"EVALUATION OF RECRUITMENT AND SELECTION CHALLENGES FACED BY THE STARTUPS IN HYDERABD IN HR PERSPECTIVE"

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ABSTRACT

This study is an outcome of the topic called "Evaluation of recruitment and selection challenges faced by the startups in Hyderabad from HR perspective". The study helps to know the effectiveness of recruitment and selection procedures in the startups. Main objective of the study is the effectiveness of to identify the recruitment and selection practices of startup companies. The secondary objectives of the study to identify factors that will improve recruitment and selection practices, to assess the challenges associated with the recruitment and selection practices of startup companies and to examine how recruitment and selection practices affect the performance or development of new hire. Through this study it is identified that the most commonly used source of recruitment in startups is employee referral and second most commonly used source of recruitment is on campus off campus recruitment process. Finally, this study gives a clear view of recruitment and selection procedures in the startups. If the level of the recruitment and selection procedures is good in the startups then it could be possible for the management to put forth the best result from the employees.

I.   INTRODUCTION

In the recent years Indian economy has observed a constructive tendency towards entrepreneurial and technology based innovative companies. Generally, a startup can be defined as a company which operates towards improvement, development and innovation of products and services. Startups have both advantages and disadvantages. Due to the smaller size and newness they do not have rigid structure and policies which makes them more flexible. On the other side, they often tend to ignore alignment between the mission and employees' career aspiration, which leads to disengagement. These young talents might not have necessary experience. Recruitment practices from startup firms vary from established organizations. These firms face difficulties in attracting talented employees and recruiting employees of their choice. This study gives an overview of the recruitment and selection challenges faced by the startups. It is believed that good recruitment and selection process would help the management to put forth the best results from the employees.

There a multiple options available for the startups for filling the vacant positions. The rapid rise in the current situation in implementing the technology in business has given rise to many opportunities for the employees, potential employers, and existing employers. There are also multiple challenges for the startups right from the establishment of the organization. Some of those challenges are culture, risk management, competition, financial planning, sustainability and leadership. Apart from these the biggest challenge startups are facing is recruitment or finding the best mix of the talent for available job.

A appropriate recruitment process helps the organization in building its brand name. Building a proper and complete company profile is the most important factor for the startups. The presence of market can have large effect on the chances of a startup. Hence, the startups must use this chance to focus on recruiting and give way in building a brand which will be liked.

Some of the major recruitment and selection challenges faced by the start ups are pressure of starting the organization, not having hiring experience, weak negotiating skills, lack of clarity about the organization culture, insufficient assessment tools. These challenges can be overcome by completely understanding the mission and vision, hiring the candidates who are well aware of the organization, promoting the work culture, branding on digital platforms, motivating the current employees.

II.   RESEARCH METHODOLOGY

Need:

India is in the middle of the startup spring where on an average of at least two new companies are being launched every day. These companies are provided with network support, excess of money, and mentoring, but one important resource that they need is talented workers which is short in supply. It is very difficult and crucial to obtain the quantity and quality of the employees that can be selected which in turn help the startups to achieve its goals and objectives. Strategic prioritization, the evolving new systems are being both challenge and opportunity for the entrepreneurs. Therefore, reviewing staffing needs and prioritizing tasks to meet the changes in the market is being challenge to the recruitment professionals.

Objectives:

1. To identify the recruitment and selection practices of startup companies.

2. To examine how recruitment and selection practices affect the performance or development of new hire.

3. To assess the challenges associated with the recruitment and selection practices of startup companies.

4. To identify factors that will improve recruitment and selection practices.

Scope:

The report deals with the recruitment challenges and selection process in terms of theoretical point of view and the practical use. This study helps to learn the practical procedures to attract the talent followed by the selections. Moreover the study will help to differentiate between the practices and theories that direct to realize how the startup organization can improve their Recruitment and Selection Process. The study allows learning about Recruitment issues, modern techniques and models used by startup companies to make it more efficient.

Hypotheses:

1. **H0:** There no is a significant association between the time taken for recruitment and source of recruitment

   H1: There is a significant association between the time taken for recruitment and source of recruitment

2. **H0:** There is no significant association between the employee turnover and source of recruitment

   H1: There is significant association between the employee turnover and source of recruitment

3. **H0:** There is no significant association between number of employees and source of recruitment

   H1: There is significant association between number of employees and source of recruitment

4. **H0:** There is no significant association between presence of dedicated HR department and size of the organization.

   H1: There is significant association between the presence of dedicated HR department and size of the organization

5. **H0:** There is no significant association between the succession planning of key managerial positions and size of the organization.

   H1: There is significant association between the succession planning of key managerial positions and size of the organization.

6. **H0:** There is no significant association between the technology support and size of the organization.

   H1: There is significant association between the technology support and size of the organization.

Statistical Tools:

Included simple percentage analysis and Chi-square test

Chi-square Test: The chi square test is applied to test the goodness of fit and to verify the distribution of observed data with the assumed theoretical distribution.

Sampling Method:

Convenience sampling, this type of sampling method, the market research data is collected from the conveniently available pool of respondents. This type of sampling method is economical, not complicated and very prompt.

Sampling Size:

Collected the data from about 52 HR employees in different Startups situated in Hyderabad.

III. DATA ANALYSIS

Hypotheses	Test	Calculated value	Degree of freedom	Table value
Ho1	Chi square	31.831	15	24.996
Ho2	Chi square	20.685	10	18.307
Ho3	Chi square	12.773	10	18.307
Ho4	Chi square	19.012	3	7.815
Ho5	Chi square	5.359	3	7.815
Ho6	Chi square	1.409	3	7.815

Source: Calculated in excel based on the data collected from the survey conducted during February-April 2020

Findings and Results:

S.No.	Hypotheses	Result
1	There no is a significant association between the time taken for recruitment and source of recruitment	Rejected
2	There is no significant association between the employee turnover and source of recruitment	Rejected
3	There is significant association between number of employees and source of recruitment	Accepted
4	There is no significant association between presence of dedicated HR department and size of the organization.	Rejected
5	There is no significant association between the succession planning of key managerial positions and size of the organization.	Accepted
6	There is no significant association between the technology support and size of the organization	Accepted

- It is found that more than 50% of the Human resource managers are female i.e. 57.6% whereas 42.4% are male human resource managers from the study

- From the survey 34.61% of the employees are between 3-5 years of total job experience.

- It is found that more than 40% of the startups surveyed have less than 20 numbers of employees.

- It is identified that 34.61% of the organizations take 15 days on an average time for hiring an employee.

- From the survey conducted around 34.62% of the startups approach the process of employee referrals as the most commonly used source of recruitment.

- According to the study that 78.84% of the organizations has wide network of computerized human resource information system with the latest software.

- It is found that more than 70% of the organizations do not carry out succession planning in order to ensure that executives are available to fill the gaps in the key managerial positions.

- According to the survey 55.76% of the startups take the technological support for the process of recruitment.

- From the survey is found that 65% of the startups have hierarchical manpower structure that they follow for the recruitment process.

- According to the study about 51.92% of the organizations conduct 2 rounds of interview in the process of the selection.

- Survey reveals that 50% of the startups do not have a system to calculate the cost per recruitment.

- Found from the survey that more than 65% of the organizations do not conduct any medical tests during the selection process.

- About 86.53% of the startups give social privilege to the employees who have referred in the employee referral recruitment process.

- From the survey 96.15% of the Human resource managers know about the concept of video resume.

- It is found that 90.38% of the startups do not use the concept of video resume in the recruitment process.

- This study is the outcome of the topic "Recruitment and selection challenges faced by the startups in Hyderabad in HR perspective". Recruitment and selection procedures play crucial role in survival of startup organizations. These procedures involve many activities. This helps in providing right people in the right place in the right time.

V. CONCLUSION

Through this study it is identified that the most commonly used source of recruitment in startups is employee referral and second most commonly used source of recruitment is on campus off campus recruitment process

It is also found that availability of dedicated HR department in the startups to carry out the recruitment and selection process depends upon the size of the organization. Small size organizations are unable to afford for the availability of dedicated HR department due to which not only the present situations the long term progress is also affected.

Most of the startups are unable to maintain important features which would affect in long term such as manpower structure for the recruitment process, succession planning, computerized human resource information system, hierarchical technology support for recruitment, and so on. All these help the startups in achieving the affective recruitment and selection procedures.

VI. SUGGESTIONS

Introducing innovative ideas in the market through recruitment process and creating the brand name would help in attracting talented candidates. Building the organization's culture helps in finding the right resources into the organization. Improving technology and maintaining exclusive human resource team has become crucial in the current situations.

Recruitment and selection processes are getting very much importance these days in the organizations. It is very important thing to evaluate the human resources.

It is systematic procedure that involves multiple activities. The process includes the steps like HR planning attracting applicant and screening them. It is very crucial activity as it provides right people in right place at right time. If suitable employees are selected who are beneficial to the organization it is at safe side but if decision goes wrong it can be dangerous to the organization. So it is an activity for which human resource department gets very much importance.

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