

A STUDY ON NEW HIRE ANALYSIS AT HCL

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HUMAN CAPITAL MANAGEMENT:

Organizations that fail to invest in their Human Capital and the next generation work place environment will face erosion of products and services as well as diminished capacity to compete globally as a result of growing employee malaise. Global 2000 Organizations are now focusing more on optimal resource utilization and productivity. A comprehensive Human Capital Management (HCM) strategy addresses the organization's need to measure accurately measure and improve

Managing Talent -

One of the major problems faced by many companies in today's fast paced market is how to grasp and retain labor that is of the best caliber. In the highly competitive business environment, the best talent quickly gets swept up by employers eager to strengthen the quality and efficacy of their workers. That's why it is important for a company to stay on track by utilizing the best talent management programs available.

In the talent management universe, the new employee orientation and mainstreaming process is known as "employee onboarding." Keeping in mind that you never get a second chance to make a first impression, your business should make absolutely sure that new hires feel welcomed, valued, and prepared for what lies ahead during your new employee orientation or onboarding process.

NEW HIRE ANALYSIS: This is a field of research where we would be analyzing the most significant part of - "Life Cycle of an Employee". We would be focussing our research on the New Hire Process. This would give us great insights about the process and also identify the most critical factors based on which a person joins a particular organization.

The new hire analysis is a subset of Human Capital Management and is one of the most critical to organizations these days. The hiring process is very exhaustive and aims to pick out the most desired candidate among the lot. Companies are doing a lot of research on how to invite deserving candidates. Such resources can turn out to be critical for the

business. Hence the primary objective of the entire hiring process is to - "Find the Right Person for the Right Job".

Literature Review: TOWER and PERRIN(2009) In this study we are trying to identify, map and measure the variables that affect the organization development - favourably or adversely. The researches conducted prior to this were focused on recession and hence through this study we want to compare the cause and effects of various parameters -

- During Recession
 - Post Recession
- During recession each of these defined parameters has a different impact. People were opting for a job if they were given job security rather than compensation and profile. All they wanted is a job, be it in any sector, any profile. Whereas we can see that post recession people have become more selective in terms of job. Now they look for compensation, profile and employee growth. Priorities have changed over the period of time. Impact and influence of the following variable on the hiring process -

- Job Security
 - Compensation
 - Job Profile
1. Further sub division of these parameters.
 2. The impact of each of these variables on the efficiency of the organization.
 3. Data collection done in three stages so as to verify the responses and prepare concrete analysis.

OBJECTIVE OF THE STUDY

1. To identify key factors that people look for in an organization before they join.
2. To quantify the impact of these factors on the Organizational Development.
3. To find out the factors why people quit organizations, mapping these factors into reasons why people join organisation

RESEARCH METHODOLOGY Research can be termed as a voyage of discovery, movement from unknown to known. An attitude, an experience, a method of critical thinking. Its an art of scientific

thinking, moreover its a systematic approach to define a problem and reach to a problem solving state. An effective research has following components -

1. **Research Design** - Design is the structure of any scientific work. It gives direction and approach to research. We can have either Quantitative or Qualitative Research. Here we would be conducting a Quantitative Research.
2. **2. Sampling Technique** - Refers to selection of an unbiased or random subset of individual observations within the population. Sampling technique could be Probability or Non Probability Sampling. Under Probability Sampling Technique we would deploy Random Sampling as we would be targeting people from different levels in an organization.

3. SAMPLE SIZE

Following is the break up of the sample size used in our study -

TABLE: 1

4. SAMPLING UNIT- New joinees from the HCL Services within the the time period of six months i..e January 2011 to June 2011

5. SAMPLING AREA - Bangalore

6. RESEARCH TECHNIQUE - Research technique is defined as the framework which will be adopted in order to carry out the research. There are two types of techniques available - Exploratory and Conclusive. Here we would be adopting the Conclusive Research Technique as the problem has been identified and now we would be concluding its impact on the Organization Development.

7. RESEARCH INSTRUMENT - Instrument is referred as the process indicator which would measure our objectives. Here I would be using a set of questionnaire which would comprise of a set of 10 questions. Also the for the deeper insight Focus Group Discussion method has also been used.

8 DATA COLLECTION - Data has been collected through Primary as well as secondary sources. Primary data has been collected in following 3 steps:

Step 1 - Direct Interview/ Telephonic Round

Step 2 - Survey Questionnaire

Step 3 - Focus Group

ANALYSIS 1 : FACTOR ANALYSIS

Factor analysis is to reduce a large number of variables to a smaller number of factors for modeling purposes. i.e. its used to select a subset of variables from a larger set, forming them into factors.

TABLE: 2

The output above shows the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy and

Bartlett's test of sphericity , the KMO statistics varies between 0 and 1 , a value of 0 indicates that the sum of partial correlations is large relative to the sum of correlations in dictating diffusion in the pattern of correlation, hence factor analysis is likely to be inappropriate, a value close to 1 indicates that the pattern of correlations are relatively compact and so factor analysis should yield distinct and reliable factor.

Since KMO value is 0.701 which is greater than 0.5 indicates that the factor analysis is useful i.e. the underlying factors have a significant impact on the new joinings.

Bartlett's test of sphericity

The chi-square value is 398.099 which indicate that the variables are unrelated and hence the data is suitable for factor analysis. The value .000 clearly formulates the null hypothesis that the variables taken in our research are correlated perfectly with it but has no correlation with the other variables.

Correlation matrix

Since the correlation between the variables is evidently high in our analysis, the factor analysis is appropriate. The diagonal of the matrix consists of value 1 and, hence, full variance is brought into the factor matrix.

Method used for factor analysis

We have used principal component analysis as our method because it considers the total variance in the data. We are using this method because our primary concern is to determine the minimum number of factors that will account for maximum variance in the data. In this case the factors are called the principal components

TABLE: 3

Extraction of factors

In our study, the number of factors comes out to be 3. Hence, 3 factors are taken into consideration for our research study.

Communality:

Based on our analysis, we have observed that variable , namely, Employee Growth and Development; Brand, and Personal Reasons have respective communality values greater than .75 which is significantly high, but what is more critical is not the communality coefficient, rather the extent to which the item plays a role in the interpretation of the factor.

Factor Analysis to Club the Parameters under 3 Broad Categories -

Inference -

In this table we can see that according to Factor Analysis, the six parameters of the study have been

classified under three main categories.

The categories and the parameters within it are -

1. Work Related -

- Job Security
- Job Profile
- Compensation

2. Development Related -

- Employee Growth and Development
- Personal Reasons

3. Company Related -

- Brand

TABLE: 6

Inference -

In this chart we can see the Correlation between the various parameters of the study. A negative correlation specifies that there is no relation between the parameters whereas a positive correlation specifies that there is relation between the two parameters.

Here we can see that there is positive correlation between -

- Job Security and Employee Growth and Compensation.
- Employee Growth with Job Profile and Personal Reasons.
- Job Profile with Job Security, Employee Growth, Brand and Compensation.
- Brand with Job Security and Compensation.
- Compensation with Job Profile and Brand.
- Personal Reasons with Employee Growth

RECOMMENDATIONS

Based on the study conducted on New Hire Analysis, it can be suggested that there is a direct relation between Joining and Leaving reasons being the growth perspective. Based on these observations, we recommend the following -

- Since 80% of the sample size is having the experience of 2 - 6 years, their main concern is Employee Growth and Development opportunities. Therefore it is suggested to provide more onsite opportunities and customized IDP to attract young talent.
- The remaining 20% of the sample size is having the experience of 6 years and above. Their main concern is Job Profile. Hence we suggest that in order to attract/ retain such talent the company needs to provide better/multi dimensional roles to showcase their talent and a better platform to grow within the organization.
- Training and Development could be improvised further in order to accommodate - "Need Based Training" and various other trainings which

would enhance the productivity of the person as a whole.

- As we can see here that Growth Stagnation is the topmost reason for an employee to leave an organization, it is suggested that the company should have various dynamic policies to cater to the growth requirements of an individual. Frequent rotation of roles and expansion of projects would develop/ retain the interest of the employee in the process.
- Post acquisition Brand Value has certainly increased and a common perception that "post acquisition the growth opportunities will increase and its good to flow with the progressive organization" has helped in attracting the potential talent pool. This image can be enhanced and maintained to act as most important attraction driver

CONCLUSION

The most significant part of 'Life Cycle of an Employee' is hiring which includes finding the right person for the right job. The new hire analysis study focusses on streamlining the hiring process, critically analyzing the talent acquisition process and help improve the employee onboarding process across the enterprise - and unleash the potential for higher profits. A cost effective process would not only ensure higher profits but also acquiring the best of talent pool at reasonable cost.

The primary objective of the study is to explore the attraction drivers for Dell Services. Also how the post recession period has changed the market situations contributing the attraction drivers to take a shift as per different age group, different skills and career levels.

On the basis of various researches like " Towers Perrin " and " Watson Towers ", we have set our parameters based on the six variables namely -

1. Job Security
2. Employee Growth and Development
3. Job Profile
4. Brand
5. Compensation
6. Personal Reasons

Also the reasons which made the employees leave their previous organization have been considered like -

1. Growth Stagnation
2. Poor Work Culture
3. Work Pressure
4. Immediate Manager/ Leadership
5. Compensation

6. Lack of Recognition

Data has been collected through Online Survey (Google Docs), Telephonic Interview and Focus Group Study for the validation of the reasearch variiables

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| Correlation Matrix | | | | | | |
|---------------------------------|--------------|-------------------------------|-------------|-------|--------------|------------------|
| Parameters | Job Security | Employee Growth & Development | Job Profile | Brand | Compensation | Personal Reasons |
| Job Security | 1.000 | .125 | -.397 | -.220 | .351 | -.005 |
| Employee Growth and Development | -.125 | 1.000 | .130 | -.304 | -.237 | .327 |
| Job Profile | .397 | .130 | 1.000 | .166 | .013 | -.247 |
| Brand | .220 | -.304 | -.166 | 1.000 | .020 | -.184 |
| Compensation | -.351 | -.237 | .013 | .020 | 1.000 | -.184 |
| Personal Reasons | -.005 | .327 | -.247 | -.184 | -.184 | 1.000 |

| Telephonic Interview | |
|------------------------------|------------|
| <i>Total Population</i> | 474 |
| <i>Not Interested</i> | 42 |
| <i>Number does not exist</i> | 37 |
| <i>Switched Off</i> | 44 |
| <i>People who Quit</i> | 34 |
| <i>Actual Sample Size</i> | 317 |

| | |
|-------------------------------|-----|
| <i>Total Sample Size</i> | 317 |
| <i>Total People Responded</i> | 250 |
| <i>Not Responded</i> | 67 |

| | |
|---------------------|-----------|
| <i>No Response</i> | 43 |
| <i>Off Site</i> | 24 |
| <i>Total</i> | 67 |

KMO and Bartlett's Test

| | | |
|--|--------------------|---------|
| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. | | .701 |
| Bartlett's Test of Sphericity | Approx. Chi-Square | 398.099 |
| | D.F. | 136 |
| | Sig | .00 |

TABLE: 2

Communalities

| | Initial | Extraction |
|---------------------------------|---------|------------|
| Job Security | 1.000 | .662 |
| Employee Growth and Development | 1.000 | .797 |
| Job Profile | 1.000 | .575 |
| Brand | 1.000 | .799 |
| Compensation | 1.000 | .437 |
| Personal Reasons | 1.000 | .831 |

Extraction Method: Principal Component Analysis.

| Factor Analysis | | | |
|---------------------------------|----------------|----------|----------|
| Rotated Component Matrix | | | |
| Parameters | Factors | | |
| | 1 | 2 | 3 |
| Job Security | -.790 | | |
| Employee Growth and Development | | -.801 | |
| Job Profile | .764 | | |
| Brand | | | .900 |
| Compensation | .546 | | |
| Personal Reasons | | .819 | |

TABLE: 4