IMPACT OF RECRUITMENT ON THE ORGANIZATION AND ORGANIZATIONAL DESIGN

by

Mohit Sharma (M.A English, PGDBM HR)

DISSERTATION

Presented to the Swiss School of Business and Management Geneva

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For the Degree

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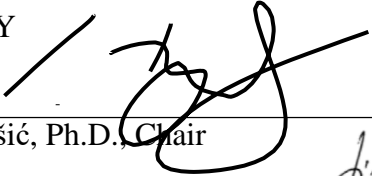SWISS SCHOOL OF BUSINESS AND MANAGEMENT GENEVA

MAY, 2023

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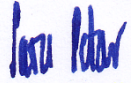MOHIT SHARMA

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Dedication

I would like to express my gratitude towards my parents, whose unwavering love, support, and encouragement have been a constant source of motivation and inspiration throughout my academic journey. Their sacrifices, guidance, and encouragement have made this achievement possible, and I am forever grateful for all that they have done. Their support has been invaluable in helping to overcome any obstacles that came my way, and their guidance has shaped the person and the learner.

I would also like to acknowledge my mentor, Prof Saša Petar, PhD, who has been an invaluable guide and advisor throughout my research. His expertise, feedback, and constructive criticism have been instrumental in shaping my research skills, and I am grateful for the opportunity to learn from him. His mentorship has helped to become a better researcher and scholar, and I recognize that without their guidance and support, this dissertation would not have been possible.

Finally, I would like to express my gratitude to my organization, which provided with the resources, opportunities, and support to pursue my academic goals. The organization's contributions have significantly impacted my research, and it is a privilege to be a part of the organization. The resources, mentorship, and support have played a significant role in shaping this academic journey.

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Acknowledgments are an essential part of the thesis as it allows to express gratitude to those who have contributed to completing this work. Therefore, I would like to take this opportunity to acknowledge and express my sincere appreciation to the following individuals and organizations who have supported throughout the completion of my thesis.

First and foremost, I would like to thank my thesis mentor, Prof Saša Petar, PhD, for his invaluable guidance, support, and encouragement throughout my research journey. His expertise and feedback have been instrumental in shaping my ideas, refining my arguments, and improving the overall quality of my work. I am genuinely grateful for the time and effort he has invested and his unwavering support during the challenging times.

Furthermore, I would like to thank my HR colleagues and references, who have provided with a stimulating academic environment and valuable feedback on my work. Their contribution in completing the survey and their encouragement have kept this process motivated and focused throughout the research journey for this paper.

I want to thank my family, especially my parents, for their unwavering support, encouragement, and sacrifices throughout my academic journey. Their love and support have been my source of strength, and I am grateful for everything they have done.

I would also like to thank the Swiss School of Business Management for allowing us this opportunity to explore the possibility of researching and writing this thesis. The school's efforts and guidance are essential in completing this journey.

I am deeply indebted to all the individuals and organizations mentioned above for their support, encouragement, and assistance throughout my research journey. Their contributions have been critical in ensuring the successful completion of my thesis, and I am grateful for their unwavering support.

ABSTRACT

IMPACT OF RECRUITMENT ON THE ORGANIZATION AND ORGANIZATIONAL DESIGN

PRESENTER: MOHIT SHARMA
YEAR: 2022-23

Dissertation Chair: <Chair's Name>
Co-Chair: <If applicable. Co-Chair's Name>

The introduction of the thesis paper sets the context for the topic by highlighting the importance of recruitment in organizational strategy and introducing the research questions that the paper aims to answer. The introduction also outlines the structure of the paper, providing a brief overview of the key sections and their contents.

The literature review section of the paper provides a comprehensive overview of the existing research on the impact of recruitment on the organization and organizational design. This section covers a range of topics, including the quality of the workforce, the culture of the organization, the dynamics of organizational design, diversity and inclusion in recruitment, and the role of leadership in shaping effective recruitment strategies. The literature review section synthesizes and analyzes the existing research, identifying key themes and insights.

The methodology section of the thesis paper explains the research methods and data sources used to investigate the research questions. This section describes the research design, data collection methods, and data analysis techniques used to generate the findings of the paper. The methodology section also includes a discussion of the limitations of the research and strategies used to address them. The findings section of the thesis paper presents the results of the research, organized according to the research questions. This section provides a detailed analysis of the impact of recruitment on the organization and organizational design, drawing on the literature review and data analysis. The findings section also identifies best practices and recommendations for optimizing recruitment practices to achieve long-term success.

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The conclusion of the thesis paper summarizes the key findings and their implications for organizational strategy and recruitment practices. The conclusion also discusses the limitations of the research and provides suggestions for future research on the topic.

Overall, the thesis paper provides a comprehensive analysis of the impact of recruitment on the organization and organizational design, drawing on existing research and case studies. The paper offers insights into the importance of effective recruitment practices and their role in shaping the success and sustainability of a business. The paper's recommendations can be used by organizations to optimize their recruitment practices and achieve long-term success.

Recruitment and selection are the two phases of the employment process, but there is a difference between them. The first is the process of searching the candidates to fill identifies vacant and stimulating them to apply for jobs in the organization, while the later involves a series of steps by which the candidates are screened to choose the most suitable persons for vacant positions. (Ph.D et al., 2017)

The purpose of this research begins from here. This research is focused on discussing various factors making an impact on an organization's design. The most critical aspect for any organization is its human capital, and the impact it can create on an organizational design and internal dynamics is the primary focus of this dissertation. The method used is a research questionnaire from 100+ HR professionals from Banking Industry and establish the basis by evaluating the response to the questionnaire.

TABLE OF CONTENTS

SSBM Dissertation presented by Mohit Sharma reviewed by Prof Saša Petar, PhD

CHAPTER I: INTRODUCTION

["IMPACT OF THE RECRUITMENT ON THE ORGANIZATION AND ORGANIZATIONAL

DESIGN" ELSEVIER HARVARD REFERENCING]

INTRODUCTION

Recruitment is a crucial aspect of organizational strategy that influences the long-term success and sustainability of a business. The process of recruiting and hiring the right people for the job can have a significant impact on the organization, its culture, and its bottom line. Recruitment has a ripple effect throughout the organization, shaping the dynamics of its culture, the quality of its workforce, and its overall business performance.

Organizations that take recruitment seriously are more likely to have a positive impact on their bottom line. The quality of employees that a business hire can have a significant impact on the quality of their work and their productivity. High-quality employees can make a difference in how a business performs, which ultimately impacts the bottom line. A study by McKinsey & Company found that recruiting top talent can lead to a 25% increase in revenue and a 50% increase in productivity. The impact of recruitment on organizations and organizational design is significant. Recruitment has a direct impact on the organization's structure, culture, and performance. The recruitment process can shape the organization's culture, and the quality of the recruitment process can affect the organization's productivity and profitability. This paper is evaluating and presenting the impact of recruitment on organization and organizational design.

The recruitment process can have a significant impact on an organization's structure. The organizational structure determines how work is divided and how the organization operates. The recruitment process can either reinforce the existing organizational structure or lead to a change in the structure. One of the ways recruitments can impact on organizational structure is by determining the number of employees required for each job position. If an organization wants to expand its operations, it may need to hire additional employees. The recruitment process can help determine the number of employees required and where they should be placed in the organizational structure.

The recruitment process can also impact the organization's structure by determining the skill sets required for each job position. If an organization needs employees with specialized skills, it may need to restructure its departments or create new ones. For example, if an organization needs employees with expertise in digital marketing, it may need to create a new digital marketing department.

Moreover, the recruitment process can impact the level of decentralization or centralization in an organization. Decentralization refers to the distribution of decision-making authority throughout the organization, while centralization refers to decision-making authority concentrated at the top of the organization. The recruitment process can impact decentralization or centralization by determining the level of skills and experience required for each job position. If an organization requires highly skilled employees, it may need to centralize decision-making to ensure that the best decisions are made.

Recruiting the right talent also plays a vital role in creating a positive and productive workplace culture. The culture of an organization is influenced by the attitudes, behaviors, and values of its employees. A culture that supports employee engagement, satisfaction, and retention is a key factor in attracting and retaining high-quality employees. Recruitment strategies that prioritize cultural fit can help ensure that new hires align with the organization's values and are more likely to fit into the culture of the organization.

In addition to impacting the quality of the workforce and the culture of the organization, recruitment also has a significant impact on organizational dynamics. Effective recruitment strategies can foster collaboration, communication, and teamwork, which are critical elements of a successful business. When organizations prioritize teamwork and collaboration in their recruitment processes, they are more likely to hire individuals who have the skills, experience, and mindset necessary to work effectively with others.

Furthermore, recruitment can influence the leadership and management of an organization. Leaders and managers who understand the importance of recruitment can develop strategies that support their recruitment objectives. They can foster a culture of continuous learning and

development, provide opportunities for employee growth and development, and invest in employee retention strategies. Effective leaders understand that recruitment is not just a one-time event, but a continuous process that involves ongoing evaluation, refinement, and improvement.

However, when recruitment is not given the proper attention it deserves, it can have a negative impact on the organization. Poor recruitment practices can lead to high turnover rates, which can be costly in terms of time, money, and resources. A high turnover rate can also create a negative atmosphere in the workplace, which can impact employee morale and productivity. Poor recruitment practices can also lead to a mismatch between the skills and experience of new hires and the requirements of the job, leading to poor performance and dissatisfaction among employees.

Organizations must also consider the impact of recruitment on diversity and inclusion. Recruitment practices that are not inclusive or that discriminate against certain groups can create a toxic culture that limits the success of the organization. Diverse and inclusive recruitment practices are essential to building a diverse and inclusive workforce, which has been shown to have a positive impact on the bottom line. A study by McKinsey & Company found that companies with diverse workforces were 35% more likely to have financial returns above the industry median.

Individuals often enter similar jobs via two different routes: internal mobility and external recruitment. The research examines how the differences between these routes affect subsequent outcomes in those jobs. Drawing on established HR processes and information theories, the study can critically examine the pros and cons of bringing external talent. (Bidwell, 2011)

The paper is reviewing the organization's performance levels, stability, attrition, and other vital factors. Is salary enough to retain talent in this era is another critical issue intended to be addressed by this paper.

Is a good degree enough to have a solid observable indicator of ability as measured by experience and education? This paper uses the same theories to argue the exact nature of internal actions (promotions, lateral transfers, or combined promotions and transfers) affecting employee outcomes. Analyses of personnel data from the organizations and a targeted survey to establish the co-relation.

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In conclusion, the impact of recruitment on the organization and organizational dynamics cannot be overstated. Recruitment plays a vital role in shaping the success and sustainability of a business, from its bottom line to its culture and its workforce. Effective recruitment strategies can lead to a more engaged, productive, and high-performing workforce, while poor recruitment practices can result in high turnover rates, decreased morale, and lost productivity. To achieve long-term success, organizations must prioritize recruitment as a critical component of their human capital strategy and continually evaluate and refine their recruitment practices to align with their goals.

Recruitment and Organizational Culture

Organizational culture refers to the shared values, beliefs, and practices of an organization. The recruitment process can have a significant impact on an organization's culture. The recruitment process can shape the organization's culture by determining the type of employees hired, the values emphasized during the hiring process, and the onboarding process.

One of the ways the recruitment process can impact organizational culture is by determining the type of employees hired. If an organization wants to foster a culture of innovation, it may need to hire employees who are creative and have a track record of innovation. If an organization wants to foster a culture of teamwork, it may need to hire employees who have a history of working collaboratively.

Moreover, the recruitment process can impact organizational culture by emphasizing certain values during the hiring process. For example, if an organization wants to foster a culture of diversity, it may emphasize the importance of diversity during the hiring process. If an organization wants to foster a culture of excellence, it may emphasize the importance of excellence during the hiring process.

The onboarding process can also impact organizational culture. The onboarding process refers to the process of integrating new employees into the organization. The onboarding process can shape the organization's culture by reinforcing the values and practices of the organization. If an

organization wants to foster a culture of collaboration, it may create an onboarding process that emphasizes teamwork and collaboration.

Recruitment and Organizational Performance

The recruitment process can have a direct impact on an organization's performance. The quality of the recruitment process can affect the organization's productivity, profitability, and competitiveness.

One of the ways the recruitment process can impact organizational performance is by determining the level of engagement. Employee engagement can be determined by the level of commitment employees have to the organization and its goals. The recruitment process can impact employee engagement by hiring employees who are an ideal fit for the organization's culture and values. Employees aligned with the organization's culture and values are more likely to remain engaged and committed to the organization.

Furthermore, the recruitment process can impact the quality of the workforce. Hiring employees with the necessary skills and experience can improve the quality of the workforce and increase productivity. Additionally, recruiting employees who are a good fit for the organization's culture can lead to higher employee retention rates and lower turnover, which can reduce the costs associated with the hiring and training new employees.

The recruitment process can also impact the organization's diversity and inclusivity. A diverse workforce can bring a variety of perspectives and ideas to the organization, leading to innovation and better decision-making. The recruitment process can ensure that the organization has a diverse pool of candidates and can reduce the risk of bias in the hiring process.

Organizational Design and Recruitment

Organizational design refers to the process of designing the structure, systems, and processes of an organization to achieve its goals. Recruitment is an important part of organizational design as it helps to identify the workforce required to achieve the organization's goals.

One of the ways recruitments can impact organizational design is by determining the job roles and responsibilities required for each position. A clear understanding of job roles and responsibilities is necessary for effective organizational design. The recruitment process can help identify the necessary skills and experience required for each job role, which can inform the design of the organization's structure and systems.

Moreover, the recruitment process can impact the organization's design by determining the level of centralization or decentralization required. If an organization needs highly skilled employees, it may need to centralize decision-making to ensure that the best decisions are made. On the other hand, if an organization values employee autonomy and empowerment, it may need to decentralize decision-making. Additionally, the recruitment process can impact the design of the organization's processes and systems. For example, if an organization hires employees with expertise in data analysis, it may need to create processes and systems to support data analysis. This can lead to the development of new systems and processes that improve the organization's efficiency and effectiveness.

This dissertation intends to advance the study of addressing the issue of recruiting externally and at the same time manage internal talent pool. Based on the premise that this study could contribute to increasing knowledge about the multiple options managers must opt for when it comes to recruiting employees for the organization. The paper reflects organizational remodeling and redesigning as one of the key methods of addressing this issue.

1.1 Human Capital as part of Organization Competitiveness

The old adage is: "the customer is always right," and while this paper won't argue that making your customer's experience a priority is a fundamental piece of business prosperity but must recognize that your employees are not only the people that ensure a positive customer experience, but your employees are ultimately customers too. If you want to be a competitive force in both the market and the war for talent, it is suggested to make employee experience an equal priority. This

step can enhance your employment reputation, increase internal referrals, reduce turnover, and give you the edge you seek.

("Maintaining A Competitive Advantage: Put Your Employees First - Manpower Maine," n.d.)

Human resource development is defined as the framework for helping employees develop their personal and organizational skills, knowledge, and abilities. Human resource development is concerned with enhancing organizational through effective development and deployment of corporate members. To improve performance, a human resource developer must ensure that the individuals in the organization have the knowledge, expertise, and attitudes to execute their work. Also, human resource development aims to provide that the organization is skilled and committed. Well-motivated employees need to sustain competitive advantage by focusing on processes that develop employee skills, knowledge and attitude, such as training, developing, learning, educating and mentoring the employee, and also by identifying and improving the skills and motivation of employees.

("Achieving Competitive Advantage through Human Resource Development," 2014)

In 1985, Harvard Business School Professor Michael Porter wrote Competitive Advantage, the definitive business school textbook on the topic, which helps companies to create a sustainable competitive advantage. Porter explained that a company must create clear goals, strategies, and operations to build sustainable competitive advantage in his book. The employees' corporate culture and values must align with those goals. Porter researched hundreds of companies to identify the three primary ways that companies achieve a sustainable advantage: cost leadership, differentiation, and focus, including human capital management.

("Competitive Advantage," n.d.)

1.1.1 Talent Pipeline:

Aerospace giant Lockheed Martin, Bethesda, Md., uses several pathways to fill its skilled talent pipeline. In early 2020 it launched a vocational scholarship program for high school seniors and college students pursuing vocational degrees. The scholarship funds degrees at accredited vocational-technical schools to prepare students for advanced manufacturing degrees that don't require a bachelor's or advanced degree. Lockheed Martin also offers a four-year STEM Scholarship program and apprenticeships that range from aircraft maintenance and assembly to software, cyber security, and engineering.

Detroit-based LIFT, a national manufacturing innovation institute, recently received $1 million to expand its Operation Next program to reskill/upskill workers impacted by the COVID-19 pandemic. A skilled and ready workforce is among the most critical assets for manufacturing employees' recovery post-COVID-19, LIFT said in a statement. The development of a skilled workforce begins with motivating a higher number of recruits that are more qualified. Words matter. Stop referring to "trades and vocations" for jobs requiring significant post-secondary training, such as apprenticeships. <u>Adopt the wording that helped produce the exceptional German and Swiss manufacturing workforces: professionals?</u>

More informative categorizations of certain occupations can result in additional recruitment for skills training. For example, terminate the use of "middle-skills" and implement a term such as "skilled manufacturing technologists." Categorize skill level by the work that is accomplished, not by the number of degrees held by the workers. Creating a stronger skilled workforce is critical to reshoring and the country's manufacturing growth.

("Workforce Development for Global Competitiveness," n.d.)

The idea of compound interest is one of the most important principles in investing. Compound interest refers to the fact that if you make an investment that earns interest in the first year, and you add that interest to your original investment, then in the second year, you earn interest on the original investment as well as the first-year interest, and so on. It turns out that when organizations select better employees, the benefits of their improved performance also "compound" over time. This significantly increases the value of improved employee quality over time, just as compound interest significantly increases the returns on investments over time.

Employee flows into, though, in and out of an organization influence the value of a manpower program or any other HR intervention. The failure to consider the effects of variable costs, taxes, and discounting tends to overstate utility estimates. Conversely, failure to consider the effect of employee flows may understate utility estimates. The utility analysis formulas originally introduced reflected a selection program used to hire a single group and often reflected only the first-year effect of those better-selected employees. They expressed the utility of adding one new, better-selected cohort to the existing workforce. Yet in any investment, the cumulative benefit over time is relevant. One would not evaluate an investment in improved quality control for raw materials merely on the first order received. In the same way, selection utility should reflect the cumulative effects on all employees selected over time. **(Cascio and Boudreau, 2011)**

But to achieve a competitive advantage, organizations would require human capital, and without competitive human capital, it is tough for an organization to achieve sustainable competitiveness. In today's world, any differentiating information/data, new technology, new process, methodology or invention can be available for an organization to adopt. But, as a matter of difference, it is the people who make the difference in executing and sustaining that competitiveness for an organization.

To sustain the competitive advantage, the human resource department also needs to ensure that while the focus remains on the development of the available human capital, the need to attract and acquire an external talent pool strategically is not overlooked. More importantly, your technology, content, data, information, process, place, partnerships, promotions, and strategy are comparatively easy to replicate, but the niche skill your human capital possesses is challenging to duplicate.

The increased competition in the market has apparent implications for sustaining and attracting the right talent pool. The Talent War for a rightly skilled workforce is even more intense than before, across all job levels. The widening gap between the competitiveness required by an organization to sustain and the availability of potential human capital is more alarming than ever. As organizations increase competitiveness with automation and new technologies, the existing human capital[1] need comprehensive training, technical skills, and corresponding skills to interact and grow. Organizations also need to follow non-traditional training paths in comparison to a regular full-time degree as the need for a competitive environment to be actively dependent on a continuous journey.

1.2 The History and Evolution of Recruitment

Job sites, resumes database, and mobile applications have not always been part of the recruiter's arsenal. The recruitment market is evolving at the same time as everyday technology and is today better known as the e-recruitment market. Recruitment has existed since the beginning of the very notion of organization. A very long time ago (55 BC) before Jobboard Finder, the world's largest job board encyclopedia, was born, Julius Caesar gave birth to employee referrals by offering 300 Sestertius to any soldier recruiting another into the Roman army. Many years after, during the

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[1] Human capital refers to the economic value of an employee's skills and experience. This counts things like education, training, intelligence, health, and even qualities like loyalty and punctuality that offer some value to an employer.

industrial revolution the main recruitment media was a simple sign in front of the factory. **(Desormes, 2014)**

After that, the recruitment process changed and therefore the recruitment market too.

From the 50's to the 80's the most popular recruitment media was the newspapers. Indeed, more than 75% of candidates were sourced via newspapers adverts. The recruitment consultants in the 80's had only a phone and 3 tools to get the best talents: the local newspapers, the national newspapers, and the specialist job supplements. The interviews were face to face meetings, usually at the bar.

In the early 90's, the World Wide Web was born without considering it could significantly change the recruitment market. Indeed, in the mid 90's the first online job sites were launched. Recruitment became then e-recruitment. Recruiters had to change their habits and start recruiting online. They had to advertise jobs online while advertising their offers in a print magazine or newspapers. The first contact with the candidate was usually an email and then a talk on the phone. In the 2000s the recruitment methods changed very fast given that only 6% of job seekers used the Internet in their job hunt in 2002 against 46% in 2003. Job boards are the recruiters preferred tool. Recruiters post their ads and buy resumes database access to get the best candidate. They became far more tech savvy, as print declined.

Today more than 97% of job seekers search their new career opportunities over the Internet. The Internet offers many ways for a recruiter to find the perfect candidate; they can advertise jobs online through job sites or their career websites. However, the 2014 recruiter is hyper connected. Job boards are not enough to recruit a talent. Recruiters are socially connected everywhere by any means possible: 24/7. They use professional social media, e.g., LinkedIn and regular social

networks such as Twitter or even Facebook to find the best talent. Call that the social network recruitment[2]. **(Desormes, 2014)**

The entry of computers into the workplace drastically altered the recruitment process by introducing software such as the Applicant Tracking Systems (ATS) and applicant databases. This made storing and searching through application files a lot easier and quicker. The introduction of the World Wide Web further revolutionized the recruiting process. While recruitment before was localized, the internet allowed placement firms to look for candidates on a global scale. Different websites and social media platforms gave staffing agencies a wide reach, allowing them to find the best candidates from around the globe.

The emerging technologies transformed recruitment agencies into tech-savvy companies that rely on the latest technology to recruit the best candidate for any position in a company. Companies could call on administrative assistant recruiters, executive search firms, and more. Using their big databases, recruiters can connect employees with employers in limited time and with greater skill than ever before.

It's a great, new world for job applicants who can apply for employment in their robes and slippers from the comfort of home. No more traipsing around from business to business with resume in hand. People can submit their resume online through the job sections of companies, recruitment agencies, or through various social media platforms. Recruiters of days gone by would find today's processes to be downright wondrous. With all the technology and resources in place, the entire hiring process can now be completed in a matter of days, including background checks. It's an exciting time to be looking for an employee or a job. **(Associates, 2019)**

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[2] Social media recruiting is the process of using social media platforms, like LinkedIn, Twitter, Facebook, and Instagram, to share job postings, network with professionals, and research potential job candidates

So – what's at the heart of the recruitment?

Individuals transacting and delivering candidates to fill open vacancies. Often repeatedly. In high volume hiring cases, bottoms on seats and if you're an agency or internal agency team, for a fee. In many cases, a repetitive and transactional role. The industry is not regulated, formally qualified, licensed or requires any specific training to undertake. Although a few organizations' (such as the REC) have tried to encourage 'codes of conduct' to mitigate the risk from poor practices. Simply the ability to identify, attract, engage, represent, and usher candidates through the door is all it takes.

Simple in principle but as many threads on LinkedIn and social media demonstrate almost daily, not quite so easy in practice for many who don't know what they are doing. Or are doing well at face value but with unethical or immoral practices. Over the years telephones, newspapers, fax machines, emails, the internet, social media, and the ability to build relationships with candidates and clients have been the ingredients to deliver candidates to roles for sustained success. But over time, technology and strategy have started to play a bigger part in the evolution of recruitment during the past couple of decades or so.

("'The History of Recruitment' – How the evolution of Tech has changed the role - Hollaroo," 2021)

1.2.1 Talent Acquisition is born.

Qualified professionals have started to bring some strategy and planning to recruitment. Known as Talent Acquisition (part of the bigger Talent Management piece), HR introduced Forecasting, Workforce Planning, Succession and Structured Assessment to a very transactional activity. Recruiters have evolved to become Talent Acquisition Managers and HR has started to bring some studiousness to an otherwise unacademic profession.

Technology has at that same period had an enormous effect on Recruitment and Recruiters. The way in which Recruiters would squirrel away knowledge, connections, information and activities in notebooks, their minds and desk drawers… information and connections have become so much more visible and accessible. Bringing in to question the value of a Recruitment Agencies to the whole process, who (in the past) would demonstrate their £ value based upon the level of 'intel' of a particular candidate market or industry.

The Internet. Google and search engines. Job Boards. ATS and CRMs. Social Media. Automation. Robots. Augmented Reality and so on, means that businesses and candidate perception (of recruiters) has significantly changed. They no longer are the exclusive link to opportunities like before. There is a more direct and linear path to jobs and vacancies. There's significantly more stakeholders and rigorous stages require transition, to be accepted into a role. And therefore, a more ethical approach than a single recruiter decision maker, using their subjective skills.

1.2.2 The Recruitment Marketer is born.

The impact from this evolution of the role has had a direct effect upon the TA Managers themselves too. The last five years have seen marketer skills becoming the heart of the role too. Focusing more on more on Brand, EVP, and Engagement… the role has become more about journeys and experiences. So, is this the death of the traditional recruiter?

No. Not at all. Fundamentally, the role hasn't changed. It's still at its heart, all about filling vacancies. But the good news is that with these new tools, techniques and thinking – we're seeing the evolution of an industry and the associated practices.

Rise of the cool tech or Good Old-Fashioned engagement automation?

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There's plenty of media conversation suggesting that the evolution of technology in Recruitment has radically changed the level of sophistication applied. For example: Is a CRM any different to a Black Book that you kept in the top drawer of your desk in 1991? Agreed – It's just more visible to colleagues and peers. With that in mind, you've simply got to translate the typical 'notes in the margin' from your black book and be sure it's up to date! The ability to form, build and sustain relationships is no different from the 1980's to 2018. The competition surrounding attracting quality talent is no more or no less challenging (proportionately) than 30 years ago, it's just the playing field is now digital and not analogue.

So – has the changes in Recruiting been an evolution or revolution? A question needs more detailing and insights.

1.2.3 In summary

The role of recruiting has evolved significantly into a multi-disciplined and complex role incorporating a wide range of responsibilities – however, businesses must recognize, if a Talent Acquisition Leader is *ever* to have an impact, it's not simply about giving them a fancy job title! They need investment, resources, technology, and support from senior stakeholders to ensure they can build the capability to engage talent beyond simply the typical attraction stage.

Is there too much choice when it comes to tech (ATS and CRM)? Yes! So, who is best to decide which one gets used and implemented – HR, Finance, IT, Recruiters, or someone else? Use practitioners, colleagues, and technology vendors to help you learn from others' mistakes and cut through the noise when you're choosing a platform. Many advocate that a CRM is the future when in fact, it simply reflects technology which services processes that 'expert' recruiters have been using for years. The important consideration should be towards your hiring behavior (are you

filling vacancies, or building a sustainable, engaging, and dynamic process) *before* you apply technology to the process.

TA Leaders should be engaging with their own senior stakeholders (Hiring Managers et al) to support the development of this dynamic approach and deploying technology to facilitate it. After all – they're more likely to care about the outcome than even the recruiters themselves. They want great talent! The truth is nothing happened to Recruiters in 2019 that wasn't the case for the industry in 1959. Since WW2 HR and Technology just increased the competitive stakes, but the expectations ultimately remained the same for everyone involved – be a candidate, hiring manager or recruiter.

Perhaps the one thing that may have changed slightly are the labels used for Recruiters as highlighted. But then again, society has more labels than ever before. The evolution of recruitment is accelerated by recruiters who understand how to transition their existing (and successful) processes to tech – improving efficiency, consistency, and accuracy. Here are a couple of examples of how:

- **Pre-Recruitment**

Workforce Planning and Forecasting Tools (such as Foresight for e.g.) capturing data previously held in spreadsheets and trackers (or even in peoples' minds). Even some ATS can now do this for you as a front-end module to the process separate from day-to-day recruitment. Aligning project and resourcing plans (typically in Org Design or Structures) that automatically track and notify leavers, new roles or growth against a program plan or people strategy without the need for manual notifications from HR, Finance or PMO.

- **Attraction**

Talent Pools, Pipelines, Communities and Social groups allow people (internally & externally) to connect and engage over long periods of time for various reasons. Job Board and Social Media aggregators automating advertising to multiple channels and locations. Marketing funnels that allow for automated time lapsed postings 24 hours a day or night. Pre-Planned and released. AI is probably the single biggest innovation around Attraction. A Bot that works 24/7 365 days, programmed, and taught as you would a recruiter, and reaches wider and much quicker than a human. However, for now, most would agree that from an engagement perspective AE – Actual Empathy has it over AE – Artificial Empathy[3].

- **Assessment**

Online / Offline / Automated Reports / Dashboards and Visuals almost instantly once a candidate completes their assessment. Without the need for extensive analysis by a qualified professional, Auto-Profile Matches too if fed in at front end job specs / profiles aligning to assessments. Video Interviewing one or two-way allows for time differences and the candidate to answer at their own pace but still engage with the Hiring Manager even if not in real-time.

- **On Boarding**

Induction Sites & Modules within the ATS are helping for a soft landing on Day 1 leading to a partially completed induction ahead of time. Tailored to a candidate by role or department rather than a generic corporate one size fits all approach.

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[3] Artificial empathy or computational empathy is the development of AI systems—such as companion robots or virtual agents—that can detect emotions and respond to them in an empathic way.

- **Retention**

Increased engagement and touch points on scale and at pace, frequently. Pulse Surveys, Engagement Surveys, Performance Reviews automatically aligned to role profiles, without the need for large survey teams to distribute, collect, collate, and analyze data. Predictive Analytics[4] providing trends and insights at the touch of a button (Resourcing Insight) aligning to demographics, diversity & inclusion, discipline, skill set, geography / department. The common theme across all of these – AUTOMATION. Being able to do more of what was used to, quicker and digitally rather than manually / analogue.

1.2.4 Skills of a 'new age' recruiter

Recruiting is an essential function for any organization, and with the changing landscape of the business world, the skills required for success as a recruiter have also evolved. A new age recruiter should possess a range of skills to excel in their role and effectively attract and retain top talent.

First and foremost, a new age recruiter must have strong communication skills. Effective communication is critical for building relationships with candidates and clients, negotiating job offers, and resolving sensitive situations that may arise during the hiring process.

In addition to communication skills, new age recruiters must also be tech driven. The ability to use recruitment technology, such as applicant tracking systems, video interviewing platforms, and social media, is crucial for finding, attracting, and engaging with candidates in today's digital age.

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[4] The term predictive analytics refers to the use of statistics and modeling techniques to make predictions about future outcomes and performance.

Furthermore, a data-driven approach is becoming increasingly important in the recruitment field. Recruiters should be able to use data analytics and metrics to measure the effectiveness of their recruitment strategies and make data-driven decisions to improve their hiring outcomes.

Finally, emotional intelligence is another key skill for new age recruiters. The ability to understand and manage one's emotions and those of others is crucial for building trust with candidates and clients, as well as for navigating challenging situations that may arise during the recruitment process.

1.3 Sources of Recruitment

1.3.1 Internal Hiring

Internal hiring is the process in which a company chooses to promote or transfer a professional who already works for the company to a new role. This may happen when a professional shows interest in an open position within the company or if the management professionals feel an employee is a good fit for a new role. Internal happenings can occur when an employee transfers to a position in a new department or earns a promotion and works a part with more seniority. Sometimes, hiring managers and human resources professionals share job postings with internal employees before publishing them for public advertisement. This allows internal employees to receive first consideration for the position.

("Pros and Cons of Internal vs. External Hiring (With Definitions)," n.d.)

A study by LinkedIn found that 24% of employees who were looking for a new job cited being overlooked for a promotion by their current employer as their main motivation for leaving. In a time where job-hopping has become the norm, creating more opportunities for internal mobility can greatly increase employee loyalty.
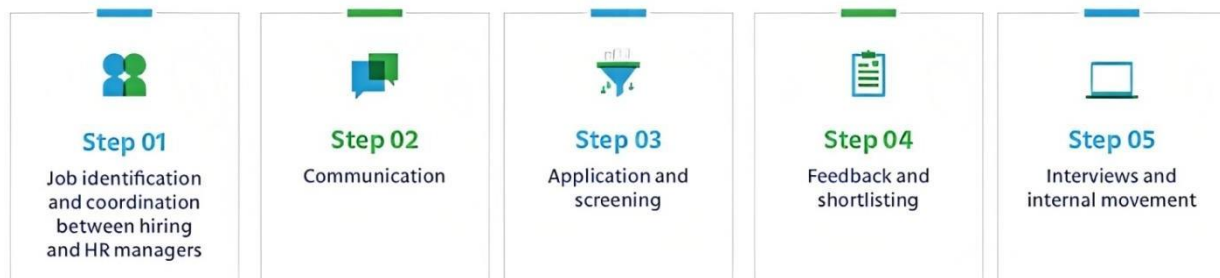
Aside from the financial aspects, internal recruitment motivates and incentivizes current employees to go that extra mile for a promotion. Meanwhile, looking externally for senior positions can disincentivize top performers who feel they should be next in line.

("Internal vs. External Recruitment," 2019)

Sources for Internal Hiring: Promotions, Internal Job Posting, Transfers, Organization Re-Structuring, Job Rotations, Additional assignment, Talent Development, IDPs etc.

<u>Figure 1</u>

<u>Below are the steps involved in a typical internal hiring process:</u>

Step 01	Step 02	Step 03	Step 04	Step 05
Job identification and coordination between hiring and HR managers	Communication	Application and screening	Feedback and shortlisting	Interviews and internal movement

Source: ("Internal and external recruitment practices in organizations," 2022)

Internal recruitment is a better strategy for some situations, for example:

- When a position requires more company knowledge or a seamless cultural fit.
- When you have lots of talent eager to climb the ladder.
- When you already have the right skills within your company.

1.3.2 External Hiring:

External hiring is a process in which companies recruit professionals who don't already work in their company to fill a specific role. This is a standard hiring method, as it allows companies to grow and provide career opportunities for new professionals in the workforce. The external hiring process involves advertising a job description on popular job search websites and interviewing candidates. ("Pros and Cons of Internal vs. External Hiring (With Definitions)," n.d.)

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Sources for External Hiring: Campus recruitment, Employment Exchange, Media Advertisements, Contractual hiring, Employment Agencies, Job portals etc. One of the most interesting external hiring sources is to hire ex-employees. These boomerangs employees could be traditional, life event related and planned.

Boomerang employees[5] have insider organizational knowledge from their previous employment, and the company is familiar with the individual's skills, potential and cultural fit—much more information than typically known with a new hire. Embracing this talent pool rather than sticking with outdated no-rehire policies can be beneficial, from lower recruiting and onboarding costs to higher employee morale and fresh perspectives ("Internal and external recruitment practices in organizations," 2022)

Figure 2

Below are the steps involved in a typical external hiring process:

Step 01	Step 02	Step 03	Step 04	Step 05
Identifying talent needs	Posting the vacancies	Exploring additional sources of external recruitment	Preliminary testing and interviews	Candidate selection and offers

Source: **("Internal and external recruitment practices in organizations," 2022)**

External recruitment can be more prudent in many circumstances, like:
- When it's time to grow your business.
- When you want a jolt of creativity and a fresh new perspective.
- When you need to restructure or lead your team in a new direction.
- When you need to bring new skills and expertise into your organization.

(Jacobson, n.d.)

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[5] As a definition, a boomerang employees are those employees who left the organization in a positive manner and have been approached to return.

1.3.3 Pros & Cons of Internal Vs External Hiring

External and Internal hiring refers to two types of hiring methods that companies use. Having an efficient hiring process can ensure that a company is well-staffed and that its employees have the proper qualifications and abilities to complete their job tasks. If you're trying to decide whether to promote internal employees or hire new professionals to fill roles within a company, it's important that you understand both internal and external hiring processes.

- *Pros of Internal Hiring:*

1. Reduces Hiring Cost

   Because hiring internally doesn't require the company to advertise the open position or spend an extensive amount of time interviewing candidates, this practice can reduce hiring costs. Additionally, internal candidates are often less likely to need extra compensation for things like relocation fees or the cost of a background check. Hiring internal candidates for open positions can allow you to allocate part of the funds you might have spent on hiring an external candidate to other aspects of your department's budget.

2. Shortens the hiring process.

   Internal hiring often involves a shorter hiring process than external hiring. This is because human resources professionals typically can conduct fewer interviews, which likely are more concise than an interview with an external hire. This is because hiring an internal employee often includes fewer references and background checks. In many cases, the human resources professionals also already know the employee, so the interview doesn't need to be as comprehensive.

3. Allows for employee familiarity.

   When companies choose to hire internally, it allows a professional who is already familiar with the company philosophy and culture to fill a new role. This can allow for a shorter adjustment period than an external hire may need. Having a shorter adjustment period often allows internal hires to obtain their ideal productivity goals at a quicker pace, which can contribute to the wellbeing of the company's daily operations.

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4. Establishes a clear performance history.

    Hiring an internal candidate for a position is often beneficial because human resources professionals already have a record of the candidate's performance history. This allows human resource professionals to take less of a hiring risk, as they already know how productive the employee is usually and have records of professional achievements as well. Internal hiring can also act as a reward for an employee's great performance record.

5. Provides career development opportunities.

    Hiring from within the company can provide career development opportunities for professionals who already work for the company. This often can consequently increase employee satisfaction and retention because professionals may be happier at a company in which they can grow. Internal hiring can encourage employees to continue to work with the company and motivate them to work for promotions.

- *Cons of Internal Hiring:*

1. Creates a need to hire for another role.

    Promoting or transferring an internal employee to another role leaves their previous role vacant. This means that human resource managers need to find another employee to assume their responsibilities and hire a new employee. Though, promoting an internal employee to a more senior position allows human resources to hire for a position that requires fewer credentials, which may make the hiring process easier.

2. Impacts employee morale

    Internal hiring can affect employee morale, especially when more than one professional wants an open position. This may cause competition between two employees, which can affect their work environment. In some cases, employees who don't receive a promotion may leave the company. To ensure a peaceful internal hiring process, consider being

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transparent and fair in your decision. Be sure to use performance records and quantifiable credentials to make your decision so each employee understands that the hiring process is free from any bias.

- *Pros of External Hiring:*

1. Diversifies staff.

   Recruiting external hires to join the company allows for the opportunity for these professionals to provide fresh insight and ideas to the company. They can also help enrich the company's culture. While there's often less risk involved in hiring internal candidates, external candidates allow other employees to make new connections with industry professionals. If a company feels the need for a change, adding external hires to your staff may help.

2. Brings new skills to the company.

   External hiring often brings new skills to the company by hiring professionals with a diverse set of qualifications. While an internal employee may train to begin work in a new role, an external hire might already have the qualifications they need to succeed in the position. With their fresh insight and new skills, external hires can also solve problems within the company that an internal employee might not notice as easily.

   External hires can be especially valuable if the company is going through a period of change. For example, if one department starts to use a new computer system, hiring a professional who is already familiar with it can help improve the efficiency of the department.

3. Allows the company to grow.

   External hiring allows you to expand the company and provide more career opportunities for professionals. This type of hiring process can often allow human resources managers to find several qualified employees. It's not uncommon for a professional to earn a different role at a company than the position for which they applied. Also, hiring more than one candidate for the role can increase the department's efficiency and productivity.

4. Manages employee workload.

   Hiring an external candidate can help manage the workload of other employees because it decreases the need for current employees to accept more job responsibilities. Because external hires likely have different skills than current employees, these professionals might also be able to complete some tasks with more ease than internal employees can.

5. Provides a larger talent pool.

   As mentioned before, using an external hiring process can welcome a larger pool of talent to the company. This is because you're likely to receive more external applicants than internal applicants. Having a larger talent pool can mean making it more likely for you to find the perfect candidate for the position without having to compromise on some credentials.

- *Cons of External Hiring:*

1. Increases hiring costs.

   External hiring often costs more than internal hiring because it requires more orientation and training hours along with the time and effort spent interviewing candidates. Because external hiring also requires human resources departments to advertise the job posting, it can be more cost-effective to hire internal candidates. When using an external hiring

process, try to calculate the hiring expenses and document them for your department's budgets.

2. <u>Needs longer training periods.</u>

   External hires usually need longer training periods than internal hires, because they're less familiar with the company's culture and policies. Create more efficient and effective training programs to ensure new hires can acclimate to the company's culture and their job duties quickly. With better training programs, external hires can feel more confident in their roles and begin meeting their productivity goals soon after they start.

("Pros and Cons of Internal vs. External Hiring (With Definitions)," n.d.)

1.4 Recruitment & Selection, Factors and Methodology

1.4.1   What is the difference between recruitment and selection?

Recruitment and selection are distinct phases for hiring professionals.

When it comes to recruitment, the focus is on attracting, selecting, and designing the appropriate candidates for one or more positions within an organization, permanent or temporary. The term 'recruitment' can be defined as the attraction of people to be incorporated into the routine activities of the organization by pre-defining work requirements and specifying the employee profile. It also measures an individual's likelihood of joining the organization, and its compatibility with the company's mission, vision, and values. Recruitment can also be carried out in the processes developed for choosing individuals for unpaid positions, such as volunteer roles or training programs.

The 'selection' process aims at conducting interviews and evaluating candidates for a specific job, defined at recruitment, selecting. Finally, an individual for the vacancy, based on predefined criteria. Selection can range from a very simple process to a very

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complicated one, which depends solely on the company you hire and the position the candidate is looking for. It is important to remember that in all selection processes, it is necessary to obey certain labor laws, preserving both company and candidate, to avoid discriminatory acts during the selection of the employee.

1.4.2 Which Comes First Recruitment or Selection?

Recruitment and selection are different processes. First is recruitment, that has as its premise: Attraction, selection, and design of the appropriate candidates for the selection phase. Then the selection is made, which aims to conduct the interviews and evaluate the candidates, to select an individual for the job.

1.4.3 Factors Influencing Recruitment & Selection

All organizations, whether large or small, put time and resources into the process of recruiting and selecting employees for the activities. However, they do not consider the same criterion. There are factors that are often not considered by organizations, but directly influence the process. Administrative recruitment factors can be broadly divided into internal and external factors.

1. External Factors:
    - Supply and demand.
    - Unemployment rate.
    - Intern market.
    - Place where the applicant resides.
    - Company image.

Supply and demand are the metric of the specific skills required in the job market. If the demand for a particular skill is high compared to the supply, a larger recruitment effort

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may be required. Thus, the higher the unemployment rate in each area, the simpler the process of recruiting and selecting the company. The unemployment rate has become one of the influencing factors in the recruitment and selection process. The number of unskilled candidates is very large, which causes difficulties in attracting and retaining suitable candidates. On the other hand, with the unemployment rate decreasing, it is important to explore new ways to recruit candidates.

The company's image also directly influences the number of candidates who are attracted to the position. In many cases, the applicant not only targets the salary amount, but prioritizes the company's qualifications and working conditions.

It is very common for companies to prioritize candidates residing in their respective state. This avoids major changes and travel expenses for interviews and future allowances. The company's image is also extremely important as it is responsible for attracting many candidates with varying levels of qualification.

2. Internal Factors
   - Recruitment policy.
   - Company size.
   - Cost growth and expansion.

Most organizations have a policy of recruiting employees internally or externally. Recruitment by appointment is one of the most used by organizations, as employees themselves know the company better, making it easier to recommend candidates who can easily adapt to the culture of the organization.

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1.4.4 Participatory Contributors

1. In the recruitment and selection process, participant promotions and transfers can be a good

   source of recruitment. Promotion to higher positions has several advantages as follows:
   - Admiration.
   - Moral construction.
   - Encouragement of competent and ambitious individuals.
   - Improved likelihood of good selection, from reporting on individual performance to readiness in availability.
   - Low cost.
   - The internally chosen employee is already familiar with the organization.

2. Internal promotion can also serve as a higher-level management development training device. The perfect promotion requires the use of a work statement, personnel records, and skill banks. Job posting opens a range of options, so the medium and the way the job is advertised makes the company have a huge variety of candidates. A job that requires specific qualifications allows employees to strive for a better position within the company.

3. Advertisement

   One of the bases for recruitment and selection, job openings, should include important information about the job. Many allow machines to do their work. Therefore, it is important to question, measuring the willingness of relocation and preferences, as well as availability for training and courses.

4. Requirements

   When a position needs to be filled, the requirements are broken down and the candidates selected. Although recognized, problem matching can be an effective elimination method in recruitment and selection.

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5. Transfers

   Another way to recruit and select employees is transfer without promotion. Transfers are frequent and give employees a broad view of the organization needed for future promotions.

6. Skills Inventory

   Another method of recruitment and selection is the use of skill inventory. Essentially, skill inventory includes:

   - A list of contributor's names.
   - Training, courses, and training.
   - Current position, work experience, relevant work skills.
   - Other skills and qualifications.

   The organization may search the skills inventory of other companies to identify potential candidates for job openings.

7. Job Offer

   These recruitment and selection procedures specify:

   - Candidate type.
   - Qualifications for vacancies to be filled.

   With this, they end up adjusting workers to cover the gaps. Given the interest, employees who can fill vacancies are identified. The most qualified candidate occupies the highest position.

8. Indications/Referrals

   An excellent source of information allows: Current employees, who know someone who is qualified and interested in the position, to nominate them for the position. Some

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companies offer referral bonuses, a way to encourage employees to refer people. Employees hired by referral are willing to work as mentors ensuring that the nominee succeeds in the company.

9. Direct Method – Campus Hiring

Jobs in commerce or industry have grown technical and complex, to the point that specialization is required for their execution. As a result, large organizations maintain close liaison with universities, vocational institutes and management institutes for the recruitment and selection of their employees.

An advantage of this method is that the placement center helps locate candidates and provides resumes to organizations, in addition candidates may be prescribed. On the downside, the campus uses forms of recruitment and selection that recruit and hire people with little or no work experience.

Thus, organizations have to offer some kind of training to candidates almost immediately after hiring.

10. Indirect Method - Announcements

Indirect methods involve advertising vacancies, mainly in newspapers, radio, television, trade and professional journals, technical magazines, and pamphlets. Advertisements in newspapers and / or trade journals and magazines are the most used method when qualified or experienced traders are not available from other sources.

Announcements usually provide a brief description of job responsibilities, compensation package, prospects in the organization, etc. This method is appropriate when the organization wants to reach a designated group and wants many talented people from different places.

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Nowadays there are a considerable amount of job sites on the web. Potential candidates can post job site resumes so that the organization's recruiter can look for the appropriate candidate more easily for recruitment and selection.

1.4.5 Factors Impacting Recruitment & Selection in an Organization:

1. Use of Hiring Policy

   The main internal factor that can determine the success of the recruitment and selection programmer is the use, or not, of the hiring policy. In most cases, a company cannot attract enough qualified candidates.

   It takes time for the company to find the appropriate way to recruit and obtain a dynamic and effective method of selection. When the best alternative is discovered, the recruitment and selection plan is the easiest tip, minimizing the efforts placed on recruitment.

2. Scale of Hiring

   Another internal factor is size, which directly influences the recruitment and selection process. Contrary to popular belief, an organization with 100,000 employees has less difficulty recruiting than an organization with an average of 1,000 employees.

3. Cost

   Cost is an internal factor that needs to be considered. Recruitment and selection expenses are calculated with each new hire and the amount is significant. So, recruiters must operate within budgets. Online recruitment systems are careful and can be considered, and the choice of professional recruiters can minimize recruitment and selection expenses. For example, an excellent cost reduction measure is to recruit several jobs at the same time. The best solution is to seek to use professionals who already have practice in the function, or seeking to close gaps internally, with professionals already hired, thus reducing the need

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for recruiting. It is always important to calculate the quality, quantity and costs of recruitment and selection so that it is possible to assess whether the mechanism is efficient and cost effective.

1.4.6 Artificial Intelligence in Recruitment & Selection

Artificial intelligence can make recruiting and selecting your business faster and easier. With artificial intelligence assisting in recruitment and selection procedures, the routine is streamlined, and HR has more time to focus on hiring the right person for the job.

There are several recruitment and selection software with artificial intelligence in the market. With them, you can make your selection process management completely online.

Artificial Intelligence (AI) has become an increasingly popular tool for recruitment and selection in recent years. The use of AI in recruitment and selection has the potential to streamline the process, reduce bias, and improve the candidate experience. This paper explores the role of AI in recruitment and selection for an organization and its benefits and limitations.

1. Job Posting and Candidate Sourcing

AI can be used to post job openings on various job boards and social media platforms. AI algorithms can analyze job descriptions and recommend suitable job titles, keywords, and locations. AI-powered tools can also conduct targeted candidate searches by analyzing job seekers' profiles, skills, and experience. This approach can reduce time and effort in candidate sourcing, allowing recruiters to focus on more strategic activities.

2. Screening and Matching Candidates

   AI-powered tools can screen, and match candidates based on their resumes, cover letters, and applications. These tools use natural language processing (NLP) and machine learning algorithms to analyze the content and context of the candidate's materials, identify relevant skills and experiences, and match them to the job requirements. AI screening can also identify red flags such as gaps in employment, inconsistencies in work history, and irrelevant information.

3. Conducting Interviews

   AI can also be used to conduct initial interviews with candidates. Chatbots, powered by NLP and machine learning algorithms, can ask candidates questions, and respond to their answers. Chatbots can also schedule interviews, remind candidates of appointments, and collect feedback. Video interviews can also be conducted using AI tools that analyze candidates' facial expressions, voice, and tone to assess their responses and emotions.

4. Eliminating Bias

   AI can eliminate unconscious bias in recruitment and selection processes. AI algorithms are trained to identify and remove bias in job postings, candidate sourcing, screening, and selection. This approach can help to reduce the risk of discrimination against candidates based on their age, gender, race, ethnicity, religion, or disability. AI can also reduce subjective bias by applying objective criteria to assess candidates' skills and qualifications.

5. Enhancing Candidate Experience

   AI can enhance the candidate's experience by providing timely and personalized communication throughout the recruitment and selection process. Chatbots can answer candidates' questions, provide feedback on their applications, and inform them of the status

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of their applications. AI can also improve the candidate's experience by reducing time-to-hire and streamlining the recruitment and selection process.

6. Benefits of AI in Recruitment and Selection

a) Streamlining the Process

AI can streamline the recruitment and selection process by automating routine tasks, such as job posting, candidate sourcing, screening, and selection. This approach can reduce the time and effort required by recruiters, allowing them to focus on more strategic activities, such as engaging with candidates, assessing cultural fit, and negotiating offers.

b) Reducing Bias

AI can reduce bias in recruitment and selection processes by applying objective criteria to assess candidates' skills and qualifications. This approach can help to eliminate unconscious bias against candidates based on their age, gender, race, ethnicity, religion, or disability. By reducing bias, AI can increase diversity and inclusion in the workplace.

c) Improving Candidate Experience

AI can improve the candidate's experience by providing timely and personalized communication throughout the recruitment and selection process. Chatbots can answer candidates' questions, provide feedback on their applications, and inform them of the status of their applications. AI can also reduce time-to-hire, leading to a faster and more efficient recruitment and selection process.

d) Enhancing Quality of Hires

AI can enhance the quality of hires by screening and matching candidates based on their skills and qualifications. AI algorithms can identify relevant skills and experiences, match

them to job requirements, and assess cultural fit. By selecting the most qualified candidates, AI can help to improve organizational performance and reduce turnover.

7. <u>Limitations of AI in Recruitment and Selection</u>

Despite its numerous benefits, AI in recruitment and selection also has some limitations that organizations should be aware of:

a) Lack of Human Interaction

The use of AI in recruitment and selection can result in a lack of human interaction. While AI can streamline the process and reduce bias, it may not provide the same level of personal touch as human recruiters. Candidates may feel like they are interacting with a machine rather than a person, which can impact their perception of the organization.

b) Data Bias

AI algorithms are only as good as the data they are trained on. If the data used to train AI models is biased, the AI results are biased. For example, if the historical hiring data shows a preference for male candidates, the AI may also favor male candidates. Organizations need to ensure that the data used to train AI models is diverse and unbiased.

c) Technical Challenges

The implementation of AI in recruitment and selection may require technical expertise and resources that organizations may not have. Integrating AI tools with existing systems and workflows may be challenging, and ongoing maintenance and updates may be required.

d) Legal and Ethical Concerns

The use of AI in recruitment and selection raises legal and ethical concerns. Organizations need to ensure that the use of AI complies with relevant laws and regulations, such as equal employment opportunity (EEO) laws. They also need to ensure that the use of AI is ethical and does not discriminate against any group of candidates.

Conclusion

In conclusion, the use of AI in recruitment and selection has the potential to streamline the process, reduce bias, and improve the candidate experience. By automating routine tasks, AI can help recruiters focus on more strategic activities, such as engaging with candidates and assessing cultural fit. However, organizations need to be aware of the limitations of AI, such as the lack of human interaction, data bias, technical challenges, and legal and ethical concerns. To maximize the benefits of AI in recruitment and selection, organizations should carefully evaluate their needs, select the appropriate AI tools, and continuously monitor and evaluate their performance.

Thus, the start of a task force is determined through the input of all departments. In addition, the success of the outcome of the steps the candidate goes through indicates the importance of efficiently running a well-executed recruitment and selection process. **(JobConvo, 2019)**

CHAPTER II: PROBLEM STATEMENT

[“IMPACT OF THE RECRUITMENT ON THE ORGANIZATION AND ORGANIZATIONAL DESIGN” ELSEVIER HARVARD REFERENCING]

2.1 Balancing Internal & External recruitment.

Organizations do operate constantly between the choice to enable a home-grown talent pool or seeking right talent from the market. Technology has made information almost available to anyone; therefore, believing that the Talent pool you are developing remain with you is a myth. Understanding and accepting that the Talent pool is diverse, and dynamic is the starting point from where organizations can start channelizing their efforts.

Technology gives us the impression that almost any working knowledge can be as fast and simple as the information that can be accessed online. It provokes a belief in the organization, that Talent doesn't need to be developed over years; instead through few tricks of the trade and few hours of tutorials and practice can be trained. Similarly, organizations believe that with the power of information technology the skills and the learning can easily be transferred. Both the points are incorrect to begin with, primarily because it is an established fact that any Talent that moves out of an organization also takes along an institutional skill set. Similarly, the transfer of learning from a manpower leaving an organization to manpower joining an organization is not a mechanical process, because along with the skill sets a new employee is likely to operate with an individual human element in him/her. Therefore, the dynamics of the social interactions within the organization lead to further changes in the process of knowledge transfer.

There is surely no perfect formula to create and maintain this balance as both choices do have their impact on the organizational dynamics, while hiring externally can bring fresh perspectives, builds diversity, and offer the benefit of addressing the challenges rather than making someone learn to

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address the gaps. On the other hand, you may have employees who have risen through the ranks in the organization by honing their skills and aligning their expertise with the organizational requirements. The question is canning the organization afford to allow people to experiment, learn and address challenges at the same time? Considering the dynamics of business, the need to upskill is more than before and therefore, the ability to resolve one problem may not be sufficient for a talent to sustain in this market.

If your organization is on a high growth trajectory and diversifying into new products and geographies, the opportunity to learn and progression be generated naturally. To lead a such project, it is advisable to allow someone who understands the organizational dynamics internally to sustain the cultural DNA[6] of the organization. However, the skills required may not readily be available in-house and therefore, the need to bring external competence is required for effective results. The balance in this case for an organization would be to allow an Internal employee to lead the strategy while an external talent is responsible for execution.

Similarly, if your organization is on a low-growth trajectory and is not expanding any new product segments soon and the objective is to capture market share in the existing territory. It is advisable to allow internal employees to make strategies and execute them as well.

So, the faster you are scaling as an organization the need for external talent is more. Scaling manpower for the requirement aligned with the organization present and future needs a continuous intervention and proactive preparations by human resource department. The organization would need talent equipped with the skills you'll need in the next phase before the time grips organization planning with urgent matters for execution. So, the question of balance is, if you hire externally,

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6 A cultural DNA is a collection of genetic instructions used in the growth, development, functioning and reproduction of any culture. Whenever a group of people are together they form a culture.

you demotivate your performers and may lose organizational essence. But, promoting internally exclusively won't prepare the organization for the challenges ahead as the organization won't have the foresight and talent needed to deal with the change.

One of the key concepts this paper would like to discuss and relate with balancing Internal and External recruitments is Growth Share Matrix by BCG.

Figure 3
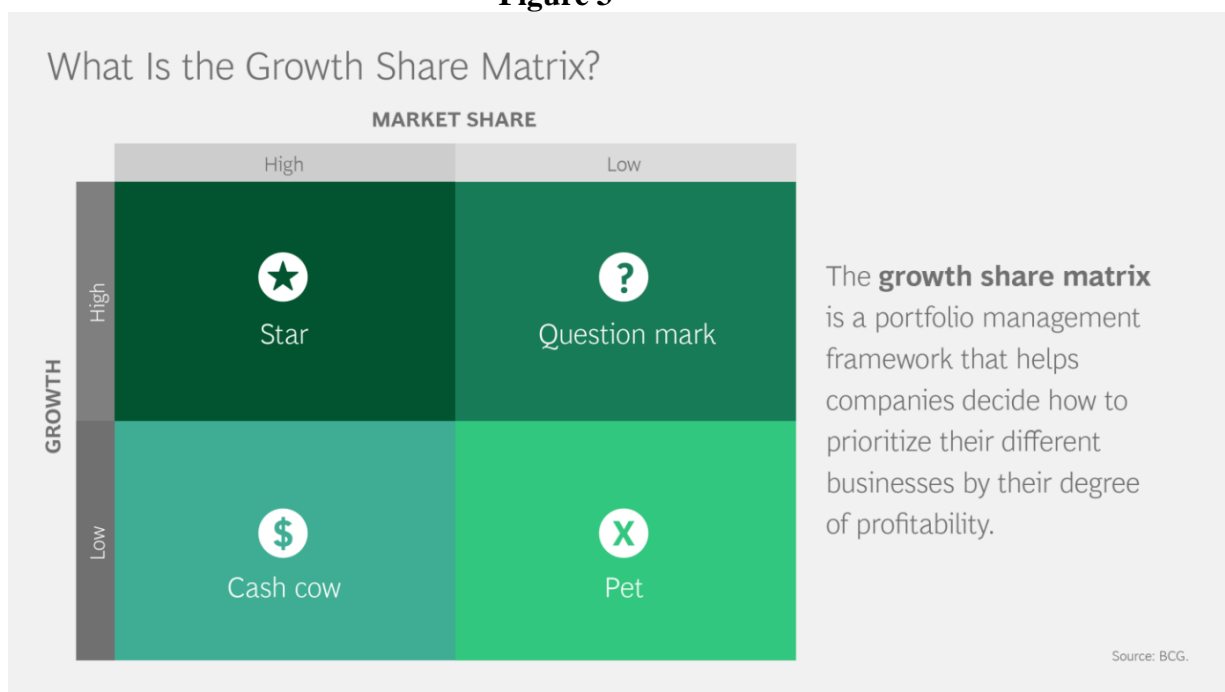
2.1.1 How Does the Growth Share Matrix Work?

The growth share matrix was built on the logic that market leadership results in sustainable superior returns. Ultimately, the market leader obtains a self-reinforcing cost advantage that competitors find difficult to replicate. These high growth rates then signal which markets have the most growth potential.

The matrix reveals two factors that companies should consider when deciding where to invest—company competitiveness, and market attractiveness—with relative market share and growth rate as the underlying drivers of these factors.

Each of the four quadrants represents a specific combination of relative market share, and growth:

1. Low Growth, High Share: Companies should milk these "cash cows" for cash to reinvest.

2. High Growth, High Share: Companies should significantly invest in these "stars" as they have high future potential.

3. High Growth, Low Share: Companies should invest in or discard these "question marks," depending on their chances of becoming stars.

4. Low Share, Low Growth: Companies should liquidate, divest, or reposition these "pets."

As can be seen, product value depends entirely on whether a company is able to obtain a leading share of its market before growth slows. All products eventually become either cash cows or pets. Pets are unnecessary; they are evidence of failure to either obtain a leadership position or to get out and cut the losses. **("What Is the Growth Share Matrix?," n.d.)**

Now, when this paper looks at the four quadrants representing a specific combination of relative market share and growth, it is evident that an organization can possibly be in any of these FOUR stages of maturity and progress. However, this paper suggests here that an organization, considering the dynamic environment, the multiple product lines, different geographies, and different technology, can be in more than one quadrant at one point in time. So, basically, an organization can be segregated into multiple quadrants at the same time. It brings the fundamental question of this dissertation to the front that no single strategy can potentially be sufficient to understand the talent need for an organization. This primarily means that depending on the stage of an organization as per growth matrix, the Human resource department may have to adopt and

execute multiple strategies at a given time. So, whether an organization going through Low Growth High Share phase invest internally in re-skilling their potential pool or should reinvest it to acquire new technology.

We are presenting in this dissertation suggestive strategies for an organization aligned as per the Growth Share Matrix; with an assumption that other factors as discussed in this dissertation are constant. The combination of business growth matrix linked with HR strategies is an extension to the existing study and is focused on strategic HR alignment with organizational dynamics.

Growth-Share Matrix	Description	Actionable Steps for an Organization
Low Growth, High Share	Companies should milk these 'Cash Cows' for cash to reinvest.	Given that organizations in this quadrant possess significant financial resources, an effective strategy to consider is investing in talent acquisition through external recruitment. This approach can broaden their access to markets and result in improved growth share. While internal talent is certainly capable of delivering positive outcomes, external recruitment offers a unique opportunity for organizations to diversify and expand their skill sets.
High Growth, High Share	Companies should significantly invest in these 'Stars' as they have high future potential	In a green patch quadrant, internal recruitment is a strategy for organizations to promote employee loyalty and retention by providing growth opportunities for internal employees. By investing in people development, organizations can address skills gaps and build competencies necessary for sustainable growth. While internal recruitment can reduce recruitment costs and risks

		associated with external hires, companies must prioritize diversity in hiring and promotion practices to benefit from diverse perspectives and ideas. Overall, internal recruitment can be a valuable strategy for organizations in a green patch quadrant seeking long-term success.
High Growth, Low Share	Companies should invest in or discard these "question marks," depending on their chances of becoming stars.	To right-size their organization and bridge any talent gaps, organizations in this phase must carefully evaluate the costs associated with required manpower. By utilizing a combination of internal and external recruitment strategies, companies can ensure they have the right people in the right roles, maximizing productivity and driving growth. Internal recruitment offers reduced recruitment costs and employee loyalty, while external recruitment provides access to a diverse pool of candidates. The most effective approach depends on the organization's specific talent needs and the cost-benefit analysis of each strategy. Organizations must prioritize their resources and focus on implementing the most effective approach to build a talented and productive workforce for long-term success.
Low Growth, Low Share	Companies should liquidate, divest, or reposition these "pets."	Organizations in this phase should conduct a thorough evaluation of their internal manpower requirements and prioritize re-aligning, re-adjusting, and re-deploying existing personnel through internal recruitment. This approach can maximize employee loyalty and retention, while minimizing the recruitment costs and risks associated with external hires. By utilizing internal recruitment, organizations can ensure that employees are in the most suitable roles to drive growth and

		productivity. Companies must carefully consider the cost-benefit analysis of this approach and prioritize resources to implement the most effective internal recruitment strategy for long-term success.

2.2 Study Indicating Internal versus External hiring.

A landmark study published in Administrative Science Quarterly looked at seven years of employment data from a financial services company's U.S. investment banking army. In the analysis of 5,300 employees across different roles, those promoted from within the organization had significantly better performance than external hires in their first two years.

The study's author noted how it could take about two years for external hires to "get up to speed" with their new jobs; most notably, building the relationships needed to be effective. Onboarding can be challenging for them. In the study, external hires were 61% more likely to be fired from their new jobs, while internal hires were promoted faster and had lower voluntary and involuntary exit rates. The study verified how hiring from within the company is less expensive than hiring externally. External hires were paid 18% more, reflecting their higher experience and education. However, the study's author noted that education and experience are relatively weak indicators of how well someone performs on the job.

Sixteen per cent – that's both the average turnover rate and the average rate of separations within the first three months of employment, based on a survey from the Society for Human Resource Management (SHRM). When you consider the average cost per hire was $4,425 in the study survey, the idea of losing nearly one in five new employees and the same number of overall employees is unsettling.

Should companies hire internally, then? It depends on the situation. Sometimes, a struggling company needs an outside perspective to get on the right track, and certain positions may require a certain level of expertise that few people at the company have. Other times, there may be compelling, qualified candidates in the company. Having someone in the organization's culture

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move up and take on more responsibility can be what's best for that role, and a company is committed to training and promoting from within.

("Hiring Quality Employees," 2019)

One of the important factors that determine organization decision in hiring Internal External is the Compensation of Employees (**CE**)[7]. It is one of the driving factors that determines the ability of an organization to build, borrow and buy Talent needs. Competitive pay scales not only allow an organization to win Talent from marketplace (External) but also Employees are motivated to outperform to be able to grow within the organization (Internal).

Pay inequity[8] is increasingly becoming a reputational risk for organizations in an era where employees can share and compare their pay levels. In many countries, it is now mandatory to disclose pay levels to promote transparency and accountability. Companies that pay fairly are more likely to attract and retain top talent, whilst companies that pay unfairly experience lower morale, create resentful employees, and dampen commercial performance. The World Economic Forum estimates reputational risk as the equivalent to 25 percent of a company's market value ("4 Steps to Address Internal and External Pay Inequity," 2018)

However, most organizations are yet to bring equity when it comes to compensating their Internal Employees in comparison to the External Candidates being hired. Organizations can evaluate these 4 steps to manage pay equity:

1. Put in place a robust approach to measure jobs and salaries to diagnose, understand and address salary variance in your workforce.

2. Be transparent about pay policies, trends, and the changing demands of your workforce. Speak openly about the skills needed and the skills you expect you'll

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[7] Compensation of employees (CE) is a statistical term used in national accounts, balance of payments statistics and sometimes in corporate accounts as well. It refers basically to the total gross (pre-tax) wages paid by employers to employees for work done in an accounting period, such as a quarter or a year.

[8] Pay inequity refers to unequal pay for work of equal value, which depends on your skill level, effort, responsibilities, and working conditions.

need in the future. This is not necessarily confined to your company – there may be a need for this on a national or international level, especially when it comes to training young people.

3. Be realistic and plan for these changes. Develop a compensation strategy that includes a risk management plan. Map out all the internal and external pressures that have historically affected salary levels, as well as those likely to in the future. And devise solutions to mitigate each risk when they occur. From skills shortages, to downturns, rogue business managers who recruit their own talent and ignore salary bands: Each eventuality can be planned for and tackled. Stakeholder management is key when an organization's reputation is risky.

4. Develop people to move up the ladder, improve their wages and how skills are taught at work.
    a. This is particularly needed with young people. In many cases, they haven't yet learned the 'soft skills' needed in the workplace.
    b. Our Best Companies for Leadership study shows the best companies develop these skills internally (and promote from within), which is both cost effective and more reliable than going to the market. This can take the form of placements in different areas to diversify skills.

Internal and external pay inequity is a complex, multi-dimensional issue that reflects market and organizational pressures. CEO compensation packages receive a high level of public attention; however, it is often reflective of industry, market as well as geographic location trends. Every organization needs to create a well-crafted compensation strategy that manages internal and external pressures and ensures ongoing pay equity for all employees, while mitigating reputational risk and driving superior performance.

2.2.1 Why External Hires Get Paid More and Perform Worse than internal Staff.

Here is some research sure to rankle every employee who has applied for internal promotion and been passed over in favor of someone brought in from the outside. According to Wharton management professor Matthew Bidwell, "external hires" get significantly lower performance evaluations for their first two years on the job than do internal workers who are promoted into similar positions. They also have higher exit rates and are paid "substantially more." About 18% to 20% more. On the plus side for these external hires, if they stay beyond two years, they get promoted faster than those promoted internally.

While doing his research, Bidwell noted one difference between the external hires and those already in the company who are being promoted. "People hired into the job from the outside often have more education and experience [than internal candidates], which is probably some of the reason they are being paid more," he says. "When you know less about the person you are hiring, you tend to be more rigorous about what you *can* see" — such as education and experience levels listed on a person's CV, or what Bidwell calls "externally observable attributes." And yet "education and experience are reasonably weak signals of how good somebody is on the job," he notes.

For his research, Bidwell analyzed personnel data from a U.S. investment banking division from 2003 to 2009. In that study, he documented twice as many internal promotions as external hires. Investment banking, Bidwell writes, represents "an interesting context in which to study the effects of internal versus external mobility [because] organizational performance often depends on the skills of the workforce, [thereby] increasing the importance of personnel decisions."
(Bidwell, 2011)

2.2.2 Internal Recruitment Critical to Hiring, Retention

According to several surveys, employers realize this danger but fail to take preventive action. Of the 1,189 respondents to a recent study from talent acquisition solutions firm Futurestep, 87 per cent said that having a solid internal mobility program—where employees are encouraged to apply for new roles within their organization—would help with attraction and retention efforts.

However, only one-third reported that their company has such a program. And 92 per cent of 400 respondents to a succession planning survey fielded by HR compliance resources provider BLR agreed that identifying high performers is essential. Still, only per cent said that they actively attempt to identify these assets.

Jenna Filipkowski, director of research for the Human Capital Institute (HCI), a global talent management association based in Cincinnati, has found that redeploying employees already familiar with the organization is often more effective for filling vacant positions than recruiting external talent.

According to research conducted by HCI and Oracle and released in early 2015, 60 per cent of 291 employers said workers who were promoted into jobs performed significantly better than employees hired externally into similar positions. Over half of respondents (59 per cent) said their internal mobility opportunities made them more globally competitive.

"Relying on internal talent may give organizations the competitive edge they need in talent acquisition, especially when external talent is difficult to attain," Filipkowski said. She added that hiring from within is also less expensive and quicker than hiring externally.
(Maurer, 2015)

2.2.3 Internal Marketplaces are the future of Talent Management

Mark Lobosco, vice president of talent solutions at LinkedIn, noted that internal mobility programs have been on the rise for years but that the pandemic made the practice business-critical. "Learning and development leaders say internal mobility is more of a priority now than before COVID-19. We're seeing internal mobility rates rise, too—from April through August 2020; the internal hiring rate was nearly 20 per cent higher than it was during the same time in 2019," he said.

Retention[9] is the No. 1 benefit of internal mobility, according to talent acquisition professionals. More than 80 per cent of those surveyed by LinkedIn agreed that internal recruiting improves retention, followed by accelerating new-hire productivity and reducing time-to-hire.

"Increased engagement, lower costs and a shorter hiring process are only a few of the perks that are leading this shift, but perhaps the biggest benefit is greater retention," Lobosco said. "Employees at companies with high internal mobility stay almost two times longer than those who don't, and employees who found new roles internally are three and a half times more likely to be engaged than those who haven't."

Retention was the biggest problem Schneider Electric was trying to solve when it invested in a talent marketplace in 2019. "Exit surveys showed that about 47 per cent of people who left the company voluntarily said they were leaving because they couldn't find the right opportunity inside Schneider," said Divkiran Kathurian, formerly the general manager for HR transformation at the Paris-based energy management company, and now director of talent mobility with Seagate Technology based in Bangalore, India.

"On the other hand, this paper found out that our hiring managers were waiting for some critical positions to be filled for 40 and even 90 days," she said. A talent marketplace was the solution to bringing more transparency to the twin issues of supply and demand the company was facing. The company has since matched thousands of employees with new opportunities. Kathurian said she also wanted to use the platform to create an internal gig economy, to meet the talent demand for short-term projects.
(Maurer, 2021)

2.2.4 Should Employers Prioritize Internal Promotions?
Employees at companies that hire and promote more internal candidates stay 41 per cent longer than workers at companies with lower internal hiring rates, according to LinkedIn's 2020 Global

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9 Employee retention is the organizational goal of keeping talented employees and reducing turnover by fostering a positive work atmosphere to promote engagement, showing appreciation to employees, and providing competitive pay and benefits and a healthy work-life balance.

Talent Trends report. It's faster and cheaper to hire from within the organization because internal candidates already know the job and the organization.

However, organizations must develop a formal strategy and process to ensure that objectivity and equity are achieved to realize those benefits. Otherwise, unintended nepotism, partiality and entitlement can weaken human capital-output and employee loyalty.

Formal internal hiring programs should include these key elements:

- Diversity
- Transferable Skills
- Employee Development and Monitoring
- Leadership Development
- Empathy for Employee's Individual needs
- Feedback

(SHRM-SCP, 2021)

Research by Hays group suggest that firms with a high recruitment engagement score have performance and revenue levels on an average 4.5 times higher than those with the lowest, and numerous studies have correlated high recruitment engagement scores and how to turn recruitment into a competitive advantage. Efficient, streamlined recruitment processes, including the ability to outsource when necessary, can empower your HR team to help new recruits hit the ground running and deliver results faster. ("Using effective recruitment to gain competitive advantage," 2017)

2.2.5 Where to Look for Your Next Great Hire

There's no one-size-fits-all approach when it comes to deciding whether to hire externally vs. internally, but experts point to general scenarios when it may make sense to consider one approach over the other.

Table 1 (Where to Look for Your Next Great Hire)

Look Outside	Look Within
▪ Tough corporate turnarounds or strategy shifts are underway. ▪ Succession planning and performance information is inconsistent, absent, or hard to access. ▪ Specific skills are needed that are not readily available within the organization. ▪ The organizational culture welcomes multiple perspectives. ▪ Processes are in place that support job training and full integration into a position.	▪ The organization is thriving. ▪ Succession planning and performance reviews are consistent and transparent. ▪ An abundance of firm- or industry-specific skills are required for the job. ▪ A unique and strong organizational culture may be hard to understand or fit in with. ▪ No or few processes are in place to support job training and integration into a position.

Source: (Krell, 2015)

Some studies are already being published to address this problem, but most of them focus on comparing the two sources of hiring ignoring the other factors impacting organizational design. The paper focuses on understanding and evaluating the source of this concern and potential frameworks to allow organizations to select an appropriate solution.

Here is some research sure to rankle every employee who has applied for an internal promotion and been passed over in favor of someone brought in from the outside. According to Wharton management professor Matthew Bidwell, "external hires" get significantly lower performance evaluations for their first two years on the job than do internal workers who are promoted into similar jobs.

They also have higher exit rates, and they are paid "substantially more." About 18% to 20% more. On the plus side for these external hires, if they stay beyond two years, they get promoted faster than do those who are promoted internally (Fanning, 2017)

2.3 Recruitment & Impact on Organizational Structure

1. Recruitment and Organizational Structure

   The recruitment process can have a significant impact on an organization's structure. The organizational structure determines how work is divided and how the organization operates. The recruitment process can either reinforce the existing organizational structure or lead to a change in the structure. One of the ways recruitments can impact on organizational structure is by determining the number of employees required for each job position. If an organization wants to expand its operations, it may need to hire additional employees. The recruitment process can help determine the number of employees required and where they should be placed in the organizational structure.

   The recruitment process can also impact the organization's structure by determining the skill sets required for each job position. If an organization needs employees with specialized skills, it may need to restructure its departments or create new ones. For example, if an organization needs employees with expertise in digital marketing, it may need to create a new digital marketing department.

   Moreover, the recruitment process can impact the level of decentralization or centralization in an organization. Decentralization refers to the distribution of decision-making authority throughout the organization, while centralization refers to decision-making authority concentrated at the top of the organization. The recruitment process can impact decentralization or centralization by determining the level of skills and experience required for each job position. If an organization requires highly skilled employees, it may need to centralize decision-making to ensure that the best decisions are made.

2. Recruitment and Organizational Culture

   Organizational culture refers to the shared values, beliefs, and practices of an organization. The recruitment process can have a significant impact on an organization's culture. The recruitment process can shape the organization's culture by determining the

type of employees hired, the values emphasized during the hiring process, and the onboarding process.

One of the ways the recruitment process can impact organizational culture is by determining the type of employees hired. If an organization wants to foster a culture of innovation, it may need to hire employees who are creative and have a track record of innovation. If an organization wants to foster a culture of teamwork, it may need to hire employees who have a history of working collaboratively.

Moreover, the recruitment process can impact organizational culture by emphasizing certain values during the hiring process. For example, if an organization wants to foster a culture of diversity, it may emphasize the importance of diversity during the hiring process. If an organization wants to foster a culture of excellence, it may emphasize the importance of excellence during the hiring process.

The onboarding process can also impact organizational culture. The onboarding process refers to the process of integrating new employees into the organization. The onboarding process can shape the organization's culture by reinforcing the values and practices of the organization. If an organization wants to foster a culture of collaboration, it may create an onboarding process that emphasizes teamwork and collaboration.

3. Recruitment and Organizational Performance
   The recruitment process can have a direct impact on an organization's performance. The quality of the recruitment process can affect the organization's productivity, profitability, and competitiveness.

   One of the ways the recruitment process can impact organizational performance is by determining the level of employee engagement. Employee engagement refers to the level of emotional commitment employees have to the organization and its goals. The recruitment process can impact employee engagement by hiring employees who are a good fit for the organization's culture and values. Employees who are a good fit for the

organization's culture and values are more likely to be engaged and committed to the organization.

Furthermore, the recruitment process can impact the quality of the workforce. Hiring employees with the necessary skills and experience can improve the quality of the workforce and increase productivity. Additionally, recruiting employees who are a good fit for the organization's culture can lead to higher employee retention rates and lower turnover, which can reduce costs associated with hiring and training new employees.

The recruitment process can also impact the organization's diversity and inclusivity. A diverse workforce can bring a variety of perspectives and ideas to the organization, leading to innovation and better decision-making. The recruitment process can ensure that the organization has a diverse pool of candidates and can reduce the risk of bias in the hiring process.

4. Organizational Design and Recruitment

Organizational design refers to the process of designing the structure, systems, and processes of an organization to achieve its goals. Recruitment is an important part of organizational design as it helps to identify the workforce required to achieve the organization's goals.

One of the ways recruitments can impact organizational design is by determining the job roles and responsibilities required for each position. A clear understanding of job roles and responsibilities is necessary for effective organizational design. The recruitment process can help identify the necessary skills and experience required for each job role, which can inform the design of the organization's structure and systems.

Moreover, the recruitment process can impact the organization's design by determining the level of centralization or decentralization required. If an organization needs highly skilled employees, it may need to centralize decision-making to ensure that the best

decisions are made. On the other hand, if an organization values employee autonomy and empowerment, it may need to decentralize decision-making.

Additionally, the recruitment process can impact the design of the organization's processes and systems. For example, if an organization hires employees with expertise in data analysis, it may need to create processes and systems to support data analysis. This can lead to the development of new systems and processes that improve the organization's efficiency and effectiveness.

5. Conclusion

In conclusion, the impact of recruitment on organizations and organizational design is significant. The recruitment process can shape the organization's structure, culture, and performance. Recruitment can impact organizational structure by determining the number of employees required for each job position, the skill sets required, and the level of centralization or decentralization required. Recruitment can shape organizational culture by determining the type of employees hired, the values emphasized during the hiring process, and the onboarding process. Finally, recruitment can impact organizational performance by determining the level of employee engagement, the quality of the workforce, and the organization's diversity and inclusivity. Therefore, it is essential for organizations to have a well-designed recruitment process that aligns with their organizational goals and values.

2.3.1 Strategic Measurable & Non-Measurable Impact of Recruitment

To elaborate more on the impact here is an explanation of measurable & non-measurable impact of recruitment in an organization:

1. **Strategic measurable factors:**

   a) Succession planning: Succession planning is a strategic measurable factor that recruitment can impact. Hiring individuals who have the potential to grow and develop within the organization can help to ensure a pipeline of future leaders.

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b) <u>Talent retention:</u> Talent retention is a strategic measurable factor that recruitment can impact. Hiring individuals who are a good fit for the organization and the role can help to retain top talent, which can lead to higher levels of productivity and profitability.

c) <u>Cost per hire:</u> Cost per hire is a strategic measurable factor that recruitment can impact. A well-designed recruitment process can help to reduce the cost per hire, which can save an organization a significant amount of money.

d) <u>Time-to-productivity:</u> Time-to-productivity is a strategic measurable factor that recruitment can impact. Hiring individuals who have the necessary skills and experience can help to reduce the time it takes for new hires to become productive, which can lead to higher levels of productivity and profitability.

e) <u>Employee turnover:</u> Employee turnover is a measurable factor that recruitment can impact. Hiring the right people can help reduce employee turnover rates, which can save an organization a significant amount of money in recruitment and training costs.

f) <u>Time-to-hire:</u> Time-to-hire is a measurable factor that can impact an organization's productivity. A well-designed recruitment process can help to streamline the hiring process and reduce the time it takes to fill open positions.

g) <u>Employee engagement:</u> Employee engagement is a measurable factor that can impact an organization's productivity and profitability. Hiring individuals who are a good fit for the organization and the role can increase employee engagement, which can lead to higher levels of productivity and profitability.

h) Diversity and inclusion: Diversity and inclusion are measurable factors that can impact an organization's ability to attract and retain top talent. A well-designed recruitment process can help to attract a diverse pool of candidates and reduce unconscious bias in the hiring process.

2. **Strategic non-measurable factors:**

   a) Employer branding: Employer branding is a strategic non-measurable factor that recruitment can impact. A well-designed recruitment process can help to create a positive employer brand, which can help to attract and retain top talent.

   b) Innovation: Innovation is a strategic non-measurable factor that recruitment can impact. Hiring individuals with diverse backgrounds and experiences can help to foster a culture of innovation within the organization.

   c) Organizational agility: Organizational agility is a strategic non-measurable factor that recruitment can impact. Hiring individuals with the ability to adapt to changing circumstances can help to ensure that the organization is agile and able to respond to changes in the market.

   d) Customer satisfaction: Customer satisfaction is a strategic non-measurable factor that recruitment can impact. Hiring individuals who have a customer-centric mindset can help to improve the overall customer experience, which can lead to higher levels of customer satisfaction and loyalty.

   e) Brand reputation: Brand reputation is a strategic non-measurable factor that recruitment can impact. Hiring individuals who share the same values and beliefs as the

organization can help to reinforce the brand reputation, which can lead to increased trust and loyalty from customers and stakeholders.

f) <u>Employee morale:</u> Employee morale is a non-measurable factor that can impact an organization's productivity and profitability. Hiring the right people can help to boost morale, which can lead to higher levels of productivity and profitability.

g) <u>Organizational culture:</u> Organizational culture is a non-measurable factor that can impact an organization's ability to achieve its goals and objectives. Hiring individuals who fit well with the existing culture can help to strengthen the culture, which can lead to a positive work environment and higher levels of employee engagement.

h) <u>Leadership:</u> Leadership is a non-measurable factor that can impact an organization's success. Hiring individuals who have strong leadership skills can help to strengthen the leadership of the organization, which can lead to higher levels of employee engagement and profitability.

2.4 Impact of Brand Value on Recruitment Strategy:

Access to any information in today's web world has increased the challenge for the organizations to ensure that fair practices are not only followed but presented as well in the market creating their brand value for potential employees. The impact on brand value of events has pursued organizations to align their practices with the market to ensure they remain competitive to acquire the best talent available. Employer Brand value is not just a buzz word or good to have, but it is an essential element for business success and talent management strategy.

An organization's value, mission, vision, practices collectively contribute to the cohesive image presented in the market for potential employees conveying the core identity of an organization.

Stronger brand value not only supports in attracting the right talent but also impacts organizational design significantly. It fosters a deeper sense of connect, loyalty, motivation, and pride in existing employees (Internal Talent), thereby reducing cost per hire[10] for the organizations. According to a study by LinkedIn, an organization with a strong brand value can save up to 43% of the cost of hiring.

An organization's reputation precedes in the market before their benefits are even communicated to the candidate. While salary means a lot for the candidate applying for a position in an organization, it is not the most important factor anymore. One of the reports indicated that candidates are likely to accept a job offer with a lesser salary if their future employer had more positive feedback and reviews on the web. It makes branding one of the key tasks for an organization to focus on as it directly impacts recruitment strategy. Let's review the effects of a stronger brand value positively Impacting Internal Talent & External Marketplace for an organization:

Table 2 (Impact of Brand Value on the Organizational dynamics)

S. No	Effect	Impact
1	Low Employee Turnover	Reduced Cost of Hire
2	Better Employee Trust	Ease of Internal Communication
3	Increased Motivation Levels	Better Output
4	Higher Employee Satisfaction	Low Attrition
5	Better Employee Engagement	Effective Work Results
6	Competitive Advantage in Market	Opportunity to Growth
7	Internal Talent Market place	Agile Organization

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[10] Cost per hire is a recruiting metric that measures the costs associated with the process of hiring new employees. These include expenses such as sourcing and recruitment advertising costs, onboarding, referral bonus program costs, etc.

8	Easy Brand Recall	Access to Talent Pool

Let us explain these points in Detail:

Organizations with stronger market reputation have lower employee turnover[11] as their brand value acts as one of the reasons for employees to not to leave them for competition. It impacts their business directly by reducing their Cost to hire as the attrition rates are generally lower. Better Employee Trust levels allow organizations to manage internal change and communication for change relatively easier, as the employees not only understand the need for change but also participate and act like change agents for them. Organizations conduct various learning and development programs to ensure that the employees are motivated. Being associated with a stronger brand value is a motivational factor leading to better results for employees. Employees with higher job satisfaction are likely to perform and stay longer with the organization. They are more likely to grow within the organization resulting in lower attrition rates. Actively engaged employees are likely to produce effective results. Organizations with higher brand value can focus better on employee engagement and employees with better engagement levels deliver results much higher than a non-engaged employee. Organizations with better brand value have a competitive advantage compared to others as it helps them to attract and build a talent pool from both inside and out of their organization. This competitive advantage offers them opportunities to grow and diversify at a much faster rate than others. A strong internal Talent pool gives an organization the potential to quickly adapt to any market change. Agile organizations find it much easier to take decisions, learn from them and as needed re-adjust, re-align, and re-strategize them accordingly.

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[11] Employee Turnover: Employee turnover, or employee turnover rate, is the measurement of the number of employees who leave an organization during a specified time period, typically one year. While an organization usually measures the total number of employees who leave, turnover can also apply to subcategories within an organization like individual departments or demographic groups.

To build a team, access to the finite Talent pool available is important and to attract them to your organization the brand recall is critical. A candidate who wants to work with you can be more effective as an employee. The access to the Talent Pool in the market makes life of an organization easier when it comes for them to grow organically. Organizations with better brand value find it easier to attract and build talent and grow in the market.

2.4.1 What is Employer Branding and How can it grow your Business?

Every company has a reputation. It could include thoughts about your products, services, leaders, team members, history, and more. And your company's reputation can also go beyond inspiring a specific perception — emotional, instinctive, intellectual — in the people who see your ads, use your products, and eventually, speak to others about you. That reputation is known as your brand, and it can be a powerful, mysterious, and synergistic force — far more than just what you sell or office.

Your company also has a second brand related to its primary brand about how you're viewed as an employer. This is your employer brand, and it lives and breathes in the minds and hearts of your former, current, and future employees.

In today's increasingly competitive job market, a positive employer brand is critical. Without one, hiring and retaining the best employees becomes challenging — and costly. You need talented, leadership-bound workers to drive your business forward, and the best way to find them is to cast the impression that your company is a great place to work. Everything from the salary and benefit packages you offer to advancement opportunities to weekly happy hours, the culture of an organization and the treatment of its employees can greatly impact the impression you're trying to make on potential candidates.

As with all branding, crafting a strong employer brand is about good storytelling. It's about how you want your organization to be perceived in the marketplace, using specific messaging to help attract the kind of prospects you're looking for. But also, it's about living out that story. Satisfied employees are your loudest speakerbox, particularly in an age of social media and user-generated feedback where employers aren't always completely in control of their own reputation.

The good news is that with even small, simple tweaks, companies can improve their employer branding strategies to attract, recruit, and retain the best employees. Below you'll find questions, answers, and tips on how you can turn your employer brand into your company's competitive advantage.

("What Is Employer Branding and How It Can Grow Your Business?," n.d.)

2.4.2 What is an Employer Brand?

Similar to the way a corporate brand works (which offers a value proposition to customers, defining products or services in the marketplace), an employer brand includes the market's perception of your company as an employer, but also describes your promise (or employee value proposition) to employees in exchange for their experience, talents, contacts, or skills.

Employer branding, then, is simply how you market your company to desired job seekers. You can do this by showcasing your organization's unique cultural differentiators, and then working to amplify them so you can position yourself as a top place to work.

An employer brand — or what is also known as your "talent," or "people" brand — that resonates is about defining the essence of your company, both how it's unique and what it stands for, and then crafting and aligning those aspirations with the people you're looking to attract. It communicates that your organization is a good employer and a great place to work, which boosts recruitment efforts and the engagement and retention of your current employees.

Done well, employer branding can spark buzz around your company, and this buzz would attract motivated job seekers and an army of happy employees. And then those people would turn around and broadcast their positive experience to other open talent, clients, customers, and stakeholders — further broadening the scope of your employer brand.

2.4.3 What is an Employer Value Proposition (EVP)?

An employer value proposition encompasses your organization's mission, values, and culture, and gives employees a powerful reason to work for you. It's everything your company can offer as an employer, in exchange for all the skills and experience your employees bring to the table.

An organization benefits from a well-designed EVP, communicated often to both potential and current employees. A strong EVP can attract and retain the best people, help prioritize goals and agendas company-wide (especially in HR and workforce planning), help re-engage a dispassionate workforce, and reduce hiring costs. Most of all, it contributes to a favorable and robust employer brand.

The messaging you use to broadcast your employer brand and value proposition shouldn't just be a list of the perks and benefits you offer, but these are an undeniable part of the story. An EVP is considered an employee-centered approach because it's a proposition that's been discovered, defined, and tested using existing employees. Before you craft your employer brand proposition, your company's benefits should be well-established, well-defined, and a proven hit with your current employees. And if they're not, and you're looking to revamp things, consider what influences a person's decision whether to accept a job offer or not, including:

- Company values and culture
- Company location(s) and facilities, including accessibility and convenience.
- Overall compensation

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- Career development

- Management style

- Team caliber and quality

- Quality of work

- Ongoing employee recognition

- Work-life balance, or proportion of work to time off

- Benefits, such as dental insurance and vacation time

- On-the-job perks like lunch, on-site childcare, flextime, and telecommuting

- Non-salary financial perks like commuter credits, bonuses, housing subsidies, relocation, and assistance

- Opportunities for travel and client exposure

- Opportunities to perform community service.

- Job security

2.4.4. What is the value of a strong Employer Brand?

Not investing in your employer brand is costly and doesn't mean it in a general way. It means in a no-doubt-about-it, direct-line sort of way, on things like recruiting costs-per-employee, your HR budget, and overall bottom line.

To start, companies with positive employer brands (as in, their reputation as an employer is favorable in the marketplace) can get up to twice as many applications as companies with negative brands (an unfavorable reputation for being not-so-great to their employees). Considering that HR managers are finding it more difficult to hire the talent they need due to skills gaps and other factors, this is a huge difference in how efficient a recruiter or talent manager can be.

We also looked at what it costs companies when they fail to invest in their reputation as an employer — and it's an average of a whopping $5,000 per employee. One poll from CR Magazine and Cielo Talent showed that almost 50% of workers said they wouldn't work for a company with a bad reputation, even with a big increase in compensation. This all adds up: With a negative, or non-existent employer brand, organizations are likely to spend 10% more per employee hired. That means working much harder for longer just to get quality employees through the door. But, when top candidates want to work for you, it has the opposite effect. Recruiting costs not only drop, but they also plummet — by roughly 43%. In other words, when your employer brand is strong, your recruiters experience less friction introducing your company to top talent and getting them to the offer stage. Your company becomes a talent magnet, and your reputation soars.

2.4.5 Who does Employer Branding?

There can often be confusion about who owns the organizational task of employer branding. At smaller shops, it could be the CEO controlling the messaging or, more traditionally, talent or HR leads. At larger businesses, recruiters might lean on their HR, communications, or marketing departments to help them craft and hone an employer brand. What's most exciting is that your employer brand is no longer just what your company website says it is. Like it or not, employer branding starts and ends with your employees.

Sure, leadership and/or recruitment marketing might inform the words used or the way they're said. But your employer brand is primarily tied to the experiences of your workers and what they have to say about your organization. Social media posts, job reviews and testimonials, direct network conversations, and face-to-face referrals are all ways your current, former, and even prospective employees can impact your company's reputation. This can work to your advantage when those workers turn out to be cheerleaders. But if your employee or candidate experience doesn't mirror what you're communicating via your brand, it can work against you, too.

No matter who has the duties of developing and growing your employer brand, it's imperative to remember that employees are doing most of this branding work for you. If your company work environment and culture aren't healthy, your job is work on that first. If you already have a great company culture, then you're in a good spot to amplify it.

2.4.6 The employer branding process

a)   Step 1. Get familiar with your company.

When you're able to define your company's unique attributes, it's easier to hone an EVP. Get to know your organization's core business, vision, mission, values, and culture. Understand what your company objectives are, and what sort of talent is needed to accomplish those objectives.

b)   Step 2. Do an audit of your employer brand.

You probably already know exactly where your product or service stands in the marketplace, but you may not be as aware of how your company is viewed in the market or how it's perceived by your current employees. Conduct research both internally and externally with applicant surveys, internet, and social media searches, and/or firms that conduct reputation monitoring. See what's working at your company so you can keep doing it, and what areas need improvement — both when it comes to company operations and morale, but specifically with the talent acquisition process to discover ways to improve it.

c)   Step 3. Define an employer value proposition.

Now comes the part when you can make your corporate messaging sign. Draft an EVP that clearly communicates the values of your corporate brand, while reflecting what's special about working at your organization. It should align with your customer brand, but also speak directly to your employees.

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d)   Step 4. Use recruitment marketing.

When designing an EVP or other employer brand messaging, consider enlisting the talents of the creative wordsmiths in your own marketing or communications department (or outsourcing this and other brand work to an agency). By borrowing a few marketing techniques — such as starting every branding endeavor with the question, "WHO are we trying to reach? And WHAT do they want?" — you'll be in the best position to craft an employer brand that speaks to your exact target audience.

e)   Step 5. Build engagement among current employees.

To help you become a trusted employer, look no further than your own workforce. For finding out what it's like to work for your company, employees are 3x more likely to be trusted by leads than your CEO. Your employees also shape your company's culture, live your values, achieve your objectives, and manifest your company's mission. Without their participation, your employer brand would be nothing.

f)   Step 6. Write snazzy job descriptions.

Job posts are often the first contact candidates have with your company, so they're a perfect way to promote your employer brand. If you're going for a brand voice that stands out, instead of, "must demonstrate excellent communication skills" you might try, "You're the type who'd just as soon pick up the phone than wait for an email; the phrase 'cold call' doesn't give you the shivers," as a more descriptive, attention-getting way of bringing your organization's personality to life. Then, optimize your search engine results using — but not overusing — words and phrases you know your ideal candidates are searching for.

Source: **("What Is Employer Branding and How It Can Grow Your Business?," n.d.)**

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CHAPTER III: RECRUITMENT STRATEGY AND INFORMATION ECOSYSTEM ["IMPACT OF THE RECRUITMENT ON THE ORGANIZATION AND ORGANIZATIONAL DESIGN" ELSEVIER HARVARD REFERENCING]

3.1 Recruitment Strategy

All organization's dynamics are unique and have its operating environment and talent requirements. As a result, the execution of a recruitment strategy is subject to numerous factors, which invariably have a significant impact on the organizational design.

According to (Sanjay et al., 2022), a recruitment strategy is a document describing the target position on the job market and the leading recruitment sources to use. The recruitment strategy needs to be aligned with the HR Strategy, and it has to support the strategic goals and initiatives of the organization and Human Resources. (Polc, n.d.)

The recruitment strategy defines the main goals for the recruitment process, HR Recruiters must follow the goals as the organization reaches the desired position on the job market. A successful recruitment strategy helps to match the innovative organization with diverse human resources.

The necessary collaboration of strategy with recruitment is primarily known as 'strategic recruitment'. As defined by Dr. Sullivan's work: *Strategic recruiting is an approach to winning the best talent based on three components: employer branding, recruitment-directed marketing, and skilled selling. Combined, these components create effective responses to dynamic market conditions in support of an organization's strategic objectives.*
("Strategic Recruiting Defined," 2018)

The importance of developing a strategy reliable with the organizational objective has long been recognized by industry and experts. Numerous case studies have emphasized and established that recruitment decisions are still plagued by subjectivity, which can frequently be traced to ineffective identification of the problem statement. First, when a problem is not properly identified during the

planning stage, subsequent impacts on the organizational design are inevitable. Today's recruitment is becoming more and more complex and challenging, which exposes organizations to even more difficult decisions. Second, the traditional recruitment methods, which are widely used without evaluation of the need for an organization, greatly limit our capability in modeling and resolving these challenges.

These methods have been long blamed for their limitations in addressing Talent needs, including the inability to cope with constant changes and difficulty to evaluate inter-dependencies at an organizational level.

Accenture recently won the ERE Media Award for one of the most innovative ERPs. Its program has increased new hires from referrals from 14 percent to 32 percent, and employee awareness of the program jumped from just 20 percent to 99 percent (Sullivan, 2009). The uniqueness of their program lies with the reward the employee receives. Instead of offering personal financial compensation, Accenture donates to the charity of the employee's choice, such as a local elementary school. Their program also seeks to decrease casual referrals, so the employee is asked to fill out an online form to explain the skills of the individual they are referring to. The company has also developed a website where current employees can go to track the progress of referrals. In addition, employee referral applications are flagged online and fast-tracked through the process—in fact, every referral is acted upon. As you can see, Accenture has made their ERP a success through the use of strategic planning in the recruitment process. (Publisher, 2016)

3.1.1 Business Recruitment Strategy

The recruitment process is an integral part of any business and including the right talent for an organization is an integral part of the organization's success. A recent study revealed that 52% of US workers were considering a job change while 44% had actual plans in place (Prins, 2022) One of the approaches to build a better Business recruitment strategy is by optimizing the entire Talent Value Chain[12]. There are following steps in building an effective Talent Value chain:

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[12] Talent Value Chain includes all the processes leading up to and including the recruitment of a new employee for an organization.

1. Evaluating Market Place:
    a. The understanding and evaluation of Market from where potential Talent for an organization can be identified is an essential step to begin.
    b. An effective business strategy should be aligned with the market dynamics to ensure its success.
    c. Market place for Talent is dynamic; therefore, it is equally essential for a business recruitment strategy to meet business goals while harnessing the opportunities available and avoiding possible threats.

2. Building Success Profiles:
    a. After evaluating the marketplace, the next step is to build a successful profile of the role required for an organization.
    b. The success profile is a comprehensive list of competencies required for an individual to be successful in an organization.
    c. Success profiles indicate knowledge, skills and attributes required for an individual to excel at the same time allowing an organization to establish key evaluation parameters for the job role.

3. Strategic Sourcing:
    a. Sourcing is identification of right talent for the role defined.
    b. Forecasting applications and potential hires, addressing the market-related risks in advance.
    c. Building strong market knowledge and dovetailing it with recruitment process.
    d. Ensure accessibility of Talent to the organization and vice-versa.

4. Effective Interviewing and Assessment:
    a. Identifying the right skills and competencies, making the interview process effective in delivering organizational objectives.
    b. Assessing potential candidates to ensure least subjectivity in the process and utilizing established tools of assessment.

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      c.   Benchmarking organizational requirements for the role with the Talent available to avoid expectation gaps leading to performance gaps.

3.2 Critical Parameters for the right Recruitment Strategy

To understand the required balance and opt for the right source of hiring, it is essential to understand these TEN parameters in detail. In summary, there is a need for a better understanding of recruitment-related challenges with a structured approach in identifying and modeling problems to ensure an effective plan. More specifically, to understand the required balance and opt for the right source of recruitment, it is essential to understand these parameters in detail:

Table 3 (Critical Parameters for the Recruitment Strategy)

S. No	Criticality Parameters	Not Urgent	Somewhat Urgent	Urgent
1	Talent Strategy	Build	Borrow	Buy
2	Cost to Acquisition	Low	Medium	High
3	Cultural Alignment	High	Low/Medium	Low/Medium
4	Cost of Training	Low/Medium	Medium	Medium/High
5	TTF (Time to Fill)	Low	Medium	High
6	Probability To Fill	High	Low/Medium	Low/Medium
7	Organizational Goal	Long Term	Mid-Term Goal	Short-Term Goal
8	Probability to Evaluate	High	Low/Medium	Low/Medium
9	Potential Talent Source	Internal	Internal/External	External
10	Impact on Brand Value	Positive	Positive/Negative	Positive/Negative

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Let's have a detailed explanation of Table-C, detailing critical parameters and their inter-linked association with one another. Every recruitment strategy for an organization begins with two important factors:

- The Criticality of the position
- The Time-Period available

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1. As a first step Developing a talent strategy is a crucial step for organizations looking to build a high-performing and sustainable workforce. As mentioned earlier, developing such a strategy involves assessing the criticality of the position in question. This can be determined based on a range of factors, such as the role's impact on the organization's overall goals, its level of complexity, and the degree to which it requires specialized skills. Once the criticality of the position has been established, the organization can then determine the most effective approach for filling the position. If the position is deemed to be urgent, the organization may need to prioritize external methods of recruitment, such as job boards, recruitment agencies, or headhunting, to ensure that the best available talent is secured in a timely manner.

   However, if the position is somewhat urgent and the organization is exploring new products, processes, or business lines, it may be more advisable to use talent on a contractual basis. This approach can help the organization gauge the effectiveness of its efforts and minimize risk.

   Finally, if the position is not deemed to be urgent, internal methods of talent development should be prioritized. This approach can help build the skills and capabilities of existing employees, ensuring that they are well-equipped to address future talent requirements. Some examples of internal talent development methods include training, mentorship, coaching, and career development programs.

   By taking a strategic and tailored approach to talent management, organizations can build a high-performing workforce that is well-positioned to drive business success in the long term.

2. The second step of determining the cost of talent acquisition is an important one, as it helps the organization understand the potential costs involved in acquiring the talent they need. The previous step determined the urgency of the position and the type of recruitment method to be used. In this step, the organization should consider the cost of each recruitment method, as well as the potential long-term costs of acquiring talent. If the organization needs to fill a position urgently and decides to use external recruitment

methods to acquire the best talent available on the market, the cost of acquisition is likely to be higher due to external recruitment costs. This includes advertising, recruitment fees, and any additional benefits that may be offered to attract top talent.

On the other hand, if the organization hires talent on a contractual basis, the cost of acquisition is likely to be moderate since they are not hiring a permanent employee. The cost is determined by the length of the contract and the wages or salary of the talent. In this case, the future requirement for talent would be determined by the results of the contract.

Finally, if the organization identifies talent internally for the position, the cost of acquisition is likely to remain low as there are no external recruitment costs involved. The organization can train and develop the employee to address the position requirements effectively, leading to long-term benefits such as employee retention and cost savings on external recruitment.

3. Peter Drucker, the renowned management consultant, and author, once said, "Culture eats strategy for breakfast." This statement highlights the importance of organizational culture in achieving success, and the same holds true for talent management. The talent strategy adopted by an organization can have a significant impact on its cultural alignment, which in turn can have implications for the organization's success. When developing a talent strategy, the first step should be to evaluate the criticality of the position to determine the appropriate plan of action. Depending on the urgency of the position, the organization may choose to use external or internal methods of recruitment. If the position is urgent, external methods may be used to acquire the best available talent from the market. On the other hand, if the position is less critical or if the organization is exploring a new product or process, borrowing talent on a contractual basis may be more advisable. If the position is not urgent, it is recommended to focus on building talent from within the organization using internal methods.

The second step in determining the cost of talent acquisition is to consider the strategy adopted in the first step. If the organization is using external methods to acquire talent, the cost of acquisition would be higher. Conversely, if the organization is borrowing talent on

a contractual basis, the costs are likely to remain moderate. Finally, if the organization is building talent internally, the cost of acquisition is likely to be low. However, regardless of the strategy chosen, the cultural alignment of the talent should always be considered. The talent developed internally is likely to have a higher cultural alignment as they have experience working in the same environment and understand the organizational dynamics. In contrast, talent acquired from external sources is likely to have a moderate to low cultural alignment as their experience would be different from that of existing employees. Therefore, they may require more time to align themselves with the culture of the organization.

Organizational culture plays a critical role in talent management. It can impact employee satisfaction, productivity, retention, and overall performance. Organizations that prioritize cultural alignment in their talent strategies can reap numerous benefits, including better employee engagement, improved retention, and increased productivity. When assessing cultural alignment, it is important to consider the values, beliefs, and behaviors that define an organization. These may include things like the organization's mission and vision, its leadership style, its communication style, and its overall organizational structure. It is also important to consider the specific role and responsibilities of the talent being hired and how they fit into the larger organizational context. One way to ensure cultural alignment is to incorporate it into the talent acquisition process. This can involve conducting cultural assessments of potential hires, asking behavioral interview questions that focus on cultural fit, and including current employees in the hiring process to ensure that new hires align with the organization's values and culture. Another way to ensure cultural alignment is to prioritize internal talent development. By investing in training and development programs, organizations can ensure that their existing employees have the necessary skills and knowledge to advance within the organization. This can help to build a culture of continuous learning and development, which can lead to increased engagement and retention.

In addition, organizations can foster cultural alignment by creating a positive work environment that supports and values diversity and inclusion. This can include things like

offering flexible work arrangements, providing opportunities for employee feedback and input, and promoting open communication and transparency. Overall, cultural alignment should be a key consideration in any talent strategy. By prioritizing cultural fit and alignment, organizations can create a positive work environment that fosters employee engagement, retention, and productivity. This can ultimately lead to improved business performance and success.

4. In today's rapidly changing business landscape, employees need to constantly learn new skills and adapt to changing technologies and processes. This is where employee training and development becomes crucial for organizations to stay competitive and ensure effective and efficient deliverables. However, the cost of training can be a significant financial burden for organizations, and it is important for them to consider this aspect when formulating their recruitment strategy. The recruitment strategy adopted by an organization has a direct correlation with the cost of training. If an organization chooses to develop talent internally, the process may take time, but it can be more cost-effective in the long run. Employees who have been with the organization for a longer period have an advantage of experiential learning, having gained knowledge and skills through their tenure in the organization. In such cases, the cost of training can be reduced as the employees are already familiar with the organization's culture, values, and processes.

On the other hand, if an organization's recruitment strategy is more focused on hiring people externally, whether for a short-term assignment or long-term business development, the cost of training can be relatively higher. This is because new employees would not have the same level of organizational expertise as those who have been with the organization for a long period of time. In addition to functional skills, the organization would also have to spend time and resources on developing their organizational expertise.

Therefore, it is crucial for people managers to ensure that they are hiring individuals with the right skill set that matches the job requirements. This can help to effectively moderate the cost of functional training. By hiring the right candidates, organizations can ensure that the employees are well-suited for their roles, reducing the need for extensive training and

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development. This approach can help to save on training costs while also ensuring that employees can contribute effectively to the organization's goals.

However, it is important to note that training and development should not be seen as a cost but as an investment in the organization's future success. By investing in employee training, organizations can equip their employees with the necessary skills and knowledge to stay relevant and competitive in the ever-changing business landscape. This investment can also help to improve employee morale and retention, as employees are more likely to feel valued and engaged when their organization invests in their professional development.

To summarize, the recruitment strategy adopted by an organization has a direct impact on the cost of training. Developing talent internally may take time, but it can be more cost-effective in the long run. Hiring externally may lead to higher training costs due to the need for developing organizational expertise. People managers need to ensure that they are hiring individuals with the right skill set to effectively moderate functional training costs. Organizations should view employee training as an investment in their future success, which can also improve employee morale and retention. By considering the cost of training as part of their recruitment strategy, organizations can ensure they are effectively managing their training costs while investing in their employees' professional development.

5. In the recruitment process of an organization, the "Time to Fill" (TTF) position is a crucial factor that needs to be taken into consideration. Effective planning and forecasting processes can enable an organization to predict their future talent skill requirements and facilitate the search for talent within the organization. This internal talent search is the quickest way to fill a position, requiring the least amount of time. However, as organizations switch their recruitment strategy from internal to external talent acquisition, it increases the TTF. The criticality of the position being filled by external talent would always take more time in terms of TTF. In contrast, if an organization internally promotes someone for a critical role, it can reduce the TTF to the lowest level. External recruitment can also add to the timelines as organizations have to go through a series of recruitment procedures such as job posting, shortlisting, interviewing, selection, and onboarding, which

can be time-consuming. However, the use of external recruitment can bring in fresh perspectives, ideas, and diverse skill sets that are not available internally, making it a necessary strategy at times.

Furthermore, recruitment strategies must also be aligned with an organization's business goals and objectives. For example, if an organization's goal is to expand its operations globally, it may need to recruit talent from different regions with expertise in the specific market. This recruitment strategy can be time-consuming, but it can significantly benefit the organization in the long run. The TTF can also be affected by the availability of talent in the job market. If there is a shortage of talent with specific skills or expertise, the TTF may increase. Organizations may need to modify their recruitment strategies and consider alternative methods such as sourcing talent through referrals, social media platforms, or professional networks.

Moreover, the recruitment strategy should also be in line with the organization's talent management and development plan. For example, if an organization aims to groom its internal talent for future leadership roles, it may choose to implement succession planning programs that identify high-potential employees and prepare them for future leadership positions. This internal talent development strategy can lead to a reduced TTF in the long run. To summarize, the TTF is a critical factor that needs to be considered in the recruitment process of an organization. The recruitment strategy needs to be aligned with the organization's business goals and objectives, talent management, and development plan. Internal talent search is the quickest way to fill a position, while external recruitment can bring in fresh perspectives and diverse skill sets. However, external recruitment can be time-consuming and may require modifications in the recruitment strategy. Therefore, it is essential for organizations to have a flexible and adaptable recruitment strategy to effectively fill positions while minimizing the TTF.

6. In today's competitive talent marketplace, acquiring the right talent for an organization can be a daunting task. The competition among organizations to attract top talent has increased, making it easier for the talent to pick the right job for them, but it comes with a cost for the

organizations. This is where the concept of 'Probability to Fill' comes into play. The Probability to Fill (PTF) is a metric that indicates the number of offers given for a position compared to the candidates who join the organization. The recruitment strategy that an organization adopts can have a significant impact on the PTF. When it comes to building an internal talent pipeline, the probability of filling a position is much higher. This is because the internal talent has already undergone cultural alignment and functional training, making them well-suited for the organization. In addition, internal candidates have a better understanding of the organizational dynamics and have established relationships within the organization. Therefore, it is easier to integrate them into the new role, and they are more likely to accept the offer.

On the other hand, when an organization opts for hiring external talent for a position, the probability of filling the position may be low to medium. This is because external candidates may have limited knowledge about the organizational culture, values, and processes. In addition, they may have established relationships with their current organization, making them hesitant to join a new organization. Furthermore, external candidates may be subject to counteroffers from their current employer or other competing organizations, which may affect their decision to accept an offer from a new organization. The recruitment process for external talent also tends to be more time-consuming and expensive than hiring internally. Organizations may need to invest in external recruitment agencies, advertisements, and screening processes to identify suitable candidates. Moreover, they may need to provide additional support to the external candidates, such as relocation assistance or training, to ensure a smooth transition into the new role. All these factors can increase the cost of external recruitment and impact the PTF.

To summarize, the PTF is an important metric that organizations should consider when designing their recruitment strategies. Building an internal talent pipeline can increase the probability of filling positions, reduce recruitment costs, and ensure cultural and functional alignment. However, external recruitment may be necessary in certain situations where internal talent is not available or suitable for the position. In such cases, organizations need

to be prepared to invest in the recruitment process and provide additional support to the external candidates to improve the PTF.

7. In today's fast-paced business environment, building the right talent is crucial for any organization's success. However, the approach to achieving this goal can vary depending on the available time limit, criticality, and urgency of hiring for a particular position. Organizations with a long-term goal can focus on building an internal talent pool by developing the competence of existing resources for future needs. This approach can be cost-effective in the long run as employees gain valuable experiential learning by working in the same environment and understanding the organizational dynamics better. By investing in the development of internal talent, organizations can ensure that they have a steady stream of qualified employees who can meet their future needs. On the other hand, when it comes to mid-term goals, organizations can borrow critical talent to provide the business with skilled manpower and, at the same time, build necessary skills from a long-term perspective. This approach can be useful when organizations need to fill a critical position quickly but do not have the internal talent to do so. By borrowing talent from outside, organizations can quickly meet their short-term needs while simultaneously developing their internal talent pool for the future.

However, when the requirement is urgent, it is necessary to get the potential talent from the market and address the skill gap existing in the organization with expertise. The recruitment strategy to build, borrow or buy talent would always vary depending on the organizational requirement for the manpower. In such cases, organizations may need to look outside their existing workforce and hire external talent to fill the position quickly. This approach can be costly, but it may be the only option when the need is urgent, and the organization does not have the required talent internally. It is essential to note that the recruitment strategy adopted by an organization can have a direct impact on its talent acquisition costs. Building talent internally can be time-consuming but cost-effective in the long run, whereas hiring external talent can be expensive, especially if the organization needs to provide additional training to develop their organizational expertise. Therefore, it

is advisable for people managers to hire the right skill set as per the job requirement to ensure that functional training costs can be effectively moderated.

To summarize, building the right talent as per the available time limit can be a long-term, mid-term, or short-term goal, depending on the organizational requirement for the manpower. The recruitment strategy adopted by an organization can have a direct impact on its talent acquisition costs, and people managers need to make informed decisions based on their organization's current needs and long-term goals. By investing in their employees' development, organizations can build a strong internal talent pool that can meet their future needs while also attracting external talent to fill critical positions when needed.

8. To ensure that the organization can effectively monitor and evaluate its talent, it is important to establish a systematic approach that takes into account a range of factors that can impact employee performance. One key factor that must be considered is the "Probability to Evaluate," which refers to the likelihood that an organization would be able to effectively assess the performance of its talent. When it comes to assessing the internal talent pool, the Probability to Evaluate is typically much higher, as organizations have access to a wealth of historical performance and behavioral data points that can be used to inform the evaluation process. In contrast, when borrowing talent from the external talent market for a specific assignment, this probability is often reduced, as the organization must rely on the data points available from the vendor or contractor supplying the talent. Similarly, when hiring talent directly from the market, the evaluation becomes more subjective, as the organization must rely solely on its own interview evaluation process to assess the capability of an individual to perform assigned tasks.

To ensure that an organization can take a more informed decision when it comes to hiring talent, it is important to establish clear evaluation criteria that are based on both objective and subjective measures. These may include metrics such as performance reviews, behavioral assessments, and feedback from colleagues and managers, as well as more subjective factors such as cultural fit and personal qualities. By taking a holistic approach to talent evaluation, organizations can ensure that they are able to effectively assess the

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capabilities of their employees and make informed decisions about their ongoing development and career progression within the company.

One key advantage of evaluating internal talent is that organizations are readily available with historical performance and behavioral event data points that can be used to inform the evaluation process. This enables managers to identify strengths and weaknesses in the employee's performance, and to provide targeted training and development opportunities that can help to enhance their skills and capabilities. Additionally, by monitoring employee performance over time, managers can identify trends and patterns that may indicate areas where additional support or resources are needed and take proactive steps to address these issues before they become more serious.

However, when borrowing talent from the external talent market, the evaluation process becomes more complex, as the organization must rely on the data points available from the vendor or contractor supplying the talent. This may include information on the candidate's previous experience, qualifications, and references, as well as their fitness with the organization's culture and values. While this information can be valuable in helping to inform the hiring decision, it is important to recognize that it may not be as comprehensive or reliable as the data available when evaluating internal talent. Similarly, when hiring talent directly from the market, the evaluation process becomes even more subjective, as the organization must rely solely on its own interview evaluation process to assess the candidate's fit with the organization and ability to perform assigned tasks. While this approach can be effective in identifying talented individuals who are a good fit for the organization, it can also be more challenging to ensure that the hiring decision is based on objective criteria, and that the candidate's capabilities are accurately assessed.

Ultimately, the key to effective talent evaluation is to establish clear and consistent criteria that are based on a range of objective and subjective measures. By taking a holistic approach that considers a range of factors such as performance, behavioral traits, cultural fit, and personal qualities, organizations can ensure that they are able to effectively evaluate their talent and make informed decisions about their ongoing development and career

progression within the company. Additionally, by monitoring employee performance over time and regularly updating evaluation criteria, organizations can ensure that their talent strategy remains effective and adaptable to changing business needs.

9. In today's competitive business environment, sourcing the right talent for an organization can be a challenging task. One of the first steps in the recruitment process is identifying the potential sources of talent. These sources can be internal or external, depending on the organization's requirements and goals. When a position is not critical, organizations can focus on developing talent internally by providing opportunities for employees to acquire new skills and grow within the organization. This approach can lead to higher employee engagement and satisfaction, as well as better retention rates. Internal talent development can be a long-term strategy for building a strong and sustainable workforce. However, in cases where the recruitment strategy is to borrow talent for a shorter assignment or project, organizations may look to hire contractual employees. This approach allows the organization to fill a temporary need without disrupting the regular flow of work for full-time employees. Short-term assignments can also be used as a method for employees to learn new skills on the job without committing to a long-term career change.

In situations where the required skills are not available internally, organizations may need to turn to external sources to fill the talent gap. This may involve recruiting from a variety of sources, including job boards, social media, and professional networks. However, external talent sourcing can also be challenging, as organizations may need to compete with other employers to attract top talent. Regardless of the source of talent, it is important for organizations to evaluate candidates on a periodic basis to ensure that they are meeting performance expectations. When assessing internal talent, organizations have the advantage of historical performance data and behavioral event information. This allows for a more objective evaluation process, which can help identify potential areas for improvement and career development.

In contrast, evaluating external talent can be more challenging. When borrowing talent from an external source, the organization must rely on the data points available from the

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vendor or contractor supplying the talent for the project. This can result in a more subjective evaluation process, which may be less reliable than internal evaluations. When recruiting talent directly from the market, organizations must rely on their own interview process to evaluate the candidate's potential. This can be particularly challenging when there is a shortage of candidates with the required skills. In such cases, organizations may need to broaden their search criteria to include candidates with transferable skills who can be trained for the position. To summarize, sourcing the right talent is an ongoing process that requires careful planning and evaluation. Organizations must consider a variety of factors, including their long-term goals, available resources, and the skills and experience of potential candidates. By developing a clear recruitment strategy and evaluating candidates objectively, organizations can build a strong and sustainable workforce that can adapt to changing business needs.

10. The recruitment strategy adopted by an organization can significantly impact its brand value, as employees tend to grow and advance their careers within the organization. Developing talent internally can have a positive impact on brand value, as employees strive for excellence to seek growth opportunities within the organization rather than looking outside. On the other hand, outsourcing assignments on a contractual basis can have a mixed impact, as the nature of the assignment plays a crucial role. If the assignment is mundane, employees are likely to pass it on, and this can have a negative impact on their morale. However, if the assignment is interesting and challenging, employees may feel that they deserve such opportunities. Relying solely on external talent can also have a negative impact on employee motivation, as they may feel undervalued and miss out on opportunities to grow within the organization.

Brand value is essential for any organization, as it reflects how the organization is perceived by its employees, customers, and stakeholders. Building talent internally can have a positive impact on brand value as it indicates that the organization values its employees and invests in their growth and development. Employees who feel valued and have growth opportunities within the organization tend to be more engaged, motivated, and

loyal. They are more likely to recommend the organization as an employer of choice, which can have a positive impact on the organization's reputation and brand value.

When the recruitment strategy involves outsourcing assignments on a contractual basis, the nature of the assignment is crucial. If the assignment is mundane and does not offer any learning or growth opportunities, employees are likely to pass it on, and this can have a negative impact on their morale. They may feel that their talents and skills are not being utilized effectively, and this can lead to disengagement and reduced productivity. However, if the assignment is interesting and challenging, employees may feel that they deserve such opportunities, and this can have a positive impact on their morale and motivation. It can also help the organization build a reputation as a place that offers exciting and challenging assignments.

Relying solely on external talent can also have a negative impact on employee motivation and brand value. When employees see that the organization is not investing in their growth and development and is relying on external talent, they may feel undervalued and overlooked. This can lead to disengagement and reduced productivity, which can have a negative impact on the organization's brand value. Additionally, if employees see that there are no growth opportunities within the organization, they may look for opportunities outside the organization, which can increase the organization's turnover rate. To summarize conclusion, the recruitment strategy adopted by an organization can significantly impact its brand value. Building talent internally can have a positive impact on brand value as it indicates that the organization values its employees and invests in their growth and development. Outsourcing assignments on a contractual basis can have a mixed impact, and the nature of the assignment plays a crucial role. Relying solely on external talent can have a negative impact on employee motivation and brand value. Organizations must adopt a recruitment strategy that balances the needs of the organization with the needs of its employees to build a strong brand value.

3.3 Building an Institutional Memory for an Organization

Talent in an organization goes through its own stages of evolution. From being a fresh entrant to a manager and a leader takes a lot of experience and learning. Most of the learning is on the job through the process of observation and learning from the behavior of their seniors. The senior colleagues become a learning source along with shared institutional learning. Lot of information for an employee he/she able to learn is conscious and planned, however, a good amount of information they can gauge is also unconscious and unplanned. So, whether an individual can learn and adapt good information or bad information is pretty much something that depends on his/her own organizational experience. Along with Internal Information available within a working environment, there is an External information that employee gathers through peers, friends, clients, and other communications they can establish with outside network.

Institutional memory (or corporate memory) is made up of a collective set of facts, concepts, experiences, and know-how held within an organization. For most companies, that knowledge is held in a variety of locations. From workstations to veteran employees, file shares to physical manuals. That information is often difficult to replace. This is especially true when it comes to experience-based best practices and know-how.

Finding out how to value know-how is a difficult and ongoing question. Yet, the idea of intangible information offering value is hard to argue against. As such, companies often seek to incorporate such knowledge into their institutional memory. Today, more and more members of the baby boomer generation are retiring. These employees often carry a wealth of experience and know-how. As a result, companies are looking for ways to preserve that experience for future use by the next generation of employees.

All this leads to two challenges: **preservation** and **utilization**.
Preservation is answering the set-up questions of institutional memory: what must be preserved and how to preserve it?
Utilization is the follow-up: once the information is preserved, how to make use of it, how to effectively search it.

Having a huge amount of know-how is great, but pointless if none of it is useful or if you can't access it. In this dissertation, we'll look at both challenges.

3.3.1 What is institutional memory?

The selection process of what is or is not part of institutional memory is a process that differs per organization. For all businesses, it holds true that this memory does contain both tangible and intangible information.

Tangible information is the straightforward part. Maintaining a database is the standard operating procedure. Tangible assets are oftentimes the most obvious of materials: legal agreements, technical or administrative documents, certificates, and so on. In some cases, companies are required by law to keep such information around. Other tangible assets represent obvious value, like intellectual property or product specifications. Beyond that are existing policies, and manuals. In short, any existing document that provides direct value to the organization falls under this category.

Intangible information is a bit trickier. This is where knowledge and experience begin to creep into the discussion. The idea that veteran employees are of great value to a company is hardly revolutionary. Retaining those employees is key to keeping that knowledge and experience around. Not every business does this as well as they should. For instance, in this article, author Udo Braedle notes: "Organizations all too often fail to see the worth of attempting to keep an employee after an initial contract has been completed. Nor do they create and operate a central apparatus or office to maintain and record data throughout tasks. (...) This shortsightedness may colloquially be referred to as penny-wise and pound-foolish."

In a similar vein, the Institutional Memory guidelines of the WHO state: "*... intangible assets which, although not physically evident, add value to the intellectual capital of the institution thus being of incalculable value.*"

Of course, 100% employee retention is impossible. Some intangible knowledge is bound to leave an organization at times. What should be clear is it's important for a company to have a pipeline

set up to nail down intangible knowledge where possible. That pipeline could include best practice manuals, or debriefing veteran employees. The pipeline aims to transform the intangible into tangible. It includes anything that retains the knowledge of a veteran employee, even if they leave.

The 'goal' of institutional memory is to reduce the gap between an experienced and a new employee. The only difference being the fact a non-veteran need to look things up more often. That prevents every newcomer from having to reinvent the wheel from scratch.

3.3.2 The challenges of institutional memory

In a non-digitized environment, there is a very real limit to the size of an archive. With paper not being weightless, there's only so much you can store before it becomes a hazard. With most information generated and kept nowadays being digital, weight is no longer a problem. There are other risks, of course. The challenges of memory are plentiful. They fall into two major categories: preservation issues and recall issues.

Preservation issues are challenges related to the keeping of information. This could be anything from loss of a data carrier to accidental or mistaken discarding of data. Data carriers can be anything: from a 3.5" floppy disk being lost, to an individual workstation being lost, corrupted or damaged. In this regard, cloud storage is much safer, but only 50% of corporate data worldwide is kept in the cloud.

Storage isn't free, after all. Holding on to all data generated daily is a recipe for disaster. For starters, a good chunk of that data is (or would soon be) digital debris, which is a nice alliterative way to say 'useless.

Finally, decentralized storage of institutional memory can cause issues. Decentralized storage inevitably leads to unnecessary storing duplicates, and a loss of oversight. This makes finding the right information more difficult. Losing oversight is a problem for both preservation and recall. For both legal and cost-related reasons, most organizations have some form of data retention policy in place. For institutional memory, it is important to ensure that data, which is part of the memory, is not lost due to retention policies.

Recall issues are challenges that are related to the finding of information. Once the information has been kept a hold of, how to ensure that it can be used when needed? The goal of institutional memory is to prevent time loss (and by extension, money loss) due to inefficiency. Poor preservation causes every new employee to reinvent the wheel by necessity. Poor recall issues make that reinvention necessary due to lack of availability. Recall issues are a form of data loss: if the information is unavailable when needed, it might as well not be there at all.

In a legal context, an inability to search the corporate datastore can lead to a wide array of negative consequences. Outside a legal context, the same consequences apply, although there isn't a court or opposing party to 'punish' mistakes. For recall, organization and searchability are key. It's why institutional memory guidelines usually focus a lot of attention on retention. Their goal is to create policies that retain and organize both tangible and intangible information.

3.3.3 Four steps to preserve institutional memory.

1. <u>Playbooks and checklists</u>

   An early obstacle to preserving institutional memory is a mindset issue. Transforming the intangible knowledge of experienced employees into tangible, searchable data for future use takes time away from those employees. Of course, this time spent is an investment that saves time in the long run. Shortsightedness in this case makes the organization pennywise, but pound-foolish.

   Experienced employees should be encouraged to create playbooks and checklists using their know-how. This ensures that new employees can stand on the shoulders of giants when they start working. Today, this passing of the torch already occurs between individual employees. The aim is to share and make this accumulated knowledge accessible, not just to whomever they happen to work with directly, but to all of whom it is relevant to.

2. Protocols and policies

The notion of knowledge preservation should be enshrined in company-wide protocols and policies. The existing retention and preservation policies should accommodate the institutional memory. These policies should also govern training and access. After all, keeping the memory is one thing, making sure it's accessible and useful is another.

Corporations can take advantage of the experience of others here. The restaurant industry has mastered the art of knowledge microtransactions. This is by necessity, due to the industry's high turnover and shift-based employment strategy. HR Departments can also be of help. They may pass on the institutional memory to new employees in the orientation period.

3. Dedicated external individuals and/or teams.

External sources of information can also add to institutional memory. When making use of external resources (consultants, outside counsel, etc.) aim for consistency. Information retention agreements are more and more common in requests for proposals. These require the external party to develop their own knowledge repository for the services they provide. This safeguards against inefficiencies that may occur due to turnover on their side.

If external teams change often, bringing them up to speed quickly can be invaluable. If this is the case, consider creating a 'starter pack' of relevant information to hand over as part of the briefing for an external party. Standardizing the information can allow for a more effective onboarding of external teams. This helps them get up to speed faster and saves you time in doing so.

4. Technology and tools

Properly organizing large amounts of information is a challenge without proper tools. In most cases, storage itself is not the problem. Centralized storage, cloud-based or not, is widely available and in use. Being able to search those datastores, however, can be an issue. Not all the formats in which data is kept are readily searchable. They include non-

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searchable PDF files, scanned archive documentation, compressed files, and so on. Underpowered search methodologies may lead to information being overlooked.

When it comes to transferring knowledge from the experienced to the (relatively) new, ensuring easy access is an obvious step. Be it through the company intranet or a cloud repository. For everything else, legal teams may want to look towards more advanced tools, however.

In situations where time is of the essence (think of regulatory requests or privacy compliance, for example), being able to perform fast and comprehensive searches of the corporate memory banks is of critical importance. For such issues, legal teams need more powerful search capabilities. One solution is to keep data with potential legal relevance in a separate repository. This may include employee contracts, emails of key personnel, and so on. If such a repository can be searched in a more effective way, it can enable the legal department to make quick work of time-sensitive challenges.

Establishing an institutional memory is, by nature, an investment in the future. It requires consistent effort, especially from those with experience and know-how. By retaining institutional knowledge, corporations can build on that knowledge and continue to grow. Policies and protocols that translate experience into building blocks enable this process. ("Why Institutional Memory Is Important And 4 Ways To Preserve It," n.d.)

3.4 Impact on Intellectual & Financial Capital of an organization

3.4.1 Impact on Intellectual Capital

Recruitment is a critical process that impacts the intellectual capital of an organization. Intellectual capital refers to the intangible assets that an organization possesses, such as knowledge, skills, experience, and expertise. Intellectual capital is vital for an organization's success as it drives innovation, productivity, and growth. Recruitment plays a crucial role in developing and

maintaining an organization's intellectual capital. This paper aims to explore the various ways recruitment can impact the intellectual capital of an organization.

1. Acquiring knowledge and skills

   One of the primary ways recruitments can impact the intellectual capital of an organization is by acquiring new knowledge and skills. When organizations hire new employees, they bring in new perspectives, experiences, and knowledge that can contribute to the organization's intellectual capital. The recruitment process can be designed to attract individuals with specific knowledge, skills, and experience that align with the organization's strategic objectives.

2. Building diverse teams:

   Recruitment can impact the intellectual capital of an organization by building diverse teams. Diverse teams bring in different perspectives, experiences, and ideas that can enhance creativity, innovation, and problem-solving. A diverse workforce can help organizations adapt to changing market conditions, stay competitive, and drive growth. The recruitment process can be designed to attract candidates from different backgrounds, cultures, and experiences to build a diverse workforce.

3. Retaining talent:

   Recruitment can impact the intellectual capital of an organization by retaining top talent. Employee turnover can have a significant impact on an organization's intellectual capital. When employees leave, they take their knowledge, skills, and experience with them. High turnover rates can result in a loss of institutional knowledge and expertise, which can hinder an organization's ability to innovate and grow. A well-designed recruitment process can help to attract and retain top talent, which can contribute to the organization's intellectual capital.

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4. Developing talent:

   Recruitment can impact the intellectual capital of an organization by developing talent. The recruitment process can be used to identify individuals with potential and provide them with opportunities for growth and development. Developing talent can help to build a pool of skilled and experienced employees who can contribute to the organization's intellectual capital. Providing training and development opportunities can also help to retain employees and improve their job satisfaction.

5. Fostering a learning culture:

   Recruitment can impact the intellectual capital of an organization by fostering a learning culture. A learning culture is one that encourages continuous learning, knowledge sharing, and collaboration. Organizations can attract individuals who value learning and development by promoting a learning culture during the recruitment process. By fostering a learning culture, organizations can create an environment where employees feel empowered to share their knowledge and expertise, which can contribute to the organization's intellectual capital.

6. Aligning with the organization's strategic objectives:

   Recruitment can impact the intellectual capital of an organization by aligning with the organization's strategic objectives. A well-designed recruitment process can help organizations attract individuals with the knowledge, skills, and experience needed to achieve their strategic objectives. By aligning the recruitment process with the organization's strategic objectives, organizations can build a workforce that is aligned with their vision, mission, and values, which can contribute to the organization's intellectual capital.

7. Enhancing innovation:

   Recruitment can impact the intellectual capital of an organization by enhancing innovation. Innovation is critical for an organization's success as it drives growth, competitiveness, and profitability. By attracting individuals with diverse backgrounds, experiences, and perspectives, organizations can enhance innovation by promoting creativity and idea generation. The recruitment process can be used to identify candidates with a track record of innovation and creativity to build a workforce that can drive innovation and enhance the organization's intellectual capital.

To summarize, recruitment plays a critical role in developing and maintaining an organization's intellectual capital. By acquiring new knowledge and skills, building diverse teams, retaining top talent, developing talent, fostering a learning culture, aligning with the organization's strategic objectives, and enhancing innovation, recruitment can impact an organization's intellectual capital. Intellectual capital is essential for an organization's success as it drives innovation, productivity, and growth. Therefore, organizations should invest in designing a well-structured recruitment process that aligns with their strategic objectives, values, and culture. By doing so, they can attract and retain top talent, build diverse teams, and foster a learning culture that can contribute to the organization's intellectual capital. As a result, organizations can achieve sustainable growth and competitiveness in today's rapidly changing business environment.

3.4.2 Impact on Financial Capital

Recruitment is a crucial process that impacts on an organization's financial performance. The recruitment process involves various activities such as advertising, screening, interviewing, and selecting candidates. The costs associated with these activities can have a significant impact on an organization's finances. This paper aims to explore the various ways recruitment can impact an organization financially.

1. Cost of recruitment:

   The cost of recruitment is one of the primary ways recruitments can impact an organization financially. Recruitment costs include advertising, recruitment agency fees, screening, interviewing, and candidate selection costs. These costs can add up quickly, especially for large organizations that need to fill multiple positions simultaneously. The cost of recruitment can vary depending on the level of the position, the location, and the competition for talent. The cost of recruitment can impact an organization's financial performance by increasing its operating expenses, which can impact its profitability.

2. Cost of turnover:

   Recruitment can impact on an organization's financial performance by reducing employee turnover costs. Employee turnover can be costly for organizations as it results in the loss of institutional knowledge, expertise, and experience. High turnover rates can also impact an organization's morale, productivity, and customer satisfaction. The recruitment process can be designed to attract and retain top talent, which can reduce the cost of turnover. By reducing turnover, organizations can reduce the costs associated with recruitment, training, and lost productivity.

3. Return on investment (ROI) of recruitment:

   Recruitment can impact an organization's financial performance by increasing its ROI. ROI measures the return on investment made by the organization. Recruitment can impact an organization's ROI by attracting and retaining top talent that can drive growth, productivity, and profitability. The recruitment process can be designed to attract individuals with the knowledge, skills, and experience needed to achieve the organization's strategic objectives. By aligning the recruitment process with the organization's strategic objectives, organizations can increase their ROI by building a workforce that is aligned with their vision, mission, and values.

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4. Cost of training:

Recruitment can impact an organization's financial performance by reducing the cost of training. The recruitment process can be used to identify individuals with potential and provide them with opportunities for growth and development. Developing talent can help to build a pool of skilled and experienced employees who can contribute to the organization's intellectual capital. Providing training and development opportunities can also help to retain employees and improve their job satisfaction. By reducing the cost of training, organizations can improve their financial performance by reducing their operating expenses.

5. Cost of employee benefits:

Recruitment can impact an organization's financial performance by increasing the cost of employee benefits. Employee benefits such as healthcare, retirement plans, and vacation time can be costly for organizations. The recruitment process can be designed to attract candidates who value employee benefits and are willing to accept lower salaries in exchange for better benefits. By offering competitive employee benefits, organizations can attract and retain top talent, which can improve their financial performance by increasing productivity and reducing turnover.

6. Cost of legal compliance:

Recruitment can impact an organization's financial performance by increasing the cost of legal compliance. Organizations must comply with various labor laws, including equal opportunity laws, immigration laws, and wage and hour laws. Non-compliance with these laws can result in legal action and fines, which can be costly for organizations. The recruitment process can be designed to ensure compliance with these laws by avoiding discriminatory practices, verifying legal work status, and ensuring compliance with wage

and hour laws. By ensuring compliance with legal requirements, organizations can reduce their legal risks and improve their financial performance.

In conclusion, recruitment can impact an organization's financial performance in various ways. The cost of recruitment, the cost of turnover, the ROI of recruitment, the cost of training, the cost of employee benefits, and the cost of legal compliance can all impact on an organization's financial performance. Therefore, organizations should invest in designing a well-structured recruitment process that aligns with their strategic objectives and goals. A well-designed recruitment process can help organizations to attract, select, and retain top talent, which can contribute to their financial success.

To minimize the cost of recruitment, organizations can explore cost-effective recruitment methods such as employee referrals, social media recruiting, and internal job postings. These methods can reduce the need for expensive recruitment agencies and other advertising methods. Moreover, organizations can reduce the cost of turnover by implementing retention strategies such as providing career development opportunities, offering competitive compensation packages, and creating a positive work environment.

The ROI of recruitment can be increased by aligning the recruitment process with the organization's strategic objectives. Organizations can identify the skills, knowledge, and experience required for each position and then design recruitment strategies to attract candidates who possess these attributes. This can help organizations to build a workforce that is aligned with their vision, mission, and values, resulting in increased productivity and profitability.

To reduce the cost of training, organizations can identify and develop potential talent through a well-designed recruitment process. By providing training and development opportunities to

talented employees, organizations can build a pool of skilled and experienced employees who can contribute to their intellectual capital. This can help organizations to reduce the cost of recruitment and improve their financial performance.

The cost of employee benefits can be managed by offering competitive benefits packages that are aligned with the needs and expectations of employees. By offering attractive employee benefits packages, organizations can attract and retain top talent, which can improve their financial performance.

Finally, organizations should ensure that their recruitment process complies with legal requirements to avoid legal risks and associated costs. By implementing best practices for legal compliance in their recruitment process, organizations can minimize the cost of legal risks and improve their financial performance.

In conclusion, recruitment can significantly impact an organization's financial performance. Organizations can reduce recruitment costs, minimize employee turnover, increase ROI, reduce the cost of training, manage employee benefits costs, and ensure legal compliance by implementing a well-structured recruitment process that aligns with their strategic objectives. A well-designed recruitment process can help organizations to attract, select, and retain top talent, which can contribute to their financial success.

CHAPTER IV: REBUILDING PEOPLE PROCESSES

["IMPACT OF THE RECRUITMENT ON THE ORGANIZATION AND ORGANIZATIONAL DESIGN" ELSEVIER HARVARD REFERENCING]

4.1 Hybrid Model and approach for recruitment

Let's begin with an understanding of 'What is a hybrid model.'

A hybrid work model blends working in-office with working remotely; a hybrid model is.

a work style that enables employees to blend working from different locations: home, office or on the go. The hybrid workplace approach looks different for different organizations. One approach is to place each employee into a few categories 100% remote working, 100% in-office working or a hybrid model.

A true hybrid workforce incorporates HR technology and employee experience best practices to help employees feel more satisfied and engaged and to make businesses more resilient and competitive.

According to Harvard Business Review, **Making the Hybrid Workplace Fair (hbr.org)** the hybrid workforce gives businesses "the benefits of remote working (increased flexibility, reduced carbon footprint, labor-cost optimization, and increased employee satisfaction) alongside the critical strengths of traditional, co-located work (smoother coordination, informal networking, stronger cultural socialization, greater creativity, and face-to-face collaboration)."

Many of the traditional objections to remote work assumed that a lack of supervision and nine-to-five on-site structures would reduce employee performance. However, the pandemic provided an opportunity for organizations to challenge these long-held beliefs. And as it turned out, the deluge of data on remote and hybrid workplace performance told quite a different story.

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Evidence shows that a hybrid workforce performs better, with greater employee retention, engagement, and even profitability. A survey of employers by Mercer determined that "productivity was the same as or higher than it was before the pandemic, even with their employees working remotely." And Gartner reports that "at typical organizations where employees work a standard 40 hours per week in the office, only 36% of employees were high performers. When organizations shift from this environment to one of radical flexibility where employees have a choice over where, when, and how much they work, 55% of employees were high performers."

While the hybrid workforce offers clear advantages, these gains can only be realized with some radical shifts in HR procedures and recruitment strategies. The pandemic forced businesses to change their processes – particularly their recruiting and onboarding approach – virtually overnight. While this kick-started procedural innovation and optimization, it also unearthed some new challenges for HR departments. A Mindedge survey of almost 800 senior-level HR professionals found that 35% of those surveyed felt that remote recruiting is more challenging than in-person recruiting and 38% said that remote interviews are less productive than in-person. And in another recent survey, almost 50% of respondents indicated that remote onboarding processes would be one of the "biggest challenges" they would face in the post-pandemic world of work.

There are other challenges organizations likely to face in the post-pandemic world:

4.1.1 Cultural challenges

Remote interviews can seem to require less commitment. When all a candidate must do is sit down at a screen, it can seem to recruiters that they are less serious about a role compared to when they take the time and effort required for an in-person interview.

It can be difficult to build relationships and impart company culture and values without in-person contact. If not done well, remote onboarding can leave new hires feeling anxious and isolated

because they are missing social norms and feedback they would expect from in-person interactions.

4.1.2 Technological challenges

Legacy software – still used by many organizations – cannot personalize and humanize the recruitment experience nor deliver good the UI/UX and omni-device functionality that are required today. Traditional HR systems without a centralized platform force both employees and employers to juggle multiple software tools and manual processes. When wedged into legacy and manual systems, technologically sophisticated processes like video interviews and recruitment apps add more work, rather than reduce it.

The pandemic has upended much about way to work, and what comes next is neither the death of the office nor a return to the way things were. Instead, our new reality would be hybridity: working with employees who are co-located in the same physical space as well as employees working remotely.

Hybridity promises organizations the benefits of remote working (increased flexibility, reduced carbon footprint, labor-cost optimization, and increased employee satisfaction) alongside the critical strengths of traditional, co-located work (smoother coordination, informal networking, stronger cultural socialization, greater creativity, and face-to-face collaboration).

But hybridity is also inextricably tied to power — it creates power differentials within teams that can damage relationships, impede effective collaboration, and ultimately reduce performance. To lead effectively in a hybrid environment, managers must recognize and actively manage the two

distinct sources of power that can impede — or facilitate — hybrid work: hybridity positioning[13] and hybridity competence[14].

(Mortensen and Haas, 2021)

4.2 Is our approach to hiring all wrong (Cappelli, 2019)

Businesses have never done as much hiring as they do today. They've never spent as much money doing it. And they've never done a worse job of it.

For most of the post–World War II era, large corporations went about hiring this way: Human resources experts prepared a detailed job analysis to determine what tasks the job required and what attributes a good candidate should have. Next, they did a job evaluation to determine how the job fits into the organizational chart and how much it should pay, especially compared with other jobs. Ads were posted, and applicants applied. Then came the task of sorting through the applicants. That included skills tests, reference checks, maybe personality and IQ tests, and extensive interviews to learn more about them as people. William H. Whyte, in The Organization Man, described this process as going on for as long as a week before the winning candidate was offered the job. The vast majority of non-entry-level openings were filled from within.

Today's approach couldn't be more different. Census data shows, for example, that most people who took a new job last year weren't searching for one: Somebody came and got them. Companies seek to fill their recruiting funnel with as many candidates as possible, especially "passive candidates," who aren't looking to move. Often employers advertise jobs that don't exist, hoping to find people who might be useful later or in a different context.

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[13] Hybridity Positioning: Integration of different location sensing systems and technologies that can be advantageous by increasing accuracy, availability and precision beyond that could be obtained using single systems.

[14] Hybridity competence is a separate source of power from hybridity positioning. Someone in a disadvantaged position may still be able to work very effectively if they have high hybridity competence, while someone in an advantaged position may still be ineffective if they have low hybridity competence

The recruiting and hiring function have been eviscerated. Many U.S. companies—about 40%, according to research by Korn Ferry—have outsourced much if not all the hiring process to "recruitment process outsourcers," which in turn often use subcontractors, typically in India and the Philippines. The subcontractors scour LinkedIn and social media to find potential candidates. They sometimes contact them directly to see whether they can be persuaded to apply for a position and negotiate the salary they're willing to accept. (The recruiters get incentive pay if they negotiate the amount down.) To hire programmers, for example, these subcontractors can scan websites that programmers might visit, trace their "digital exhaust" from cookies and other user-tracking measures to identify who they are, and then examine their curricula vitae.

At companies that still do their own recruitment and hiring, managers trying to fill open positions are largely left to figure out what the jobs require and what the ads should say. When applications come—always electronically—applicant-tracking software sifts through them for key words that the hiring managers want to see. Then the process moves into the Wild West, where a new industry of vendors offers an astonishing array of smart-sounding tools that claim to predict who to be a good hire. They use voice recognition, body language, clues on social media, and especially machine learning algorithms—everything but tea leaves. Entire publications are devoted to what these vendors are doing.

The big problem with all these new practices is that it is yet to be established whether they produce satisfactory hires. Only about a third of U.S. companies report that they monitor whether their hiring practices lead to good employees; few of them do so carefully, and only a minority even track cost per hire and time to hire. Imagine if the CEO asked how an advertising campaign had gone, and the response was "It is a good idea to roll out and see what it cost but isn't evaluated to see whether we're selling more."

Hiring talent remains the number one concern of CEOs in the most recent Conference Board Annual Survey: it's also the top concern of the entire executive suite. PwC's 2017 CEO survey reports that chief executives view the unavailability of talent and skills as the biggest threat to their business. Employers also spend an enormous amount on hiring—an average of $4,129 per job in the United States, according to Society for Human Resource Management estimates, and many

times that amount for managerial roles—and the United States fills a staggering 66 million jobs a year. Most of the $20 billion that companies spend on human resources vendors goes to hiring.

1. <u>Why do employers spend so much on something so important while knowing so little about whether it works? Where the Problem Starts</u>

Survey after survey finds employers complaining about how difficult hiring is. There may be many explanations, such as their having become very picky about candidates, especially in the slack labor market of the Great Recession. But clearly, they are hiring much more than at any other time in modern history, for **two reasons**.

The *first* is that openings are now filled more often by hiring from the outside than by promoting from within. In the era of lifetime employment, from the end of World War II through the 1970s, corporations filled roughly 90% of their vacancies through promotions and lateral assignments. Today the figure is a third or less. When they hire from outside, organizations don't have to pay to train and develop their employees. Since the restructuring waves of the early 1980s, it has been relatively easy to find experienced talent outside. Only 28% of talent acquisition leaders today report that internal candidates are an important source of people to fill vacancies—presumably because of less internal development and fewer clear career ladders.

Less promotion internally means that hiring efforts are no longer concentrated on entry-level jobs and recent graduates. (If you doubt this, go to the "careers" link on any company website and look for a job opening that doesn't require prior experience.) Now companies must be good at hiring across most levels, because the candidates they want are already doing the job somewhere else. These people don't need training, so they may be ready to contribute right away, but they are much harder to find.

The *second* reason hiring is so difficult is that retention has become tough: Companies hire from their competitors and vice versa, so they must keep replacing people who leave. Census and Bureau of Labor Statistics data shows that 95% of hiring is done to fill existing positions. Most of those vacancies are caused by voluntary turnover. LinkedIn data indicates that the most common reason

employees consider a position elsewhere is career advancement—which is surely related to employers' not promoting to fill vacancies.

The root cause of most hiring, therefore, is drastically poor retention. Here are some simple ways to fix that:

2. <u>Track the percentage of openings filled from within</u>. An adage of business is that we manage what we measure, but companies don't seem to be applying that maxim to tracking hires. Most are shocked to learn how few of their openings are filled from within—is it really the case that their people can't handle different and bigger roles?

3. <u>Require that all openings be posted internally</u>. Internal job boards were created during the dot-com boom to reduce turnover by making it easier for people to find new jobs within their existing employer. Managers weren't even allowed to know if a subordinate was looking to move within the company, for fear that they would try to block that person and he or she would leave. But during the Great Recession employees weren't quitting, and many companies slid back to the old model whereby managers could prevent their subordinates from moving internally. JR Keller, of Cornell University, has found that when managers could fill a vacancy with someone they already had in mind, they ended up with employees who performed more poorly than those hired when the job had been posted and anyone could apply. The commonsense explanation for this is that few enterprises really know what talent and capabilities they have.

4. <u>Recognize the costs of outside hiring.</u> In addition to the time and effort of hiring, my colleague Matthew Bidwell found, outside hires take three years to perform as well as internal hires in the same job, while internal hires take seven years to earn as much as outside hires are paid. Outside hiring also causes current employees to spend time and energy positioning themselves for jobs elsewhere. It disrupts the culture and burdens peers who must help new hires figure out how things work.

None of this is to suggest that outside hiring is necessarily a bad idea. But unless your company is a Silicon Valley gazelle, adding new jobs at a furious pace, you should ask yourself some serious questions if most of your openings are being filled from outside.

5. <u>A different approach for dealing with retention</u> (which seems creepy to some) is to try to determine who is interested in leaving and then intervening. Vendors like Jobvite comb social media and public sites for clues, such as LinkedIn profile updates. Measuring "flight risk" is one of the most common goals of companies that do their own sophisticated HR analytics. This is reminiscent of the early days of job boards, when employers would try to find out who was posting résumés and either punish them or embrace them, depending on leadership's mood.

Whether companies should be examining social media content in relation to hiring or any other employment action is a challenging ethical question. On one hand, the information is essentially public and may reveal relevant information. On the other hand, it is invasive, and candidates are rarely asked for permission to scrutinize their information. Hiring a private detective to shadow a candidate would also gather public information that might be relevant, yet most people would view it as an unacceptable invasion of privacy.

4.2.2 The Hiring Process

When it comes to hiring itself, it is found that employers are missing the forest for the trees: Obsessed with new technologies and driving down costs, they largely ignore the goal: making the best possible hires. Here's how the process should be revamped:

1. <u>Don't post "phantom jobs:</u>
It costs nothing to post job openings on a company website, which are then scooped up by Indeed and other online companies and pushed out to potential job seekers around the world. Thus, it may be unsurprising that some of these jobs don't really exist. Employers may simply be fishing for candidates. ("Let's see if someone really great is out there, and if so, we'll create a position for him or her.") Often job ads stay up even after positions have been filled, to keep collecting candidates for future vacancies or just because it takes more effort to pull the ad down than to

leave it up. Sometimes ads are posted by unscrupulous recruiters looking for résumés to pitch to clients elsewhere. Because these phantom jobs make the labor market look tighter than it really is, they are a problem for economic policy makers as well as for frustrated job seekers. Companies should take ads down when jobs are filled.

2. Design jobs with realistic requirements:

Figuring out what the requirements of a job should be—and the corresponding attributes candidates must have—is a bigger challenge now, because so many companies have reduced the number of internal recruiters whose function, in part, is to push back on hiring managers' wish lists. ("That job doesn't require 10 years of experience," or "No one with all those qualifications be willing to accept the salary you're proposing to pay.") My earlier research found that companies piled on job requirements, baked them into the applicant-tracking software that sorted résumés according to binary decisions (yes, it has the key word; no, it doesn't), and then found that virtually no applicants met all the criteria. Trimming recruiters, who have expertise in hiring, and handing the process over to hiring managers is a prime example of being penny-wise and pound-foolish.

3. Reconsider your focus on passive candidates:

The recruiting process begins with a search for experienced people who aren't looking to move. This is based on the notion that something may be wrong with anyone who wants to leave his or her current job. (Of the more than 20,000 talent professionals who responded to a LinkedIn survey in 2015, 86% said their recruiting organizations focused "very much so" or "to some extent" on passive candidates; suspect that if anything, that number has since grown.) Recruiters know that most people are open to moving at the right price: Surveys of employees find that only about 15% are not open to moving. As the economist Harold Demsetz said when asked by a competing university if he was happy working where he was: "Make me unhappy."

Fascinating evidence from the LinkedIn survey cited above shows that although self-identified "passive" job seekers are different from "active" job seekers, it's not in the way we might think. The number one factor that would encourage the former to move is more money. For active candidates the top factor is better work and career opportunities. More active than passive job seekers report that they are passionate about their work, engaged in improving their skills, and

reasonably satisfied with their current jobs. They seem interested in moving because they are ambitious, not because they want higher pay.

Employers spend a vastly disproportionate amount of their budgets on recruiters who chase passive candidates, but on average they fill only 11% of their positions with individually targeted people, according to research by Gerry Crispin and Chris Hoyt, of CareerXroads. This paper knows of no evidence that passive candidates become better employees, let alone that the process is cost-effective. If you focus on passive candidates, think carefully about what that gets you. Better yet, check data to find out.

4. Understand the limits of referrals:

The most popular channel for finding new hires is through employee referrals; up to 48% come from them, according to LinkedIn research. It seems like a cheap way to go, but does it produce better hires? Many employers think so. It's hard to know whether that's true, however, given that they don't check. And research by Emilio Castilla and colleagues suggests otherwise: They find that when referrals work out better than other hires, it's because their referrers look after them and essentially onboard them. If a referrer leaves before the new hire begins, the latter's performance is no better than that of nonreferrals, which is why it makes sense to pay referral bonuses six months or so after the person is hired—if he or she is still there. A downside to referrals, of course, is that they can lead to a homogeneous workforce, because the people known tend to be like us. This matters greatly for organizations interested in diversity, since recruiting is the only avenue allowed under U.S. law to increase diversity in a workforce. The Supreme Court has ruled that demographic criteria cannot be used even to break ties among candidates.

5. Measure the results:

Few employers know which channel produces the best candidates at the lowest cost because they don't track the outcomes. Tata is an exception: It has long done what market advocate. For college recruiting, for example, it calculates which schools send their employees who perform the best, stay the longest, and are paid the lowest starting wage. Other employers should follow suit and monitor recruiting channels and employees' performance to identify which sources produce the best results.

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6. Persuade fewer people to apply:

The hiring industry pays a great deal of attention to "the funnel," whereby readers of a company's job postings become applicants, are interviewed, and ultimately are offered jobs. Contrary to the popular belief that the U.S. job market is extremely tight right now, most jobs still get lots of applicants. Recruiting and hiring consultants and vendors estimate that about 2% of applicants receive offers. Unfortunately, the main effort to improve hiring—virtually always aimed at making it faster and cheaper—has been to shovel more applicants into the funnel. Employers do that primarily through marketing, trying to get out the word that they are great places to work. Whether doing this is a misguided way of trying to attract better hires or just meant to make the organization feel more desirable isn't clear.

7. Much better to go in the other direction:

Create a smaller but better-qualified applicant pool to improve the yield. Here's why: Every applicant costs you money—especially now, in a labor market where applicants have started to "ghost" employers, abandoning their applications midway through the process. Every application also exposes a company to legal risk because the company has obligations to candidates (not to discriminate, for example) just as it does to employees. And collecting lots of applicants in a wide funnel means that a great many of them won't fit the job or the company, so employers must rely on the next step of the hiring process—selection—to weed them out. As the paper presents, the employers aren't good at that.

Once people are candidates, they may not be completely honest about their skills or interests—because they want to be hired—and employers' ability to find out the truth is limited. More than a generation ago the psychologist John Wanous proposed giving applicants a realistic preview of what the job is like. That still makes sense to head off those who would end up being unhappy in the job. It's not surprising that Google has found a way to do this with gamification: Job seekers see what the work would be like by playing a game version of it. Marriott has done the same, even for low-level employees. Its My Marriott Hotel game targets young people in developing countries who may have had little experience in hotels to show them what it's like and to steer them to the recruiting site if they score well on the game. The key for any company, though, is that the preview

should make clear what is difficult and challenging about the work as well as why it's fun so that candidates who don't fit in won't apply.

It should be easy for candidates to learn about a company and a job, but making it easy to apply, just to fill up that funnel, doesn't make much sense. During the dot-com boom Texas Instruments cleverly introduced a preemployment test that allowed applicants to see their scores before they applied. If their scores weren't high enough for the company to take their applications seriously, they tended not to proceed, and the company saved the cost of having to process their applications.

If the goal is to get better hires in a cost-effective manner, it's more important to scare away candidates who don't fit than to jam more candidates into the recruiting funnel.

8. Test candidates' standard skills:

How to determine which candidates to hire—what predicts who to be a good employee—has been rigorously studied at least since World War I. The personnel psychologists who investigated this have learned much about predicting good hires that contemporary organizations have since forgotten, such as that neither college grades nor unstructured sequential interviews (hopping from office to office) are a good predictor, whereas past performance is. Since it can be difficult (if not impossible) to glean sufficient information about an outside applicant's past performance, what other predictors are good? There is remarkably little consensus even among experts. That's mainly because a typical job can have so many tasks and aspects, and different factors predict success at different tasks.

There is general agreement, however, that testing to see whether individuals have standard skills is about the best we can do. Can the candidate speak French? Can she do simple programming tasks? And so forth. But just doing the tests is not enough. The economists Mitchell Hoffman, Lisa B. Kahn, and Danielle Li found that even when companies conduct such tests, hiring managers often ignore them—and when they do, they get worse hires. The psychologist Nathan Kuncel and colleagues discovered that even when hiring managers use objective criteria and tests, applying their own weights and judgment to those criteria leads them to pick worse candidates than if they had used a standard formula. Only 40% of employers, however, do any tests of skills or general

abilities, including IQ. What are they doing instead? Seventy-four percent do drug tests, including for marijuana use; even employers in states where recreational use is now legal still seem to do so.

9. <u>Be wary of vendors bearing high-tech gifts:</u>

Into the testing void has come a new group of entrepreneurs who either are data scientists or have them in tow. They bring a fresh approach to the hiring process—but often with little understanding of how hiring works. John Sumser, of HRExaminer, an online newsletter that focuses on HR technology, estimates that on average, companies get five to seven pitches every day—almost all of them about hiring—from vendors using data science to address HR issues. These vendors have all sorts of cool-sounding assessments, such as computer games that can be scored to predict who to be a good hire. We don't know whether any of these lead to better hires, because few of them are validated against actual job performance. That aside, these assessments have spawned a counterwave of vendors who help candidates learn how to score well on them. Lloyds Bank, for example, developed a virtual-reality-based assessment of candidate potential, and JobTestPrep offers to teach potential candidates how to do well on it. Especially for IT and technical jobs, cheating on skills tests and even video interviews (where colleagues off camera give help) is such a concern that eTeki and other specialized vendors help employers figure out who is cheating in real time.

10. <u>Revamp your interviewing process:</u>

The amount of time employers spend on interviews has almost doubled since 2009, according to research from Glassdoor. How much of that increase represents delays in setting up those interviews is impossible to tell, but it provides at least a partial explanation for why it takes longer to fill jobs now. Interviews are arguably the most difficult technique to get right, because interviewers should stick to questions that predict good hires—mainly about past behavior or performance that's relevant to the tasks of the job—and ask them consistently across candidates. Just winging it and asking whatever comes to mind is next to useless.

4.2.3 Interviews are where biases most easily show up.

More important, interviews are where biases most easily show up, because interviewers do usually decide on the fly what to ask of whom and how to interpret the answer. Everyone knows some executive who is certain he knows the one question that really predicts good candidates ("If you were stranded on a desert island…"). The sociologist Lauren Rivera's examination of interviews for elite positions, such as those in professional services firms, indicates that hobbies, particularly those associated with the rich, feature prominently as a selection criterion.

Interviews are most important for assessing "fit with our culture," which is the number one hiring criterion employers report using, according to research from the Rockefeller Foundation. It's also one of the squishiest attributes to measure, because few organizations have an accurate and consistent view of their own culture—and even if they do, understanding what attributes represent a good fit is not straightforward. For example, does the fact that an applicant belonged to a fraternity reflect experience working with others or elitism or bad attitudes toward women? Should it be completely irrelevant? Letting someone with no experience or training make such calls is a recipe for bad hires and, of course, discriminatory behavior. Think hard about whether your interviewing protocols make any sense and resist the urge to bring even more managers into the interview process.

Recognize the strengths and weaknesses of machine learning models. Culture fit is another area into which new vendors are swarming. Typically, they collect data from current employees, create a machine learning model to predict the attributes of the best ones, and then use that model to hire candidates with the same attributes.

As with many other things in this new industry, that sounds good until you think about it; then it becomes replete with problems. Given the best performers of the past, the algorithm almost certainly includes white and male as key variables. If it's restricted from using that category, it comes up with attributes associated with being a white male, such as playing rugby.

Machine learning models do have the potential to find important but previously unconsidered relationships. Psychologists, who have dominated research on hiring, have been keen to study

attributes relevant to their interests, such as personality, rather than asking the broader question "What identifies a potential good hire?" Their results gloss over the fact that they often have only a trivial ability to predict a good performer, particularly when many factors are involved. Machine learning, in contrast, can come up with highly predictive factors. Research by Evolv, a workforce analytics pioneer (now part of Cornerstone OnDemand), found that the expected commuting distance for the candidate predicted turnover very well. But that's not a question the psychological models thought to ask. (And even that question has problems.)

The advice on selection is straightforward: Test for skills. Ask assessments vendors to show evidence that they can predict who the good employees be. Do fewer, more-consistent interviews.

4.2.4 The Way Forward

It's impossible to get better at hiring if you can't tell whether the candidates you select become good employees. If you don't know where you're going, any road can take you there. You must have a way to measure which employees are the best ones.

Why is that not getting through to companies? Surveyed employers say the main reason they don't examine whether their practices lead to better hires is that measuring employee performance is difficult. Surely this is a prime example of making the perfect the enemy of the good. Some aspects of performance are not difficult to measure: Do employees quit? Are they absent? Virtually all employers conduct performance appraisals. If you don't trust them, try something simpler. Ask supervisors, "Do you regret hiring this individual? Would you hire him again?"

Organizations that don't check to see how well their practices predict the quality of their hires are lacking in one of the most consequential aspects of modern business.

4.3 Is your hiring process fair and unbiased?

A wide body of research indicates that most of the hiring processes are biased and unfair. Unconscious sexism, racism, ageism, nationality etc. play a significant role in who gets hired. To assess the impact of recruitment, it is important to begin with an understanding of the biases that exist in the recruitment process leading to this impact. Ironically there are no benchmarks established in organizations to measure the level of biases that exist but understanding them can be a good starting point to evaluate the impact.

What Experts Say:

Unconscious biases have a critical and "problematic" effect on our judgment, says Francesca Gino, professor at Harvard Business School. "They cause us to make decisions in favor of one person or group to the detriment of others." In the workplace, this "can stymie diversity, recruiting, promotion, and retention efforts." Left unchecked, biases can also shape a company or industry's culture and norms, says Iris Bohnet, director of the Women and Public Policy Program at the Harvard Kennedy School, and the author of *What Works: Gender Equality by Design*. "Seeing is believing," she explains.

(Knight, 2017)

4.3.1 Strategies to reduce bias in your hiring process.

a) Understanding hiring prejudices:

A conscious awareness of the hiring biases can bring the issue on the surface which makes it relatively easier to address. Organizations should recommend their hiring managers to identify and train teams on hiring biases and influencing factors. Awareness is the first step in unravelling unconscious bias because it allows teams to realize everyone possesses certain biases and the starting point is to identify them. The intent is to create an organizational level conversation about hiring prejudices and enable thoughts to challenge them as a group.

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b) Realign your job specifications:

Job specifications as given for Talent Acquisition are an indicator of the company's culture. Key words that may appear subtle leave a strong impact on the candidates applying for a position. Stronger key words often indicate a company's culture as performance driven instead of people driven and may receive applications only from the candidates seeking such a challenging environment. On the other hand, candidates seeking a sustainable working culture may abstain from applying for such roles. A more inclusive job specification can be an indicator of a neutral approach to the hiring process.

c) Ignore resume-based review:

Most recruiters would evaluate a candidate based on resume without even factoring what an individual can bring on table for the organization. This exists across many organizations simply because of resume parsing [15] a software that allows recruiters to assess resumes based on the skill required for the job. The organizational process of evaluating CVs solely based on this process eliminates the possibility of evaluating alternate profiles and uncovering additional skills. It is easy to establish and sustain this bias as it is mostly incorporated with a prerequisite of making the recruitment process for an organization more effective.

d) Develop an unbiased Assessment Metrics:

Organizations can opt to build an unbiased Assessment metric which allows you to evaluate candidates based on merit to perform the job role. Assessments that focus on job related tasks are the best indicators of future performance. Evaluating candidates on standard parameters allows unbiased assessments allowing an organization to identify the right talent

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15 Resume parsers are programs designed to scan the document, analyze it and extract information important to recruiters. For most HR professionals, important information to be extracted with a resume parser includes skills, work experience, contact information, achievements, education, certifications and certain professional specializations.

dispassionately. Unbiased assessments force an organization to critique the quality of the applicant's potential in future instead of unconsciously judging them based on resume, attire, appearance, gender, age, race, personality traits etc.

e) Uniform Interviews:

Interview process is a two-way communication of understanding the potential employee and the employer. Lack of pre-defined questions related to the competencies required for the job role are often unreliable for predicting job success. The endeavor of the interview process should be to ensure that candidate's experience and expertise are explored organically through the conversation. Uniformity in the interview process minimizes bias by allowing employers to focus on the factors directly impacting the deliverables for the job. A standard template and scorecard assessing candidates' responses to every parameter on a pre-defined scale allow comparative evaluation of the applicants for the role. The objective of the interview process is to capture and create unbiased data points.

f) Factor likability in evaluation:

Interviewers are likely to be swayed by people like them, it is quite natural for us to develop an instant connection with someone like us. The first impression in an interview can be the deciding factor and could impact the outcome of an interview. A hiring manager is more likely to hire someone alike in the process unconsciously and more likely to validate that decision as well. Asking hiring managers to evaluate their decision linked with their likability can bring forth some factors that may have been factored in the selection process unconsciously. By giving a score to the likability factor, the paper is objectively making it more accessible for evaluation.

4.4 Can Data Science fix hiring flaws?

Hiring managers are eagerly looking to explore new recruitment-related tools, particularly because the existing ones like unstructured interviews, subjective evaluation, personality tests and referral programs are not effective. The recent developments in the Talent Acquisition space are both promising and concerning. The rise of Data Science driven algorithms managing end to end recruitment process including the assessment of the candidates is yet to deliver on merit. The infancy stage of Data Science is being made up to effectively to change recruitment dynamics, but it is yet to reach the levels as expected by the employers.

The promoters of these new tools promise to reduce the hiring biases and present a solution to identify and promote good candidates fit for the job role. But these tools also work on predictive analysis and variables auto correcting the hiring pattern that existed earlier as well. Data Science tools are using established parameters to evaluate and predict candidate selection, ignoring the dynamics that are continuously impacting the prerequisites of hiring for an organization.

Most tools are using parameters that are easy to measure: choice of words, body language, writing pattern on social media platforms etc. Failure to check actual differential factors between high performance and mediocre is still a challenge for these tools. In addition to that, accessing information from sources not declared brings forth concerns on privacy of candidates and can often lead to a negative candidate experience.

It is correct to say that organizations can use the available information for evaluation but from a candidate perspective, they have not authorized the use of that information in any

other way it is intended to. Information posted during your campus days can still be evaluated for a job opportunity years later, doesn't make sense, right?

Another concern with using such algorithms is the source of information they use for predicting results; all the information used by these programs is from events that have already happened. So basically, you are predicting a future for an organization based on past trends but almost ignore the predictable future and the impact of those trends already have on the future.

The underlying challenge for Data Science based predictive tools is also that hiring is not simply defining a life cycle for a machine which can be predicted by calculating measurable components used to build that machine. Hiring talent so consequential and related to organizational dynamics that apart from its legal requirements it impacts people related factors as well.

Some of the job critical success factors predicted by data-based tools may not be required or necessary for the sustainability of the performance in an organization. For e.g., Data science predicts that organization is likely to see a higher attrition % in the last quarter of the year. This assumption is based on data point from the last couple of years and the trend the tool has recorded. But, it is completely ignoring the factors like the possibility of competition hiring more aggressively during those months, or the possibility of organization ready to give better hikes this year based on performance, or the requirement of the role in the talent market have shrunk, or the potential jobs linked with the employees have shifted, or the competition have not performed well enough to hire more, or any recent changes in the industry is replacing this skill or something like pandemic can put a complete stop on hiring.

So basically, the interpretation or prediction is incomplete and thus not reliable.

In the end, to make use of the Data Science programs available it is recommended for organizations to draw inferences from the system-based predictions and dovetail them with the organizational dynamics, to ensure they are not following an algorithm without factoring other essential parameters.

Unless this collaborative decision indicates the need to make necessary changes in the organization, organizations can use them for further analysis and internal consumption. There is no harm in seeking a perspective if it is not impacting your decisions entirely. Identifying good performers in an organization is great, but building an algorithm to identify all performers and then predicting data-based inputs to improve organizational level performance would be more holistic, inclusive, and competitive instead.

CHAPTER V: SURVEY, RESULTS & INTERPRETATIONS

["IMPACT OF THE RECRUITMENT ON THE ORGANIZATION AND ORGANIZATIONAL

DESIGN" ELSEVIER HARVARD REFERENCING]

5.1 Additional Questions Summarized

We started this dissertation with the objective in mind to be able to identify recruitment as a process that needs attention and detailing for it to be successful. There are no two ways that in today's technologically advanced world means and medium are at our disposal to be used for making this process more effective. However, the process of recruitment doesn't end with the joining of a candidate; the entire process is an interconnected list of sub-processes that impacts an organization significantly.

These additional questions would need a significant amount of research and additional studies for conclusive answers. We are including a detailed explanation of these questions for ease of reference and understanding before evaluating the response to the survey questions obtained through primary responses from the participants.

We are also listing the survey questions summarized and supported by the interpretation of the survey results conducted for completing this dissertation.

    a. Startups –
       i. The role startups played in initiating the change in pay scales for the organizations and how this attracted the talent pool.
      ii. How startups focused on hiring from external talent pool, tilting the balance of pay range in the organizations.

          1. Startups have played a significant role in initiating the change in pay scales for organizations, particularly in the technology industry. By offering higher salaries and attractive benefits, startups have been

able to attract and retain top talent, leading to a shift in pay standards across the industry.

2. One way that startups have influenced pay scales is by offering equity or stock options to employees. This can be particularly appealing to job seekers who are willing to take a risk in exchange for potential future rewards. By offering stock options, startups can incentivize employees to work hard and contribute to the success of the company, as their own financial success is tied to the success of the company.

3. Another way that startups have influenced pay scales is by adopting a more flexible approach to work. Many startups offer remote work options, flexible schedules, and unlimited paid time off. These benefits can be particularly appealing to younger workers who prioritize work-life balance and flexibility. By offering these benefits, startups can attract top talent who may be looking for a more flexible work environment.

4. In addition to these benefits, startups have also been able to offer higher salaries than traditional organizations. This is due in part to the fact that startups often have more flexible budgets and are willing to invest in top talent to help grow the company. By offering higher salaries, startups can attract top performers who may not be willing to work for lower pay at a traditional organization.

5. Overall, startups have played a significant role in initiating the change in pay scales for organizations. By offering attractive benefits, equity, and higher salaries, startups have been able to attract top talent and create a more competitive job market. This has forced traditional organizations to adapt and offer similar benefits to attract and retain top performers.

b. Established Org –
   i. How the organizations with an established pay range were considered the non-preferred place to work for the talent pool coming from the market?
   ii. How these organizations became a second preference to attract and retain talent pool.
       1. Organizations with a fixed pay range can be considered a non-preferred place to work for the talent pool coming from the market for several reasons.

       2. Firstly, fixed pay ranges can be seen as inflexible and lacking in opportunity for growth and advancement. This is particularly true for job seekers who are looking for a dynamic and challenging work

environment, where they can learn new skills and take on new responsibilities over time. In contrast, fixed pay ranges can make it difficult for employees to see a clear path for career growth and may lead to a feeling of stagnation and frustration.

3. Secondly, fixed pay ranges can be seen as uncompetitive compared to the pay scales offered by startups and emerging companies. This is because these organizations are often willing to invest more heavily in talent, to drive innovation and growth. As a result, job seekers may be drawn to these organizations over those with more rigid pay ranges.

4. Thirdly, fixed pay ranges can create a perception that an organization is more concerned with cost control than with investing in its employees. This can make it difficult for an organization to attract and retain top talent, particularly in industries where talent is in high demand.

5. Overall, organizations with a fixed pay range may be considered a non-preferred place to work for the talent pool coming from the market because they can be seen as inflexible, uncompetitive, and lacking in opportunities for growth and advancement. To remain competitive in today's job market, it is important for organizations to be willing to invest in their employees and to offer attractive compensation packages that reflect the value of top talent.

6. The success of start-ups led to a considerable change in the Talent dynamics and eventually to the recruitment process. Candidates were able to believe in the possibility of the success of startups, making established organizations a less-preferred place to work.

c. Change Management –
   i. How do top talent in some organizations retain despite their pay gap?
   ii. What are the best practices organizations can implement to address this change?
      1. While pay is an important factor in retaining top talent, there are several other strategies that organizations can use to keep their employees engaged and motivated, even if there is a pay gap compared to other organizations.

      2. One strategy is to provide a clear career path and opportunities for professional development. Top talent is often motivated by the prospect of learning new skills, taking on new responsibilities, and advancing in their careers. By offering training programs, mentoring opportunities, and career development plans, organizations can

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show their employees that they are invested in their long-term success.

3. Another strategy is to provide a positive work environment that fosters a sense of community and belonging. This can include team-building activities, social events, and an open-door policy where employees can communicate openly with their managers. By creating a positive work culture, organizations can help their employees feel valued and engaged, which can help to offset any pay gap.

4. Flexible work arrangements can also be an effective way to retain top talent, particularly if the organization cannot offer a competitive salary. This can include options such as remote work, flexible hours, and unlimited paid time off. By offering these benefits, organizations can help their employees achieve a better work-life balance and improve their overall job satisfaction.

5. Finally, organizations can also offer non-financial incentives such as stock options, profit-sharing, and performance-based bonuses. These incentives can be particularly effective in industries where traditional salaries may not be as high, as they offer the opportunity for employees to share in the success of the company.

6. Overall, while pay is an important factor in retaining top talent, organizations can use a variety of practices to keep their employees engaged and motivated, even if there is a pay gap. By investing in employee development, creating a positive work environment, offering flexible work arrangements, and providing non-financial incentives, organizations can retain their top performers and remain competitive in the job market.

d. Impact on existing employee satisfaction –
   i. The impact of hiring externally on the internal work environment.
   ii. How is employee satisfaction and performance impacted and what steps organizations can take to prevent this?
      1. Hiring talent from outside can have a significant impact on existing employees, particularly if they feel that they are being overlooked for career advancement opportunities or are not being compensated fairly compared to new hires. This can lead to feelings of frustration, demotivation, and ultimately, employee turnover.

      2. To prevent these negative impacts, organizations can take several steps to ensure that their existing employees feel valued and supported.

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3. One strategy is to prioritize internal promotions and career development opportunities. This can include identifying high-potential employees and investing in their training and development, as well as providing clear career advancement paths and opportunities for skill-building. By prioritizing internal talent, organizations can show their employees that they are valued and can provide a clear path for advancement, which can reduce the likelihood of resentment towards new hires.

4. Another strategy is to ensure that new hires are compensated fairly compared to existing employees. This can involve conducting regular compensation reviews to ensure that all employees are paid fairly and equitably, based on their skills, experience, and contributions to the organization.

5. Open communication and transparency are also critical in preventing negative impacts on existing employees. Organizations should be clear about their hiring processes and explain how new hires were selected and what criteria were used to make those decisions. This can help to alleviate any concerns or misconceptions that existing employees may have and can help to build trust and confidence in the organization.

6. Finally, organizations should prioritize a positive work culture that fosters collaboration, open communication, and a sense of community. This can include team-building activities, social events, and an open-door policy where employees can communicate openly with their managers. By creating a positive work environment, organizations can help their employees feel valued and engaged, which can reduce the likelihood of negative impacts from hiring talent from outside.

7. Overall, by prioritizing internal promotions and career development, ensuring fair compensation, maintaining open communication, and fostering a positive work culture, organizations can prevent negative impacts on existing employees when hiring talent from outside. By doing so, they can retain their top performers and maintain a positive and motivated workforce.

e. Established tools to evaluate performance missing –
   i. How organizations are struggling to decipher the evaluation difference between an external hire and internal talent.
   ii. Why there is a need for an organization is to establish sound performance and potential matrix.

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1. Organizations often struggle to differentiate the performance of an external hire compared to an internal employee for several reasons. External hires may come in with different backgrounds, experience, and work styles that can make it difficult to compare their performance to that of existing employees. Additionally, there may be biases in the hiring process that can result in external hires being held to different performance standards than internal employees.

2. To address these challenges, it is important for organizations to establish sound performance management processes that are fair and transparent.

3. One key element of effective performance management is setting clear performance expectations and goals for all employees, both internal and external. This can include providing a job description, outlining specific performance metrics, and establishing regular check-ins and performance reviews. By providing clear expectations and goals, organizations can ensure that all employees are evaluated based on the same criteria, regardless of their background or experience.

4. Another important component of performance management is providing regular feedback and coaching to employees. This can include regular check-ins with managers, as well as ongoing training and development opportunities to help employees improve their skills and performance. By providing regular feedback and coaching, organizations can help employees understand how they are performing and what they need to do to improve.

5. Organizations should also ensure that their performance management processes are fair and unbiased. This can involve training managers on how to evaluate performance objectively and equitably, as well as establishing clear guidelines for promotions and compensation. By ensuring that all employees are evaluated based on the same criteria and that performance management decisions are made objectively, organizations can reduce the likelihood of biases in the performance management process.

6. Finally, organizations should regularly review and assess their performance management processes to ensure that they are effective and aligned with the organization's goals and values. This can involve soliciting feedback from employees, conducting regular performance reviews, and adjusting as needed.

7. In summary, by establishing sound performance management processes that are fair, transparent, and aligned with the

organization's goals and values, organizations can differentiate the performance of external hires compared to internal employees and ensure that all employees are evaluated based on the same criteria. This can help organizations to retain top talent, improve employee engagement and productivity, and achieve their business objectives.

f. Pay parity –
   i. Why do organizations struggle to establish pay parity for their existing employees?
   ii. Is there a need to relook at the salaries for specific roles before hiring from the market?
      1. Organizations should maintain pay parity for their existing employees for several reasons. Firstly, it helps to ensure that employees feel valued and fairly compensated for their work, which can improve employee engagement, job satisfaction, and ultimately, retention rates. Secondly, it can help to reduce the likelihood of pay discrimination, which can lead to legal and reputational risks for the organization. Finally, it can help to create a positive workplace culture where employees feel that they are being treated fairly and equitably.

      2. Maintaining pay parity for existing employees can be challenging, particularly if the organization is hiring new employees at different pay levels. In such cases, there may be a need to relook at the salary levels for the roles before hiring them to ensure that new hires are being compensated fairly and equitably compared to existing employees.

      3. Re-evaluating salary levels for roles can involve conducting market research to understand current pay rates for similar roles in the industry, as well as assessing the skills, experience, and qualifications required for the role. This can help the organization to establish a fair and competitive salary range for the role, which can be used to evaluate both new hires and existing employees.

      4. Organizations may also consider implementing a salary review process to ensure that all employees are being compensated fairly and equitably based on their skills, experience, and contributions to the organization. This can involve conducting regular compensation reviews and adjusting as needed to ensure that all employees are being compensated fairly.

      5. In summary, maintaining pay parity for existing employees is critical for creating a positive workplace culture and reducing the risk of pay discrimination. However, in cases where new employees

are being hired at different pay levels, there may be a need to relook at the salary levels for the roles before hiring them to ensure that new hires are being compensated fairly and equitably compared to existing employees. This can involve conducting market research and implementing a salary review process to ensure that all employees are being compensated fairly based on their skills, experience, and contributions to the organization.

g. Talent Development/Career Progression –
   i. What an internal talent development/career progression initiative could have prevented the great resignation era.
   ii. Is there a need to develop employees and align them with their career goals?
      1. Career development initiatives for employees can play a critical role in preventing attrition and retaining top talent within organizations. By providing employees with opportunities to learn new skills, gain experience, and advance in their careers, organizations can create a positive and engaging work environment that fosters employee growth and development.

      2. Career development initiatives can take many forms, including training and development programs, mentoring and coaching, job shadowing, and job rotations. These initiatives can help employees to develop new skills and competencies, explore new career paths, and advance within the organization.

      3. Aligning employees with their career goals is also critical for retaining top talent. By understanding employees' career aspirations and goals, organizations can develop career development plans that are tailored to each individual employee. This can help to increase employee engagement and job satisfaction, as employees feel that their employer is invested in their career growth and development.

      4. In addition, aligning employees with their career goals can also help to improve organizational performance. By ensuring that employees are working in roles that are aligned with their skills, interests, and career goals, organizations can improve employee productivity, reduce turnover, and ultimately, achieve their business objectives.

      5. To align employees with their career goals, organizations can conduct regular career conversations with employees to understand their aspirations and career goals. This can involve discussing career aspirations, interests, and skills, as well as identifying potential career paths and development opportunities.

6. Organizations can also provide employees with the tools and resources they need to develop their careers, including access to training and development programs, coaching and mentoring, and job shadowing and rotations. By investing in employees' career development, organizations can improve employee engagement, job satisfaction, and retention rates, while also achieving their business objectives.

7. In summary, career development initiatives and aligning employees with their career goals are critical for preventing attrition and retaining top talent within organizations. By providing employees with opportunities to learn new skills, gain experience, and advance in their careers, organizations can create a positive and engaging work environment that fosters employee growth and development.

h. Performance Review/Appraisal actions –
    i. How organizations can establish fair practices to review performance and correct internal talent appraisal actions.
   ii. How existing concepts of performance appraisals can avoid common mistakes and reduce subjectivity.
        1. Establishing fair performance evaluation practices is essential for organizations to ensure that employees are evaluated based on their performance and contribution to the organization, rather than on personal biases or other factors. Merit-based performance appraisals can help organizations to establish fair evaluation practices by focusing on objective criteria that can be used to evaluate employee performance.

        2. One way to reduce subjectivity in the performance evaluation process is to establish clear performance criteria and standards that are aligned with the organization's objectives and goals. This can involve setting specific, measurable, and achievable performance goals for each employee, as well as identifying key performance indicators (KPIs) that can be used to measure progress towards these goals.

        3. Another way to reduce subjectivity in the performance evaluation process is to use standardized evaluation forms and rating scales that are designed to evaluate employee performance based on objective criteria. This can help to ensure that all employees are evaluated using the same criteria, and that personal biases or other factors do not influence the evaluation process.

        4. Organizations can also consider using multiple evaluators to reduce subjectivity in the performance evaluation process. This can involve

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having multiple managers or supervisors evaluate employee performance or involving other employees or external experts in the evaluation process. By using multiple evaluators, organizations can ensure that performance evaluations are based on a range of perspectives and input, reducing the risk of personal biases or other factors influencing the evaluation process.

5. In addition, organizations can provide training and development opportunities for managers and supervisors to improve their performance evaluation skills and reduce subjectivity in the evaluation process. This can involve providing training on objective performance criteria, effective feedback techniques, and how to evaluate performance fairly and objectively.

6. In summary, establishing fair performance evaluation practices and focusing on merit-based performance appraisals is critical for organizations to ensure that employees are evaluated based on their performance and contribution to the organization, rather than on personal biases or other factors. To reduce subjectivity in the evaluation process, organizations can establish clear performance criteria and standards, use standardized evaluation forms and rating scales, involve multiple evaluators, and provide training and development opportunities for managers and supervisors.

5.2 Survey Questions Summarized

The survey was conducted as part of a dissertation study to examine the impact of recruitment on organizational outcomes. The study aimed to explore the ways in which recruitment practices influence the success of organizations, as well as the factors that may affect recruitment effectiveness.

The survey was administered to a sample of more than 104 HR professionals from Banking Industry in India over a period of Mar'2022 to Mar'2023. The pre-requisite of selection of sample was minimum 500 employees and the questions are focused on the recruitment practices, and their impact on the organizational outcomes such as employee engagement, performance management, and career progression.

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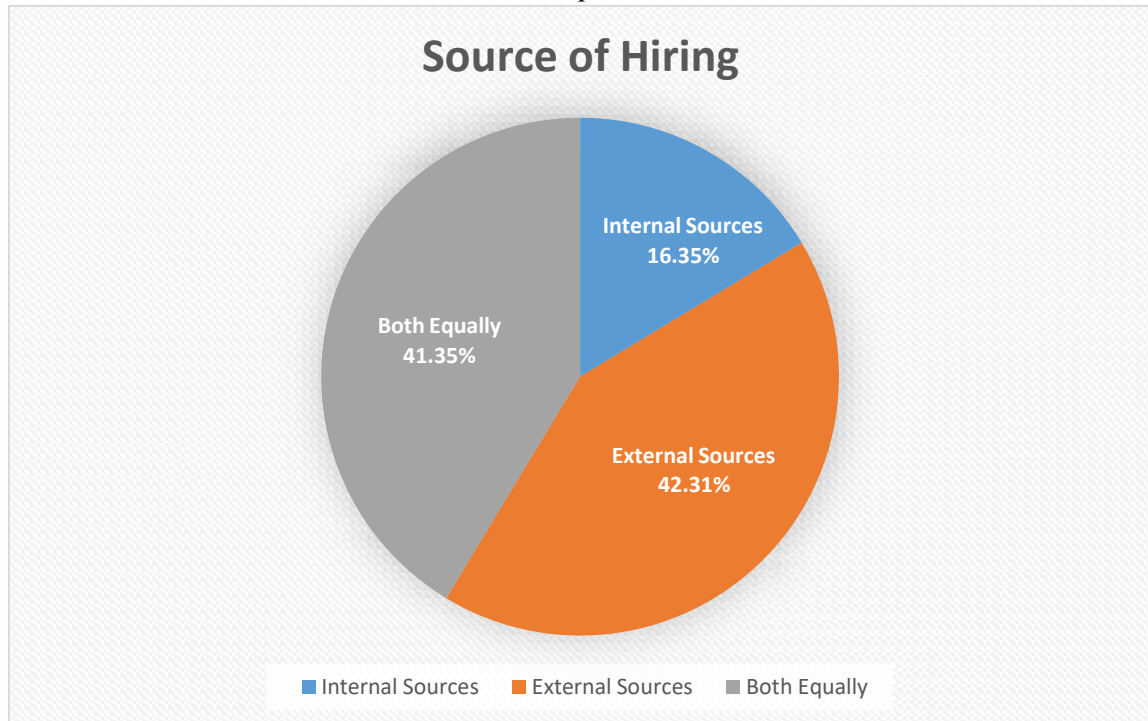
Overall, the survey results indicated that recruitment practices have a significant impact on organizational outcomes, with most respondents agreeing that effective recruitment practices lead to higher levels of employee engagement, retention, and productivity. Additionally, the survey found that many organizations are yet to use the metrics required to measure the impact and the quality of new employees and the effectiveness of their performance evaluation were important predictors of recruitment success.

The survey results also highlighted that although organizations have aligned their recruitment strategies with the organizational objectives, they are yet to establish different career progression and rewards strategies for employees being hired from different sources in an organization. These challenges were seen as potential barriers to effective recruitment practices.

Below are the findings from the survey with the interpretation of each question:

1. Based on data from the last one/two years, please identify the sources of recruitment for your organization.

Graph 1

The survey results provide valuable insights into the sources of recruitment employed by organizations. Among the HR professionals who participated in the survey, 42% indicated that external sources are primarily used for recruitment. This finding suggests that organizations place a significant emphasis on external recruitment methods such as job postings, recruitment agencies, and social media platforms. By reaching out to external candidates, organizations aim to attract fresh talent with diverse experiences and perspectives.

Conversely, 17% of HR professionals reported that internal sources are the primary means of recruitment. This result implies that these organizations prioritize internal candidates for job openings, emphasizing the importance of promoting and nurturing talent from within. Internal recruitment can offer several advantages, including employee development opportunities, increased employee morale and loyalty, and the preservation of institutional knowledge.

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However, a noteworthy finding from the survey is that 41% of HR professionals indicated that both internal and external sources are used equally for recruitment purposes. This suggests a balanced approach, where organizations consider candidates from both internal and external sources for job openings. The use of a hybrid recruitment strategy allows organizations to leverage the benefits of both internal talent development and external candidate attraction. It indicates that organizations recognize the value of existing talent within the company while also seeking to bring in fresh perspectives and skills from outside.

The survey results shed light on the recruitment practices of organizations, indicating the prevalence of external recruitment methods. While external recruitment offers access to a broader talent pool and fresh perspectives, organizations should also recognize the importance of internal talent development and the potential benefits of promoting from within. Striking a balance between internal and external recruitment can be advantageous, as it allows organizations to harness the strengths of both approaches.

Organizations are encouraged to evaluate their recruitment strategies and consider implementing a hybrid approach that incorporates both internal and external sources. This can be achieved by establishing robust internal talent development programs, providing opportunities for skill-building and career advancement within the organization. Simultaneously, organizations should continue to explore external sources to attract top talent and diversify their workforce.

2. Do you have a recruitment committee established in your organization to review current & future best practices?

Graph 2

Established Recruitment Committee in an Organization

No 45.19% Yes 54.81%

■ Yes ■ No

The survey results provide valuable insights into the existence and prevalence of recruitment committees within organizations. Among the HR professionals who participated in the survey, slightly more than half (54.81%) reported having a recruitment committee established in their organization. This finding suggests that these organizations recognize the significance of continuous improvement in the recruitment process and have taken proactive measures to establish a dedicated committee for this purpose.

The presence of a recruitment committee indicates that these organizations prioritize the regular evaluation and enhancement of their recruitment practices. Such committees typically consist of cross-functional team members who bring diverse perspectives and expertise to the table. By leveraging the collective knowledge and experiences of committee members, organizations can ensure that their recruitment practices align with industry best practices and evolving trends. This,

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in turn, enhances the organization's ability to attract and select high-quality candidates who are the right fit for their culture and strategic goals.

On the other hand, the survey results reveal that 45.19% of HR professionals reported not having a recruitment committee in their organization. This finding suggests that there is room for improvement in terms of developing and implementing best practices for recruitment in these organizations. It is worth noting that the absence of a recruitment committee does not necessarily imply inadequate recruitment practices. However, establishing such a committee can provide organizations with a structured framework to review and improve their recruitment strategies.

The survey results underscore the importance of establishing recruitment committees within organizations to continuously enhance recruitment practices. Organizations with established committees are well positioned to review and refine their recruitment strategies in response to changing market dynamics and emerging best practices. However, organizations without such committees can seize the opportunity to create dedicated task forces or committees to fulfill this crucial role.

3. Do you have a formal process to benchmark pay-scales in your organization?

Graph 3
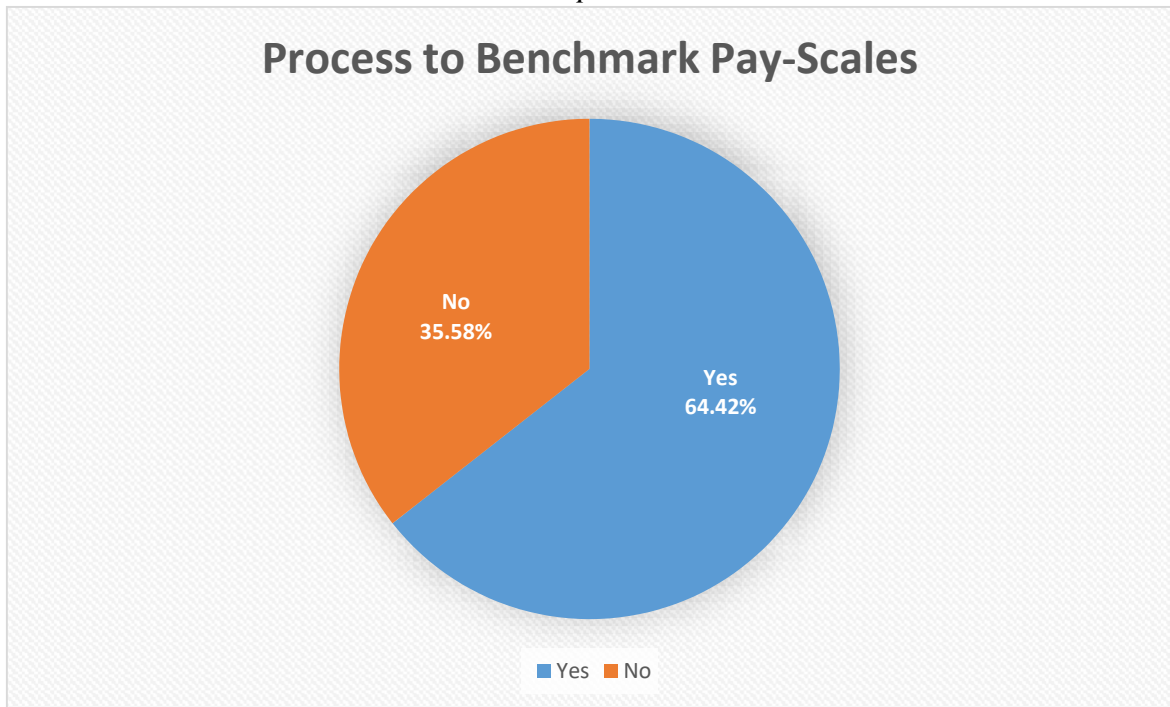
Based The survey results provide valuable insights into the existence and prevalence of formal processes for benchmarking pay scales within organizations. Among the HR professionals who participated in the survey, a majority (64.42%) reported that their organization has a formal process in place to benchmark pay scales. This finding suggests that these organizations recognize the importance of fair and competitive compensation and have taken proactive steps to ensure that their pay scales are aligned with industry standards and comparable to those of other organizations in their sector.

The presence of a formal process for benchmarking pay scales indicates that these organizations prioritize fairness and transparency in compensation practices. They understand that paying employees competitively is crucial not only for attracting high-quality candidates but also for retaining top talent in the long run. By benchmarking pay scales against industry standards, organizations can ensure that they offer salaries and benefits that are on par with or above the

market average, which can serve as a strong incentive for employees to stay and contribute to the organization's success.
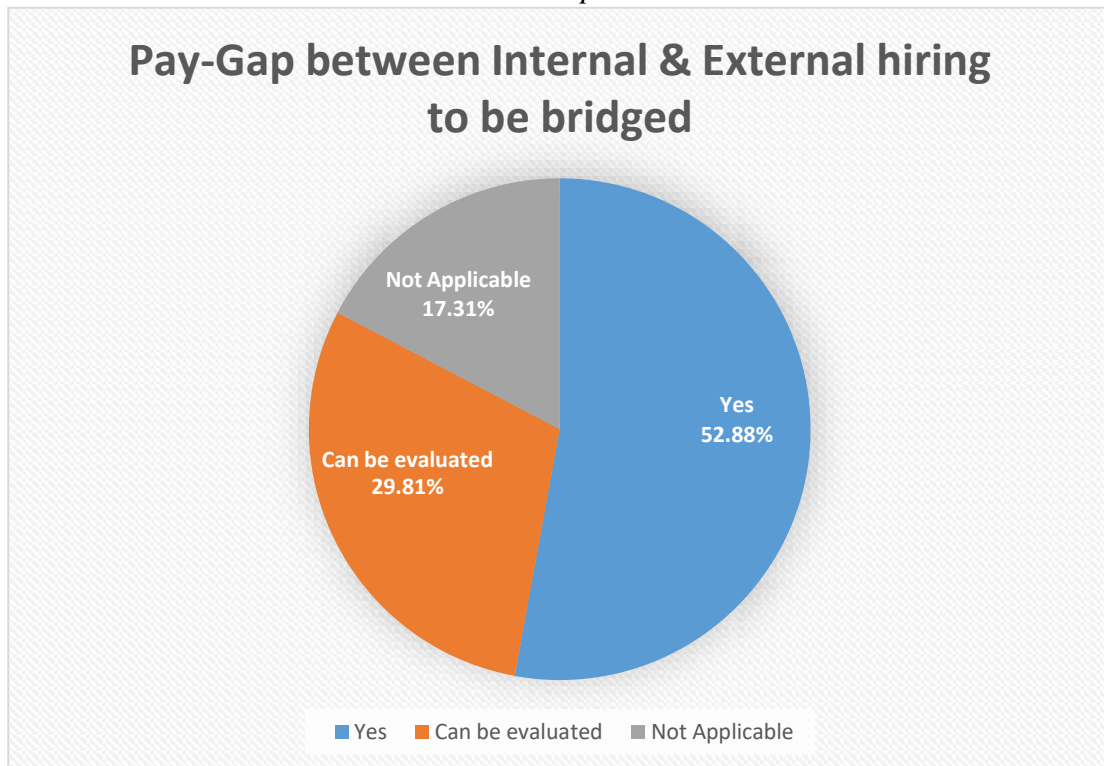
On the other hand, the survey results reveal that 35.58% of HR professionals reported not having a formal process in place to benchmark pay scales. This finding suggests that there may be room for improvement in terms of ensuring that compensation practices within these organizations are fair, transparent, and competitive. While the absence of a formal process does not necessarily imply unfair or inadequate compensation, it does highlight the potential benefits of implementing benchmarking practices to enhance overall employee satisfaction and retention rates.

The survey results highlight the significance of establishing formal processes for benchmarking pay scales within organizations. Such practices ensure fair and competitive compensation, attracting and retaining top talent while promoting employee engagement and satisfaction. For organizations that do not currently have a formal process in place, it is recommended to consider implementing benchmarking practices to enhance compensation practices and align them with industry standards.

The survey results emphasize the importance of organizations establishing formal processes for benchmarking pay scales. By doing so, organizations can ensure fair and competitive compensation practices, attract top talent, retain valuable employees, and foster a culture of transparency and trust. Implementing a robust benchmarking process requires careful analysis, research, and stakeholder engagement. Regularly reviewing and updating compensation practices based on industry standards helps organizations stay competitive and enhance employee satisfaction.

4. Do you believe that the pay-gap that generally exist between Internal & External hires should be bridged?

Graph 4

Pay-Gap between Internal & External hiring to be bridged

Not Applicable
17.31%

Yes
52.88%

Can be evaluated
29.81%

■ Yes ■ Can be evaluated ■ Not Applicable

The survey results provide valuable insights into the perspectives of HR professionals regarding the pay-gap between internal and external hires. Understanding these viewpoints is crucial for organizations seeking to address this issue effectively. The findings reveal that most of the HR respondents (52.88%) believe that the pay gap should be bridged. This result suggests that there is a widespread recognition among HR professionals of the desire among employees to rectify perceived disparities in compensation. Bridging the pay gap is seen as a potential avenue to improve overall employee satisfaction and retention rates.

Furthermore, a significant portion of the HR respondents (29.81%) indicated that the issue could be evaluated. This subgroup of respondents demonstrates an openness to considering the idea of bridging the pay gap, but they expressed a need for more information and analysis on the subject. This finding highlights the importance of conducting a thorough examination of the potential

implications before implementing any changes to the compensation structure. It indicates that HR professionals are conscious of the need for informed decision-making and the importance of gathering relevant data to support their actions.

In contrast, a smaller proportion of respondents (17.31%) reported that the issue was not applicable in their organization. This response may stem from two possible reasons. Firstly, these HR professionals may perceive a minimal pay-gap between internal and external hires within their organization. This could indicate that their organization has established equitable compensation practices, thereby minimizing any discrepancies between the two groups. Alternatively, these respondents may not consider the pay-gap a significant issue that warrants immediate attention. It is worth noting that organizations vary in their levels of awareness and concern regarding the pay-gap, suggesting the need for tailored approaches when addressing this issue.

These survey results provide valuable insights for organizations grappling with the pay-gap between internal and external hires. Most HR professionals acknowledging the need to bridge the pay gap signals the presence of employee dissatisfaction and a desire for fairness in compensation. It suggests that addressing this issue has the potential to improve employee satisfaction and retention rates, positively impacting organizational performance.
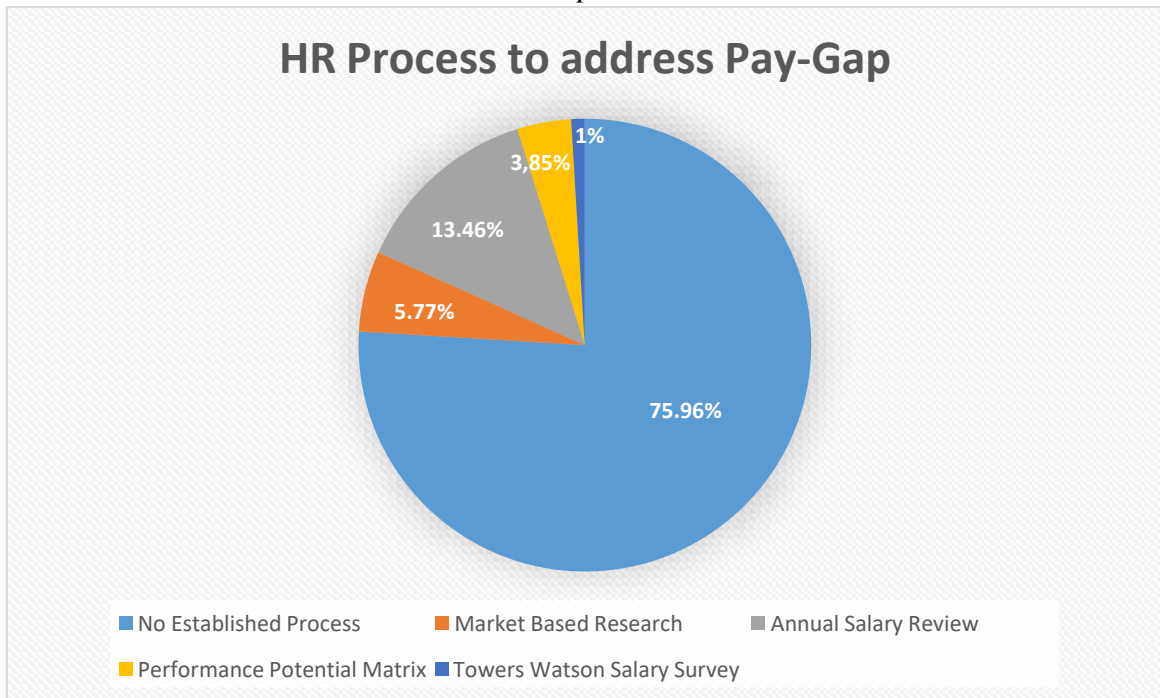
However, before implementing any changes to the compensation structure, organizations should conduct a comprehensive analysis to understand the implications and potential challenges associated with bridging the pay-gap. This analysis should consider various factors such as job levels, skill requirements, experience, and market value. By delving into these elements, organizations can gain a more nuanced understanding of the pay-gap and develop informed strategies to rectify it.

One crucial aspect to consider during the analysis is the potential financial implications of bridging the pay gap. Organizations must evaluate the cost-benefit aspect of this decision, considering budget constraints, long-term impact on employee morale, and the competitive landscape. Conducting a thorough cost-benefit analysis will enable organizations to determine the feasibility and sustainability of implementing changes to the compensation structure.

In conclusion, the survey results provide valuable insights into HR professionals' perspectives on addressing the pay-gap between internal and external hires. Most respondents recognize the need to bridge the pay gap, indicating a desire to address perceived disparities in compensation and improve employee satisfaction and retention. However, a significant portion of respondents expressed the need for further evaluation and analysis before implementing any changes. This highlights the importance of conducting a comprehensive examination of the potential implications, both positive and negative, to make informed decisions.

5. Is your organization following established HR processes to address this pay-gap?

Graph 5

HR Process to address Pay-Gap

- 1%
- 3,85%
- 13.46%
- 5.77%
- 75.96%

Legend:
- ■ No Established Process
- ■ Market Based Research
- ■ Annual Salary Review
- ■ Performance Potential Matrix
- ■ Towers Watson Salary Survey

Survey results indicate that a significant majority of the HR respondents (75.96%) acknowledged that their respective organizations lack established HR processes to tackle the pay disparity between internal and external hires. This finding suggests a notable absence of formal policies or procedures designed to address any perceived inequities in compensation between these two groups of employees. The results highlight a potential gap in organizational practices, indicating a need for greater attention to this issue.

Conversely, a smaller proportion of respondents (5.77%) reported that their organizations utilize market research-based benchmarking to bridge the pay gap. This approach entails conducting comprehensive market research to determine industry standards and aligning compensation packages accordingly. By utilizing this strategy, organizations aim to ensure that the pay scales for internal and external hires are in line with prevailing market rates, thereby reducing the potential for discrepancies.

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Additionally, 13.46% of the respondents indicated that their organizations employ annual salary reviews and benchmarking to address the pay gap. This method involves conducting regular reviews of employees' salaries and comparing them with external benchmarks to identify any disparities and make necessary adjustments. By implementing this process, organizations strive to maintain fairness and competitiveness in compensation structures, ultimately minimizing the impact of the pay gap.

Interestingly, 3.85% of the surveyed HR professionals reported using a performance potential matrix to address the pay gap between internal and external hires. This matrix considers employees' performance and potential for growth when determining compensation. By incorporating performance evaluations and growth prospects, organizations seek to align pay scales with individuals' contributions and potential, regardless of whether they are internal or external hires. This approach aims to mitigate the pay gap by rewarding employees based on their demonstrated value and future potential within the organization.

Overall, the survey results reveal a predominant lack of established HR processes to address the pay gap between internal and external hires within the surveyed organizations. However, a notable minority employs various strategies such as market research-based benchmarking, annual salary reviews and benchmarking, and the utilization of a performance potential matrix. These approaches reflect organizational efforts to tackle the pay gap and promote fairness in compensation practices. The limited utilization of the Towers Watson Salary Survey (0.96%) highlights the potential for organizations to explore additional resources to further enhance their understanding and management of the pay gap.

6. What best practices does your organization follow to ensure external recruitments are aligned with the Internal organizational design?

Graph 6
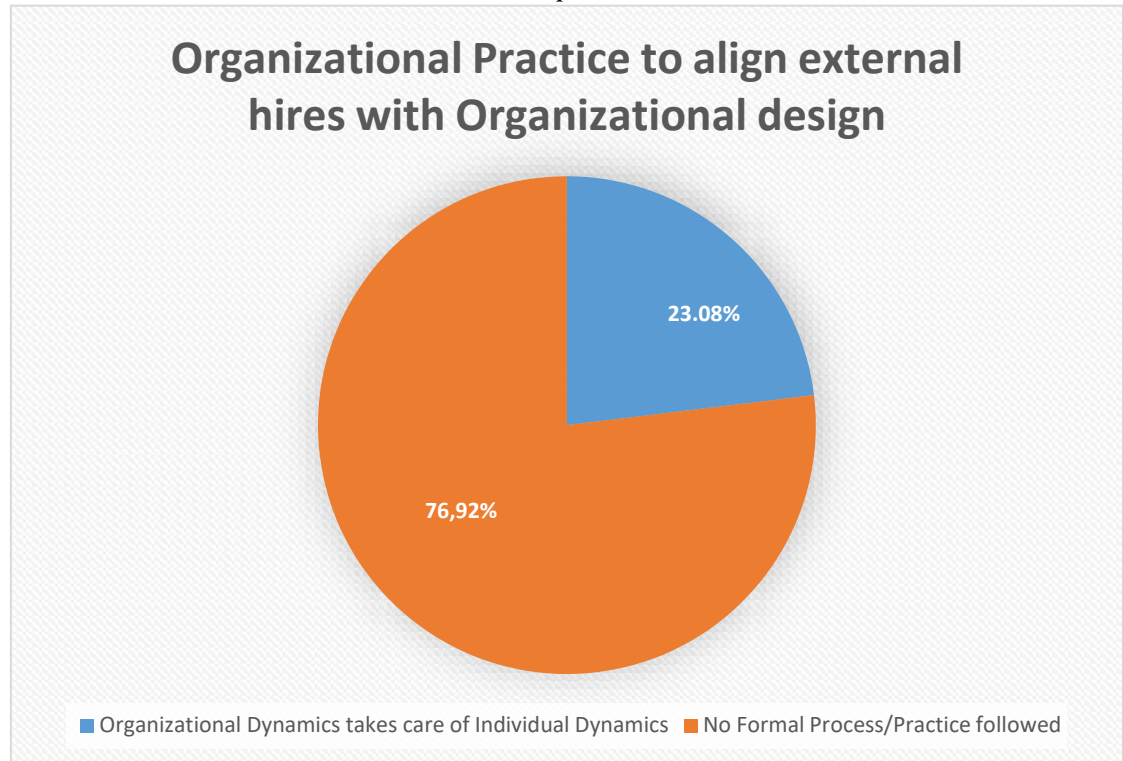
The survey results shed light on the current state of organizational practices regarding the alignment of external recruitments with the internal organizational design. Most of the HR respondents (76.92%) indicated that their organizations lack a formal process to ensure this alignment. This finding highlights a potential gap in organizational practices and suggests a need for greater attention to establishing formal policies and procedures that facilitate the seamless integration of external hires within the internal organizational structure. The significance of addressing this issue is underscored by the potential impact it can have on overall organizational effectiveness and efficiency.

In contrast, a smaller proportion of respondents (23.08%) reported that their organizations rely on organizational dynamics to address individual dynamics when making external hires. While this

approach may prove effective in certain instances, it remains unclear whether it consistently ensures a robust alignment between external hires and the internal organizational design.

The absence of a formal process for aligning external recruitments with the internal organizational design highlights a potential limitation within many organizations. Without clear policies and procedures in place, there is a higher likelihood of inconsistencies and mismatches between the skills, competencies, and attributes of external hires and the requirements of the internal organizational structure. This can lead to inefficiencies, lowered productivity, and reduced effectiveness within the organization.

To address this issue comprehensively, organizations should consider establishing formal policies and procedures that facilitate the alignment of external hires with the internal organizational design. Such measures can help organizations optimize their resources and maximize the potential contributions of external hires, ultimately enhancing overall organizational effectiveness and efficiency.

Based on the analysis, organizations can develop targeted recruitment and selection processes tailored to align external hires with the internal organizational design. This may involve creating job descriptions that accurately reflect the roles, responsibilities, and required qualifications for each position. Well-defined job descriptions serve as a foundation for evaluating external candidates' compatibility with the internal organizational structure, ensuring that they possess the necessary skills and attributes to fulfill their designated roles effectively. By addressing this issue, organizations can optimize the contributions of external hires, enhance overall organizational effectiveness and efficiency, and create a harmonious and productive work environment.

7. Do you believe hiring "externally" can have a significant impact on internal organizational dynamics?

Graph 7
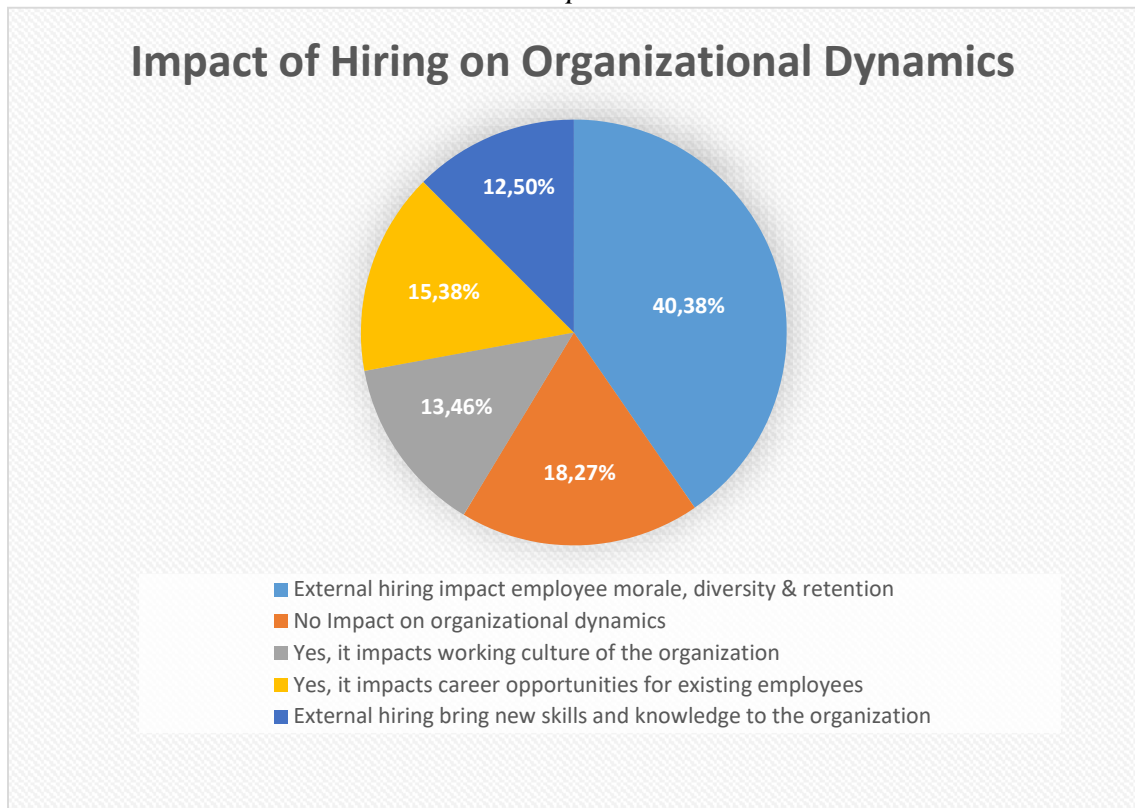
The survey results provide valuable insights into the perceptions of respondents regarding the impact of external hiring on internal organizational dynamics. The findings indicate that a significant proportion of respondents (40.38%) believe that hiring externally can have a substantial influence on various aspects of the organization, including employee morale, diversity, and retention. This suggests that external hiring has the potential to shape the internal dynamics of an organization, both positively and negatively, depending on how it is approached and managed.

Contrastingly, a smaller proportion of respondents (18.27%) reported that they believe external hiring has no impact on the internal dynamics of the organization. While this perspective may hold true in certain cases, it is important to consider the broader implications of external hiring on organizational culture and performance. The survey also revealed that a notable proportion of
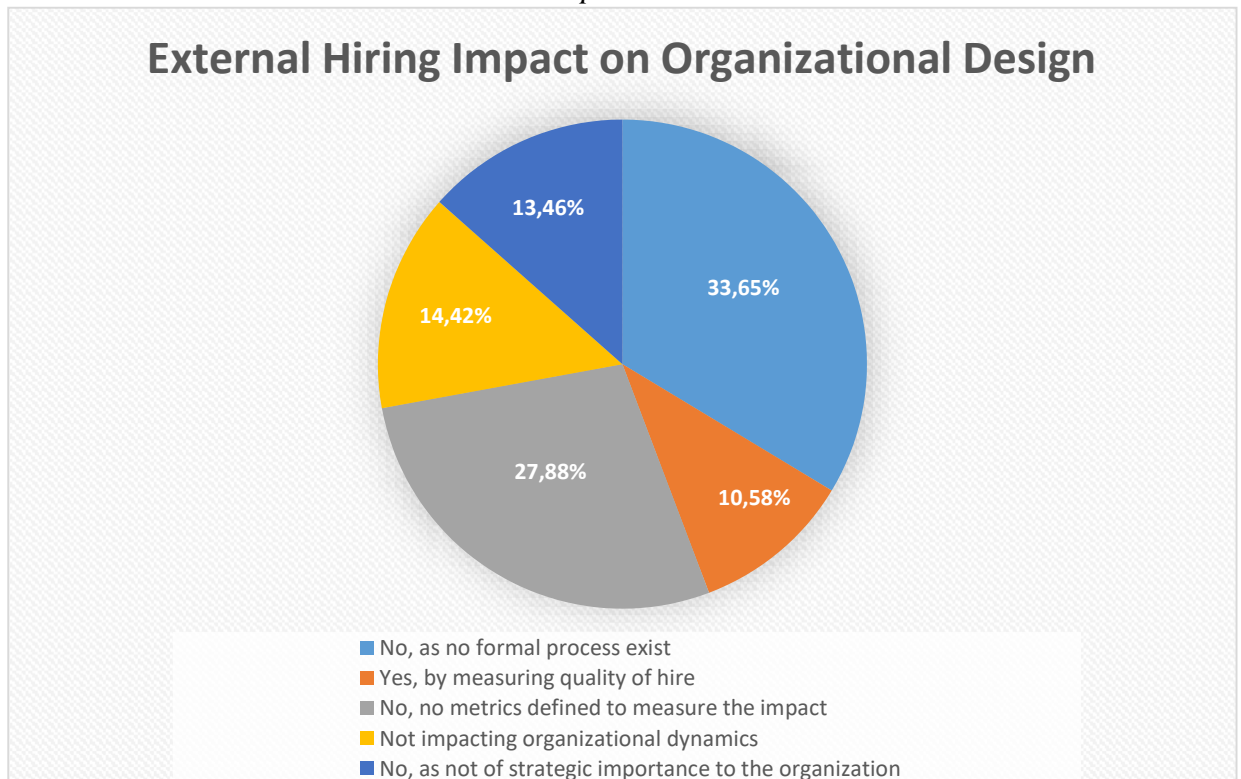
respondents (13.46%) believe that external hiring can indeed impact the working culture of the organization. This perception highlights the idea that external hires may bring fresh perspectives and approaches, which can either enhance or potentially detract from the existing culture and values of the organization.

Furthermore, a distinct group of respondents (15.38%) expressed the belief that external hiring can influence career opportunities for existing employees. This finding suggests that there may be concerns among employees that external hires could pose competition for advancement or promotion within the organization. Such concerns may arise from the perception that external hires may be preferred over internal candidates, leading to limited career growth opportunities for existing employees. Conversely, a smaller proportion of respondents (12.50%) acknowledged that external hiring can bring new skills and knowledge to the organization. This viewpoint underscores the potential benefits of external hires in terms of their expertise, experience, and ability to contribute to the growth and innovation of the organization.

In conclusion, the survey results highlight the significant impact that external hiring can have on internal organizational dynamics. The findings suggest that organizations should carefully consider the potential positive and negative implications of external hiring and develop strategies to maximize the benefits and minimize any adverse effects. Clear policies and procedures, transparent communication, inclusive practices, comprehensive onboarding, and ongoing evaluation are key components of effectively managing external hires and ensuring their successful integration into the existing organizational culture and structure. By proactively addressing these considerations, organizations can harness the potential of external hires to drive growth, innovation, and overall organizational success while maintaining a harmonious and inclusive work environment.

8. Is your organization evaluating the impact of external hiring on organizational design and the internal environment?

Graph 8

External Hiring Impact on Organizational Design

Legend:
- No, as no formal process exist
- Yes, by measuring quality of hire
- No, no metrics defined to measure the impact
- Not impacting organizational dynamics
- No, as not of strategic importance to the organization

Values shown: 13,46% | 33,65% | 14,42% | 27,88% | 10,58%

Based on the survey results, it appears that a significant proportion of the HR respondents (33.65%) reported that their organization is not evaluating the impact of external hiring on organizational design and internal environment, primarily because there is no formal process in place. This suggests that there may be a need for organizations to establish more formal procedures to evaluate the impact of external hiring on the organization.

A smaller proportion of the respondents (10.58%) reported that their organization is evaluating the impact of external hiring by measuring the quality of hire. This suggests that some organizations may be using performance metrics or other indicators to evaluate the success of external hires and their impact on the organization.

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Another group of HR respondents (27.88%) reported that their organization is not evaluating the impact of external hiring because there are no metrics defined to measure this impact. This suggests that organizations may need to establish clearer criteria for evaluating the impact of external hiring on the organization to better understand its effects and make more informed decisions about future hiring strategies.
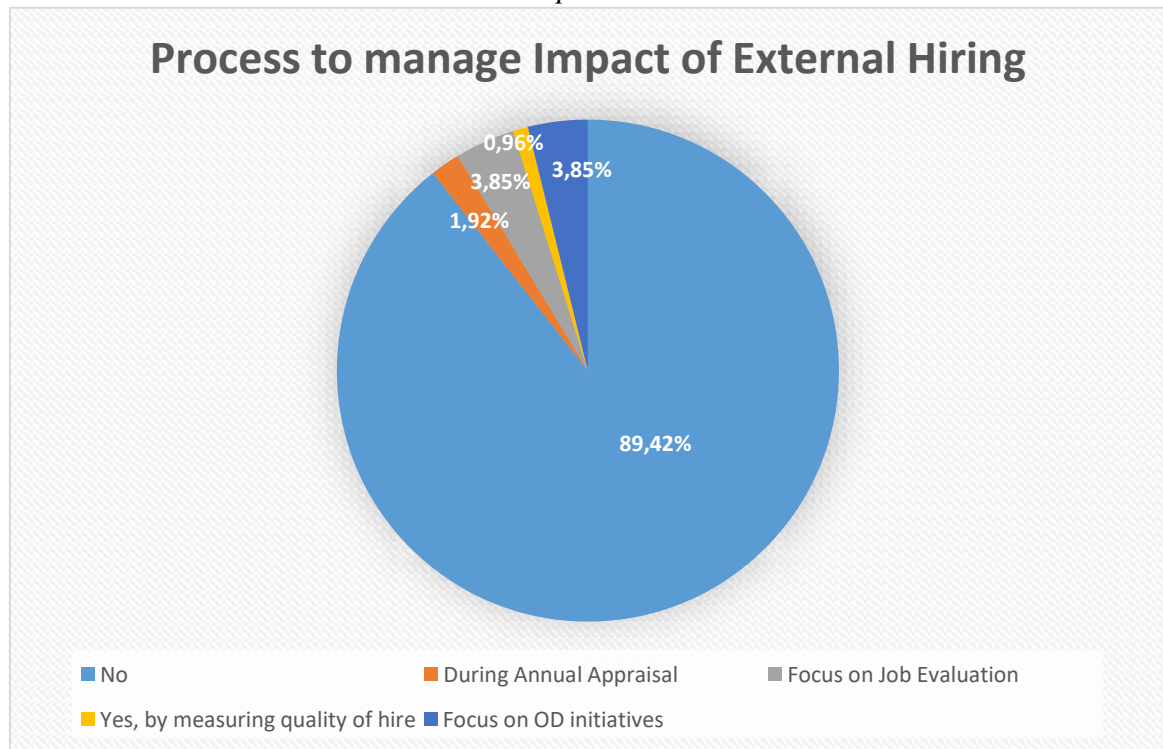
A smaller proportion of respondents (14.42%) reported that external hiring is not impacting the organizational dynamics of their organization, which may explain why there is less emphasis on evaluating its impact.

Finally, a smaller proportion of respondents (13.46%) reported that their organization is not evaluating the impact of external hiring because it is not of strategic importance to the organization. This suggests that some organizations may not view external hiring as a priority, either because they have a strong internal talent pipeline or because they believe that other hiring strategies are more effective.

Overall, these survey results suggest that there may be a need for organizations to establish more formal procedures for evaluating the impact of external hiring on organizational design and internal environment, to make more informed decisions about future hiring strategies and improve organizational performance.

9. Do you follow an established process to ensure this impact can be neutralized or positively aligned for an organization?

Graph 9

Process to manage Impact of External Hiring

0,96%
3,85%
1,92%
3,85%
89,42%

- No
- During Annual Appraisal
- Focus on Job Evaluation
- Yes, by measuring quality of hire
- Focus on OD initiatives

The survey results shed light on the prevailing practices regarding the management of external hiring impact within organizations. The findings indicate that a significant majority of HR respondents (89.42%) do not currently follow an established process to address the potential implications of external hiring on their internal dynamics. This suggests a need for organizations to establish more formal procedures to effectively manage and align the impact of external hires within their organizational framework.

Interestingly, a small proportion of respondents (1.92%) reported that their organization addresses the impact of external hiring during the annual appraisal process. This indicates that some organizations recognize the importance of evaluating and assessing the impact of external hires on employee performance and career progression as part of their regular performance appraisal

practices. This approach allows organizations to directly consider the influence of external hires on the overall dynamics and effectiveness of the existing workforce.

Moreover, a limited number of respondents (3.85%) mentioned that their organization focuses on job evaluation or organizational development initiatives to neutralize or positively align the impact of external hiring. This suggests that some organizations adopt a strategic approach by leveraging HR processes to ensure that the organizational structure and culture are effectively aligned with the inclusion of external hires. By evaluating job requirements and aligning them with the skills and competencies of external hires, organizations can strive for a harmonious integration of new talent within the existing workforce.

In addition, a very small percentage of respondents (0.96%) reported that their organization measures the quality of hire to ensure the neutralization or positive alignment of external hiring impact. This indicates that some organizations utilize performance metrics or other indicators to assess the success of external hires and their overall impact on the organization. By evaluating the performance and contributions of external hires, organizations can gain valuable insights into the effectiveness of their hiring strategies and identify areas for improvement.

Overall, these survey findings indicate a significant gap in the current practices of organizations when it comes to addressing the impact of external hiring. The absence of established procedures suggests a need for organizations to adopt more formalized approaches to effectively manage the potential implications of external hires on their internal dynamics. To bridge this gap and enhance organizational effectiveness, it is crucial for organizations to establish clear and comprehensive procedures that address the impact of external hiring.

Furthermore, organizations should prioritize transparency and communication throughout the external hiring process. Clear and open communication with both internal and external candidates helps manage expectations, build trust, and minimize potential disruptions within the organization. By providing regular updates, feedback, and guidance to candidates, organizations can ensure a positive candidate experience and facilitate a smooth transition for external hires.

In conclusion, the survey results underscore the need for organizations to establish more formal procedures to manage the impact of external hiring on their internal dynamics. By adopting comprehensive approaches such as job evaluation, organizational development initiatives, performance evaluations, and feedback mechanisms, organizations can ensure that external hires are effectively integrated into the existing workforce. Moreover, continuous evaluation and measurement of the impact of external hiring, along with benchmarking and staying informed about industry best practices, allow organizations to make informed decisions and drive continuous improvement.

Ultimately, by recognizing and addressing the potential positive and negative implications of external hiring, organizations can create an environment that promotes collaboration, diversity, and growth. By effectively managing the impact of external hiring, organizations can harness the unique skills, perspectives, and experiences that external hires bring, while also preserving the existing organizational culture and fostering the career development opportunities of internal employees. With a strategic and proactive approach to external hiring, organizations can achieve a harmonious balance that supports their long-term success and sustainable growth.

10. Is your organization following an established performance management process exclusively focused on Internal/External recruitments?

Hiring based Evaluation
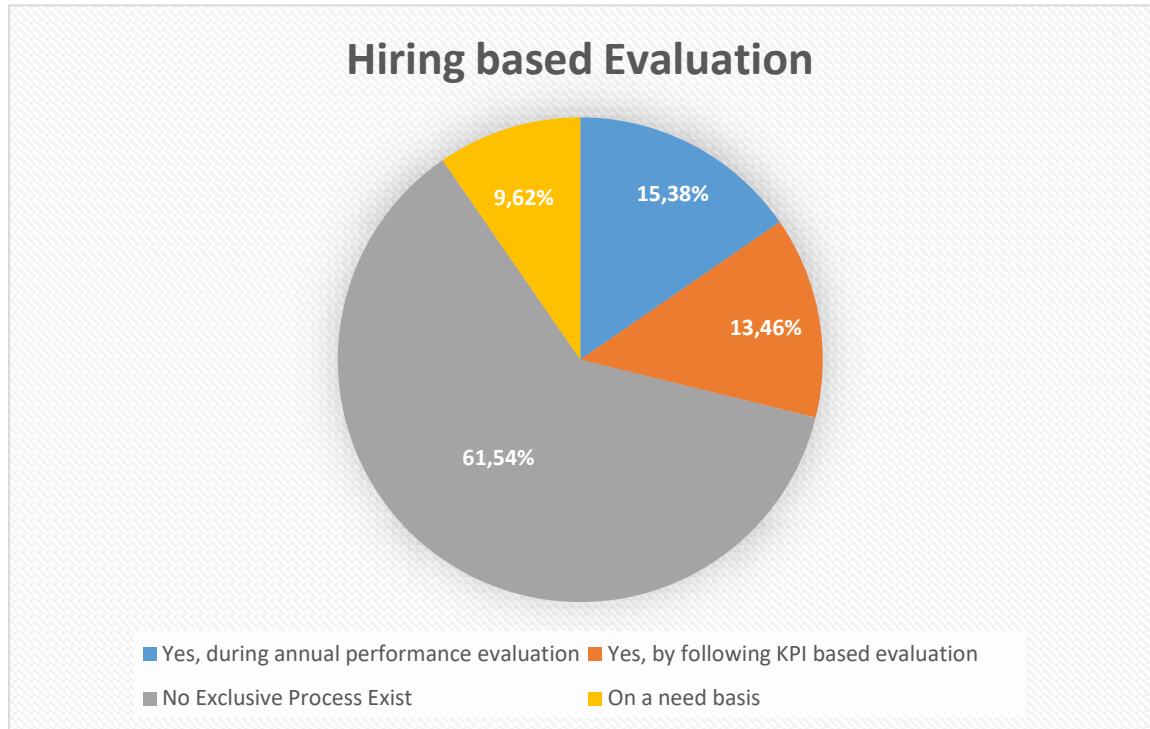
The survey results indicate that a significant proportion of respondents (61.54%) reported that their organizations do not have a formal performance management process specifically designed to address the evaluation of internal and external hires. This finding highlights a potential gap in organizational practices, suggesting a need for more formalized performance management processes to ensure fair and consistent evaluation of both internal and external hires.

Conversely, a smaller percentage of respondents (15.38%) reported that their organizations evaluate both internal and external hires during the annual performance evaluation process. This indicates that some organizations recognize the importance of assessing the performance of all employees, regardless of whether they were hired internally or externally, as part of their regular performance review practices. By incorporating internal and external hires into the same evaluation framework, organizations can ensure a more comprehensive and equitable assessment of employee performance.

Similarly, a comparable percentage of respondents (13.46%) indicated that their organizations utilize key performance indicators (KPIs) or other metrics to evaluate the performance of both internal and external hires. This approach suggests that some organizations have adopted a data-driven approach to performance evaluation, leveraging objective performance indicators to assess the success and effectiveness of employees regardless of their recruitment source. By aligning performance evaluation with specific performance metrics, organizations can gain valuable insights into the contributions and achievements of both internal and external hires.

In contrast, a small number of respondents (9.62%) reported that their organizations only evaluate internal and external hires on a need basis. This implies that performance evaluation of internal and external hires is primarily triggered by specific performance issues or circumstances rather than being conducted on a regular and systematic basis. While this approach may address immediate concerns, it may not provide a comprehensive and ongoing assessment of employee performance.

Overall, these survey results suggest that there is a need for more formalized performance management processes that specifically address the evaluation of internal and external hires. By implementing such processes, organizations can ensure that all employees are evaluated fairly and consistently, regardless of their recruitment source. These processes can serve to assess and measure the contributions and performance of employees, providing valuable feedback for career development, rewards, and talent management decisions. In conclusion, the survey results highlight the need for organizations to establish more formalized performance management processes that specifically address the evaluation of both internal and external hires. By implementing clear criteria, regular feedback sessions, technology-enabled systems, and a focus on employee development, organizations can ensure fair and consistent evaluations while maximizing the contributions of all employees. Through these efforts, organizations can foster a culture of performance excellence, professional growth, and overall organizational success.

11. Is your organization following established and different career progression plans for internal and external employees?

Career Progression for Internal & External Employees

Legend: ■ No ■ Same for All ■ Yes

(Chart values: 17,31% — No; 69,23% — Same for All; 13,46% — Yes)
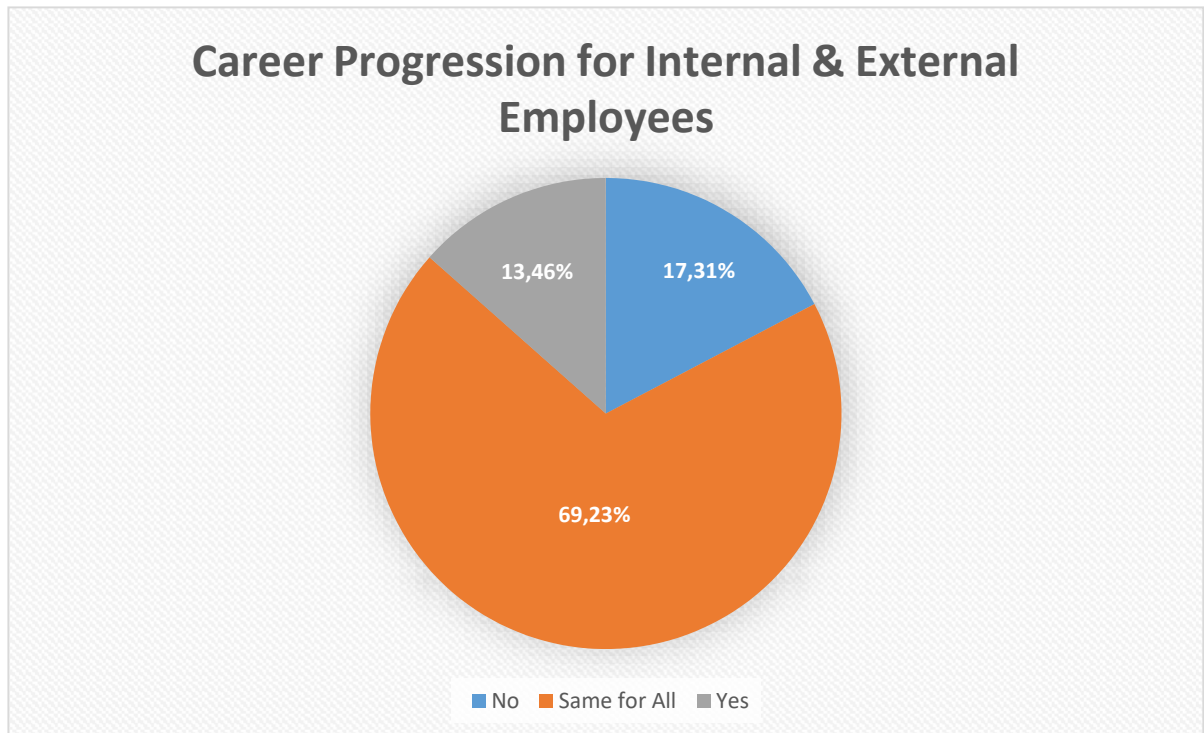
The survey results indicate that a significant majority of the HR respondents (69.23%) reported that their organizations follow the same career progression plans for both internal and external employees. This finding suggests that many organizations may not differentiate between internal and external hires when it comes to providing career advancement opportunities. In other words, the career progression paths for employees hired internally and those hired externally are aligned and treated equally within these organizations.

Conversely, a smaller percentage of respondents (13.46%) reported that their organizations have established distinct career progression plans for internal and external employees. This suggests that some organizations recognize the potential differences in career paths and growth opportunities between internal and external hires. By implementing separate career progression

plans, these organizations aim to cater to the unique needs and circumstances of employees based on their recruitment source.

Furthermore, a small percentage of respondents (17.31%) reported that their organizations do not have established career progression plans for internal and external employees. This could imply that these organizations either lack formalized career development frameworks altogether or do not differentiate between internal and external hires in terms of career advancement opportunities. In such cases, employees may face challenges in understanding their growth prospects within the organization, which can impact their motivation, job satisfaction, and long-term commitment.

Treating internal and external employees equally in terms of career progression may foster a sense of fairness and equity within the organization. It can demonstrate a commitment to providing equal opportunities for growth and development, regardless of how employees entered the organization. This approach can contribute to a positive work environment and promote employee engagement and loyalty.

In conclusion, the survey results indicate that while most organizations follow the same career progression plans for both internal and external employees, there is value in differentiating these plans to address the unique needs and experiences of each group. By implementing clear frameworks, offering targeted development programs, fostering a culture of continuous learning, and leveraging performance data, organizations can ensure that career progression opportunities are fair, transparent, and aligned with employees' abilities and aspirations. Additionally, recognizing and nurturing internal talent can contribute to higher levels of employee satisfaction, engagement, and retention. By prioritizing career progression and talent management strategies, organizations can foster a culture of growth, development, and long-term success.

12. Is your organization following established and different reward strategies for internal and external recruits?

Differential Reward Strategy for Internal & External

- No
- Same for All
- Yes

18,27%

65,38%

16,35%
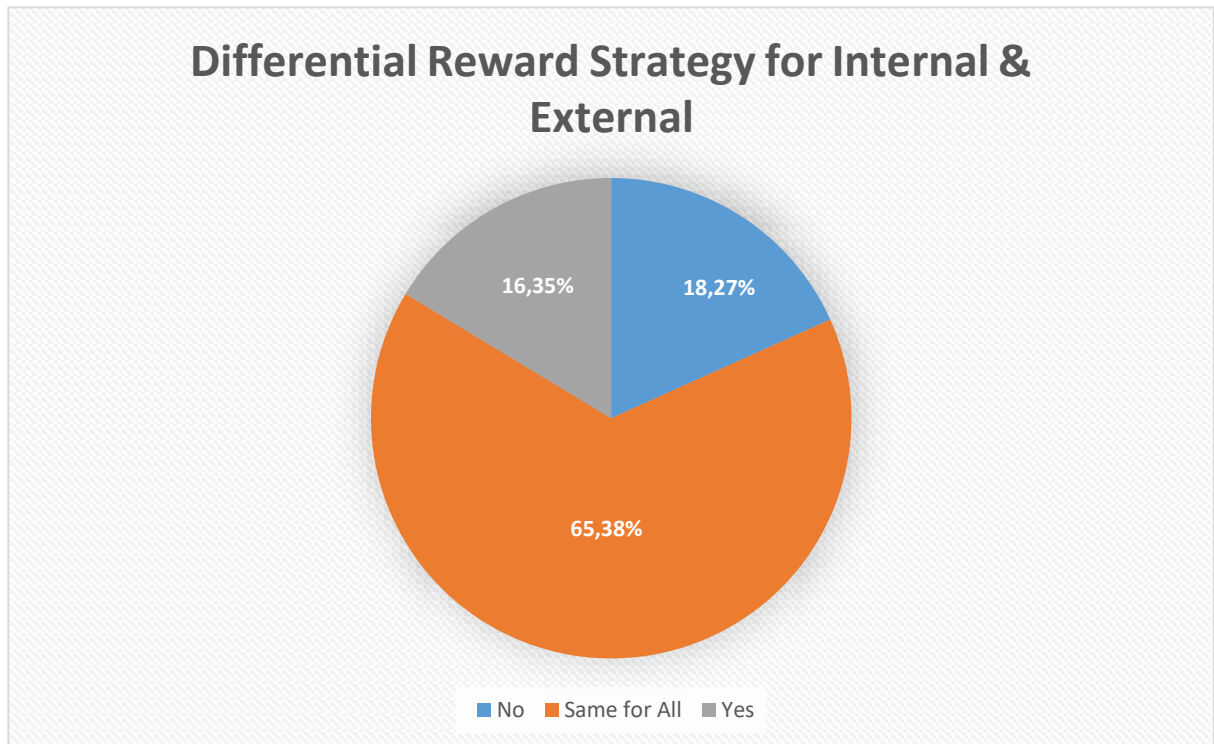
The survey results you provided shed light on the rewards strategies employed by organizations in relation to their internal and external recruits. The findings indicate that a significant proportion of HR respondents (65.38%) reported that their organization follows the same rewards strategy for both internal and external hires. This suggests that many organizations do not differentiate between these two groups when it comes to rewards and recognition.

While this approach may simplify the rewards process and promote fairness, it raises questions about whether it adequately acknowledges the unique contributions and circumstances of internal and external hires. Rewards and recognition are crucial factors in motivating employees, promoting job satisfaction, and enhancing overall engagement. Therefore, organizations may need to consider adopting more tailored approaches to rewards that account for the distinct qualities and experiences of internal and external recruits.

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Conversely, a smaller percentage of respondents (16.35%) reported that their organization follows established and different rewards strategies for internal and external recruits. This finding suggests that these organizations recognize the value of differentiation and consider factors such as skills, experience, and performance when determining rewards and recognition for their employees. By customizing rewards strategies, these organizations may be better positioned to attract and retain top talent, create a sense of fairness, and motivate employees to excel in their roles.

However, it is worth noting that a minority of respondents (18.27%) reported that their organization does not follow established rewards strategies for internal and external recruits. This raises concerns about the absence of formal rewards and recognition programs within these organizations or the lack of differentiation between the two groups. The absence of clear rewards strategies can have detrimental effects on employee motivation, job satisfaction, and retention rates. It is essential for organizations to prioritize the development and implementation of comprehensive rewards programs that align with their overall talent management strategies.

Overall, these survey results suggest that while some organizations differentiate between internal and external hires in terms of rewards and recognition, the majority follow the same rewards strategies for both groups. This uniform approach may inadvertently overlook the unique contributions and circumstances of internal and external hires, potentially impacting their motivation, job satisfaction, and commitment to the organization. By conducting a thorough analysis, aligning rewards with organizational goals, and providing opportunities for growth, organizations can create a comprehensive rewards system that acknowledges the value of both internal and external hires. Regular evaluation and adjustment of rewards strategies will ensure their ongoing effectiveness and alignment with the evolving needs of the organization and its workforce.

5.3 Recommendations for Future Research

Based on the findings and analysis of this study, there are several recommendations for future research that could be undertaken to further investigate the impact of recruitment on organizational dynamics.

Longitudinal Studies: It is recommended that future research focuses on longitudinal studies to better understand the long-term impact of recruitment on organizational dynamics. A longitudinal study would allow for the examination of the changes in the organizational dynamics over time, following recruitment activities.

Focus on the Use of Recruitment Metrics: Recruitment metrics such as time-to-hire and cost-per-hire can be used to evaluate the effectiveness of recruitment strategies. Future research could explore the use of these metrics in assessing the impact of recruitment on organizational dynamics.

Investigate Recruitment Sources: Another area of future research could be to investigate the impact of different recruitment sources on organizational dynamics. For instance, research could explore the differences in the impact of internal versus external recruitment on organizational dynamics.

Examine the Role of HR Processes: The role of HR processes in managing the impact of recruitment on organizational dynamics should also be investigated. This could include a focus on how HR processes such as performance management and compensation strategies could be used to manage the impact of recruitment on organizational dynamics.

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Consider the Impact of Cultural Differences: Future research could investigate the impact of cultural differences on the recruitment process and its impact on organizational dynamics. This could include examining the impact of diversity and inclusion initiatives on organizational dynamics.

Investigate the Impact of Recruitment on Employee Engagement: Research could also investigate the impact of recruitment on employee engagement. This could include exploring the relationship between employee engagement and recruitment sources or the impact of recruitment on employee motivation and commitment.

Examine the Impact of Recruitment on Organizational Culture: Finally, research could investigate the impact of recruitment on organizational culture. This could include examining the impact of recruitment on the organization's values, norms, and beliefs.

In summary, there is a need for further research on the impact of recruitment on organizational dynamics. Future studies should focus on longitudinal studies, the use of recruitment metrics, investigating recruitment sources, examining the role of HR processes, considering the impact of cultural differences, investigating the impact of recruitment on employee engagement, and examining the impact of recruitment on organizational culture. By addressing these areas of research, organizations can better understand the impact of recruitment on their organizational dynamics and develop strategies to manage the impact of recruitment more effectively.

5.4 Conclusion

The impact of recruitment on the organization and organizational dynamics is a critical aspect of human resource management that cannot be overlooked. The success of any organization largely depends on its ability to attract and retain the best talent, and this can only be achieved by implementing effective recruitment strategies that consider the organization's culture, values, and long-term goals.

The survey conducted as part of this research revealed that most organizations do not evaluate the impact of recruitment on the organization and organizational dynamics. Furthermore, most organizations follow existing processes, including the same rewards strategies and pay scales for internal and external employees. While it is understandable that organizations have limited resources and may be hesitant to introduce new policies and procedures, failing to evaluate the impact of recruitment on the organization can have serious consequences.

The problem statement of this research was to examine the impact of recruitment on the organization and organizational dynamics and identify the best practices that organizations can follow to ensure that their recruitment strategies are aligned with their long-term goals. The survey findings provide valuable insights into the current practices and challenges faced by organizations in this regard.

One of the key findings of the survey was that most organizations do not have a recruitment committee established to review current and future best practices. This is a significant issue, as it means that organizations are not proactively looking for ways to improve their recruitment strategies. Without a recruitment committee, organizations may miss out on opportunities to improve their recruitment processes and make them more effective.

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Another important finding of the survey was that most organizations do not have a formal process in place to benchmark pay-scales. This is a crucial issue, as it means that organizations may not be paying their employees fairly, and this could lead to dissatisfaction and poor performance. It is essential for organizations to regularly benchmark their pay-scales against industry standards to ensure that they are competitive and fair.

The survey also revealed that a significant number of organizations believe that the pay gap that generally exists between internal and external hires should be bridged. However, most organizations do not have any established HR processes to address this pay gap. This is a concerning issue, as it means that organizations may be inadvertently creating a sense of unfairness among their employees, which could lead to resentment and decreased motivation.

One of the key arguments of this research is that as organizations continue to evolve, it is of critical importance for them to evaluate the impact of hiring through all sources for an effective recruitment strategy. Organizations must take a proactive approach to recruitment, continually evaluating their practices to ensure that they are aligned with the organization's culture, values, and long-term goals. This means having a recruitment committee in place to review current and future best practices, establishing formal processes to benchmark pay-scales, and addressing the pay-gap that exists between internal and external hires.

Another argument is that organizations need to establish different career progression plans for internal and external employees. This can ensure that employees feel valued and that there are opportunities for growth and advancement within the organization. Similarly,

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organizations need to have established and different rewards strategies for internal and external recruits. This should help to ensure that employees are compensated fairly and that there is a sense of fairness and equity within the organization.

In conclusion, the impact of recruitment on the organization and organizational dynamics is a critical aspect of human resource management that requires organizations' attention. The survey findings reveal that there are significant challenges facing organizations in this regard, including the lack of a recruitment committee, the absence of formal processes to benchmark pay-scales, and the failure to address the pay-gap that exists between internal and external hires. It is essential for organizations to take a proactive approach to recruitment, continually evaluating their practices to ensure that they are aligned with the organization's culture, values, and long-term goals.

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APPENDIX

["IMPACT OF THE RECRUITMENT ON THE ORGANIZATION AND ORGANIZATIONAL DESIGN"]

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