RECRUITING PRACTICES AND HUMAN RESOURCES IN THE 21ST CENTURY

*Suresh Kumar Madhusudhanan, **Dr. Prakash Divakaran

*Research Scholar, **Research Supervisor
Department of Human Resource Management
Sabarmati University
Ahmedabad, Gujarat

ABSTRACT

Introduction: *The talent management process includes selecting, retaining, and developing highly skilled employees in an organization.*

Aim of the study: *the main aim of the study is Recruiting Practices and Human Resources In The 21st Century*

Material and method: *The study has been done by exploring existing literature in the field of talent acquisition, retention, startups, and SMEs; and collecting insights and primary data from e-commerce startups.*

Conclusion: *This study elucidates responses from the employers and presents their perspectives.*

INTRODUCTION

OVERVIEW

The talent management process includes selecting, retaining, and developing highly skilled employees in an organization. Talent management also forecasts the shortage of talent and skills of employees which may occur in the future. In today's demanding time, the main aim of talent management is to build an environment that can leverage employees' skills to deal with the competition fairly. Talent management deals with the qualities and capabilities of an employee and assigns the right task to him as per his expertise. Everyone has a particular skill, which makes him fit for a particular task; assigning him a non-suitable job will affect his performance. The job of the HR department is to place the person with the right qualifications and as per the interest of the person at a suitable place. Nurturing employee talent and keeping the level of motivation high in the employees is a domain of Talent Management. The IT industry is an industry that depends upon the technical skills and proficiencies of the employees. More the talented employees are more are the more chance of success in all ventures.

HUMAN RESOURCES IN THE 21ST CENTURY

The human relations movement, initiated in the early 20th century with the development of Scientific Management theory by Frederick Taylor, was formalized by Elton Mayo, through his

44

Hawthorne experiment. In the earlier days, the HR function was focused on payroll and benefits administration. Supervened by globalization and high competition for talents (skilled professionals), organizations involved in strategic initiatives, like talent management, and succession planning, have assumed more importance in the 21st century. This shift in Human Resource Management (HRM) practice evolved from the realization that people are the biggest resources for an organization to attain its competitiveness. As organizations began to consider their employees as key assets, the need for the HRM function increased, leading to the emergence of Strategic Human Resource Management. HRM subsequently emerged as a business partner of organizations, with its vision and strategy. According to Ulrich et al. (2008), accountability of HR practices varies based on the operation of the organization. In a functional organization, as the business grows, it needs to have a strong HR functional organization, where local HR professionals are in line with the corporate HR. This is because the employees may have to move from one site to another. In the case of a holding company, which has multiple unrelated businesses, HR accountability is vested with each business unit. Higher competition in the market spurs organizations to move strategically as an allied or diversified business. In such organizations, HR is more of a shared service, where different business units are flexible, creating a balance between centralized and decentralized decision-making.

Globalization has ensued in a greater demand for people with talents and special skills, punctuated by supervening recruitment challenges reminding the organization to fulfill their staffing demands. Globalization engenders warlike competition for good talent; HRM entails attraction and retention of the domain's best talent.

LITERATURE REVIEW

Salau et al., (2018) conducted a study to examine the various talent management practices and their impact on the academic staff. The sample size of the study was 313 respondents who were academic staff members of technology-driven private universities. The study highlighted the job security, loan facilities, amicable work environment, job rotation, succession planning, coaching, outsourcing, word-of-mouth, in-house development initiatives, job enrichment, regular promotional prospects, housing benefits, career growth, performance appraisal, head hunter, employee referral, internal as well as external acceptance, employees' branding, and the online business groups as the major talent development strategies initiated by the University to groom and boost the performance of their employees. Moreover, the study also elucidated the positive impact of these practices on employee performance and productivity in the organization. Human resource managers must formulate effective strategies to boost their employees in a good manner.

Kichuk (2017) elucidated the experiences of the employees regarding the numerous talent management practices introduced by their respective organizations. The sample size of the study was 15 respondents including 7 managers as well as 8 working employees in a Malaysian chain of hotels. The findings of the study contended that a precise reward and remuneration system, better employer-employee relationships, probability of promotion, and regular monetary and non-monetary benefits as the most significant talent management practices preferred by the individual

45

employees in the organization. Moreover, it was also found in the study that the sound employer-employee association was highly preferred by the majority of the respondents to retain them with the organization and provide them with the feeling of satisfaction in order to withstand the highly challenging environment. Hence, it was suggested that Human Resource Managers should formulate suitable talent management practices to groom the skills and potential of the employees.

Mohapatra (2017) elucidated various talent management initiatives in Indian business service organizations. The management of flair, potential, and talent among the employees has been regarded as the constant commitment towards hiring; assorting; deploying, and retaining efficient and effective employees within the organization. The corporate sector strives to get the best and fittest individuals as their employees within the organization. The study was undertaken with the employees who were working at different service offices of a concerned multinational company in Paris. The findings of the study highlighted that hiring the best employees; onboarding them with the orientation process; and providing the employees with adequate remuneration and non-monetary benefits like housing and loan facilities, job enrichment, and job recognition as the best strategies to greet their current requirements and enhance their career growth prospects soon.

Akar and Sharma (2017) illuminated that talent management practices have been introduced and employed by numerous organizations pertaining to several domains in India. The banking sector is one of the recognized sectors as it provides numerous financial services to the economy. The research stated that attracting the best talent for the concerned organization, hiring the individuals to the organizations based on requirements of the business environment, enabling the employees to groom themselves by adequate training and development programs to meet the challenges in the business environment, and retaining the employees by way of appropriate award system, remuneration benefits as well as the non-economic benefits. Therefore, it was suggested that the government must actively participate by providing the enabling environment and infrastructural facilities to the Human Resource Managers by understanding and considering the workplace requirements as well as framing the appropriate mechanisms for preparing the employees to prove to the mark.

Bolander et al., (2017) acknowledged the management of employee talent is the foremost requisite to enable employees to sustain in a highly competitive and dynamic environment. Most organizations have adopted the best talent management practices as per their suitable requirements in order to get the maximum benefits out of them. The study was undertaken with 56 respondents who were employees working as organizational representatives in Sweden. The study highlighted that identification of talent and talent retention are the foundations of keeping the best talent with the concerned organizations to yield the maximum benefits in the highly competitive business environment. The study highlighted that scientific training of the employees at regular intervals of time, career planning, and management of employee retention within the organization are the effective talent management practices being implemented by the numerous organizations as per their changing requirements.

METHODOLOGY

The study has been done by exploring existing literature in the field of talent acquisition, retention, startups, and SMEs; and collecting insights and primary data from e-commerce startups. Human resource practices of startups and SMEs were also explored in the existing literature. Though SMEs and startups have different structures but were studied to have an overview as the relevant studies on startups could not be found much and SMEs being small organizations could give some understanding of problems faced by small organizations during initial years. There is less literature available that talks about the recruiting practices of startups. Rather, Heneman et al. (2000) pointed out that only a few studies have been conducted on the recruitment practices of SMEs while there are plenty based on well-established organizations. Chandler & McEvoy (2000) further pointed out that there are few studies that identify and validate HR practices in small firms and in fact, even less research that focuses on the relationship between strategy, HR, and the success of small businesses. After sixteen years, the subject remains underexplored. Honore (2016) while asserted the importance of hiring talented employees for the startups to grow and survive, also indicated that it remains underexplored.
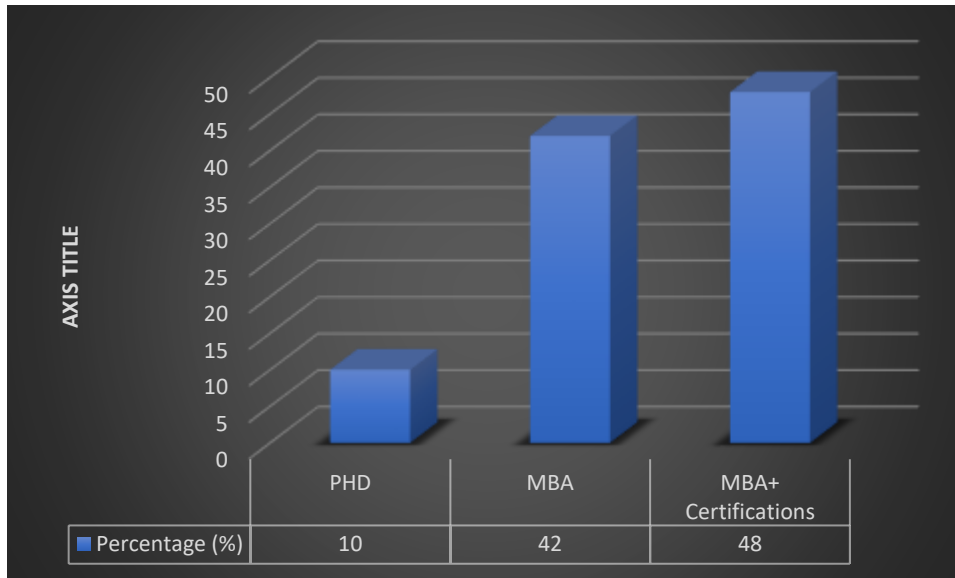
RESULTS

DESCRIPTIVE STATISTICS ANALYSIS

Table 4.1 describes the descriptive statistics of the educational qualifications of the participating attendees.

Table 4.1 Descriptive statistics of educational qualifications

| Variable Type	Number of Responses	Percentage (%)
PHD	29	10
MBA	120	42
MBA+ Certifications	139	48
Total	288	100.0

Figure 4.1 Descriptive statistics of educational qualifications

Educational qualification is a primary selection criterion for expatriates to work in the maintenance field of the Ph.D., MBA, and MBA+ Certifications. Nineteen participants had an educational qualification which is below Ph.D. which amounts to 10 percent. Participants holding an MBA numbered 42, which is 288 percent of the total amount of respondents. Those with MBA+ Certifications are 48 which contribute to 42.0 percent.

The nationality of the participants is depicted in Table 4.2

Table 4.2 Descriptive statistics of nationalities

| Variable Type	Number of Responses	Percentage (%)	Cumulative Percentage (%)
Indian	169	58.7	58.7
Other Asian Countries	79	27.4	86.1
Arabic Speaking Countries	40	13.9	100
Total	288	100.0	
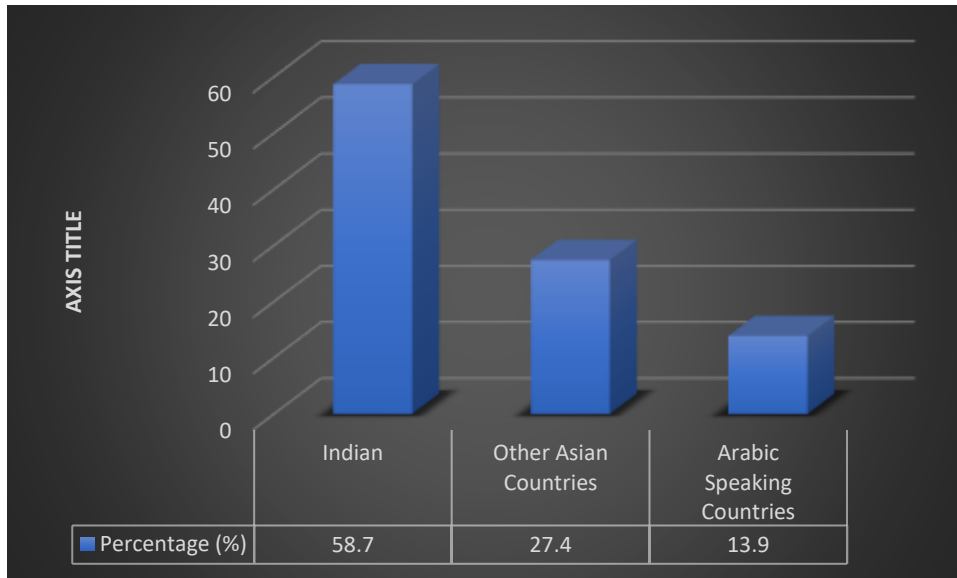
Figure 4.2 Descriptive statistics of nationalities

Table 4.3 is the summary of expatriates who participated from different countries. Expatriates from India dominate most of the population in the Gulf countries. A total of 169 participants were Indians which contributed 58.7 percent. Participants from other Asian countries amounted to 79 which is 27.4 percent. A total of 40 expatriates who participated in the research are from Arab-speaking countries which equals 13.9 percent.

Table 4.3 describes the summary of the country of living and working by the participating expatriates.

Table 4.3 Descriptive statistics of the country of working

Variable Type	Number of Responses	Percentage (%)
Abu Dhabi	100	35
Dubai	188	65
Total	288	100.0
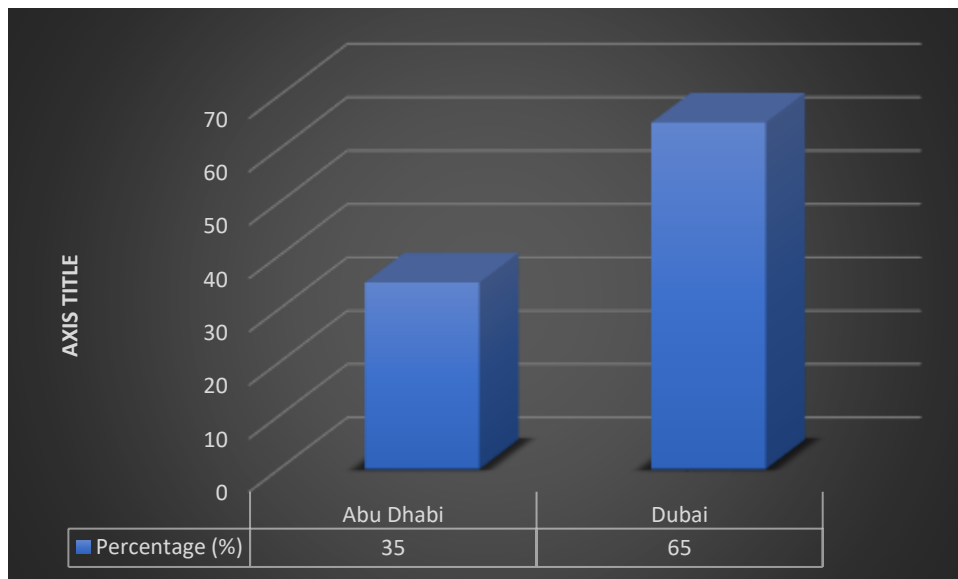
Figure 4.3 Descriptive statistics of the country of working

Due to accessibility, time, and economic constraints, only four countries of the GCC namely, the United Arab Emirates, Qatar, Oman, and Bahrain are included in this research out of the six Gulf countries (Saudi Arabia and Kuwait are excluded). The total number of respondents who participated in this survey from Abu Dhabi is 100 amounts to 35 percent. A total of 188 expatriates participated from Dubai which contributes to 65 percent.

RECRUITING PRACTICES

In addition to the above open-ended questions, a few closed-ended questions werealso included in the questionnaire which were based on the literature review and hinted at some pointers. A few items were asked in the pilot survey to understand the recruiting culture and practices of sample e-commerce companies. These items were asked on a 5-point scale ranging from least practiced to well-practiced. Results presented that though job definition received a high mean (4.13) and the hierarchy structure explanation received a good mean (3.47), discussion on candidates" expectations presented a low mean (2.83). Hiring based on growth prospects (3.07) and job-related challenges explanation received a moderate mean (3.17). This is illustrated in the table below.
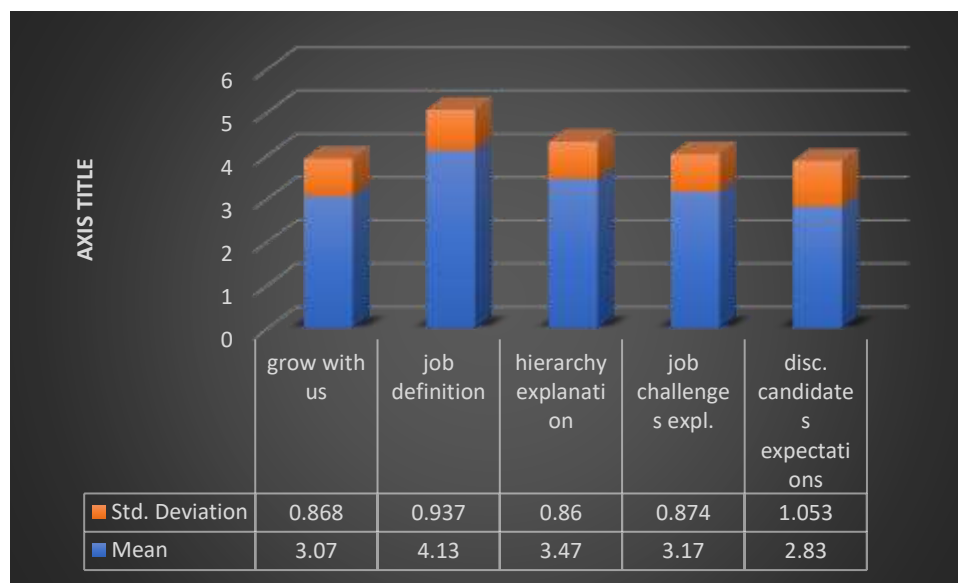
Table 4.4: Mean values of recruiting practices observed in the pilot survey

Recruiting practices	Mean	Std. Deviation	N
grow with us	3.07	.868	30
job definition	4.13	.937	30
hierarchy explanation	3.47	.860	30
job challenges expl.	3.17	.874	30
disc. candidates' expectations	2.83	1.053	30

Criteria for Hiring

The second section of the pilot survey questionnaire also asked the respondents to rank their preferences in terms of criteria considered important while hiring, which were collated based on the literature review done. This too, was kept in the second section as the researcher wanted to have un-hinted insights from the respondents in the first section and, it was a mix of qualification, experience, and traits criteria.

The results are presented in the below table:

	grow with us	job definition	hierarchy explanation	job challenges expl.	disc. candidates expectations
■ Std. Deviation	0.868	0.937	0.86	0.874	1.053
■ Mean	3.07	4.13	3.47	3.17	2.83

Figure 4.4 Graph presenting desired attributes by e-commerce companies (pilot survey) (section 2 of the questionnaire)

Most of the respondents said that it is not only about the relevant qualification but the qualification from tier-1 institutes that makes the difference as well as the work experience from a reputed professional group. These were the first two most important desired qualities in a candidate 60% of respondents chose them above all other attributes. There were 14% of respondents who said that a brand or tier-1 qualification was not that important to them if the incumbent had all the desired skills. The third important ranking was given to desired leadership qualities (53% of respondents) followed by energetic/ self-motivated (43% ranked as 4), flexibility(47% ranked it 5), values/ cultural congruence (50% ranked at 6), team spirit (53% ranked it as 7) and openness to learn (learning orientation) (73% ranked as 8).

In addition to these, one more category emerged during discussions which wasnot a part of the initial pilot survey questionnaire but was involved in the final instrument.Many respondents said that they were open to hiring failed entrepreneurs.

51

Reasons for Challenges

The table below shows the item content validity for the construct „reasons for challenges"in finding the desired talent for e-commerce companies.

Table 4.5: Content validity for reasons for challenges in finding talent for e-commerce companies

Construct	Item no.	Item	V coefficient
challenges	1	Job insecurity	0.8
	2	Ambiguous	0.8
	3	Fast-paced	0.8
	4	Culture diff	0.85
	5	Lack of independence	0.65
	6	High expectations of management/workpressure	0.85
	7	Goal and value incongruence	0.85
	8	Salary expectation	0.85
	9	Competition from established groups	0.8
	10	Less visibility	0.95

The construct had 10 items out of which item no. 5 had to be removed as the V coefficient was calculated as 0.650, which is considerably less than 0.800. 9 items were retained for the study.

Constructs for Talent Acquisition

- **Strategic disposition for recruitment**

The construct for strategic management practices was studied under two parts and wasaccordingly presented to test for content validity. One part measured the strategic analysis done for the roles on offer and the other part focused more on documentation that may support strategizing current and future recruitment. The below table shows the item validity for the construct „Strategic management practices" for recruitment.

Table 4.6 Content Validity for Strategic Management Practices for Recruitment by E-commerce Companies

Construct	Sub Part of the Construct	Item No.	Item	V Coefficient
Strategic Disposition	Strategic roleanalysis	1	Role outcomes are in consensus with HR, the Hiring manager, and the management	0.900
		2	Role targets- achievable and realistic	0.850

		3	Organization culture and values analysis	0.900
		4	External and internal challenges consideration	0.800
		5	Sharing info with recruitment consultants	0.800
	Strategic documentation	6	Written mission and visionfor the key roles/ positions	0.850
		7	KSAP's	0.900
		8	Data documentation of good performers	0.850

All the items were retained as they showed the V coefficient equal to or above 0.800

- **Recruitment practices**

The recruitment practices construct was further divided into two parts. One part focused on assessing the candidate's fit with the organization by analyzing the candidate's expectations as well as sharing the details of the role on offer. The second part explains the prevailing status of internal Human Resource systems of the e-commerce companiesunder study as the efficient HR systems also support recruitment and influenceretention and performance of the incumbents hired (Batt, 2002); (Yu, 2013)

Table 4.7 Content validity for recruitment practices as followed by e-commerce companies

Construct	Subpart of const.	Item no.	Item	V coefficient
Recruitment practices	**Information Sharing**	1	Career goal alignment	0.85
		2	Hierarchy explained	0.85
		3	Challenges explained.	0.85
		4	Discussing candidates'expectations from role	0.85
		5	Discussing candidates' expectation from the organization	0.8
		6	Role ambiguities explained	0.8
		7	Info shared about founders andinvestors	0.7
		8	Info shared on organizationculture and values	0.9

		9	Founder/s'' vision and style ofworking info	0.8
	Internalsystems	10	SWOT analysis of roles	0.8
		11	Performance & and progress evaluation framed	0.8
		12	Recognition & and reward policyframed	0.8
		13	Transparent flow of information	0.8
		14	Training and developmentframed	0.85
		15	A reference check is done forreferrals	0.9
		16	Overstaffing	0.4
		17	Reference check from seniors aswell as peers and juniors	0.9
		18	HR and hiring managers sharesame wavelength	0.85

Recruitment practices had 18 items in total, combining both the subdivisions out of which 2 items were removed as the value of the V coefficient turned out to be less. Item number 7 had a value of 0.700 and item number 16 had a value of 0.400 which was much lower than the acceptable value of >/= 0.800.

- **Talent identification**

Talent identification considers the current criteria of knowledge and skills thatincumbents bring in with them and explores the possibility of alternate sources.

Table 4.8 Content validity for talent identification based on knowledge and skills

Construct	Subpart ofconst.	Item no.	Item	V coefficient
Knowledge/skill identification	**Knowledge/ Skills**	1	Tier1 qualification	0.800
		2	Reputed brand	0.800
		3	Same vertical experience	0.950
		4	Similar experience from other verticals	0.800

	Alternatesources	**5**	Long term unemployed	0.800
		6	Failed entrepreneurs	0.800

All the 6 items were retained as V-coefficient was >/= 0.800

- **New hires' experience**

New hires" experience refers to the treatment given to the incumbents post joining andduring their initial days of employment. It includes incumbents" introduction to the management and; the induction process to get the new hire acquainted with thesystems, values, and other requisites to make the incumbents" settling down with the job and new organization a smooth process.

Table 4.9 Content validity for new hires" experience during the recruitment process.

Construct	Subpart of const.	Itemno.	Item	V coefficient
New hire's experience	-	1	Formally introduced tomanagement	0.750
		2	Induction processstreamlined	0.800
		3	Mentor/ buddy offered	0.800
		4	Inducted as per systems	0.800
		5	Gestation period offered	0.800
		6	Founder involved ininduction	0.800
		7	Top management acts asmentor	0.850

All the 7 items were retained. Item number 1 which mentions that incumbents are formally introduced to management, received the V-coefficient as 0.750. But it was marginally less important theoretically, hence it was retained for further tests.

CONCLUSION

This study elucidates responses from the employers and presents their perspectives. Employees" perspectives may give another dimension and may support in developing comparable insights for further studies. This is a cross-sectional study and a longitudinal study may further enhance the findings. Longitudinal studies may suggest the causal effects and changes that take place during growth phases. A longitudinal study could not be followed for this one due to time and financial constraints. This study is exploratory in nature and in the conceptual stage, there is a scope for further empirical research. Tenure of venture capitalists, other types of investors, and funding sources have not been considered to indicate their role in hiring decisions of the e-commerce startups which can be explored further to identify the impact of source of funding on hiring decisions. The impact of investors on hiring decisions can be explored.

REFERENCE

1. Salau, Odunayo, Adewale Osibanjo, Anthonia Adenji, Olumuyiwa Oludayo, Hezekiah Falola, E. Igbinoba and Opeyemi Ogueyungbo (2018). Data Regarding Talent Management Practices and Innovation Performance of Academic Staff in a Technology-Driven Private University. Journal Data in Brief, 190, 1040-1045.

2. Kichuk, A. (2017). Understanding Talent Management in the Hotel Sector: Employees' Narratives of Personal Career Development. Thesis submitted in Doctor of Philosophy, 1-325.

3. Mohapatra, Mamta (2017). Talent Management Practices in a Business Service Organization. International Management Institute, also available at http://researchgate .net/publication/319242871.

4. Akar, A. and Gargi Sharma (2017). Talent Management Strategies in Banking Sector of India International Journal of Technical Research and Sciences, 2(12), 783-789.

5. Bolander, P., Andreas Werr, Kajsa Asplund (2017). The Practice of Talent Management: A Framework and Typology. Personal Review, 46(8), 1523-1551.

6. Kaewsaeng-on, R., Kevin J. Kane and Sinini Vundla (2015). Talent: It's Application to the Thai Hospitality Industry. International Journal of Innovation, Management and Technology, 6(6), 1-7.

7. Dhanlakshmi, R., Kubendran, Balnaga and Vijayakumar, A. (2016). A Study on Talent Management Practices and Its Impact on Employee Retention in IT Industry in Chennai District. Asian Journal of Research in Social Sciences and Humanities, 6(2), 2016, 34-50.

8. Matfori, M. E. W. (2015). Effect of Training Practices on The Performance of Small and Medium Size Hotel Enterprises in Mombasa County, Kenya Research Project in Masters of Business Administration, University of Mombasa, 1-104.

9. Amiri, Mohammad (2015).Talent Management: A Case Study of It Organizations. Indian Journal of Fundamental and Applied Life Sciences, 5(S4), 1536-1541.

10. Singh, Abhilasha and Jyoti Shrama, (2015).Strategies for Talent Management: A Study of Select Organizations in the UAE. International Journal of Organizational Analysis, 23(3), 337-347.