A study on "Recruitment patterns used by SME" with special reference to consultants and social media

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Abstract:

"Right man at the right place at the right time".

This quote sums up the great importance of Recruitment & Selection. If an organization wants to prove that PEOPLE are the assets of the organization, they must find the talent at the very first step i.e. recruitment. Human resource or Man power has been one of the strong pillars of business.

Finding a suitable candidate is not an easy feat to achieve. It requires knowledge and precision to make a match between the requirements of the job and skills, abilities of the individual.

A few years ago people would have scorned at the idea of doing recruitment through a common platform on internet or getting help from a third party.

Whatsapp Messenger was started in 2010 as a better SMS alternative; **Facebook** was launched on February 4, 2004, by Mark Zuckerberg with his Harvard College roommates. **LinkedIn** founded on December 14, 2002, and launched on May 5, 2003 is a business-oriented social networking service mainly used for professional networking.

The reason of talking about these household names is to emphasize the vast reach it has; and how an entrepreneur can use these mobile based technology for developing his/her business. As an entrepreneur, it can be challenging to work with limited resources and capabilities. Thanks to internet and tools like social media, an entrepreneur is capable of doing prime functions such as recruitment at very little financial cost.

In an SME your people are your business, so recruiting the right talent is imperative. But with often limited material and financial resources and one in four businesses highlighting hiring skilled staff as a barrier to growth, it can be necessary to think creatively about how you do this.

Traditionally, employers recruiting online will use their own website, or perhaps online job boards to recruit. And there's nothing wrong with job boards at all. They are great for matching up recruiters with people looking for jobs. But what if the ideal candidate is not actively looking for a new position? How do you reach them and entice them with their ideal job? The answer is through social media. It allows you to talk directly to people who are not job hunting but may well be tempted by the right offer.

Owing to the Initiatives by the govt. of India such as Startup India, Make in India, etc. 2015 will see a spurt in hiring in the range of 15-20 per cent owing to rapid business growth in India, according to a number of media reports. Meeting hiring demands of rapidly scaling companies is not an easy feat. Therefore, companies are turning towards specialized partners to support them with hiring the right talent. Most of the world's leading companies make regular use of consulting services to help them build and strengthen their competitive advantages.

In responding to uncommon situations or those not previously encountered, companies often do not have the time, expertise, or experience to develop solutions or prepare important decisions internally.

In situations that go beyond the day-to-day management of the company, a management consulting firm can be highly valuable. Experienced consultants can help facilitate the smooth functioning of an organization. Outside experts can also serve as a sparring partner, challenging management with an incisive, objective view.

Taking all these factors into consideration the researcher has decided to undertake a study which pertains to recruitment through social media and Consultants. The main objective of the study is to determine the need of consultants for recruiting and scope of social media. For the present study the researcher has interviewed 50 consultants were given a questionnaire.

Key Words: Recruitment, Consultancy, Social Media

1.1 Introduction:

Imagine an entrepreneur who has started a new venture and wants to expand it. He would need skilled people. But his lack of expertise, knowledge in selecting people and lack of resources makes him worried. He thinks of many ideas and suddenly a "Buzz" from his android breaks his thoughts. A face book ping and a notification from Linkedin grab his attention.

The solution to the problems of hundreds of such people lies in Platforms such as Social media or Recruitment consultants.

Recruitment is the process to discover the sources of manpower to meet the requirements of the staffing schedule and to employ effective measures for attracting that manpower in adequate numbers to facilitate effective selection of an efficient work force.

The HR readers will agree that recruitment is a time, people and process intensive activity. Therefore, by using external specialized partners, which offer recruitment along with domain expertise, companies can now choose to outsource a part of or the entire recruitment process from sourcing to on-boarding.

1.1.1.Social Media

Social media is the collective of online communications channels dedicated to community-based input, interaction, content-sharing and collaboration. Websites and applications dedicated to forums, micro blogging, social networking, social bookmarking, social curation, and wikis are among the different types of social media.

Communication through social media involves the use of an online platform or website (a social networking site) that enables people to communicate, usually for a social purpose, through a variety of services, most of which are web-based and offer opportunities for people to interact over the internet, e.g. via e-mail and 'instant messaging' (a form of real-time, direct text-based communication between two or more people using personal computers or other devices).

Social networks are everywhere these days. Whether for professional or personal use, they're more popular than ever. Learn how to get social media recruitment right, and the pitfalls to watch out for. The use of social media as a recruitment tool throws up some opportunities and challenges for employers. Social media potentially offers speed, efficiency and the ability to target and attract specific, particularly apposite candidates in the recruitment process. It can provide a useful additional source of information on potential job candidates, especially since some data (at the personal as well as the professional level) may not be generated for the purpose of recruitment, and therefore may provide candid supplementary information on the applicant. For candidates it potentially offers multiple sources of information about the employer and the possibility of contact with existing employees to gain a more realistic job preview.

Social networking sites (SNSs) allow users to create web-based profiles where individuals can interact, using social media tools. While initially designed for socialising with friends and family, these networks have come to be seen as an important professional tool, particularly in the field of recruitment.

 Here, they serve two main purposes.

1. The first is as a marketing tool; jobseekers can use SNSs to market themselves to potential employers and vice versa. This is recognized by the three case study organizations in our research.

2. The second is as a screening mechanism; employers can use information available via SNSs to cheaply and easily gain a broader image of a potential employee than that available through traditional recruitment methods.

The recent growth of SNSs as a recruitment method reflects its potential in this area. However, this also raises a number of questions which have yet to be resolved. These include:

● the accuracy of information available on SNSs;

● their accessibility across the pool of potential applicants;

 ● issues of privacy;

● the relative costs and benefits; and

● the effects of the broader range of information they offer on commitments to equality and diversity in the hiring process.

For anyone putting together a business case for social recruiting, there's no shortage of statistics. Research from social recruiting platform Jobvite indicates the vast majority of recruiters (94%) either already use or plan to use social media for recruiting.

Meanwhile, research firm Aberdeen Group says that 73% of 18- to 34-year-olds found their last job through a social network.

But despite its wide-scale adoption, there are still a lot of mistakes made when it comes to social recruiting. Andy Headworth, founder of Sirona Consulting, which helps organisations integrate social media into their recruiting strategies, thinks many recruiters make assumptions about such channels and fail to do their homework. They also seriously underestimate the amount of time and resource needed. "To start with, it isn't Monday to Friday, nine to five, it is 24/7 and needs response coverage all the time," he says.

Social recruiting isn't merely about publicizing vacancies. This misses some of its most important benefits, such as cultivating two-way relationships with potential talent and informing them about what it is really like to work for your organization.

1.1.2. Consultancy Firms

Consultancy firm is a private employment agency that maintains computerized lists of qualified applicants and supplies these to employers willing to hire people from the list for a fee. The consultancy firm runs and manages the recruitment processes like the job posting, collection of job resumes for job vacancies, pre-screening, and phone job interviews, job interviews including scheduling, communication with job applicants and the on-boarding process for the organization. The organization defines the scope of provided outsourced services and defines the key performance indicators, which have to be met to ensure the quality of the outsourced recruitment process.

Recruitment is a multi-billion pound industry offering permanent and temporary (contract) staffing solutions to millions of clients globally. The sector is populated by a wide variety of recruitment businesses from large multinational recruitment groups to smaller, highly specialised agencies focusing on a particular niche staffing market.

Recruitment Consultancy is sometimes mistaken for a Human Resources function. In fact the role is an exciting and varied sales role. As a Recruitment Consultant you act as an intermediary between businesses and candidates, ensuring that clients obtain the best staff and candidates secure the right jobs.

Figure. 1.1. Why Use a Recruitment Consultancy?

Wider Net of Potential Candidates	**Saving your Time**	**Saving your Money**
Providing Advice	**Salary negotiation**	

1.1.3. Changing the role of HR?

Another debate is sparked of, when we talk of recruitment using social media and Consultants. The major and primary role of HR manager is recruitment. But when an organization takes help of consultants to fill up the vacancies, the question arises whether the role of HR had been limited?

Because social media tools tend to encourage fast and direct communication between individuals one might reasonably question whether their use signals a step-change for the recruitment practices within organizations. Specifically, if job applications are being advertised via social media sites and potential applicants have the opportunity to communicate directly with an organization, rather than going through more usual HR channels, might the traditional functions of the HR department risk becoming superfluous?

3. Literature Review

A report Prepared for **Acas by Institute for Employment Studies** , United Kingdom, by Andrea Broughton , Beth Foley , Stefanie , Ledermaier , Annette Cox on the topic **"The use of social media in the recruitment process"** emphasizes on the pros and cons of using social media for recruitment purposes.

The report views this topic from the side of the Organizations and HR managers who are integral part of this issue. The research was undertaken with the following research questions:

- How and why do employers use social media tools for recruitment, and at what points in the recruitment and selection process? Which tools do they choose and why?
- What do they perceive as the costs and benefits of using social media in the recruitment process?
- What are the risks and opportunities that employers associate with using social media for recruitment, particularly in relation to violation of privacy and employment legislation relating to discrimination in recruitment?
- What policies and strategies do employers put in place to manage legal and reputational risks?
- What are the implications of this research for provision of advice to managers, individual workers and employer and employee representative bodies on using social media for recruitment purposes?

This research had attempted to answer these questions by means of a literature review and case studies of three organizations that have used social media for the purposes of recruitment. The case studies were carried out in February and March 2013 and each involved face-to-face interviews with company representatives in the areas of digital strategy and human resource management. In addition, this report draws on the results of an online panel survey undertaken on behalf of Acas in March 2013 by the research agency Accent. A representative sample of 401 HR decision makers (with a decision-making role relating to recruitment) were polled using questions designed to complement this study. Respondents were asked about their own organization's use of social media when recruiting staff with regard to the extent and types of

their social media usage as well as their rationale for and uncertainties about using (or not using) social media to recruit staff.

The case study organizations considered this question, and all felt that there was no particular threat to HR. At Pets at Home, for example, the recruitment team felt that there was no danger that its role would be undermined in any way by the use of social media, primarily because they manage the whole recruitment process themselves; social media is another tool for them to use, rather than an alternative recruitment channel. Similarly, at Monmouthshire County Council, the HR department was reported to be very open to new ways of doing things, and had been keen to embrace social media in recruitment.

Respondents to the 2013 Acas online panel survey of HR decision makers whose organisation had used social media to recruit staff were asked which concerns, if any, their organisation had had about using social media to recruit staff (respondents could select as many as applied). By far the most commonly-cited concern among these respondents was the worry that using social media in recruitment may disadvantage candidates who do not have access to or do not use social media (50 per cent of respondents). This was followed by concerns about candidates' privacy (36 per cent), concerns that this might result in a larger number of applicants (28 per cent) and that it may give rise to possible discrimination based on candidates' personal characteristics (28 per cent).

Overall, it is clear that the use of social media for recruitment purposes is increasing, as companies experiment with new tools like LinkedIn, Facebook, Twitter and the rest. There is a wide variety of practice in the use of social media tools for recruitment. Use depends on factors such as company size and sector as well as the type of employee whom the employer is trying to reach. Many organisations are experimenting with these tools, which, being relatively new, are moving forward on a trial and error basis.

A report Prepared for Yioula Melanthiou , Fotis Pavlou & Eleni Constantinou (2015) on the topic **"The Use of Social Network Sites as an E-Recruitment Tool,"** Journal of Transnational Management, 20:1,31-49, DOI: 10.1080/15475778.2015 emphasizes on the pros and cons of using social media for recruitment purposes. The aim was to identify if companies use social media during their recruitment processes to attract and screen applicants.

The findings of this research indicated that the online recruitment method has a lot of benefits but also pitfalls of which recruiters should be aware. Furthermore, it seems that the contemporary practice of employee screening through social media can highly affect the hiring decision and legal implications are likely to arise with the wrong use of information. On the contrary, a well-designed system and strategic utilization of available information about potential candidates may significantly assist the recruitment of employees with the most suitable skills and competencies.

3. Research Methodology

3.1 Objectives of the study:
- To understand the role of social media in recruitment.
- To ascertain the role of consultants in recruitment process.
- To understand the extent to which companies use the services of the consultant.
- To understand the rise of consultants with respect to recruitment process.

3.2 Data collection:
For the present study the data will be collected from the following sources & by the following tools

Primary source:
Data was collected through:

- Interviews
- Questionnaires

Secondary source:
Data was collected through:

- Books
- Web sites
- Journals

3.3. Sample Size
Study was conducted by collecting data from:

- 25 Consultants

3.4 Limitation of the study
- Study is limited to Nagpur area only.
- Sample size is small so this study cannot be generalized.
- The answers given by respondents have to be believed and to be taken for granted as truly reflecting their perception.

4. Data Analysis & Interpretation:

The consultants were contacted and the questionnaire was given to them. For the present study, the researcher sent out the questionnaires to 50 consultants only from western region and only 28 could be accepted as rest of the questions were not complete.

The questionnaire consisted of 11 questions out of which 4 were Open ended and 7 were multiple choice.

The Following pie charts depict the responses given by consultants:

Chart depicting Gender of the respondents:
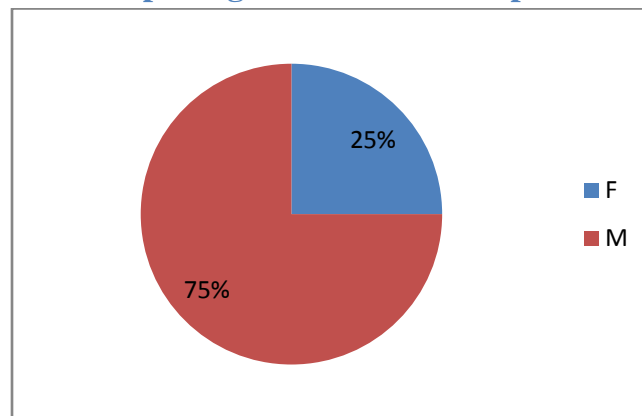
75% of the respondents were male while 25% were females. The consultancy business has been on rise recently and it has been observed that people who have done their post graduation, which is true for our respondents as all of them are post graduates, they tend to start consultancy business as they have interest in doing the same or they look at the current boom in this sector.

## Chart depicting age of the respondents:
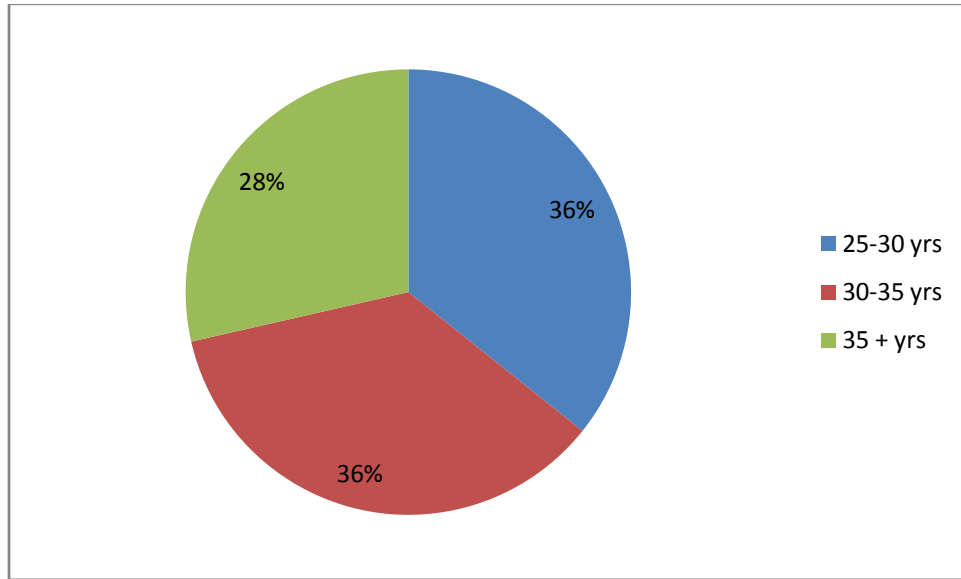
36% of the respondents fall in the category of age 25-30 years. It shows that young people are keener to start a consultancy firm. Offering consultancy services is a recession free business. Therefore there is a boom in this sector. 36% of the respondents are of age 35 years and above. For example, the pioneer of consultancy firms in Nagpur region is Dear sir Jobs and their owner falls in this category.

Chart depicting factors affecting selection of individuals by consultants:
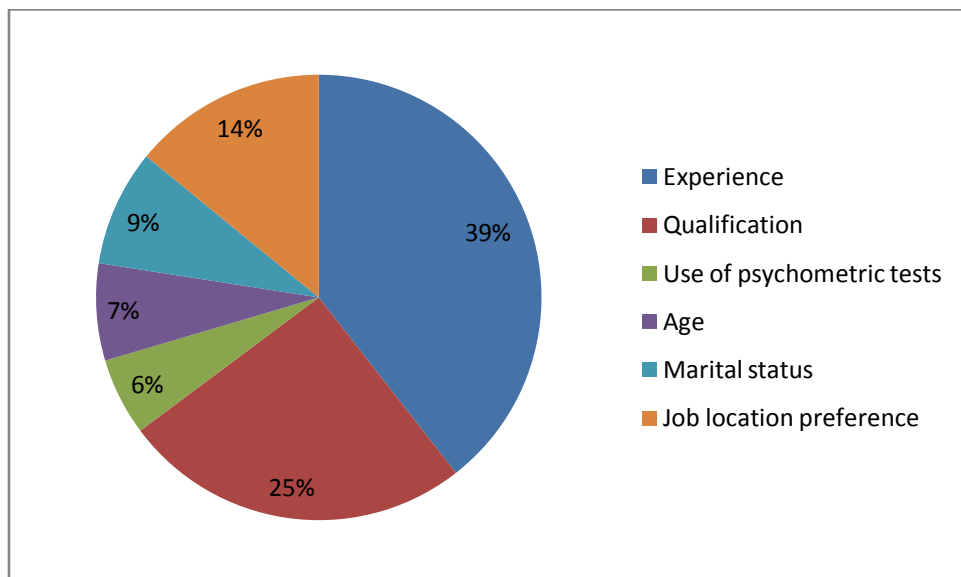
As the chart suggests Experience is the most sought after factor while selecting an Individual. Qualification falls second in this category as the consultants have to match the qualification of the candidate to the Job description given by the company. Marital status affects the chances of a candidate being selected. For example, Due to the nature of the work the companies prefer male candidates for Industrial relations and other labour welfare activities.

Chart: Why companies should trust consultants?
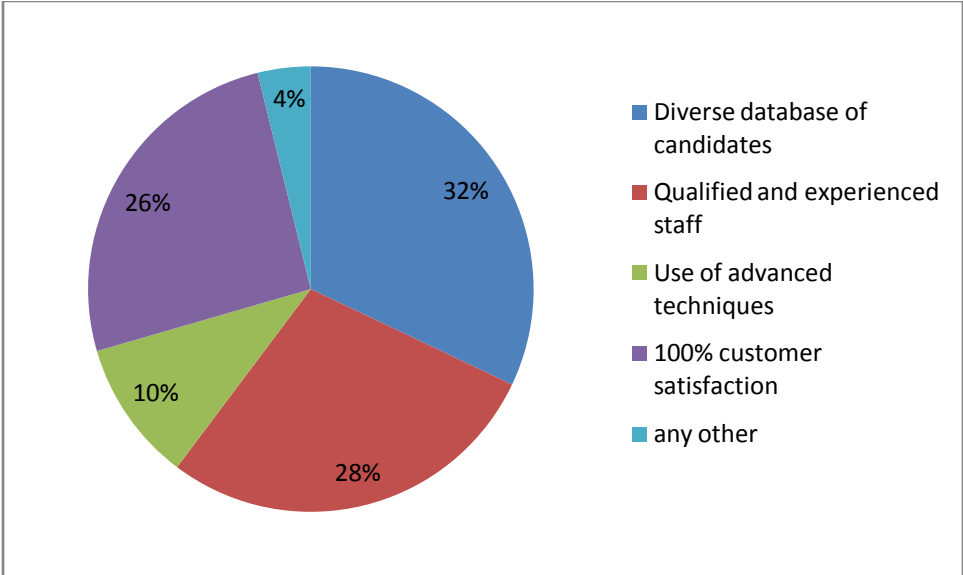
Companies need potential candidates according to their job description. Therefore consultancies have to keep a diverse database of candidates which helps the companies to easily filter the candidates according to their need. Consultancies have qualified and experienced staff which helps them to scrutinize the candidates according to the need of the industry.

Chart: Services provided by consultants
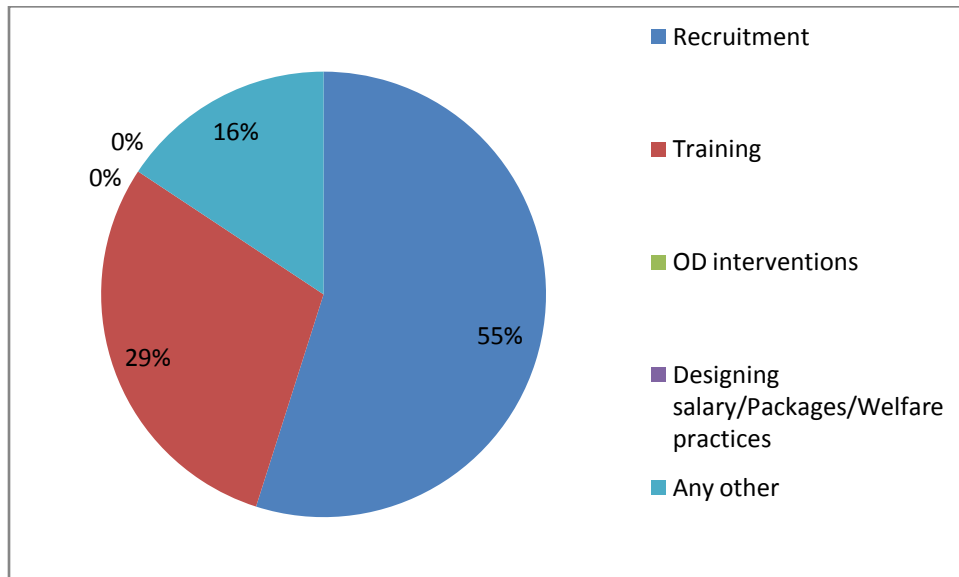
The primary service given by consultancies is Recruitment. It is the most important role of a Human resource manager. But it is outsourced to consultants as it saves time, money and lessens burden on them. They offer training services as they have experienced staff for doing the same. They also offer services such as career counseling and resume building because of the experience in the field.

Following are the responses from open ended questions asked to the consultants:

Table 1.2. Depicting the responses from Open ended questions

Name	Reasons behind starting consultancy firms	Need for consultancies	Which sector outsources most	How do you charge your clients?
Ksp Hrc	To match up the gap between right positions to right candidates	1.Local companies don't have Hr dept. 2.To lessen burden and responsibility 3. need for experienced candidates	It Sector	6.33%-8.33%
Headstart	1.To bridge talent gap in the Industry 2.To give Vidarbha job seekers a window outside the region	1. Yes, Timely recruitment is the need of the hour. 2. Also to negotiate with the talent pool the Hr will needs expertise.	Banking, Telecom	8.33% for Junior 12.5% for Middle 16% for Senior
Dear Sir Jobs	Pioneer in Vidarbha region	Save Time & Cost	Manufacturing and Steel	We Charge the Employers. Candidates are not charged
Success Point	Recession free business. Bread & butter to the needy ones. Our vision is to show you the way of Success. In cream world of service sector, we wanted to make our self a tempting cherry on the cake.	Consultancies provide right candidate at right time. Consultancies have filtered candidates and company can save time and money.	Back office/ Operations/ Manufacturing/ BPO/ Sales	We charge 8.33%

5. FINDINGS OF THE STUDY

Following are the findings of the study based on the data analysis:

1. 75% of the respondents are males while 25 % of them are females with respect to consultants.
2. 36% of the respondents are in the age group 25-30 years while 36% are in the age of 30-35 years 28% respondents are 35+ years of age.
3. Factors that affect selection of an individual are Experience 39%, Qualification 25%, Job location preference 14%, marital status 9%, Age and Use of psychometric tests 7% & 6% respectively.
4. The reasons behind why a company should trust consultancy firms are diverse database of candidates 32%, Qualified and Experienced Staff 28%, Customer satisfaction 26%, Use of advanced techniques 10%, other 4%.
5. Services provided by consultancy firms are Recruitment 55%, Training 29%, Other 16%.
6. Companies need consultancy firms mainly for easing out their workload, To save Cost and save Time.
7. It was observed that consultancy firms were started due to interest of the owners in Consultancy business. Further it is a recession free business and most importantly they wanted to fill up the gap between the potential candidates and the Industry.

6. CONCLUSIONS

The researcher made following conclusions based on the data analysis:

Recruitment is one of the most important functions of Human resource management. All the HR managers understand its importance and acknowledge the role of HR managers.

The factors affecting the growth of consultancy firms can be mainly attributed to the workload on the HR managers who prefer outsourcing for easing the burden on Hr managers and it saves Time and Money.

HR managers understand the various methods of recruitment and have job portals as one of the major areas of short listing the candidates. Though they want someone who can scrutinize the candidates and then send them the shortlisted candidates to them.

Most of the consultants provide recruitment and selection as one of the major services, while training is done only by a select few. Reasons for the same could be many ranging from in house trainers of the companies to the policies of the company or lack of knowledge of training and development programmes. It has also been observed that small companies outsource

Overall we conclude that rise of consultancy firms limits the role of HR manager but at the same time acts as a supportive tool to ease.

Social media too has its own advantages for the organizations. If used appropriately it can prove to be highly beneficial for the HR managers.

The secondary data suggests that the recruitment team felt that there was no danger that its role would be undermined in any way by the use of social media, primarily because they manage the whole recruitment process themselves; social media is another tool for them to use, rather than an alternative recruitment channel. HR also realized that social media is a good way of raising their profile and encouraging feedback. Overall, it is clear that the use of social media for recruitment purposes is increasing, as companies experiment with new tools like LinkedIn, Facebook, Twitter and the rest. There is a wide variety of practice in the use of social media tools for recruitment. Use depends on factors such as company size and sector as well as the type of employee whom the employer is trying to reach. Many organizations are experimenting with these tools, which, being relatively new, are moving forward on a trial and error basis.

8. RECOMMENDATIONS
1. The consultants can develop more tie ups and have MOU's with many more companies.
2. The role of consultants is not yet fully developed and the need is to make sure that the consultants understand the recruitment process in detail.
3. HR mangers can make sure that they select the right consultants to avoid selecting the wrong candidate.
4. The Company can decide to use the right kind of social media for recruitment according to its needs and size of the organization.

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