



A STUDY ON THE CHALLENGES INFLUENCING THE HIRING PROCESS OF IT EMPLOYEES IN THE HYDERABAD REGION

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Abstract

Purpose: Staffing and Recruitment of IT employees is a big challenge. Innovations, limited talent supply, and economic ambiguity are the challenges the staffing and Recruitment firms face. Identifying and retaining the right employees for any business is challenging. However, identifying and hiring a suitable candidate matching the organization's needs will be an asset to the firms. Irrespective of size, all these issues are generic for staffing and recruitment firms. To figure out such challenges being faced by the firms regarding the conditions and their impact on the recruitment process, A study was conducted in a company – “Information Data Systems (IDS)”.

Research Methodology: A questionnaire was circulated among the IDS management and employees. Data analysis was done using tables and a Chi-square test to test the hypothesis. Secondary data was collected from newspapers, blogs, websites, and national and international journals.

Findings: We found 9 major challenges in staffing and recruiting IT employees for a firm. Based on the data collected, some external and internal challenges were identified and considered hindrances in the recruitment process. However, when the Chi-Square test was used to test the hypothesis, it was found that the challenges had no significant impact on the recruitment process.

Conclusion: The selection and hiring process should select a candidate who accommodates himself and is a good team player.

Keywords: IT, Staffing, Recruitment, Challenge, Chi-square test, impact.

INTRODUCTION

Typically, the start-up founders claim, that of the qualified and right team for their success. This is attributable to the tremendous impact that initially qualified employees contribute in shaping the growth story of a startup.

A great team makes a successful journey. The foundation, however, is hiring the right people. Hiring employees who align with the culture and match the technical skillsets required by the company can bring about speedy success, especially for startups.

The initial hire plays an important role in building a profitable company. While each startup desires this. Implementing is harder than articulating. In achieving this ideal vision, one faces various challenges.

The scarcity of tech talent is damaging innovation. Finding qualified team members is a big challenge for the Companies and it is affecting their core success. The scarcity of tech talent hinders enterprises from moving into new markets and increasing revenue. The result is that current and existing employees engage in filling the gaps. This leads to high turnover since the lack of timely hiring results in burnout among existing members. Staffing and recruiting is a huge business dominated by a set of reluctant giants that each generate tens of billions in revenue annually. The industry may change radically within the next few years.



Evolution of staffing firms.

The need for staffing companies was triggered along with the increase of large corporations and more women engaging in employment during World War II. For example, three staffing companies Manpower, Robert Half, and Kelly Services were started in the 1940s. They expanded swiftly, according to the requirements of large companies to reach manpower.

Eventually, the large hiring firms expanded with new branches and an international presence. They have succeeded in providing staff and integration with Fortune 1000 enterprises. Due to the advent of huge inventions and AI, changes in recruitment are obvious. Hiring through career portals, recruitment software, training and education tools, mobile apps, and more. But still, the technology could not penetrate the staffing industry.

Today, the utilization of artificial intelligence (AI) is incorporated in staffing employees. New entrants are trying to figure a way to utilize AI while recruiting staff. But within the next few years, some firms will be successful, which are tackling this exceptionally. All these demonstrate a big challenge for staffing firms with the fast-improving innovations and the changes in the process for staffing.

Added reasons for change

A range of other reasons, further trigger changes in staffing, like AI, suitable candidates for companies. Dynamics, expectations, and innovations are causing changes in the recruitment process. There are a lot of opportunities in this sector, and businessmen are reaping the recent innovations.

A tech-savvy company that grabs job seekers online and mobile offers digital training, and connects them with employers through AI-driven matching will be more favored. It is not easy for a traditional staffing company to compete with tech-savvy companies.

Sharp, tech-savvy startups have started using these innovations. Venture capital firms are funding them. A range of companies is applying technology and the market is rapidly responding.

Need for the Study:

The IT sector is a candidate-driven market, and companies need to understand how to recruit and retain top talent effectively. Collaborating with an IT recruiting agency gives companies significantly considerable access to extraordinary techies, because of the firm's contacts and in-depth knowledge about the countless positions within the IT industry. Even with a large network and access to talent, recruiting agencies are facing some challenges like limited talent, time-consuming processes, high recruitment costs, etc., If the company themselves want to recruit then retaining top talent, raising employee morale, building a strong employee and employer relationship are the major challenges the company will come across. So, there is a need to assess the impact of challenges on the recruitment process of the company.

To list out and assess the impact of the challenges being faced by IT companies, we have chosen one particular company that comes under the desired category i.e., IDS Inc. - Information Data Systems Incorporation.

LITERATURE REVIEW

Robert E Polyhart (2006) has identified that despite there being a need for effective staffing, research on staffing is neglected or misunderstood by many organizations. The author has found research gaps in staffing practices. Through the literature review, the author has made a



critical analysis of best practices in staffing.

Martin Jayaraj, A, V. Gowri Shankar, and A. Sarasu (2023) highlighted the new trends in recruitment and staffing and their impact on job seekers. The factors that influenced the recruitment process are Increased competition among companies, lack of a proper pay system, digitized economy, etc., An exploratory path is followed to collect all recruitment strategies. A conceptual model was developed for the benefit of both job seekers and organizations.

P. Avinash Goel and P. Venkataiah (2022) talk about the significance and emerging trends in the staffing and selection process in the IT sector in India. Their argument was around 8% of the GDP of India was obtained from the IT sector in 2020. The paper concentrates on the various trends and practices in selection, and recruitment in the IT sector.

Lena Knappert, Hilla Peretz, Zeynep Aycan, and Pawan Budhwar(2021) emphasized on staffing effectiveness among various countries. The study finds that the staffing procedures in various countries are in agreement with their normative, regulatory, and cognitive institutions.

Zhisheng Chen(2023) studied AI's role in staffing and recruitment. The author highlighted the way of transition from a traditional to AI-based staffing model i.e., from digital 1.0 to 3.0. The author also has suggested some strategies to implement AI in staffing and recruiting employees.

Brijesh Kishore Goswami and Sushmita Jha (2012) have confirmed that retention of employees is the key to success in the organization. The authors have studied the problems around attrition and the strategies to retain employees.

Riemsdijk, Micheline(2013) investigates the talent acquisition of employees in the IT sector in Silicon Valley in India. The study mainly concentrates on the supply and demand of the human capital. The study addresses local and national institutional challenges for talent acquisition.

OBJECTIVES

To find the challenges in different types of recruitment and selection procedures adopted by IDS Inc.

To assess challenges influencing the recruitment procedure adopted by IDS Inc.

RESEARCH METHODOLOGY

Primary data was collected from the employees through a semi-structured survey in the IDS Inc. office at Madhapur, Hyderabad office. The questionnaire was designed, to collect the data from management and employees. The Sample was selected based on the employee's work experience, position, and satisfaction with the company. The selected employees were seniors and well-versed in the company's activities. The sample for the study was 50 out of 120. The secondary data was taken from e-articles, e-journals, and websites other than the company's website so that a better understanding of the problem identification. Descriptive analysis is followed to analyze the information collected from questionnaires. A chi-square test is applied to assess the impact of challenges on the recruitment and staffing for an IT firm.

DATA ANALYSIS

We collected data from the employees and a few officials of INFORMATION DATA SYSTEMS (IDS Inc.) to study their recruitment and selection Process. The results are interpreted with Tables and charts.



Table 1: Gender of Respondents

SI no.	Gender	No. Of. Respondents
1	Male	32
2	Female	18
	Total	50

Source: Primary Data

Table 1 shows that 32 of the interviewees were male while 18 of the interviewees were female.

Table 2: Respondents Age

SI No.	Age	No. of Respondents
1	21 - 30	10
2	31 - 40	18
3	41- 50	14
4	>50	8
	Total	50

Source: Primary Data

Table 2 shows that 10 respondents were between the ages of 21-30, 18 respondents were between the age of 31-40, 14 respondents were between the age of 41-50 and 8 respondents were above 50 years.

Table 3: Method of Recruitment and Staffing

SI No.	Method of recruitment and staffing	Candidates recruited
1	External	28
2	Internal	22
	Total	50

Source: Primary Data

Table 3 shows that 28 respondents were recruited externally while 22 respondents were recruited internally.

Table 4: No. of Stages Involved in the Recruitment of Candidates

SI No.	Stages	Candidates undergone
1	1	4
2	2	6
3	3	16
4	> 3	24
	Total	50

Source: Primary Data

Interpretation:

Table 4 shows that 4 candidates are hired in only 1 stage, 6 - 2 stages, 16 - 3 stages, and then 24 candidates have faced more than 3 steps to be hired.

Table 5: Types of evaluations conducted during recruitment

SI No.	Tests	No. of. Candidates attended.
1	Personal Interview	26
2	Intelligent quotient test	24
	Total	50

Source: Primary Data

Table 5 shows that 26 candidates encountered personal interviews and 24 go through Intelligent quotient tests.

Table 6: The Recruitment and Staffing methods followed by the IDS

SI No.	Recruitment methods	Candidates hired
1	Head hunters	18
2	Talent acquisition through internet.	10
3	Periodicals	10
4	Internal	12
Total		50

Source: Primary Data

From the table, 4 methods were followed and recruited by

Table 7: Verifications Applied.

SI No.	Verification methods	Candidates verified
1	Academic qualifications.	28
2	Criminal history check	8
3	Work history	14
Total		50

Source: Primary Data

Table 7 shows that 3 methods of verification were applied to different candidates.

Table 8: Transparency in the Recruitment process.

SI No.	Transparency in the recruitment system.	Candidates' opinion
1	Strongly Agree	22
2	Agree	18
3	Neutral	10
4	Disagree	0
5.	Strongly disagree	0
Total		50

Source: Primary Data

Table 8 shows that most of the candidates agree that the recruitment process is transparent.

Table 9: Recruitment and selection complications.

SI No.	Challenges faced by IDS Inc.	Employees opinion.
1	Retaining Top Talent	5
2	Raising Employee Morale	8
3	Lack of Recruiting High-Skilled Applicants.	2
4	Not Providing Competitive Compensation	11
5	IT Worker Burnout	6
6	Maintain Productivity Levels	4
7	Organizational Changes	10
8	Upward Mobility	1
9	Cutting down Cost per Hire	3
Total		50

Source: Primary Data

Table 9 shows that the employees opined that 5 of the employees said IDS Inc. experiences challenges with retaining top talent, 8 lifting employee morale, 2 lack of raising employee morale, 11 not providing competitive compensation, 6 IT worker burnout, 4 unable to maintain productivity levels, 10 unable to adapt according to organizational changes, 1 upward mobility, and 3 cutting down cost per hire.

Table 10: Rating The Overall Process of Recruitment and Staffing Process



SI No.	Opinion	candidates
1	Excellent	2
2	Very Good	24
3	Good	18
4	Average	6
	Total	50

Source: Primary Data

Table 10 shows, the respondents rated the overall hiring and selection as good.

Objective 1: To find the challenges in different types of recruitment and selection procedures adopted by IDS Inc.

Based on the primary data the challenges in different recruitment and selection procedures identified by the IDS incorporation are explained in the following table.

Table 11:

Method of recruitment	Challenges	Types of selection procedures
External method of recruitment.	Lack of Recruiting High-Skilled Applicants.	Personal interview. Educational Qualifications Legal Background Check Professional Background
	Not Providing Competitive Compensation	
	Organizational Changes	
	Cutting down Cost per Hire	
Internal method of recruitment.	Retaining Top Talent	Psychometric tests.
	Raising Employee Morale	
	IT Worker Burnout	
	Maintain Productivity Levels	
	Upward Mobility	

Objective 2: To assess challenges influencing the recruitment procedure adopted by IDS Inc.

From question 3 in the questionnaire, we identified two methods of recruitment, they are external and internal. According to Table 3, the candidates recruited from external is 28 and internal is 22.

The study's objective is to assess the impact of the challenges on the recruitment process. Based on the data collected from question 9, a grouping of challenges is made into two categories. One is external and the other is internal.

Table 12: The challenges in the external recruitment process were grouped and the opinions of the respondents were summed up and considered as total external challenges.

S. No	External recruitment challenges.	No of the respondents opined
1.	Lack of Recruiting High-Skilled Applicants	2
2.	Not Providing Competitive Compensation	11
3	Organizational Changes	10
4	Cutting down Cost per Hire	3
Total	External recruitment challenges.	26

Table 13: The challenges in the internal recruitment process were grouped and the

opinions of the respondents were summed up and considered as total internal challenges.

S.No	Internal recruitment challenges	No of the respondents opined
1	Retaining Top Talent	5
2.	Raising Employee Morale	8
3.	IT Worker Burnout	6
4	Maintain Productivity Levels	4
5	Upward Mobility	1
Total	Internal recruitment challenges.	24

Table: 14: The respondent's opinions and candidates recruited are presented in the form of a table

S.No.	Method of recruitment	candidates recruited	Challenges found
1.	External	28	26
2.	Internal	22	24
Total		50	50

Based on the grouping a hypothesis has been formulated:

H0: The identified challenges have no significant impact on the recruitment process.

H1: The identified challenges have a significant impact on the recruitment process.

The hypothesis was tested through the Chi-Square test.

The chi-square value calculated based on Table 12 = **0.1608**.

Degree of freedom (2-1) (2-1) =1, level of significance is 5%.

Table value = **3.841**.

Since the calculated value is less than the table value null hypothesis H0 is accepted at a 5% level of significance. It infers that there is no impact of challenges on the recruitment process.

FINDINGS AND SUGGESTIONS:

Based on the questionnaire some external and internal challenges were identified and considered as hindrances in the recruitment process. However, when the Chi-Square test was used to test the hypothesis, it was found that there was no significant impact of the challenges on the recruitment process. The challenges mentioned in the questionnaire can be solved by expanding talent search using AI tools in screening, more remote work, and diverse employees across the globe, employee recognition through rewards and promotions, and Conducting events to alleviate the employee's stress.

CONCLUSION

An effective staffing and recruitment process reduces employee turnover. If the job specifications and Job requirements are mentioned in advertisements, companies will get according to the skills required, and better results in the recruitment process If they fail to do this, they might end up with a low-quality pool of candidates and wind up with limited choices to fill the open position. When organizations choose a candidate based upon the qualifications demonstrated in the resume, a transparent recruitment process, by verifying educational qualifications, work history, and criminal background, they will hire the best fit for the position. The HR should recruit those candidates who work for the organization. Not because the HR likes them. This will result in higher productivity and quality of the products or services. At



the time of the staffing and recruitment process, HR can identify whether the candidate adds value to the organization and fits the company's culture correctly. The selection and recruitment process should provide the company with an employee who adapts and works well with others. The recruitment process's main goal is to recruit staff on a long-term basis.

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