth. Proper planning and evaluation of the need will lead to hiring the right person for the role and team
- ▶ An organisational strategic plan can be used as an input for recruitment assessment process
- ▶ Job analysis: JA is a foundation for all hiring decisions; provide inputs in 2 ways;
 - Job specification
 - Job description

Responsibilities in need analysis

- ▶ The productivity level of the department or company should not be compromised
- ▶ Budget to be allocated and approved
- ▶ Appropriate training materials, physical assets to be available for new employee to be productive on the day.
- ▶ A mentor or manager is available for training

- ▶ Identifying recruitment sources: Identify the various sources such as internal sources, external sources attract the potential talents

- ▶ Contacting sources: Recruitment is two way process and includes two parties.

Objective factor theory – an individual choose a job by ranking and evaluating a limited number of clearly measurable feature of each job offer

Subjective factors- individual select a position on the basis of what they perceived their personal and emotional needs to be and the extent to which org. image meet their perceived needs.

Critical factor theory – when a candidate unable to choose an organisation because of limited contact, insufficient information regarding the org.

REALISTIC JOB PREVIEW

Two techniques for providing information about the organization:

- ▶ Realistic job preview (RJP) – provide complete job related information both positive and negative .
- ▶ RJP can result in self selection process
- ▶ Job Compatibility questionnaire- developed to determine whether an applicant's preference for work matches the characteristics of the job
- ▶ Measures job factors related to performance, satisfaction, turnover and absenteeism
- ▶ “Greater the compatibility between applicants preferences, job and characteristics of job perceived by jobseeker, the probability of employee effectiveness and longer the tenure.

Job Factors under JCQ

- ▶ Task requirements
- ▶ Physical environment
- ▶ Peer characteristics
- ▶ Leadership characteristics
- ▶ Customer characteristics
- ▶ Compensation preferences
- ▶ Task variety
- ▶ Job autonomy
- ▶ Physical demands
- ▶ Work schedule

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- ▶ Application pool: attract more candidates as to get the talents for the specific job. Applications are determined basis of:
 - ▶ Organisation
 - ▶ Kind of job
 - ▶ Condition in the specific market
 - ▶ Selection process: classifying applicants in order to hire who has more competent for the job.
 - ▶ Evaluation and control: evaluation and control on over process help the company to get the best talent, reduce expenses etc..

Hiring policy

- ▶ The **process** of finding and **hiring** the best-qualified candidate (from within or outside of an organization) for a job opening, in a timely and cost effective manner.

Features:

- ▶ The policy of recruitment should be compatible with the rules and regulations of government
- ▶ It should not disregard any rules made for other employees working in the company
- ▶ It should be dynamic and forward-looking to attract talents
- ▶ Job securities and employee development program
- ▶ Unbiased and offer equal opportunities
- ▶ Flexible to change

Nature of hiring

Regular hiring

- legal employment relationship
- Entitled to benefits
- Should cover minimum number of hours specified
- Legally entitled to pay, benefits and rights as workers

Benefits:

- ▶ Decreased worker turnover
- ▶ Improved worker satisfaction, morale and productivity
- ▶ Decreased costs for recruitment & hiring
- ▶ More loyal due to job security
- ▶ Boosts quality of products & services as employees improve time
- ▶ Afford a training and gives value for training costs.

Temporary hiring

- ▶ Temporary employment means hiring an employee for a contracted period. These contract or temp workers fulfill the functions of regular employees and can help during increases in demands, or when your full-timers take vacation or go on maternity leave.
- ▶ scheduled to work minimum number of hours per day, employed for at least 3 months but less than a year.
- ▶ Temporary or contractual staffing is a short term based assignment, for which a talent is hired.
- ▶ This kind of a hiring decreases the liability of an organization as these assignments may not include all the benefits which an organization may offer its full time employees

Advantages:

- ▶ Less expensive
- ▶ Flexible
- ▶ Easy hire
- ▶ Generate the employment

Disadvantages:

- ▶ Lack of loyalty and motivation
- ▶ Inconsistency
- ▶ Collaboration issues
- ▶ wasted training

Full time hiring

- ▶ Is employment in which a person works a minimum number of hours defined as such by his/her employer.
- ▶ Full-time employment often comes with benefits that are not typically offered to part-time, temporary, or freelance workers, such as annual leave, sick leave, and health insurance.

Advantages

- ▶ Full-time employees are the most likely to develop company loyalty, and to feel a sense of ownership in their business.
- ▶ Increase in productivity
- ▶ Develop good relationship
- ▶ Increase in the quality of output
- ▶ full-time employees provide a sense of security that someone could manage things in their absence.
- ▶ Become highly skilled and familiar with your business
- ▶ Develop loyalty to your business

Disadvantage

- ▶ **Costs**
- ▶ It can be difficult to terminate employment if your change or the employee is not working out as you expected
- ▶ More complexity and risk to employer
- ▶ Maintain a regular cash flow to provide the salary of
- ▶ Provide training and development activity which is consuming and costly

Part time hiring

- ▶ A part-time contract is a form of employment that involves fewer hours per week than a full-time job
- Work for 30 or less hours per week.
- ▶ They work in shifts but remain on call while off duty during annual leave. The shifts are often rotational. Workers are considered to be part-time if they commonly work fewer than 30 hours per week.

advantages

- ▶ Less expensive
- ▶ Commit to set number of hours per week
- ▶ part-time employees typically do not qualify for co sponsored benefits.
- ▶ Flexibility
- ▶ Meets the demand
- ▶ Enthusiasm
- ▶ Availability

Disadvantages

- ▶ Higher absents rate
- ▶ Commitment to your business could be open to q
- ▶ need to work hard at developing their sense of be
- ▶ Increased risk in term of work place safety
- ▶ Administrative cost is high
- ▶ Quality issue

Apprentice hiring

- ▶ Apprenticeship is a combination of on-the-job training (OJT) and related classroom instruction under the supervision of a journey-level craft person or trade professional in which workers learn the practical and theoretical aspects of a highly skilled occupation
- Industry based learning system that combines on-the-job experience with technical training to produce a certified person.
- ▶ Agreement between a person who wants to learn a skill and an employer who needs skilled worker

Apprentice hiring

- ▶ **Data from the U.S. Department of Labor and Bureau of Labor Statistics, this is list of top jobs that start with an apprenticeship:**
- ▶ Elevator Installers and Repairers.
- ▶ Pile-Driver Operators.
- ▶ Plumbers, Pipefitters, and Steamfitters.
- ▶ Electricians.
- ▶ Structural Iron and Steel Workers.
- ▶ Mechanical Insulation Workers.

Apprentice option

- ▶ in house
- ▶ Job networks
- ▶ Recruitment agencies
- ▶ Recruitment websites
- ▶ Training institutes

ADVANTAGES

- ▶ Committed work force
- ▶ Bridging the skill gap
- ▶ Fresh perspective
- ▶ Improve bottom line
- ▶ Develop future work force
- ▶ Increase the loyalty

DISADVANTAGES:

- ▶ Risk
- ▶ Potential for mistake
- ▶ Required resource

Contractual hiring

- ▶ An employee who works under contract for an employer.
- ▶ A contract employee is hired for a specific job at a specific rate of pay.
- ▶ Some employers prefer to hire contractual workers if their workload fluctuates or if they want to test workers' capabilities before hiring them permanently.
- ▶ Contractual workers are often paid a lump sum upon project completion, but some receive payments during the course of the assignment.

Advantages

- ▶ Easy to change or remove the employee if he find productive
- ▶ Cost effective
- ▶ Very flexible

Disadvantages

- ▶ Lack of trust factors
- ▶ Inefficient and productivity is low
- ▶ Difficult to remove as there is agreement.

Outsourcing

- ▶ “Recruitment Process Outsourcing is a form of business process outsourcing (BPO) where an employer transfers all or part of its recruitment processes to an external service provider. An RPO provider can provide its own staff or may assume the company's staff, technology, methodologies and reporting.
- ▶ Properly managed RPO will improve a company's recruitment quality.

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- ▶ The Recruitment Process Outsourcing Association (RPOA) defines RPO as “a form of business process outsourcing where an employer transfers all or part of its recruitment processes to an external provider. Recruitment Process Outsourcing providers can manage the entire recruiting/hiring process, or can manage two aspects of the process, essentially serving as an extension of the company’s human resources department”.

Outsourcing Hiring

- ▶ Hiring an external provider to do the work that was previously done internally
- ▶ When a provider acts as a company's internal recruitment function for a portion or all its jobs.

Why organisations opt RPO?

- Focus on Core competencies
- Lack of data or time to find for new talents
- The high cost involved
- Lack of quality in new hires

Advantages:

- ▶ Increases quality of the candidate pool
- ▶ Time saving to the company
- ▶ Provides verifiable metrics
- ▶ Reduces cost

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- ▶ Improves government compliance

Disadvantage

- ▶ Little regulation of RPO
- ▶ Cost
- ▶ Lack of effectiveness
- ▶ Failure to deliver
- ▶ Engagement
- ▶ Employer branding

Problems of hiring

- ▶ Image of organisation
- ▶ Unattractive job
- ▶ Internal policies of the org.
- ▶ Rules and regulations
- ▶ Budgetary support



Existing post or new post to be created

- ▶ HR department's work is not only to hire new employees
- ▶ They should have a good employee relation with their employees .
- ▶ Recruit people within the organisation.

Creation of existing post:

Known as back filling or bench strength

Bench Strength -- Definition: The competence and number of employees ready to **fill** vacant leadership and other positions

Done through promotions

Steps to follow before setting up an effective internal po

1. Open Internal postings before searching for external candidates
2. Provides clear rules of consideration
3. Follow up

Creating a new position:

- ▶ Set up a new position that has not existed in your wo
- ▶ Complete Job description-submission to HR
- ▶ Classification memo-supervisor
- ▶ Decision for selection-Internal or external

Factors:

How much to spend

How quickly positions to be filled

Careful consideration of organizational business environn

Cost Analysis in Hiring

Tangible costs:

Marketing and advertisement centres

Test materials

advertising (the time and consulting costs, writing, place and print the ads), screening candidates, interviewing, testing, training, orientation, new employee setup, travel expenses

-intangible costs: Briefing consultants, less productivity for new employee, cost of rework for increased errors by the person, increased supervision to coach the new hire, cost of experienced person to take on additional work during vacation period, lost productivity from stress of team during vacation period, the cost of reduced performance by the person leaving, the impact on employee

Major costs associated with recruitment process

Cost of recruitment and replacement

1. Cost of time spent by personnel
2. Advertisement cost
3. Cost of travel
4. Medical examination
5. Administrative costs

Cost per hire = Cost of recruitment / no of re

▶ **RECRUITMENT CYCLE TIME:**

Time taken from commencement to completion of the recruitment process

Measures such as:

- ▶ Clear job description
- ▶ Computerization of application blanks
- ▶ Screening procedures

Employee turnover:

Employee turnover refers to the number or percentage of workers who leave an organization and are replaced by new employees

Direct costs: recruiting, training

Indirect costs: deterioration in motivation and morale

$$\text{Turnover rate (\%)} = \frac{\text{Number of separations}}{\text{Average number of employees}}$$

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- ▶ **direct costs-** administrative expenses, with ads included wages and fees to recruitment agencies, travel expenses, rental, medical examination costs, design costs jobs;
 - ▶ **indirect costs (adaptation)-** costs of information, time learning to become fit for the job and personal contribution, time and cost of integration of new employees, costs of preparing the job description, personnel specification, pay costs of interviewers, the cost of time spent on administrative issues: placement announcements, collecting records, screening applicants, arranging interviews, reference checks, test administration, preparation of employment contracts, registration of new employees for their payroll, the cost of low productivity of new employees until they reach the level at which they become effective.

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- ▶ **Cost of training** : is an on going event, to enhance employee skills and competence.
 - ▶ It is difficult to effectiveness of training
 - ▶ **Cost of training per trainee**: $\text{Training costs} / \text{employees trained}$
 - ▶ **Cost of training per employee** = $\text{Training cost} / \text{employees}$
 - ▶ **Training ratio** = $\text{no. of trainings} / \text{no of employees}$

Methods of measuring cost benefits and of recruitment

- ▶ **Yield ratio** - helps to determine which recruiting method produce the most qualified applicants.
- ▶ Ratio is determined by calculating the percentage of applicants from each recruiting source and then compared.
- ▶ **Cost of recruitment / hire-** calculated by adding advertisement cost. i.e.. Cost of agency, incentives employees for referrals, divided by total of new hire.
- ▶ **Quality of hire** – measure can provide with asses of the quality of the new employees being recruited.

