

A Study On Lean Recruitment and Selection: A Case Study On a Retail Company in Hyderabad

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Abstract: Recruitment and Selection are an integral part of Human Resource Management. The people in the organization provide various dimensions and attributes to work-life. When they are managed well, they can reap noticeable advantages for the organizations. Recruitment and Selection (R&S) processes play a key role in acquiring the right talent for the organization. Lean Recruitment and Selection is similar to general recruitment and selection, however, it focuses on reducing cost and waste. The recruitment and selection process can be made lean by eliminating the unnecessary time spent on various processes such as sourcing, screening, testing, and interviewing potential candidates. It employs a more proactive approach rather than a reactive one. The study included both primary and secondary data. A self-administered questionnaire was used to collect primary data and was circulated to employees at a retail company in Hyderabad. Exploratory Factor Analysis was deployed to determine the factors related to lean practices. This study aims to understand the process of Recruitment and Selection and the factors affecting the retail company and to analyze the relationships between Lean Recruitment and Selection practices and cost, Lean Recruitment and Selection practices, and the quality of new hires. Furthermore, to understand the relationship between variables correlation and regression analyses were conducted.

Keywords — *Lean Recruitment and Selection, Exploratory factor analysis, Cost, Quality of new hire, Correlation, Regression.*

I. INTRODUCTION

The concept of lean recruitment has evolved from the concept of "lean manufacturing". Lean manufacturing is concerned with reducing cost and waste during the process of production. For instance, Toyota uses a lean manufacturing process. Lean methodology mainly focuses on Kaizen (or continuous improvement), finding solutions to problems, adding value through developing partners, and keeping up the long-term principles. In the context of HRM, Lean recruitment is using fewer resources to yield more output. It is also known as agile recruitment.

The recruitment and selection process can be made lean by eliminating the unnecessary time spent on various processes such as sourcing, screening, testing, and interviewing potential candidates. It employs a more proactive approach rather than a reactive one. It anticipates and forecasts the need for new employees and uses strategic tools and methods to source the right candidates. Ultimately, the goal

of the lean recruitment and selection process is to eliminate wasteful steps.

For instance- It eliminates excess time or longer durations of time spent at any stage in the recruitment or selection process, initiating or continuing the process with wrong data, employing heavy amounts for sourcing the candidates, ineffective ways of candidate search, and even delays caused due to inappropriate HRIS.

The concept of lean recruitment and selection holds much prominence in the 21st century. As mentioned above, unlike the normal recruitment and selection process, the lean one uses a proactive approach. It tends to closely monitor the existing recruitment strategy, study the results, propose improvements to be made and pave a path toward continuous improvement.

It also aids in strategic human resource planning (HRP), recruiting the right candidate to fulfill the needs of the business, and maintaining cordial relationships with other stakeholders. Moreover, it helps in optimizing the process and thereby reduces redundant activities like sending emails or scheduling interviews. In this way, it saves time and cost and also creates a win-win situation by promoting

employees and organizational growth (Barmuta and Grishchenko, 2020).

This study is one such attempt to understand the relationship between lean practices and cost, and lean practices and the quality of new hires.

II. LITERATURE REVIEW

Gopalia (2012) focused on lean practices in Recruitment and Selection. The effectiveness of online recruitment can be illustrated through the case of TESCO. An exploratory theory-building approach was used to find out the effectiveness of online recruitment and selection. Similar to the benefits that the other studies have explicitly stated, this study also mentions the time and cost-effectiveness to recruit and select new hires.

Swarna and Priyadarshini (2014) focus their study on lean recruitment and selection. This concept is mostly related to manufacturing. However, the study also emphasizes the importance of lean practices in recruitment and selection. They help in reducing wastage, improving organizational performance, cutting down on cost, improving quality, and minimizing time. It focuses on continuous improvements to enhance the efficiency and quality of work.

Another study on lean recruitment and selection by Sahay (2015) emphasized the causal relationship between recruiting and positive business results. It talks about talent acquisition as an activity that goes way beyond selecting the right person for the right job. It is about sourcing, onboarding, appraisal, and being more innovative to create a sustainable competitive advantage.

Duren et al. (2015) highlighted an example of lean R&S in the healthcare industry, Spectrum Health changed its functional processes to transform itself into something better. There were some structural and institutional changes. Continuous improvement was implemented for better results. The findings of the study reveal that the time to fill open positions was reduced by 10% after the implementation of lean recruitment and selection. The offer acceptance rate was above 95% and had less than 30 turndowns in the year. Thus, it can be observed that lean recruitment and selection can yield good results.

A study by Okolie and Irabor (2017) states the importance of E-Recruitment in today's world. It is considered to be a technological means for selecting the right candidate for a job role. Recruitment is an indispensable process in the competitive world. In the internet era, traditional recruitment is taken over by e-recruitment. It is being employed in organizations of various sizes to post jobs, create a pool of applicants and send selection details over emails. Some of the advantages highlighted by this study are- lowered costs, saved time,

improved speed, and provided quick solutions to help in building a good corporate image. However, organizations have to improve the quality of recruitment functions. This study highlighted the trends in e-recruitment, the benefits, and the downside.

Slavić and Berber (2017) mention that digitization in the recruitment and selection process is beneficial to both the companies and the candidates. The usage of social networks is increasing rampantly. For Example- LinkedIn and Twitter are commonly used for the R&S process. Adding on, the main objective of this research was to identify the role of the internet and social networking sites in the process of recruitment and selection in Serbia. A thorough review of the literature was done and data from 160 companies was used to perform descriptive statistics.

Holm and Haahr (2018) highlight the advent of ICT and the introduction of e-recruitment and selection in various organizations. This has diverted the employees to rely on job portals and social media for sourcing and selecting candidates. Moreover, Applicant Tracking Systems (APS) are used to evaluate the pool of potential candidates.

Bhakar (2019) elaborates on the risks and impact of Recruitment Process Outsourcing for employees (RPO). This explanation was generated through a literature review. It helps in reducing costs and improving competitive advantage. Meanwhile, this study can be further used as a reference to increase employer satisfaction

Silva (2020) also states the paradigm shift toward recruiting through the internet. The study emphasizes the emergence of technology and the preference of candidates for online or offline recruitment and selection processes. In addition to yielding cost and time benefits to the organization, the findings of the study conclude that e-recruitment is more successful in finding the right person for the right job.

Another study by Rynes et al. (2021) used structured longitudinal interviews to explain how job seekers made decisions. Interview records show that recruitment practices have played a variety of roles in job seeker decisions. For example, in line with signaling theory, subjects interpreted different hiring experiences (hiring ability, gender composition of interview panels, hiring delays) as symbols of broader organizational characteristics. In addition, some contingency variables have emerged. For instance, they are prior knowledge about the company and the recruiter role). It is also worth noting the strong negative impact of delayed hiring, especially among male students with high average grades and high job-hunting success rates.

Benuyenah (2021) also talks about lean recruitment and selection, but in the context of the recruitment of a University teacher. Due to widespread internet usage, the traditional methods of recruitment and selection have

become dysfunctional. The main highlight of this study is that it provides the author's experience in teaching Human Resource Management as well as recruitment. Lean recruitment and selection were employed to minimize the job-seeker paradox and employee workload. However, the study concludes by mentioning that more empirical evidence is needed in lean recruitment and selection.

III. OBJECTIVES OF THE STUDY

1. To identify the factors affecting Lean Recruitment and Selection
2. To analyze the relationship between lean R&S practices and cost
3. To analyze the relationship between lean R&S practices and the quality of new hire

Hypotheses

- Hypothesis-1:

H1: There is no relation between Lean Recruitment and Selection and the cost

- Hypothesis-2:

H2: There is no relation between Lean Recruitment and Selection and the quality of new hire

IV. METHODOLOGY

This research is based on the domain of Human Resource Management and both primary and secondary sources of data collection are employed.

Primary data- The primary data was collected through a questionnaire including demographic variables. Moreover, some data is collected through observation, both participant and non-participant, inside the organization.

Secondary Data-

Secondary data was extracted from sources like- websites, magazines, periodicals, journals, research papers and company documents, etc.

Sampling Design-

Random Sampling will be employed to choose the sample. The questionnaire will be circulated among current employees and prospective employees of the company. IBM SPSS would be used for data analysis collected through the questionnaire. It is a self-administered questionnaire. Google forms would be employed for data collection. Respondents have to rate each item on a scale of 1-5, ranging from not at all important to very important. It is a Likert scale. Each value on the scale (where 1 represents not at all important, 2= not important, 3=moderate, 4=important and, 5=extremely important) indicates the degree to which each item of the questionnaire affects Recruitment and

Selection.

Sample Size- The total responses collected are 102 over 2 months.

Data Collection tools/ instruments- The data collection tool used is a questionnaire circulated via Google forms.

Scope of the Study: This paper is based on the results of a survey questionnaire circulated to employees of a retail industry company situated in Hyderabad.

G. Tools and Methods for Data Analysis: The data collection tool used is a questionnaire circulated via Google forms. IBM SPSS was deployed to do factor analysis and identify relevant factors. Further, Correlation analysis was done to identify the relationship between independent and dependent variables. Moreover, Regression analysis was done to understand the significance of the relationship so identified.

Limitations of the Study: The study was conducted over a short period and limited to employees of a specific retail company, which limits the time limit and the relevance of the results to other companies in other industries.

V. RESULTS OF DATA COLLECTION

Demographic Details:

Table-I- Demographic Profile:

Demographics	Category	No. of respondents	Percentage
Gender	Male	66	64.7%
	Female	36	35.3%
	Prefer not to say	0	0%
Age Group	18-25 years	70	68.6%
	25-30 years	28	27.5%
	30-35 years	4	3.9%
	35+ years	0	0%

Out of 102 respondents, a majority of 66 are male and the other 36 are female. A majority of 68.6% of employees or respondents fall under the age group of 18-25. A percentage of 27.5 is between the 25-30 age groups. The age group of 30-35 has a very negligible number. Moreover, there is no one between 35-40 and 40 and above age groups.

Factor Analysis results:

Listed below are the results of the Factor Analysis in Table II. Three factors have been identified- Lean Recruitment and Selection Practices, Costs of Recruiting and Selection, and Quality of new hires. The scale variables, factor loading, reliability, factor names, and sources are listed below.

Table II- Results of Factor Analysis:

Scale Variables	Factor Loading	Reliability	Factors	Source (s)
Talent Pipelines	0.619	0.626	Lean Recruitment and Selection Practices	(Balzar, 2020) , (Caers & Castelyns, 2011), (Ryan and Dyeous, 2016) & (Bauer, 2018)
Right Assessment tools	0.724			
Social Media Recruiting	0.652			
Bulk Screening	0.654			
Referral pool	0.703			
Recruitment Policies	0.600			
Human Resource Planning	0.629			
New Technology Adaptation	0.601			
Uses the latest software	0.737			
E-recruitment and selection	0.648			
Legal Compliance	0.634	0.614	Costs of Recruiting and Selection	(Anderson, 2020)
Outsourcing	0.600			
Cost-per-hire	0.737			
Internal recruitment costs	0.655			
External recruitment costs	0.799			
Agency Costs	0.680			
Replacement Costs	0.715			
Flexibility of Workforce	0.683	0.636	Quality of new hire	(Mayne et al., 2000), (Lermusiaux & Snell, 2005), (Roberts, 2016)
Responsiveness of hires	0.601			
The appeal of job role	0.651			
Quality of employee	0.601			
Quality of recruitment tools	0.617			
Quality of Output	0.694			
Performance	0.658			
Employee Retention	0.640			
Higher Manager Satisfaction	0.632			
Employee Lifetime Value	0.644			

A total of three factors were extracted and considered in this study. These three factors are presented in Table II and explained briefly in the given context of the problem in the following section.

Factor-1- Lean Recruitment and Selection practices-

Recruitment and Selection procedures and prerequisites mean what procedures and practices are deployed (Balzar, 2020). These procedures and policies play a major role in recruitment and selection. A firm can use various procedures like creating talent pipelines and deploying the right assessment tools (for example- bulk screening). Moreover, recruitment policies play a major role in determining what kind of lean practices to follow. Social media recruiting and building proper referral pools are very important. However, Human Resource Planning plays a major role in carrying forward the recruitment and selection procedures (Caers & Castelyns, 2011).

On the other hand, Technology is also an integral part of all activities. Specifically, the field of HRM has gained a lot of prominence in recent days. Adapting to the technology, using the latest software, and shifting to e-recruitment and selection procedures are very beneficial. They are cost and time-effective (Ryan and Dyeous, 2016). Legal Compliance procedures are also related to technological advancements

in a way that everything is executed on the internet, with the aid of technology (Bauer, 2018)

Factor-2- Costs of Recruiting and Selection-

To evaluate the Lean practices of R&S in an organization, some suitable costs have to be ascertained (Anderson, 2020). Lean recruitment can be ascertained by calculating various costs. Cost-per-hire, as the name suggests can be used for assuming the cost spent per hire. Moreover, internal recruitment costs, external costs, agency costs, and replacement costs also play a vital role in having an idea about lean practices.

Factor-3- Quality of new hire-

The quality of new hires lays a very important factor that can drive the firm toward Lean Recruitment and Selection practices (Lermusiaux & Snell, 2005). To get good quality hires, primarily, sufficient tools should be used. This will, in turn, translate into the quality of employees, quality of output, and performance. Moreover, employee retention, higher manager satisfaction, and Employee Lifetime Value (ELV) are also some ways in which one can fairly perceive and understand the quality of the new hire (Roberts, 2016).

Flexible employment patterns always remain very crucial in every sector of business. The responsiveness of the workforce and their appeal to the job role makes them more adaptable (Mayne et al., 2000).

Correlation and Regression for Lean R&S Practices and Cost-

Table III- Correlation between Lean R&S practices and Cost

		Lean Practices	Cost
Lean Practices	Pearson Correlation	1	.692**
	Sig.		.000
	N	102	102
Cost	Pearson Correlation	.692**	1
	Sig.	.000	
	N	102	102

** . Correlation is significant at the 0.05 level (1-tailed and 2-tailed)

Based on the values in Table III, it can be inferred that there is a relationship between lean practices and cost.

Moreover, the significance is at 0.692. This means that there is a positive correlation between these factors. Further, they have a direct relationship i.e. the increase in one factor leads to an increase in another and vice-versa.

Regression Summary-

Table IV- Regression Summary (Lean R&S and Cost)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.692a	0.479	0.474	0.12538

a. Predictors: (Constant) Lean Practices

This is the output of the analysis. The R is the correlation coefficient. The R Statistic is also known as “variance accounted” or “reduction in error”.

Regression Coefficients-

Table-V- Regression Coefficients (Lean R&S and Cost)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.582	0.177		3.287	0.01
	Lean Practices	0.389	0.041	0.692	9.592	<.05

b. Dependent Variable: Cost

This table portrays the regression coefficients. The B weight (0.582) is the Constant row and is known as the intercept. The B weight (0.389) in the predictor row (Lean Practices) is known as the slope. It is important to understand that when the slope is negative, there exists a negative correlation. However, here the slope is positive. So, there is a positive correlation.

Correlation and Regression-

Table VI- Correlation between Lean R&S and Quality of new hire

		Lean Practices	Quality of new hire
Lean Practices	Pearson Correlation	1	.826**
	Sig.		<.05
	N	102	102
Quality of new hire	Pearson Correlation	.826**	1
	Sig.	<.05	
	N	102	102

** . Correlation is significant at the 0.05 level (1-tailed and 2-tailed)

Based on the values in Table 10, it can be inferred that there is a relationship between lean practices and the quality of new hires.

Moreover, the significance is at 0.826. This means that there is a positive correlation between these factors. Further, they have a direct relationship i.e. the increase in one factor leads to an increase in another and vice-versa.

Regression Summary-

Table VII- Regression Summary for Lean R&S and Quality of new hire-

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.826a	0.683	0.679	0.12928

a. Predictors: (Constant) Lean Practices

This is the output of the analysis. The R is the correlation coefficient. The R Statistic is also known as “variance accounted” or “reduction in error”.

Regression Coefficients-

Table VIII- Regression Coefficients (Lean R&S and the Quality of new hires)-

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.412	0.183		2.254	0.026
	Lean Practices	0.613	0.042	0.826	14.664	<.05

b. Dependent Variable: Quality of new hire

This table portrays the regression coefficients. The B weight (0.412) is the Constant row and is known as the intercept. The B weight (0.613) in the predictor row (Lean Practices) is known as the slope. It is important to understand that when the slope is negative, there exists a negative correlation. However, here the slope is positive. So, there is a positive correlation.

VI. DISCUSSION

1. Factor Analysis-

A total of three factors were extracted, as shown in Table II. Eleven items (Talent pipelines, right assessment tools, social media recruiting, bulk screening, referral pool, recruitment policies, Human Resource Planning, New Technology Adaptation, Uses the latest software, E-recruitment and selection, and legal compliance) are loaded into the first dimension, which is named as Lean Recruitment and selection practices). The second factor has been named the costs of R&S consisting of six items (outsourcing, cost-per-hire, internal recruitment costs, external costs, agency costs, and replacement costs). The third factor is named quality of new hire as it is formed by ten items (flexibility of the workforce, the responsiveness of the workforce, appeal of job role, new technology adaptation, uses of the latest software, E-recruitment and selection, and Legal Compliance) reflecting the new hire's qualities that can support lean practices.

2. Correlation and Regression between Lean R&S Practices and Cost-

Based on the values in Table- III, it can be inferred that there is a relationship between lean practices and cost. The regression results have been depicted in Table- IV shows the reduction in error or variance i.e. Adjusted R. The B weight (0.582) is the Constant row and is known as the intercept. The B weight (0.389) in the predictor row (Lean Practices) is known as the slope (as in Table V). In this case, the slope is positive. So, there is a positive correlation. The coefficients are used to form the regression equation. It is as follows: $y = 0.582 + 0.389x$ Result- The null hypothesis

is rejected. Thus, there exists a relationship between Lean R&S Practices and Cost (positive relationship).

3. Correlation and Regression between Lean R&S practices and the Quality of new hires-

Based on the values in Table- VI, it can be inferred that there is a relationship between lean practices and the quality of new hires. The regression results have been depicted in Table- VII shows the reduction in error or variance i.e. Adjusted R. The B weight (0.412) is the Constant row and is known as the intercept. The B weight (0.613) in the predictor row (Lean Practices) is known as the slope (as in Table VIII). In this case, the slope is positive. So, there is a positive correlation. The coefficients are used to form the regression equation. It is as follows: $y = 0.412 + 0.613x$

Result- The null hypothesis is rejected. Thus, there exists a relationship between Lean R&S Practices and the Quality of new hires (positive relationship).

VII. CONCLUSION

The importance of R&S cannot be understated because it not only helps to fill in job positions but it also aims at recruiting quality hires in the organization. This will translate into higher productivity and efficiency in the organization.

Specifically, when Lean Recruitment and Selection processes are followed, it has various benefits to offer to the R&S process and also yields good results for the organization at large. The Company focuses on reducing unnecessary time wasted at any stage in the process and also controls extra costs. The findings and results of the study show that there exists a relationship between Lean Recruitment Practices and Cost, and Lean Recruitment and Selection Cost and the Quality of new Hires.

Moreover, the R&S process is monitored very closely and any deviation is immediately rectified and acted upon. Though the company is working towards reducing costs, it aims to recruit good quality hires at the lowest cost and in the most efficient way.

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