

Challenges and Issues Pertaining To Staffing and Selection

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Abstract: The recruitment industry is probably one of the oldest among the service industries in the world and it is still the largest segment of the HR industry with an annual turnover of dollar 400 billion globally. More than 99% of 20,000 players in the industry comprise niche or boutique firms, which operate either in one city, one industry or with one client. The recruitment market, globally and in India is dominated by staffing that comprises around 75% of the market. Indian recruitment Industry basically can be divided in to 5 types Recruitment Consulting (Permanent), Staffing companies, Executive search firms, Software companies sending employees on contract and RPO companies. This paper mainly focuses on understanding the challenges and issues pertaining to staffing and selection. It aims to render a comparison between staffing which includes temporary recruitment, managing statutory compliance, payroll, administration handled by the contractor and selection which is exclusive recruitment of middle and senior managers for permanent positions with client organizations.

Keywords: Staffing, Selection, HR Services, Sourcing, Screening and short listing.

1. INTRODUCTION

Organizations today are faced with constant external pressures. Confronted with stiff competition due to globalization and international trade, they must become more efficient if they are to remain serious contenders in ever expanding world market. Historically organizations have competed through technological innovations, the availability of capital and access to markets, but organizations must now use their people to achieve a competitive edge. HR is now required to play a key role in management decision making, so the trend of outsourcing the human resource activities is increasing in today's business scenario, as human resource outsourcing facilitates a firm to revert its attention on core business and is also used to minimize the complexities to cope with human resource activities more precisely.

The outsourcing of HR functions as several potential benefits:

- It frees the internal HR staff to focus on strategic activities that add more values than administrative tasks.
- Increase flexibility to meet changing business conditions, demand for products, services and technology.
- Increase customer satisfaction and shareholder value.
- Obtain expertise, skills and technologies which would not otherwise be available.
- To gain access to vendor talent / expertise.

HR outsourcing vendors meet the human resource requirements according to their needs.

1. Permanent Recruitment: HR consultancies help the clients of small, medium and multinationals to fill their vacancies with the best talent to drive business growth of the client. It includes detailed assignment, briefing, fully validated testing procedures, as well as psychometric assessments and behavioral interview techniques. Extensive reference checking enables them to select and refer candidates of caliber ideally matched to the client's needs.

2. Temporary Staffing: HR consultancies provide temporary staffing solutions across a range of skill sets for a variety of industry sectors. The entire HR process from recruitment and selection, on boarding, pay rolling, compliance and training. Apart from this when employees with specialized skills are required for specific projects, they recruit the best from the market and provide the right HR support to these specialists and help their clients retain for the contract period.

3. Recruitment Process Outsourcing: As a RPO service provider it extends its areas to take care of end-to end recruitment cycle. Moreover, as experts in this domain, they take care of the employer's brand, human resource planning, research and setting new trends. An RPO firm uses its expertise to empower their clients at root level which gives them access to the latest processes.

4. Compensation and Payroll Management: Compensation consulting services helps the clients to maximize teams performance. The way the employees are compensated has a large effect on performance. The entire compensation package including additional benefits such as healthcare, company vehicles, structure (salary, hourly pay for performance etc) has large effect on overall performance. The compensation structure is designed around solid industry research to attract, retain and motivate employees. One of the integral part of compensation is payroll management, timely and accurate salary processing and due statutory compliances. The consultancy offers complete management of payroll-monthly processing of salaries and re-imburement, generation of statutory reports, compliance management related to P.F, ESI, Income Tax etc..

5. Employee training and Development: Consultancies help organizations in identifying the learning and development needs, help in designing learning and development plans and deliver them.

6. Statutory Compliance management: A proper statutory compliance under various relevant laws builds credibility of the employer and moreover helps in avoiding non-compliance issues penalties, fines etc. So, the consultancies provide solutions by conducting detail audit process of the organization covering the statutory aspects to find if required statutory compliances regarding the remittance of dues, filling of challans, submission of returns and maintenance of records are being done properly.

2. RESEARCH METHODOLOGY

Need for the study:

Attracting, retaining and developing a workforce are key for sustaining business growth. The increasing awareness of human capital has made consulting firms to provide services in various areas related to this field. Human resource are a huge responsibility of the organization, if they go wrong here, then everything might turn upside down. The company and the HR consultants need to work hand in hand to dig out the treasure that is best suitable. It is not like small or mid-size HR consultants are the only ones who are facing the most challenges instead the big HR consultants sometimes find it really hard to cope up with challenges coming their ways, hence the need for the study.

Background of the study:

Partnering with right recruitment specialists can add value to organizations business. HR service providers provide clients, immediate access to immense global and local HR expertise to drive business performance. They provide broad portfolio of services ranging from permanent recruitment, temporary staffing to recruitment process outsourcing. This study emphasizes on two main services the HR consultancies provide that is temporary staffing and permanent recruitment. The temporary staffing is considered as staffing and permanent recruitment as selection.

The differentiation of staffing and selection has been made as under:

SI No	Staffing	Selection
1	Temporary Recruitment	One time recruitment
2	Statutory Compliance, Payroll, administration handled by the contractors	Client company handles
3	Contract can be terminated by either one of the party	One time transaction- until need arise
4	Decided by the client company but administered by HR service provider	Salaries, KPA's will be decided by the company and administered by the client company

Objectives:

- To know the recruitment process for staffing and selection adopted by HR service providers
- To understand issues and challenges related to staffing and selection
- To analyze the measures taken to solve the issues related to staffing and selection

Type of Research:

The research is descriptive type. Descriptive research provides the researchers with a general understanding of the problem and seeks conclusive data to answer question necessary to determine a particular cause of action.

Sample Unit:

The study was conducted at HR consultancy firms.

Sample Size:

The data is prepared based on the gathered information. The sample size of 50 respondents was evaluated, collected and considered from the different consultancy firms.

Sampling Method:

The respondents were chosen on the basis of non probability method of sampling called convenient sampling.

Type of Data Collection:**1. Primary Data :**

- ✓ Questionnaire Survey.
- ✓ Interaction with the employees.

2. Secondary Data :

- ✓ Company websites
- ✓ Company handbook
- ✓ Previous records

To understand the organization, the work culture, the company's vision, mission, goals, value, different policies in the company, the employees, the employers, the management style, the strength and weakness of the company data collection were made from all possible sources. Both the primary data and secondary data were collected from various sources.

Method of Analysis:

Raw primary data was collected with the help of a questionnaire. The raw data was then tabulated. Based on this bar chart and pie chart were prepared. Analysis was conducted and interpreted. Conclusions were drawn based on that.

Statistical Tools for Analysis:

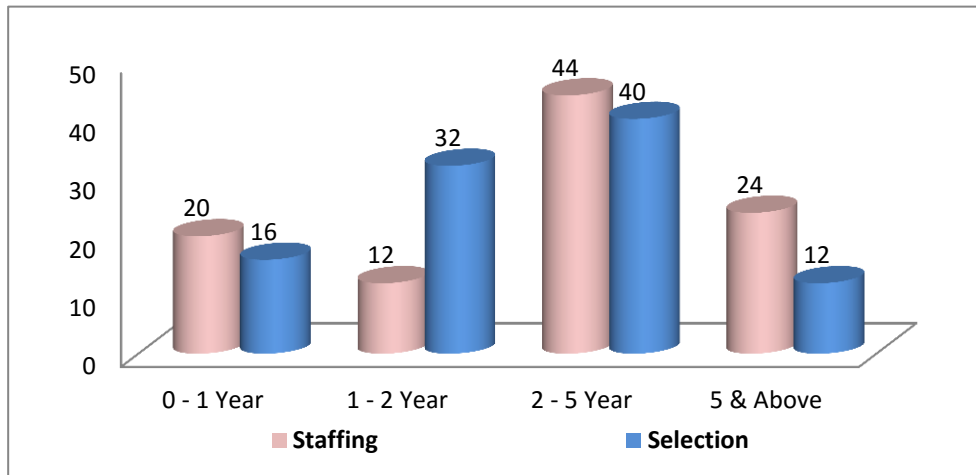
Statistical tools such as tabulation, percentage calculation, and construction of bar charts and pie charts column charts are used.

Limitations of the Study:

1. The data collected from the respondents is assumed to be true.
2. As the sample size was only 50, the inference drawn from the study may not be applicable for large sample size.
3. The information was collected through questionnaire and the actual perception of the respondents may differ.

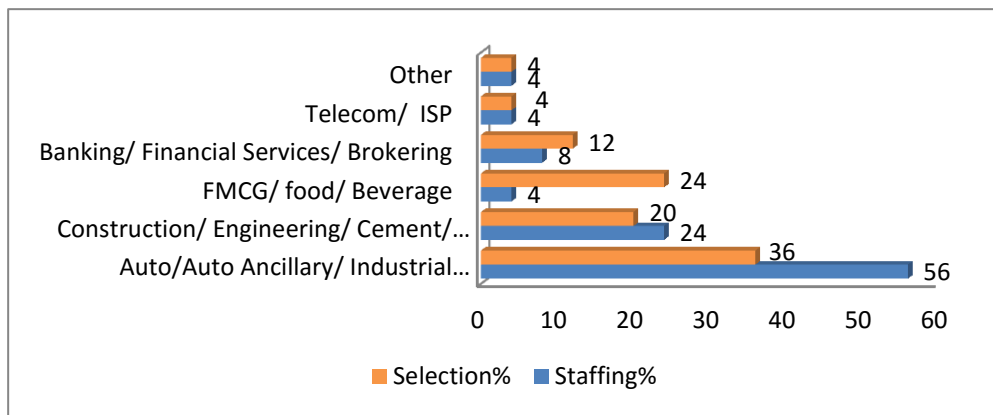
3. ANALYSIS AND INTERPRETATION

Q 1: How many years of Experience you have in the Recruitment Industry?



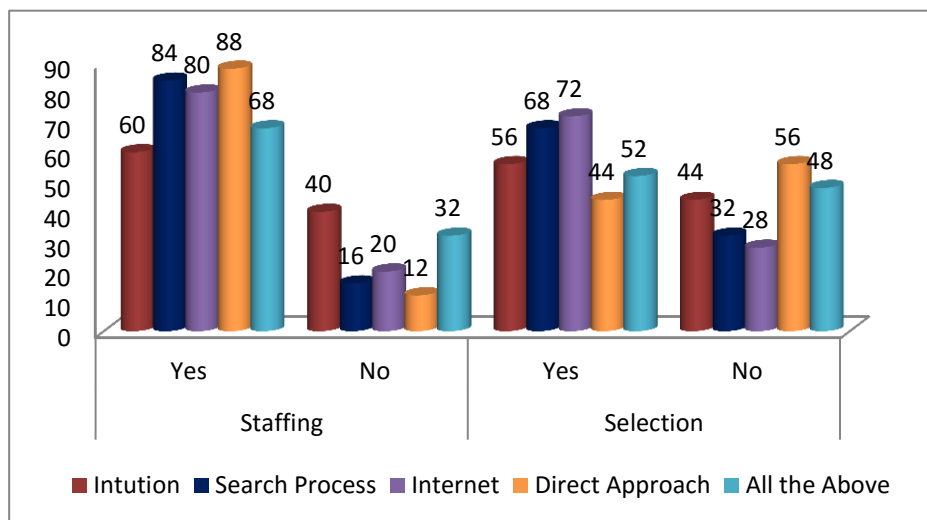
Interpretation: The above graph shows that most of the respondents survey from staffing are having 2-5 years (44%) experience in the recruitment industry and as regards selection they too are having almost 2-5 years of experience (40%).

Q No2. Mention the clients/Industry for whom you are working in Recruitment and Selection?



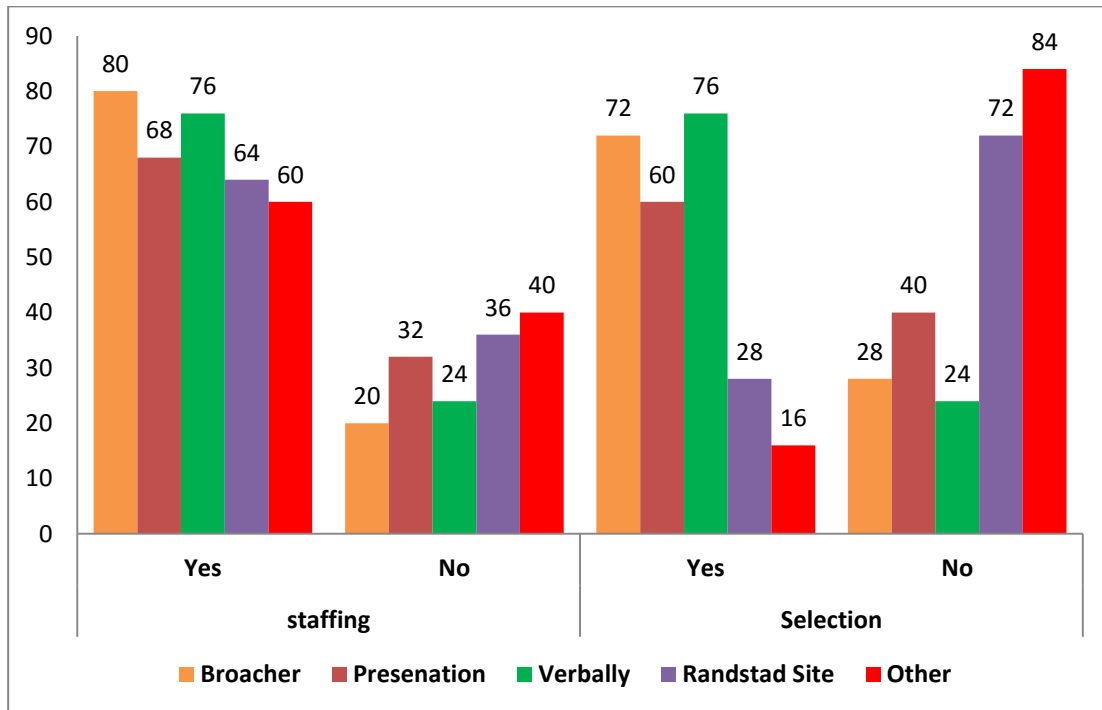
Interpretation: From the above graph it can be seen that most of the clients are from Auto / Auto Ancillary / Industrial Products/ Heavy Machinery for staffing (56%) and also for selection (36%).

Q No 3: How do you do priority prospecting?



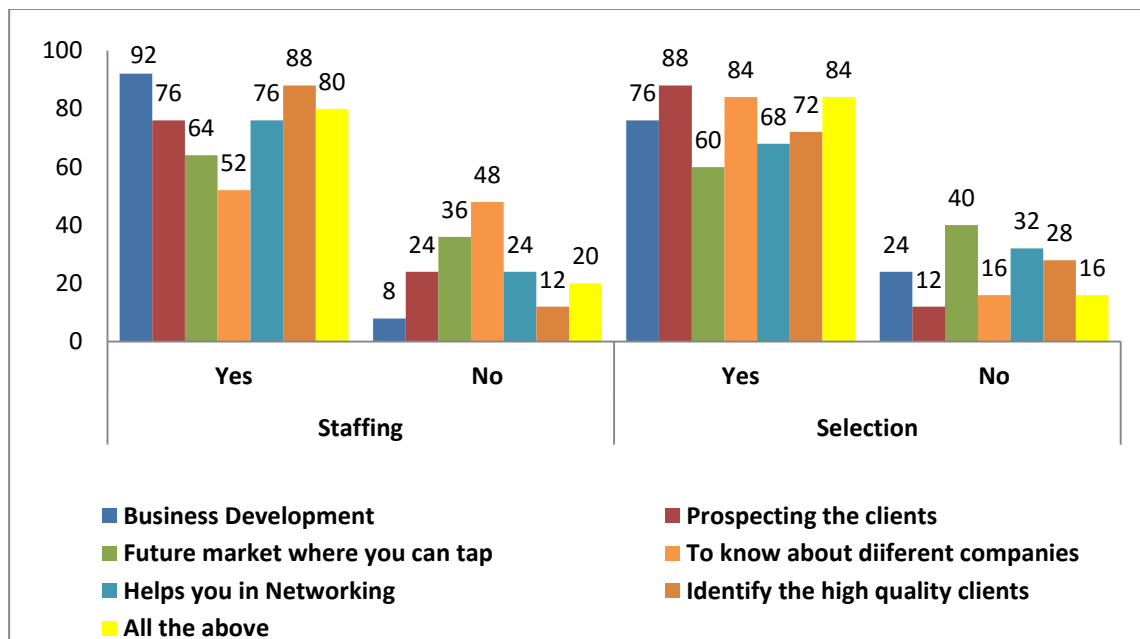
Interpretation: From the above graph it can be interpreted that Priority Prospecting in staffing is done mostly by direct approach (88%) and search process (84%). But in selection it is done by internet (48%) and search process (68%).

Q No 4: How do you brief about your organization?



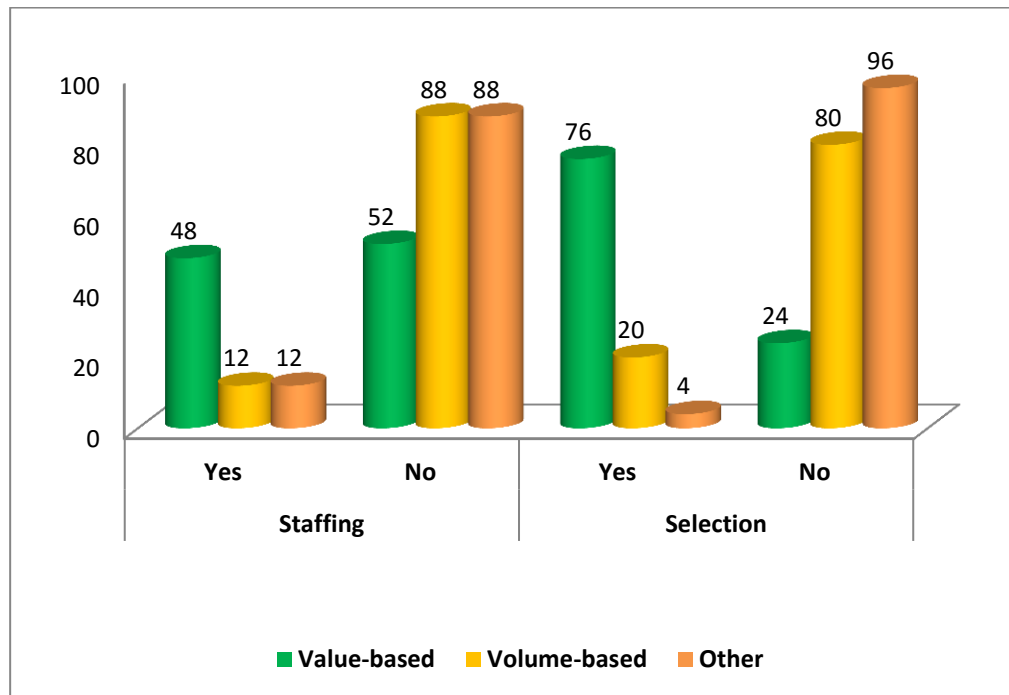
Interpretation: From the above graph it can be seen that briefing in staffing is done mainly through brochure (80%) and verbal (77%) and in selection it is done mainly verbally (76%) and next through brochure (72%).

Q No 5: In what way market mapping helps you?



Interpretation: From the above graph it can be interpreted that market mapping in staffing helps them more in business development (92%) and to identify high quality clients (88%). But in selection it helps in prospecting of clients (88%) and to know about different companies (84%).

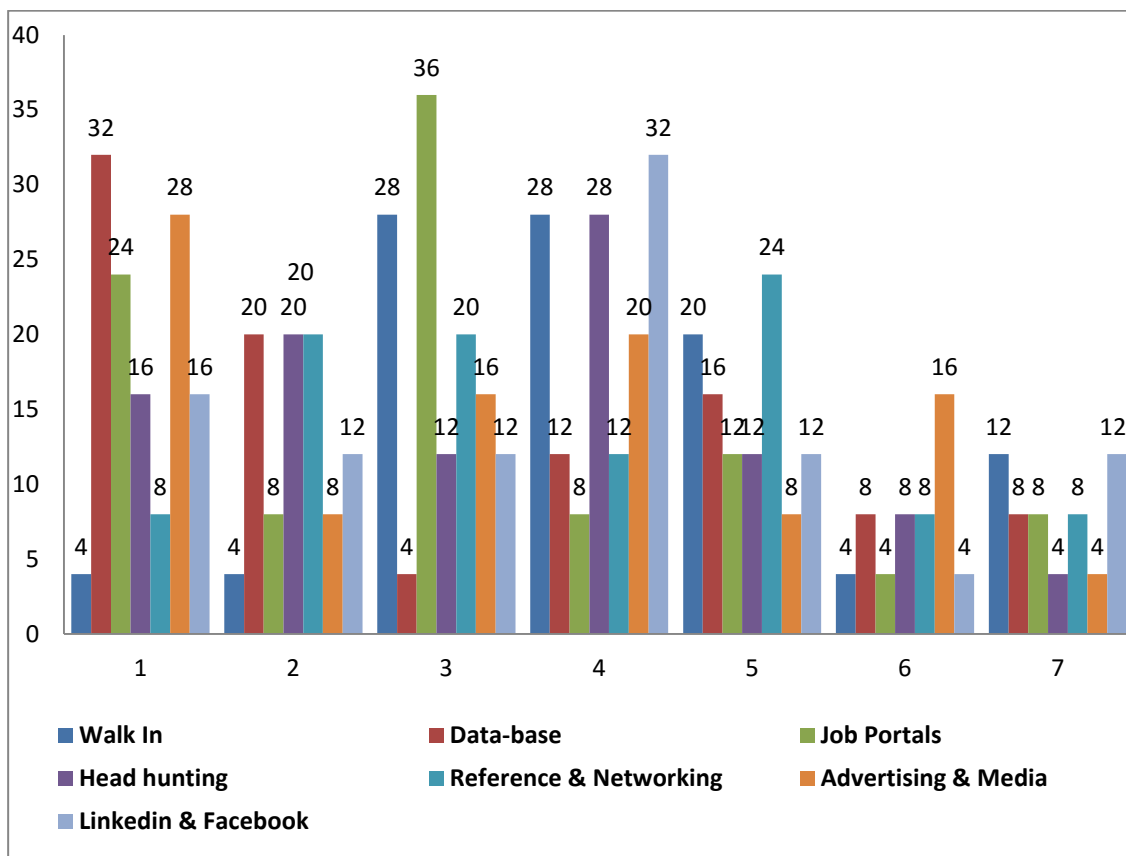
QNo 6: What type of requirement flow you normally receive at your end under staffing and selection?



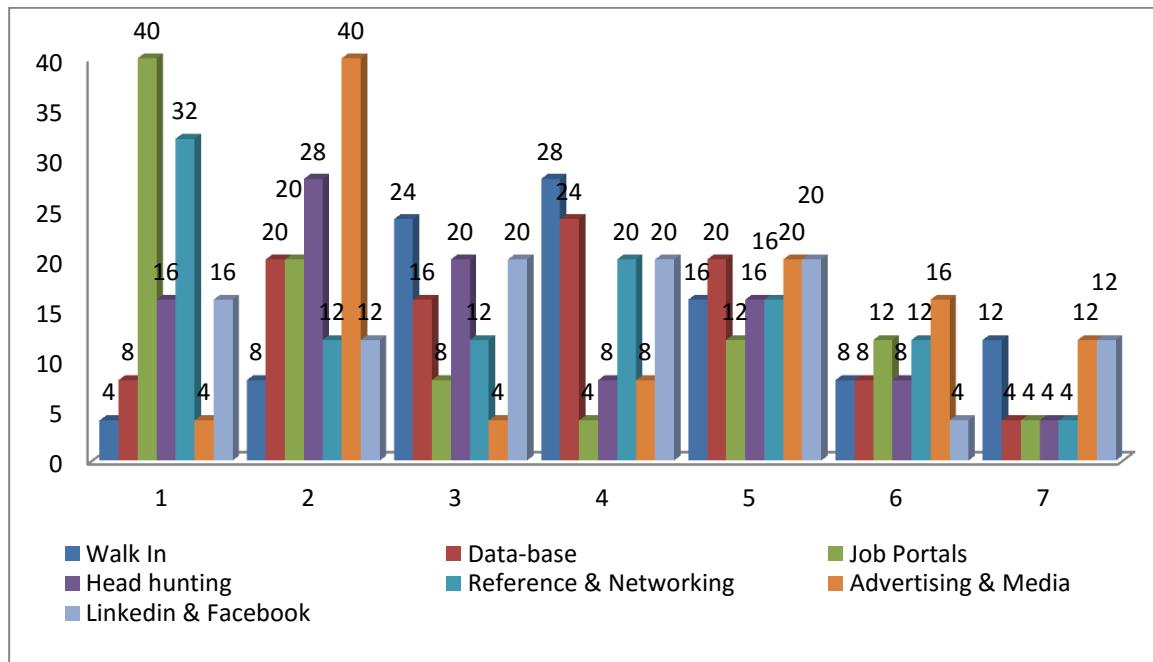
Interpretation: From the above graph it can be interpreted that both the staffing and selection respondents agree that type of requirement they receive is mostly value based.

Q No 7: What are the major sources for searching the candidates for your clients? Please rank the sources used while searching the candidates in order of importance, with 1 being the most important to the 7 being least important.

Graph showing major sources for searching candidates for Staffing:



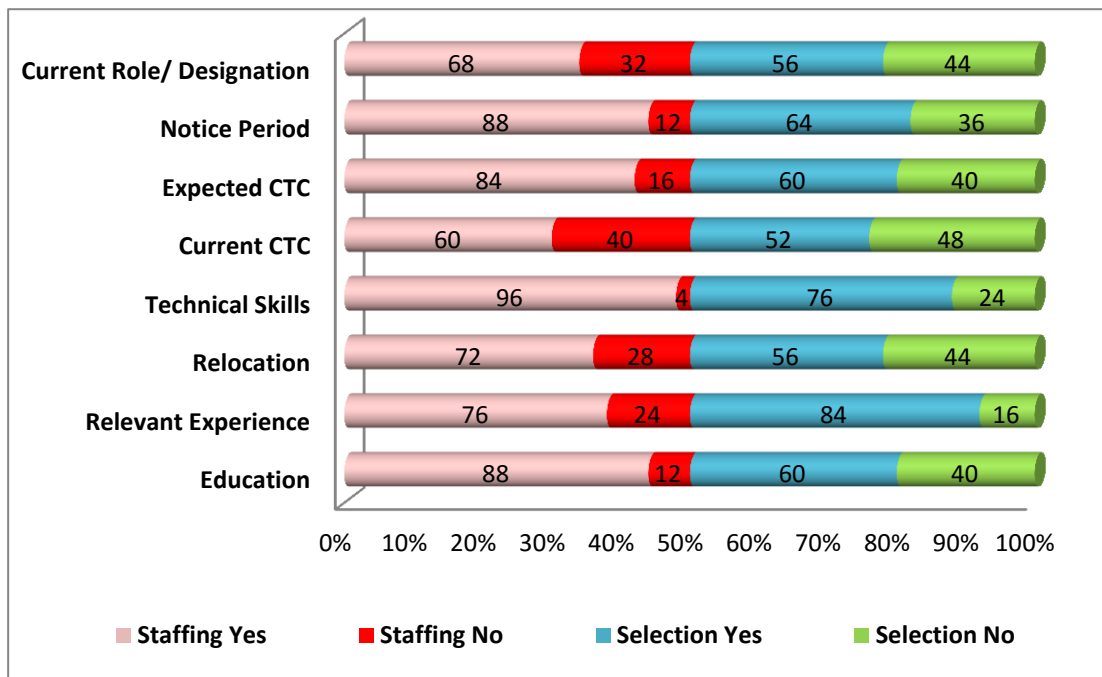
Graph showing major sources for searching candidates for Selection:



Interpretation: From the above graphs it can be interpreted that most of the respondents of staffing have ranked database (32%) and advertising (28%) as 1st rank for major sources of searching clients for sourcing the clients but the same have been ranked in selection as number 4th and 5th respectively. Whereas, in selection rank 1 is taken by job portals (40%) and reference and networking (32%). This shows how different sources are taken for staffing and selection.

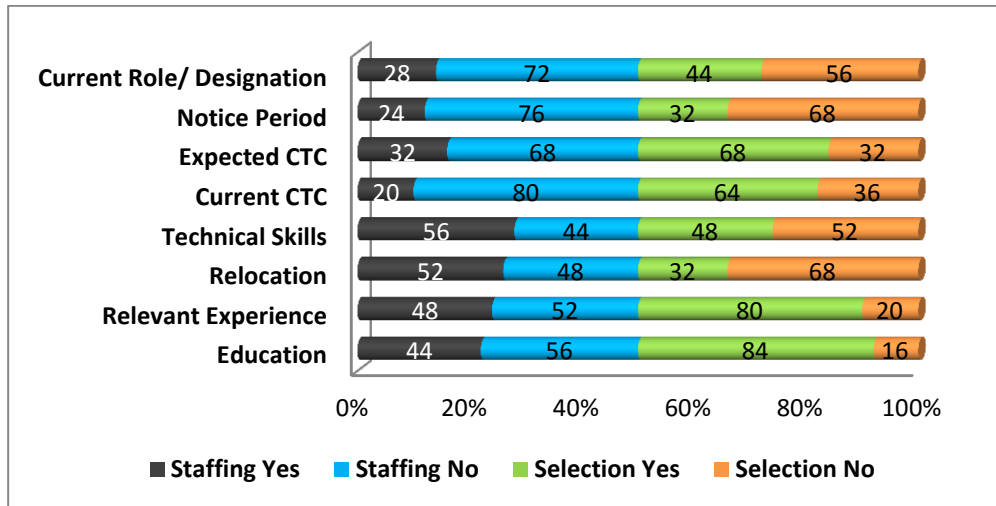
Q No 8 : Criteria used for screening and validating the candidates in value base & volume base?

Graph Showing Criteria used for screening and validating candidates for value-based:



Interpretation: From the above graph, it can be observed that for screening and validation of candidates in value-based staffing technical skills (96%), education (88%) relocation(72%) and relevant experience(76%) are the main criteria, but in selection relevant experience comes first(84%),then technical skills (76%) followed by notice period (64%).

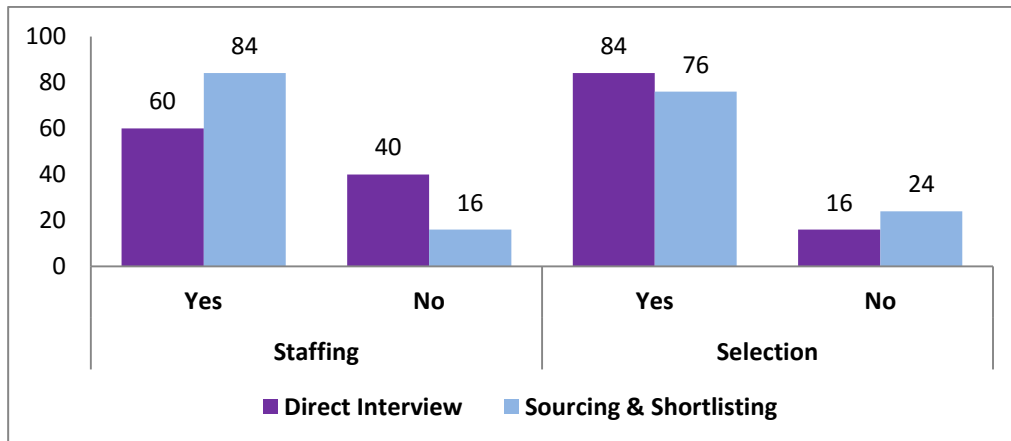
Graph Showing Criteria used for screening and validating candidates for volume-based:



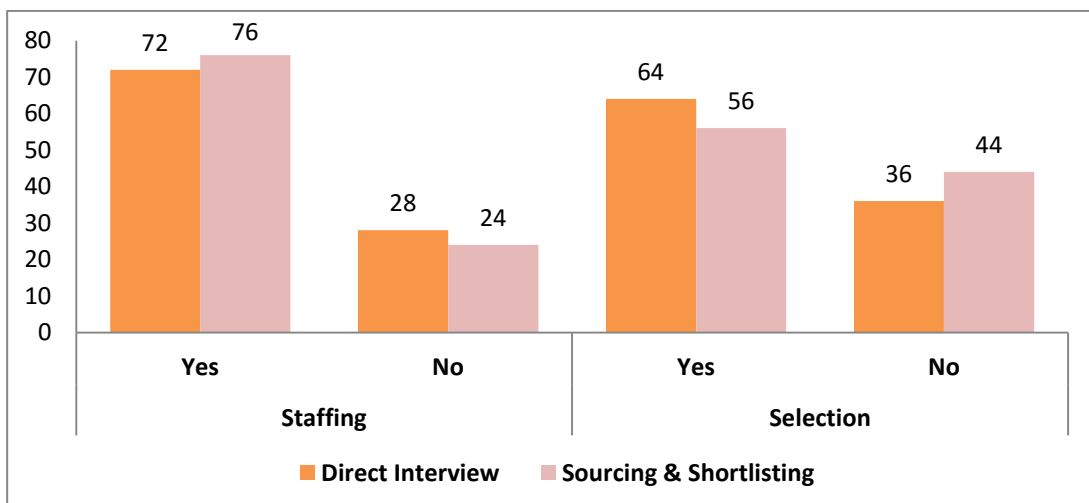
Interpretation: From the above graph ,it can be inferred that, for screening and validation of candidates in volume-based staffing technical skills (56%), relocation(52%) and relevant experience(48%) are the main criteria, but in selection education comes first(84%),then relevant experience (80%) followed by expected CTC(68%).

Q No 9: What is the process of sourcing of candidates in value based & volume based?

Graph Showing process of sourcing of candidates for value-based:



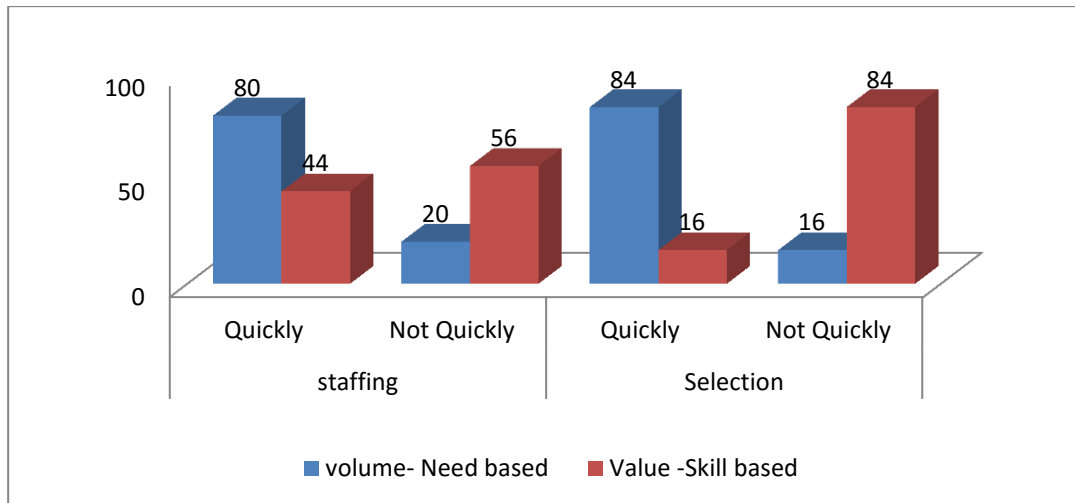
Graph Showing process of sourcing of candidates for volume-based:



Interpretation: From the above graph, it can be inferred that, in staffing and selection the sourcing of candidates in value-based, it is sourcing and short listing (84%), for selection it is direct interview (84%). And in volume-based, it is sourcing and short listing (76% for staffing and direct interview (64%) for selection. So, it can be observed that both for staffing and selection in value-based and volume-based, it is sourcing and short listing and direct interview respectively.

Q No: 10. How fast do you get client response on short-listing or selection of the candidates?

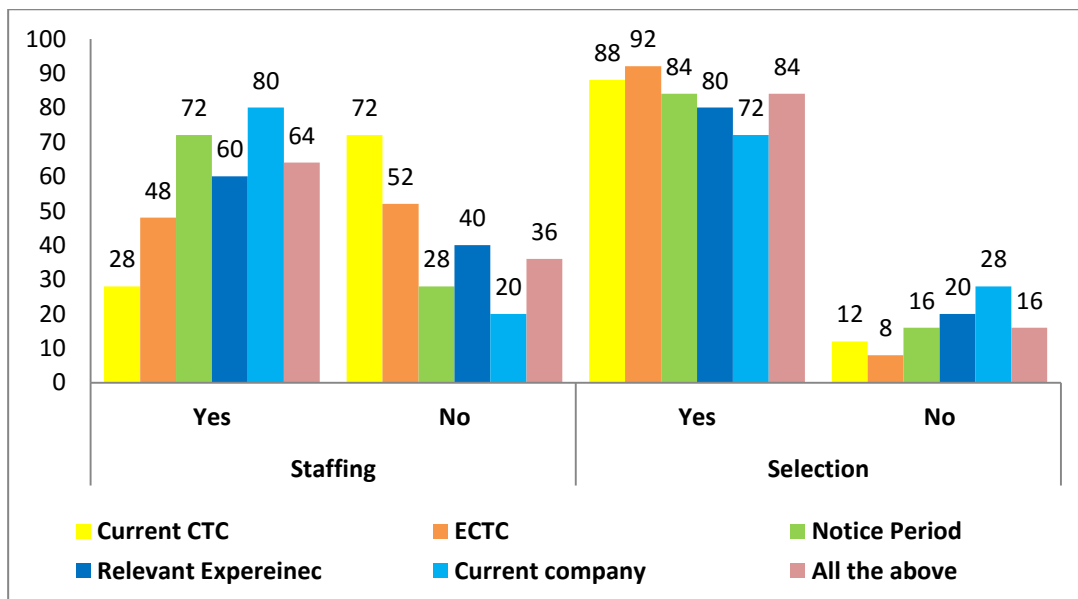
Graph Showing client response on short-listing:



Interpretation: From the above graph, it can be inferred that, the client response on short listing and selection of candidates in volume need based is quick (80%), in staffing and also in selection (84%) but in value skill based it is not quick (56%) in staffing and also in selection (84%).

Q No: 11 while forwarding the resume to the client company, what are the major factors that are highlighted?

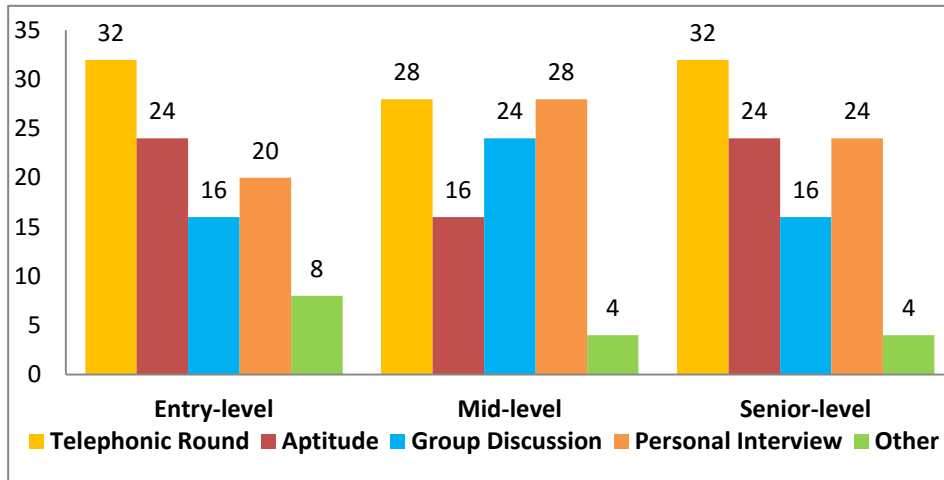
Showing major factors while forwarding resume:



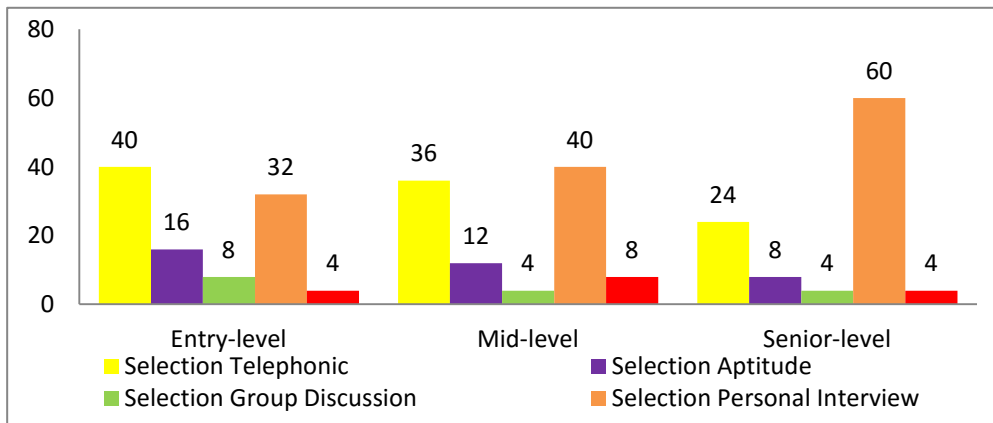
Interpretation: From the above graph, it can be inferred that, the major factor that is highlighted while forwarding the resume to the client company in staffing is current company details (80%) and notice period (72%) and in selection it is expected CTC (92%), current CTC (88%) and then notice period (84%).

Q No: 12 what is the method of choosing the candidates adopted while recruiting candidates for Entry-level, Mid-level & Higher level position?

Graph showing method of choosing the candidates in staffing:



Graph showing method of choosing the candidates in selection:



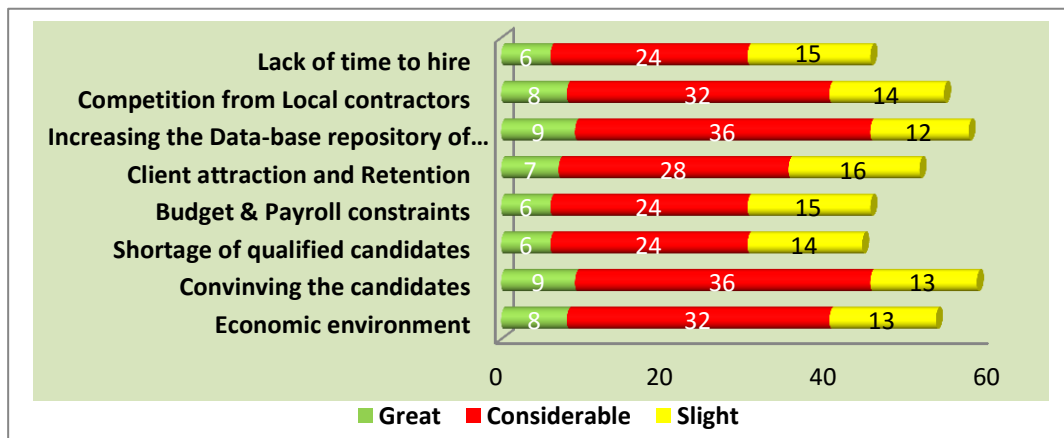
Interpretation: From the above graph, it can be inferred that in choosing candidates in entry level for staffing telephonic interview round (32%) followed by aptitude (24%) and in selection also it is telephonic (40%) and followed by personal interview (32%).

For middle level in staffing it is telephonic interview (28%) and personal interview (28%) followed by group discussion (24%). In selection it is personal interview (40%) and telephonic interview (36%).

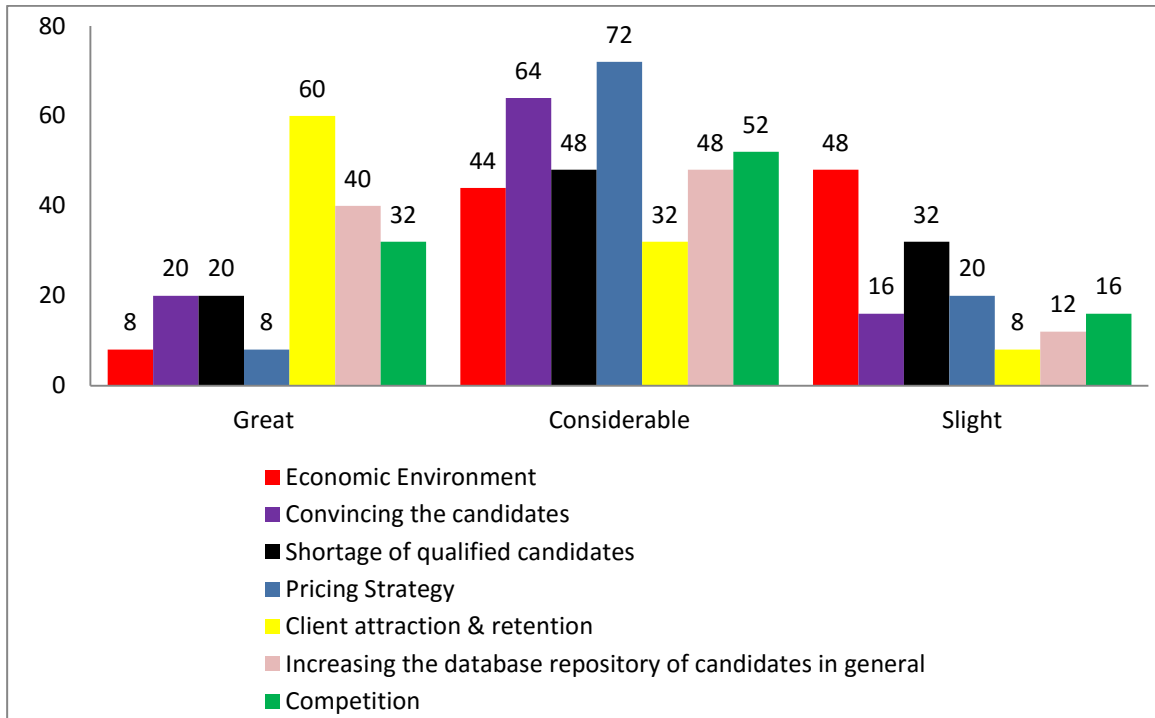
For senior level in staffing it is through telephonic (32%) and personal interview (24%) but in selection it is personal interview (60%) and telephonic interview (24%).

Q No: 13 what do you feel are the main challenges in Staffing and Selection?

Graph showing challenges in Staffing:



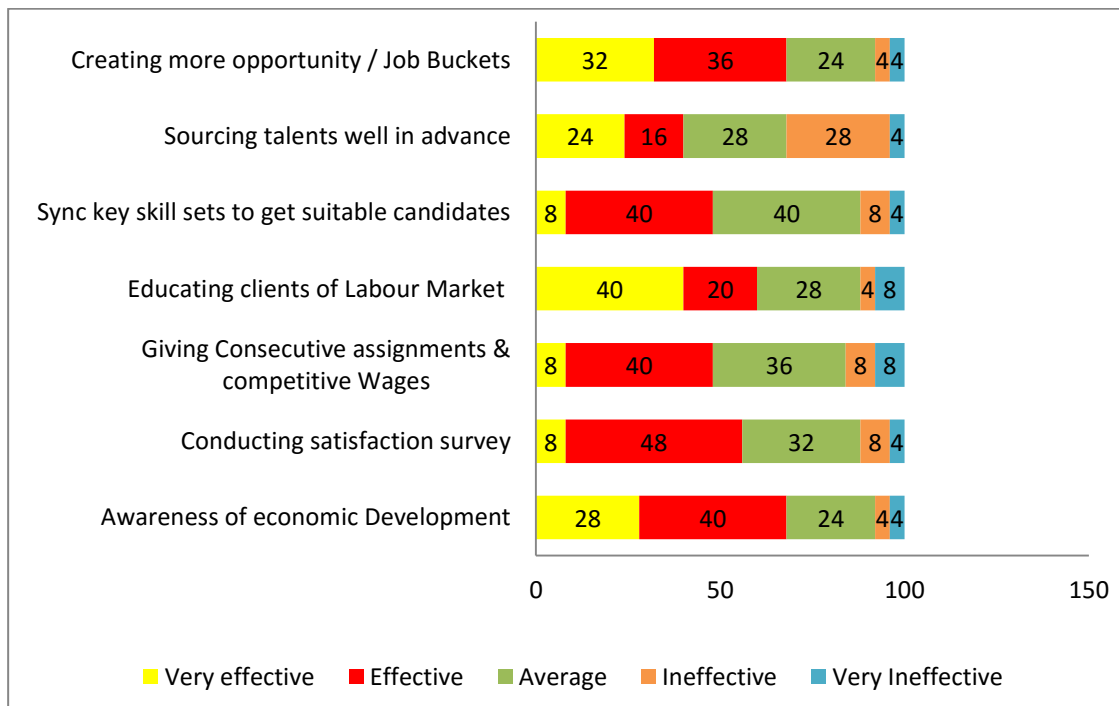
Graph showing challenges in Selection:

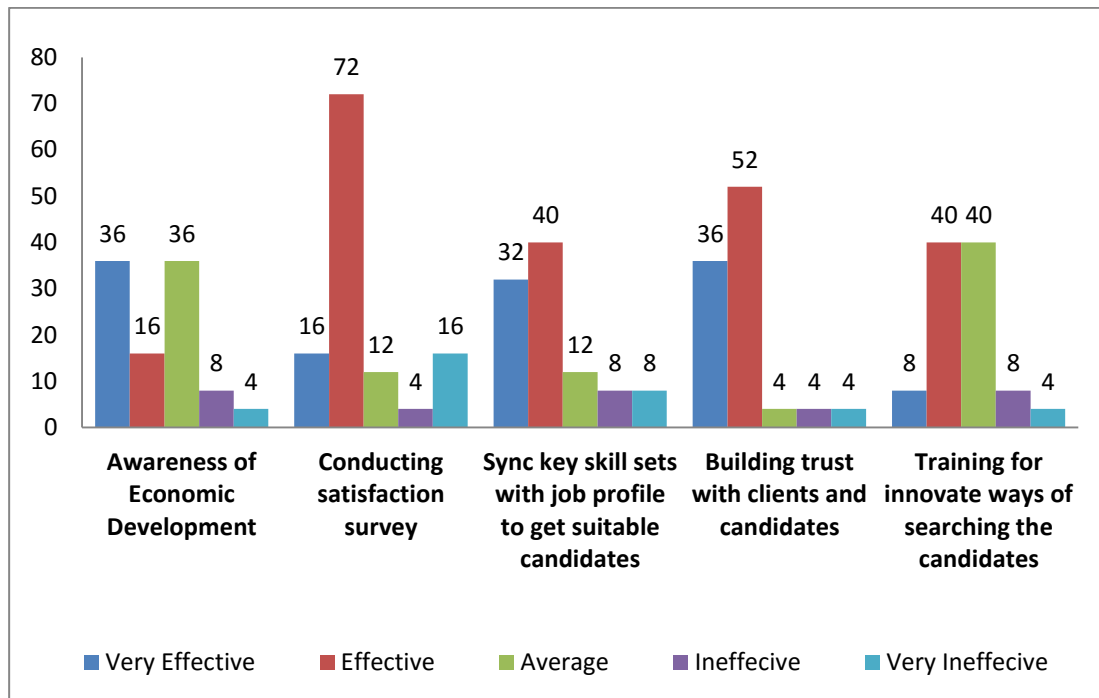


Interpretation: From the above graph, it can be inferred that in Staffing the challenges and the issues faced are convincing the candidates (36%), increasing the database repository of candidates (36%) and competition from local contractors to a great extent (32%) whereas in selection the challenges and the issues faced are client attraction and retention (60%), increasing the database repository of candidates (40%), shortage of qualify candidates (20%) and convincing the candidates (20%).

Q No 14: What do you feel are the most effective measures to overcome challenges in Selection?

Graph showing effective measures to overcome challenges in Staffing and Selection:



Graph showing effective measures to overcome challenges in Selection:

Interpretation: From the above graph, it can be inferred that the important measures undertaken to overcome challenges in staffing which the respondents said very effective are educating clients on the labor market (40%), awareness of economic developments (28%), sourcing talents well in advance (24%). For selection the effective measures are awareness of economic development (36%), building trust with clients and candidates (36%) and sync between key skill sets with job profile to get suitable candidates (32%).

4. CONCLUSION

This article is focused on different issues and challenges pertaining to staffing and in this activity it was found that the process of recruitment for staffing and selection is important for understanding the challenges. The study revealed about different clients the HR consultancies were working for, how priority prospecting, market mapping, sourcing of candidates, screening and validation of candidates is done. It also emphasizes on understanding how selection and staffing is done in value-based and volume-based recruitment. It also gives an overview of the method of choosing the candidates while recruiting for entry-level, middle level and for higher-level position. It was noticed that the main challenges and issues faced for staffing were convincing the candidates, increasing the database and competition from local contractors. Whereas, in selection it is client attraction and retention and increasing database and they can overcome these issues and challenges by educating clients on labor market, awareness of economic environment, sourcing talent well in advance, building trust with clients and candidates and syncing key skill sets and job profile.

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