Study on Benchmarking with Respect to Recruitment Parameters

Sowmya. J

Assistant Professor, Department of Management, New Horizon College, Bangalore, India.

ABSTRACT

Benchmarking of the recruitment parameters is indeed the process by which, an organization can compare its recruitment parameters and policies. As the employee is an undividable but the most important part of an organization, it is the main component in an organizations growth and success. Thus, at certain point in time, every organization needs to evaluate its recruitment strategies in accordance to hire the skillful and most productive workforce. Today organizations should measure to confirm whether you are employing effectively or not, you would end up spending most of time measuring recruiting activities instead of actually recruiting. Benchmarking of recruitment parameters will help organization how business is doing on the talent management front.

KEYWORDS: *Benchmarking, Recruitment Best Practices, Recruitment Parameters*

I. INTRODUCTION

Benchmarking is the process of comparing one's business processes and performance metrics to industry bests or best practices from other industries. Dimensions typically measured are quality, time and cost. In the process of benchmarking, management identifies the best firms in their industry, or in another industry where similar processes exist, and compare the results and processes of those studied to one's own results and processes. In this way, they learn how well the targets perform and, more importantly, the business processes that explain why these firms are successful.

Also referred to as "best practice benchmarking" or "process benchmarking", this process is used in management and particularly strategic management, in which organizations evaluate various aspects of their processes in relation to best practice companies' processes, usually within a peer group defined for the purposes of comparison. This then allows organizations to develop plans on how to make improvements or adapt specific best practices, usually with the aim of increasing some aspect of performance. Benchmarking may be a one-off event, but is often treated as a continuous process in which organizations continually seek to improve their practices.

Objectives

The objectives of the Benchmarking of recruitment parameters are:

- To find the realistic and achievable targets regarding recruitment.
- To identify gray areas and study what needs to be done to improve the recruitment procedures.
- To study the core recruitment process used by 'best-in-class' employers.
- To study the recruitment metrics used by those employers.

II. PROCEDURE TO DO BENCHMARKING IN RECRUITMENT PARAMETERS

- **Identify problem areas:** Because benchmarking can be applied to any business process or function, a range of research techniques may be required. They include informal conversations with customers, employees, or suppliers; exploratory research techniques such as focus groups; or in-depth marketing research, quantitative research, surveys, questionnaires, re-engineering analysis, process mapping, quality control variance

reports, financial ratio analysis, or simply reviewing cycle times or other performance indicators. Before embarking on comparison with other organizations it is essential to know the organization's function and processes; base lining performance provides a point against which improvement effort can be measured.

- **Identify other industries that have similar recruitment processes:** For recruitment, other organizations are following which methodologies, parameters, in which parameters do the organization differs is to be done in this stage.

- **Identify organizations that are leaders in recruitment:** The companies successfully implementing recruitments and performing best out of it , study of such companies which are thus leading the race is needed to be done in this stage.

- **Survey companies for recruitment measures and practices:** Keeping in view the leaders in the recruitments, along with it, organizations need to look up other companies too. The recruitment policies of various companies are to be surveyed and the analysis is needed to be done on the gathered data items.

- **Implement new and improved recruitment practices:** The outcomes of benchmarking process are some key factors which make the leading companies leader and the other companies slave. Implementation is the most important thing. After analysis, organizations should try and implement new and improved recruitment practices.

Data

I have collected primary data using Questionnaire method from various FMCG , IT & LIGHTING organizations such as Wipro, Carrier, Philips, GE, Crompton Greaves, Godrej, Honeywell, Hafele, Finesta, skoda, Siemens, Thyssen Krupp, IBM. In Puneregion

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III. DATA ANALYSIS AND INTERPRETATION

1. Sources Of Recruitment
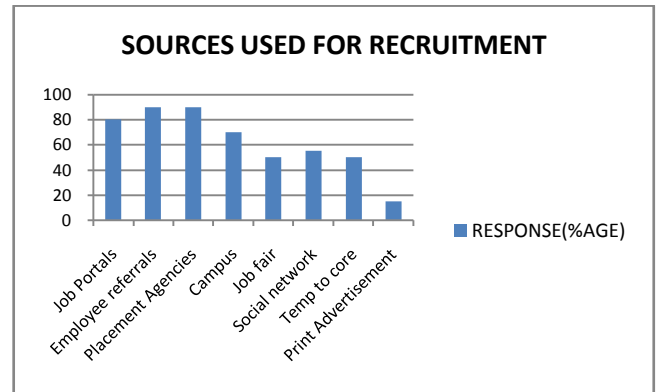
Among the sources used by organizations for recruitment procedure, 90% use both employee referrals and placement agencies as a source of recruitment. Job portals, campus, job fair, print advertisements respectively have a reducing response as a source of recruitment

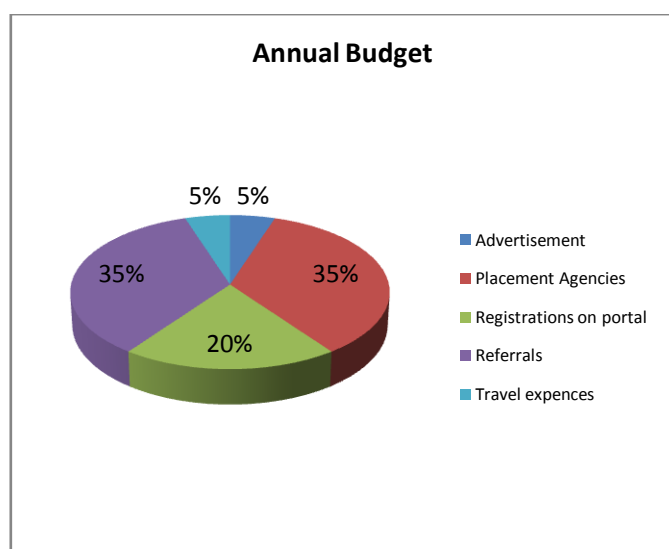### 2.Efficiency in terms of cost and Quality:-
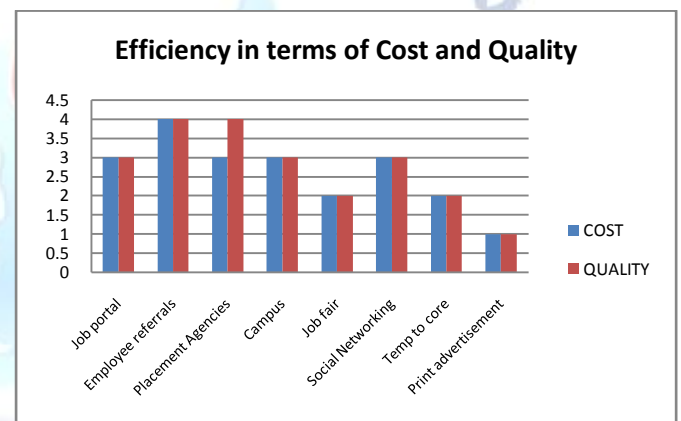
Interpretation: Efficient sources in terms of cost and quality had a best response for employee referrals, being rated 4 each. Placement agencies have a fair enough response of 3 and 4 for cost and quality respectively.

3.Recruiting tools are used by your organization

Almost every organization prefers personal interview as a recruiting tool. However, telephonic interviews also had a nice response of about 45%. Group discussions were responded by 30% whereas, ability test, psychometric test had 20% response as a recruiting tool used by organizations. This draws a conclusion that organizations do use more than one tool for recruitment procedures. posses a specific budget for recruitment process. Only 10% do not have a specific budget for recruitment. They may have an integrated budget.

4. Annual budget spent (In terms of %)

Annual Budget

- 5% 5%
- 35%
- 20%
- 35%

Legend:
- ■ Advertisement
- ■ Placement Agencies
- ■ Registrations on portal
- ■ Referrals
- ■ Travel expences

In response to the spending annual budget on recruitment, most part i.e. 35% budget is spent on placement agencies; same amount is spent on referrals. 20% is spent on portals.

5. Do you calculate cost per hire?
(Direct costs like paying to consultant, Travel exp. of candidate, Advertisement)
About 95% organizations do not calculate cost per hire. Only 5% of them did.

6. Does your organization have formal diversity strategy?
In response to the above question, it is seen that, about half of the organizations were having formal diversity strategy.

7 What % of employee leave in the first year of service?
In response to the above question, 80% organizations said only less than 10% employee leave in the first year of service. 15% organizations said 10-20% employee leave in first year. 5% organizations responded 20-30% employee leave in first year.

8. Do you use external agency for background/referral check?
Half of the organizations responded a positive feedback for the background check system whereas remaining responded no.

9.Abort ratio of your organization:-
(No. of employees who did not join post offer/No. of emp. offered)
In response to the above question, almost all companies figured it out to be about 5% to 8%.

10.Major challenges faced by employees during first year of service:-
The major challenges for employees during their first year are mainly, adjusting with the new environment, understanding the compliance policy, dealing with the external working environment and being familiar to the external working conditions.

11. What are the best practices in recruitment that your organization has undertaken?
Among the recruitment practices, employee referral is seemed to be the best practice in recruitment. Along with it, job portals, industrial mapping and e-recruitment are also considered as the best practices in recruitment.

FINDINGS
The above mentioned survey gives the knowledge about how different organizations are implementing their recruitment procedure.

1. A large number of organizations having centralized recruitment procedure.
2. Employee referrals and placement agencies are having higher weightage as a strong source of recruitment.
3. There are two mainly concerned efficiencies- Cost efficiency and quality efficiency. Employee referrals having higher weightage in this section as placement agencies having less efficiency in terms of cost.
4. As a tool for recruitment, most organizations today also prefer personal interview as a best tool for recruitment.
5. Along with it, in today's fast moving and technosavvy world, telephonic interviews, video conference interviews are also gaining momentum. Employee referral provides a nice taskforce in terms of new employees and it is also benificial for existing employees.
6. The successful recruitment procedure of organizations have abort ratio (No. of empoyees who did not join post offer / No. of employees offered) between 2 to 3 %.
7. Many organizations face some challenges with their new employees like adjusting with the new environment, understanding the compliance policy, dealing with the external working environment but as employee spends more and more time in the organization, things get easier for both employee and organization as well.
8. Best practices in recruitment that organizations has undertaken.

IV. CONCLUSION

In this survey, almost 50% of the people were satisfied with the recruitment procedure of their

organization, but still there is a scope for improvement and every organization seems to have an open mind set for that.

Ideally in the present day scenario, recruitment process is using an old used method, While, there are some means like video conferencing which are going to be used everywhere in coming times. This would be a change in the recruitment procedure, but, since a change in the system is required, it cannot be a drastic one. It ought to be gradual and a change in the mindset of both the employees and the head is required. Therefore, to improve the effectiveness and the performance the required training must be given to the employees about the new system.

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