

RECRUITMENT- A STRATEGIC BUSINESS PARTNER

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***Abstract:** Recruitment function is increasingly becoming a Strategic Business Partner in today's business organizations. Recruitment function enables an organization to attract and induct the right kind of talent. If recruitment function has to contribute directly to the business, people who manage this function need to be professionally competent. If recruiters possess the required competencies then they can demonstrate their contribution to the accomplishment of strategic business objectives. This papers aims to study the correlation between the competencies of the recruiters and the business objectives. It uses a framework of competencies which recruiters need to possess and studies its correlation with the recruitment effectiveness parameters. A significant level of correlation between the competencies of recruiters and the recruitment effectiveness parameters points towards recruiters contribution to the business objectives of the organization.*

***Key words:** 1. Strategic Partner 2. Competency, 3. Competency Assessment, 4. Recruitment, 5. Strategic Partner*

INTRODUCTION

The human resources function has evolved over a period of time. It had its humble beginning in 1930 in the Western countries. Before 1930 many organizations did not feel it was necessary to have a separate discipline of management called people management or HR management. The factory managers themselves were handling the people related issues. According to Adam Smith the factory consisted of three important elements- land, labor and capital. The factory managers were responsible for procuring, processing and peddling labor as one of the resources. For the first time when specialists were used to manage this function, it was mainly to maintain a buffer between employer and employees. To meet the legitimate needs of employees the specialist person was needed to prevent unionization of employees.

The developments in the world business environment which have taken places since 1930 such as Scientific Management, Labor Movements, Government Regulations and Strategic HR Management, have also significantly contributed to the evolution and growth of Human Resources Management.

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STRATEGIC HR APPROACH

In the eighties the concept of Strategic Human Resources Management came into vogue. It is largely concerned with 'integration' of HRM into the business strategy and 'adaptation' of HRM at all levels of the organization (Guest, 1987; Schuler, 1992). Boxall and Purcell (2003) describe strategic HRM as being concerned with explaining how HRM influences organizational performance.

According to CIPD "Strategic human resource management (strategic HRM or SHRM) is an approach to managing human resources that supports long-term business goals and outcomes with a strategic framework. The approach focuses on longer-term people issues, matching resources to future needs, and macro-concerns about structure, quality, culture, values and commitment. It is necessarily dependent on the evolving nature of work itself".

HR as a Business Partner?

The real purpose of HR in any organization is to build the people capability which enables them individually and collectively to realize the business goals of the organizations. Several studies have discovered the relationship between HR function and the value addition to business. There is a relationship between HR practices and the firm's performance (Huselid & Becker 1998). They assert that HR practices are very critical in determining the market value of business organizations. Other studies by Dave Ulrich (1997) also emphasize that organizations need to make a paradigm shift towards becoming a strategic business partner. When organizations set objectives and achieve them and if we find correlation between the HR efforts and the business goals we can say that HR has demonstrated partnership role with the business. HR's role in being a business partners can also be measured by various human capital surveys such as employee satisfaction survey, employee engagement survey, employee perception surveys etc. When the programmes, policies and actions of HR result in an improved score of any of the HR survey parameters it can be logically concluded that HR has contributed to business result of an organization.

Ulrich Dave (1998) recommends the following ways in which HR can contribute toward business results:

1. First, HR should become a partner with senior and line managers in strategy execution.
2. Second, it should become an expert in the way work is organized and executed, delivering administrative efficiency while quality is maintained.
3. Third, it should become a champion for employees, representing their concerns to senior management and at the same time working to increase employee contribution.

4. And finally, HR should become an agent of continuous transformation, shaping processes and a culture that together improve an organization's capacity for change.

RECRUITMENT- A STRATEGIC BUSINESS PARTNER

Many studies have proved that HR has the potential and the capability to act as a business partner. When this argument is accepted it is natural to conclude that every sub function of HR also has the capability to contribute towards business results and act as a business partner. Hence this study highlights that even recruitment function which is a critical function in HR can contribute towards business and thereby proves that recruitment is a strategic business partner. This study is aimed at finding out if there is any correlation between the recruitment function or the competencies of the recruiters and the business results which they achieve. A positive and significant correlation between the competencies of recruiters and the recruitment effectiveness measures or parameters indicates or proves the hypothesis.

COMPETENCY APPROACH TO HR

In order to study the relationship between recruiter's competencies and the business results, competency approach has been adopted in this research. Competency approach offers a framework for quantitatively studying the role of HR in achieving business results. It encourages identifying critical competencies for every role in the organization, defining them and developing behavioral indicators. This framework helps in proving beyond any doubt the role of HR in accomplishing the strategic business goals. Davidson (2014) states "Aside from enhancing the performance management process, competency models can be effective tools for recruiting and selecting the right person for the right job".

DEFINITION OF A COMPETENCY

According to Lyle M Spencer (1993) "A competency is an underlying characteristic of an individual that is causally related to criterion referenced effective or superior performance in a job or situation."

According to Boyatzis (1982) "A competency is an underlying characteristics of a person in that it may be a motive, trait or skill aspect of one's self image or social role or body of knowledge"

LeBleu and sobkowiak (2014) feel that "competencies are nothing but a yardstick for measuring how someone is performing, comparing current performance to an ideal and suggesting actions that can be taken to improve that performance.

Chandratreya (2015) is of the opinion that "generally competency mapping is carried out on employees who are responsible for the business of the company; it would be helpful for recruiters or HR employees too"

In a competency approach, all the competencies for a particular position are identified. The competencies are defined and behavioral indicators are identified at various levels. A competency map enables recruiters in selecting people with the required behaviors which indicate the existence of a competency. The recruitment process becomes more focused and candidates with real capabilities outperform others. Rahman (2006) proposed a competency model (Figure 1)for recruitment and selection professionals.

Recruitment function has undergone a transformation in the recent years. Organizations irrespective of their size are facing the challenges in recruiting the right kind of people. Right kind of people possessing critical capabilities to perform are not easily available. Finding them in the recruitment process requires specialized skills. In fact recruiting people who are not competent can have a negative impact on the organization, culture and morale of people.

According to Chandratreya (2015) “ In order that recruitment professionals of the HR department carry out the process diligently and are able to recruit the best talent it is imperative that some assessment of these executives is also carried out to find out whether they are competent enough to recruit the best talent”.

According to *Patty Grigoryev* (2006) there are two costs of a bad hire. The hard and the soft cost of a bad hire. The hard cost surrounding a bad hire could be 50% to 200% of the annual salary of the employee. The soft cost could be more significant. The soft cost includes a loss of confidence in management’s decision making prowess, potential destabilization of the workforce and morale problems.

According to Mark Murphy (2012) a survey by *Leadership IQ*, which surveyed more than 5000 hiring managers from 312 organizations involved in more than 20000 new hire events it was found that some 46% of those 20,000 new hires failed within the first 18 months. Root cause analysis revealed that a mere 11% of those failures were due to a lack of technical or professional competency. The lion’s share of failed hires were linked to softer issues such as lack of coach ability(26%), ;low levels of emotional intelligence (23%), motivation problems(15%) and temperament issues (17%). The survey indicates that the required competencies have not been adequately assessed and investigated during the selection process.

Patty Grigoryer (2006) is of the opinion that hiring by a systematized and designed approach can improve the success rates hiring managers have in finding the right person for the right position. He further adds that a powerful approach is to develop a model of the core competencies required for success in a particular position. Effective competency models are developed by analysis of the critical components of a job linked directly with the goals of the organization.

Ashok Chanda, Trapti Bansal & Rupal Chanda (2010) have studied the practices of Recruitment & selection strategic integration in business strategy formulation and implementation. The study has found that the level of recruitment and selection and strategic integration was positively related to growth in market share, profits and

sales, employee satisfaction, employee productivity and negatively related to employee turnover.

In order to deal with the challenges faced in recruiting right kind of people, organizations are considering competency approach which enables them to develop a competency framework and use it for recruiting people. With the knowledge gained during the literature review a set of competencies appeared critical. These competencies are included in the proposed model. The model (Figure 1) and the validation of the competencies from the expert’s opinion (table 1) are mentioned below:

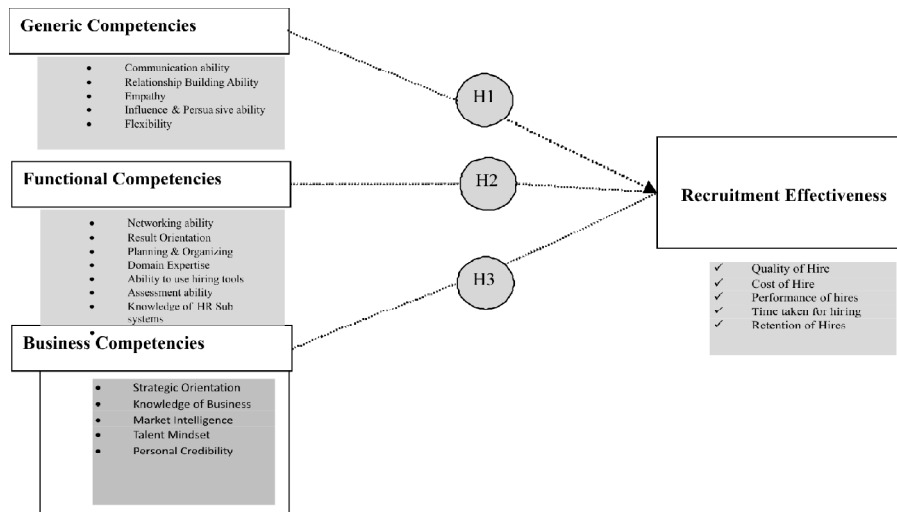


Figure 1: Competency model for recruiters

Table 1
Validation of Recruiters competencies

Code	Competency	Experts Opinion
R1	Communication Ability	Nour (2010)
R2	Building Relationship.	Forman (2004), Nour (2010)
R3	Empathy.	
R4	Influence & Persuasive ability.	Adler (2004), Zyoin (2009),Clennet,
R5	Flexibility.	Forman (2004)
R6	Networking Ability	Adler (2004), Forman (2004)
R7	Result Orientation	Forman (2004), Nour (2010)
R8	Planning & Organizing	
R9	Domain Expertise	
R10	Ability to use hiring tools	SHRM, Williams (2004)
R11	Assessment ability	Williams (2004), Froman (2004),
R12	Knowledge of HR Sub systems.	
R13	Strategic Orientation	SHRM
R14	Knowledge of Business	Forman (2004), SHRM
R15	Market intelligence	Forman (2004), Sullivan (2006)
R16	Talent Mindset	McKinsey (2010)
R17	Personal Credibility	SHRM

The competencies for recruiters and the effectiveness parameters are depicted below (Figure 2).

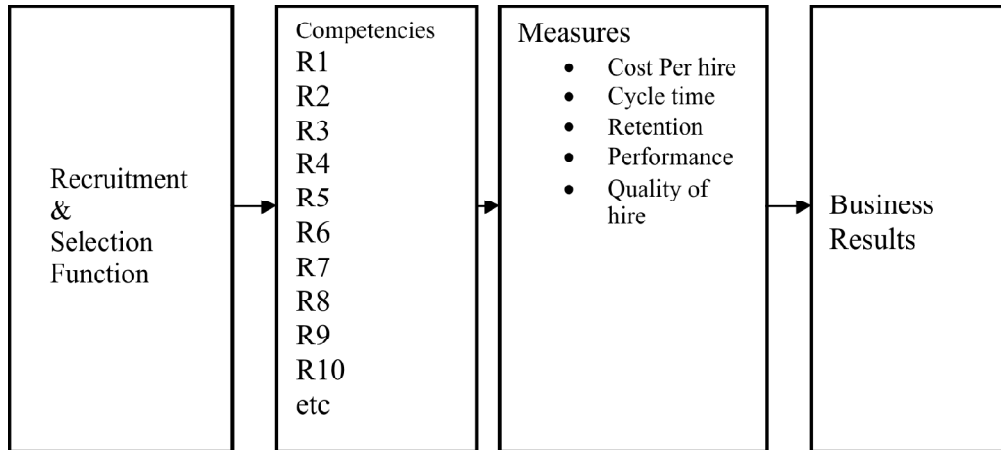


Figure 2: Independent and dependent variables

The linkage between HRM, Competencies and the Business results is shown below (Figure 3):

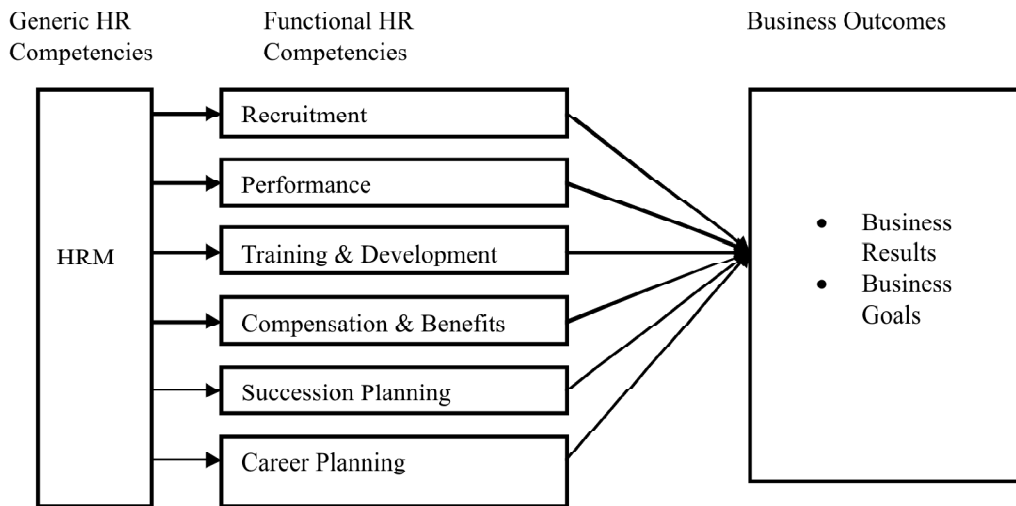


Figure 3: HRM & Business Results

OBJECTIVES

Considering the need for studying the relationship between the recruitment function and its contribution to business outcomes, this study aims to achieve the following objectives.

1. To study the reliability of the factors selected for the study i.e. the recruiter competencies and recruitment effectiveness measures.
2. To study if any correlations exist between the competencies of recruiters and the recruitment effectiveness measures and outcomes.
3. To develop strategies for enhancing the competencies of recruiters.

RESEARCH METHODOLOGY

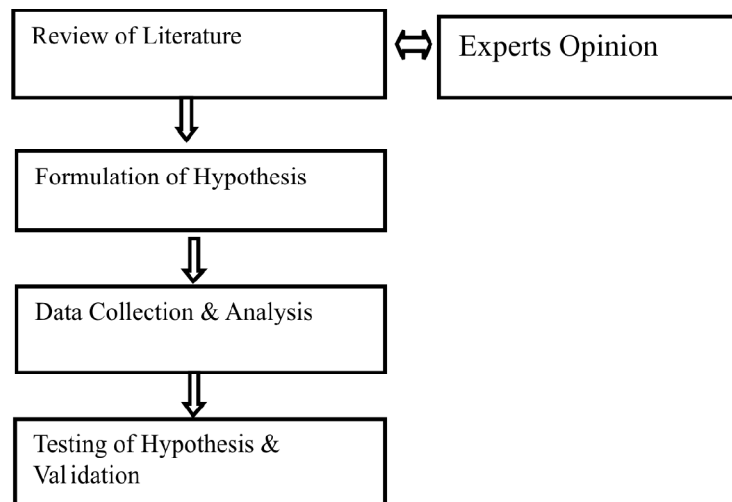


Figure 4: Research Methodology

During the study literature survey was conducted to find out if any relevant studies have been done. It was found that many competency based models are currently being practiced by various organizations. Many competency models lack depth and are not supported with statistical studies to show that the competencies selected have the potential to predict effectiveness and positive business outcomes. During the study discussions were held with senior HR professionals, recruiters and consultants to develop a competency model for recruiters.

The same model is being used to carry out the study. The study collected data from 236 respondents from various large organizations representing IT, Manufacturing and Services sectors. A measurement scale of 1 to 5 was used to collect the responses. The data was collected from April 2014 to May 2015. The method of sampling used was Random Sampling with schedules. Over 1000 organizations from three major cities- Bangalore; Chennai & Mumbai were selected based on the judgment to ensure that only healthy and functioning organizations are selected. The data collected has been analyzed using descriptive statistical tools such as Reliability Tests and Correlation Analysis other relevant tools.

FINDINGS

The data analysis shows a significant level of correlation (Table 4) between the competencies of the recruiters (R1, R2, R3.....R16) and recruitment effectiveness parameters (CoH, PoH, RoH, ToH etc). This substantially corroborates the relationship which exists between the competencies and the business results. In other words we can say that recruitment can significantly contribute to the business success. This proves the proposition that recruitment is a strategic business partner. The research data suggest that the selected factors i.e. the competencies are reliable. The Cronbach's alpha for the various factors is shown in Table 2.

CONCLUSION

This study has focused on identifying the relationship between recruitment function and the business results of an organization. In order to do this it has used a recruiter's competency model (Figure 1).

The reliability test confirmed that the factors selected for the study i.e. competencies of recruiters were reliable. Cronbach's Alpha is more than .710 in all the constructs, so the instrument used by the researcher is very reliable.

Table 2
Cronbach Alpha

<i>Constructs</i>	<i>Reliability Statistics</i>	
	<i>Cronbach's Alpha</i>	<i>N of Items</i>
Communication Ability	.815	4
Relationship Building Ability	.800	4
Empathy	.817	4
Influence & Persuasive Ability	.776	4
Flexibility	.830	4
Networking Ability	.829	4
Result Orientation	.874	4
Planning & Organizing	.857	4
Domain Expertise	.849	4
Ability to use hiring tools	.871	4
Assessment Ability	.863	4
Knowledge of HR Sub Systems	.862	4
Strategic Orientation	.900	4
Knowledge of Business	.835	4
Market Intelligence	.880	4
Talent Mindset	.891	4
Personal Credibility	.881	4
Quality of hire	.851	4
Cost of Hire	.898	4
Performance of Hires	.851	4
Time taken of Hiring	.911	4
Retention of hires	.896	4

Table 3
Correlation

		Quality of hire	Cost of Hire	Perform- ance of Hires	Time taken of Hiring	Retention of hires
Communication Ability	Pearson Correlation	.367**	.389**	.375**	.404**	.425**
	Sig. (1-tailed)	.000	.000	.000	.000	.000
	N	217	217	217	217	217
Relationship Building Ability	Pearson Correlation	.527**	.489**	.463**	.446**	.483**
	Sig. (1-tailed)	.000	.000	.000	.000	.000
	N	217	217	217	217	217
Empathy	Pearson Correlation	.426**	.365**	.405**	.352**	.420**
	Sig. (1-tailed)	.000	.000	.000	.000	.000
	N	217	217	217	217	217
Influence & Persuasive Ability	Pearson Correlation	.419**	.375**	.375**	.348**	.429**
	Sig. (1-tailed)	.000	.000	.000	.000	.000
	N	217	217	217	217	217
Flexibility	Pearson Correlation	.525**	.439**	.423**	.387**	.341**
	Sig. (1-tailed)	.000	.000	.000	.000	.000
	N	217	217	217	217	217
Networking Ability	Pearson Correlation	.487**	.323**	.430**	.401**	.318**
	Sig. (1-tailed)	.000	.000	.000	.000	.000
	N	217	217	217	217	217
Result Orientation	Pearson Correlation	.527**	.477**	.582**	.540**	.368**
	Sig. (1-tailed)	.000	.000	.000	.000	.000
	N	217	217	217	217	217
Planning & Organizing	Pearson Correlation	.594**	.629**	.562**	.605**	.431**
	Sig. (1-tailed)	.000	.000	.000	.000	.000
	N	217	217	217	217	217
Domain Expertise	Pearson Correlation	.541**	.464**	.486**	.464**	.310**
	Sig. (1-tailed)	.000	.000	.000	.000	.000
	N	217	217	217	217	217
Ability to use hiring tools	Pearson Correlation	.502**	.431**	.419**	.483**	.361**
	Sig. (1-tailed)	.000	.000	.000	.000	.000
	N	217	217	217	217	217
Assessment Ability	Pearson Correlation	.453**	.439**	.354**	.360**	.261**
	Sig. (1-tailed)	.000	.000	.000	.000	.000
	N	217	217	217	217	217
Knowledge of HR Sub Systems	Pearson Correlation	.565**	.518**	.536**	.501**	.378**
	Sig. (1-tailed)	.000	.000	.000	.000	.000
	N	217	217	217	217	217
Strategic Orientation	Pearson Correlation	.570**	.485**	.554**	.561**	.361**
	Sig. (1-tailed)	.000	.000	.000	.000	.000
	N	217	217	217	217	217
Knowledge of Business	Pearson Correlation	.520**	.478**	.540**	.507**	.460**
	Sig. (1-tailed)	.000	.000	.000	.000	.000
	N	217	217	217	217	217
Market Intelligence	Pearson Correlation	.474**	.424**	.486**	.432**	.353**
	Sig. (1-tailed)	.000	.000	.000	.000	.000
	N	217	217	217	217	217
Talent Mindset	Pearson Correlation	.680**	.575**	.572**	.604**	.458**
	Sig. (1-tailed)	.000	.000	.000	.000	.000
	N	217	217	217	217	217
Personal Credibility	Pearson Correlation	.696**	.600**	.600**	.616**	.525**
	Sig. (1-tailed)	.000	.000	.000	.000	.000
	N	217	217	217	217	217

** . Correlation is significant at the 0.01 level (1-tailed).

Table 4
Overall correlation

	<i>Correlations</i>	<i>Business Outcomes</i>
HR Generics competencies	Pearson Correlation	.763
	Sig. (2-tailed)	.000
	N	217

The data collection and analysis have shown a very high level of significance of correlation (Table 3). The overall correlation between recruiter competencies and business outcomes is .763 which is very significant. The data analysis and interpretation proves the hypothesis that recruitment competencies (Figure1) have a significant correlation with the recruitment effectiveness parameters. This model has several applications in recruitment and HR function. It can be used for selection of recruitment professionals to any organization. It can be used for identification of training needs of recruiters. It can also be used for further development of recruiters. If this model is implemented in an organization recruitment function will definitely show its contribution to business results, thereby assuring quality manpower to the organization. The organization which uses this model can progress faster towards growth and productivity as recruitment gets strategically aligned to the business goals.

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