PANIC HIRING HACKS FOR START-UPS: LESSON FROM A FORTUNE 500 COMPANY

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Abstract

The study articulates the current difficulty in hiring faced by small-sized businesses and start-ups, emphasizing more focus on practices to attract and retain the right talents. The article also discusses the candidate's perception to join an organization, the challenges that small-sized companies and start-ups face in attracting talent. The main reason for panic hiring among small companies is the war for talent. Fortune companies always have an edge over other companies as they hold a brand name. To resolve such situations different approaches of employer branding are brought to light and how it is developed over a period of time. Therefore the study brings out ways to resolve panic hiring. The outputs of a research study regarding hiring strategies and retention strategies of successful fortune 500 company are reported in the paper. The study emphasizes that Employer branding has a strong relationship with its Recruitment Policies and HR Practices .It is very interesting to note that the systems prevailing in an organization is important whereas individual traits have no concern with employer branding .Though a company is a start-up it should formulate clear cut policies in order to prevent panic hiring .

Keywords: Start-Ups, War for Talent, Panic Hiring, Employer Branding

I. INTRODUCTION

Sometimes we hire because when there is a vacancy the job will be incomplete and so we need someone right now. The inner rush within lead us to hire someone ignoring the fact that this person is not the right fit for the job. Such a volatile decision is made as a result of losing a key team member and the urge to fill that position to prevent any flaws in the future. Often our intuition says when a key player exists the team it's very difficult to progress without hiring someone in the vacant position. This leads to panic hiring. As a result of improper hiring, there will be a job lack also a huge cost to the organization by hiring a misfit. The main reason for panic hiring is the war for talent which is never-ending. The main victims of talent hiring are the start-ups and small business units as they lack the brand value. An instance of war for talent between small companies and giant companies.

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Organizations many times prefer going on college and university campus to recruit new candidates/fresher's. Generally hiring is made out of a large pool of candidates in order to get a diverse population in an organization. Nowadays with a bunch of opportunities available, awareness, and high negotiating power candidates also make a choice over the organizations they would want to work for. It has now become their choice to work or not work for the company. The choice is made based on the reputation of the company.

Objectives of the study:

- To bring to light the reasons for panic among start-ups and small companies during manpower planning.
- To emphasize on brand building as the best practice of a Fortune 500 company.
- To examine the factors influencing Employer branding so as to recommend it to start -up companies in order to overcome panic hiring .

II. REVIEW OF LITERATURE

(Tim Ambler and Simon Barrow 1996) Employer branding is the manner in which an organization markets itself to its potential employees specifically and the public in general. Most applicants apply for a company based on their employer brand. An interrogation is if employer branding enables a firm to achieve good performance (Rajini.G and Krithika.M, 2017). Drawing a link between the quality of employees and the quality of product and service. The study was concluded saying respondents agree that employer branding brings theory and discipline of marketing into the HR function.

On a study Competitive hiring strategies of companies in the Silicon Valley area. (Jeffery Pfeffer 2000) – Professor Stanford University School of Business says that good companies will develop good systems that will get the best out of a normal employee she says it is just a myth that only effective people build a successful company.

Employer branding is a recent trend in recruiting and retaining talent in a competitive environment. This is a potential concept for the manager they can use this as an umbrella under which different recruitment and retaining strategies are coordinated (Kristin Backhaus; SurinderTikoo ,2004). Also discussing the issues that need to be attended for building employer branding as an organizing framework for strategic human resource management.

Attract and retaining talent becomes a challenge and in his study, he questions the senior management on the flaws to attract smart, energetic, ambitious talents also describing when the war intensifies. (Elizabeth G.Chambers et.al,1998) His study reveals a winning employee value proposition which means customizing a

company's brand, products, and job offer taking pay into high priority. He strongly believes no brand can be built overnight.
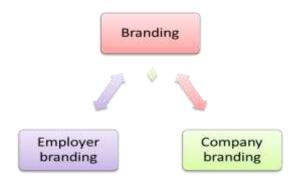
The present study aims to discern the reason for panic hiring among small companies, start-ups and develop strategies for the same.

2.1 Employer Branding

Mr.Ramkumar Ramamoorthy, Chairman, and Managing Director, Cognizant India on the eighteenth edition of CII Connect 2019 announced that Cognizant will be hiring about 23,000 fresher alone from India excluding the BPO operations. His plan is to hire fresher's from STEM disciplines and mainly engineering. So far the company has made about 15,000 offers in about 80 engineering colleges.

Companies like cognizant that have developed their brand value over time and can make its process of recruitment focus mainly on the evaluation of the candidates out of the pool of applications received. While this is not in the case of small or start-up companies going on a campus interview they will have to focus on both attracting talent and make the right choice out the candidates who apply.

In a practical scenario, only the leftovers (the ones not selected by big brands) end up working at these small companies. The challenging part is extracting the best work out of them and succeeding. Since the labor market is also stiff organizations must look for innovative ways to attract talent. Therefore start-ups need to consciously focus on the branding to attract the right talent pool.

- Employer branding means making the organization as an employer's choice. According to Employer Brand Research 2019 conducted by Randstad Amazon India was chosen as the most 'attractive employer brand'. Similarly, another recent study shows HUL and WIPRO also has got good employer branding.
- While corporate branding helps to create an identity for the organization, making the customers, shareholders and the public differentiate its products and services. According to the recent research by business insider, the brand value estimates for the following companies are as follows:

Company Name	Brand Value in USD
Apple	234.2 million
Google	167.7 million
Amazon	125 million
Microsoft	108.8 million
Coca-Cola	63.4 million

It is also believed that some companies do not intentionally focus on developing brand rather they focus on creating a positive environment to work. Fresher's and experienced candidates always want to associate themselves with companies that are well-reputed and hold a good brand, ignoring the small scales units and start-ups. This leads to panic hiring especially among start-ups and small-sized units. Therefore now it has become mandatory to develop branding for start-ups as well. This perspective can be validated to find out the best practices of Fortune 500 Company by a research based case study.

III. RESEARCH METHODOLOGY

This study uses Descriptive Research Design a planned framework used for data collection, analyses and interpretation . The opinion of employees working in a fortune 500 company in the Infrastructure sector was selected to find the best practices in Human resource planning .The data was collected through a research instrument called structured questionnaire which consists different parts that included:

- Demographic profile such as age, qualification, designation, department and experience

- Questions that brings out an employee's perception from an individual point of view on employer branding, recruitment policies , HR practices, HR Manager , team spirit, Employee attitude .

- The questionnaire contained 38 questions in five point Likert scale where the intensities are as follows :

  ➢ Highly Satisfied, Satisfied, Partially Satisfied ,Dissatisfied and Highly Dissatisfied

  ➢ Strongly Agree, Agree, Partially Agree Disagree and Strongly disagree

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> ➢ Very High, High, Medium, Low and Very low

> ➢ Excellent, Very Good, Good, Fair and Poor

Sample Size is 210 randomly selected as it is finite population by lottery method, having the employee number .This is a simple random sampling where all employees had equal chance of getting selected for the study . Being an Indian multinational conglomerate company headquartered in Mumbai with over many employees working all around at different branches. This Construction Company's Headquarters at Chennai India is acknowledged as an 'Outstanding Corporate Green Campus' is the unit selected for analysis . SPSS Statistics 21.0 version is the software used for data analysis. The reliability of the questionnaire and the validity of the constructs were checked. Multiple Regressions analysis which is the dependency technique using simple as well as multiple predictions to predict the dependencies is applied. Here the employer branding was the dependent variable o Dependent variables and the Recruitment Policies, HR Practices ,HR managers, Team and employee attitude were the Independent variables .

IV. FINDINGS

Table 1 Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.926	.927	38

The Cronbach's alpha tested the reliability of items in the questionnaire. Overall score of α =**0.927** indicates internal consistency of the items to be high.

4.1 Multiple Regression

Relationship between Employer Branding and HR Practice, Recruitment Policy, Employee Attitude, HR Manager

The relationship is hypothesized by H_0 as follows:

Employer branding do not depend upon Team, HR Practice, Recruitment Policy, Employee Attitude, HR Manager The equation by entering all the variables is as follows.

$$Y = b_0 + b_1 X_1 + b_2 X_2 + b_3 X_3 + b_4 X_4$$

b_0 = Regression constant.

b_1 , b_2, b_3 , b_4 – regression coefficients.

Table 2 Regression Model summary for Relationship between Employer branding and Team, HR Practice, Recruitment Policy, Employee Attitude, HR Manager

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.914a	.835	.817	1.39689	.835	44.695	5	44	.000
a. Predictors: (Constant), Team, HR Practice, Recruitment Policy, Employee Attitude, HR Manager									
b. Dependent Variable: Employer Branding									

Table 3 Coefficients of Model 1

Model		Un standardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.954	2.006		.974	.335
	Recruitment Policy	.518	.072	.675	7.181	.000
	HR Practice	.323	.110	.260	2.939	.005
	HR Manager	-.110	.119	-.115	-.929	.358
	Employee Attitude	.017	.090	.018	.183	.855
	Team	.214	.156	.167	1.371	.177
a. Dependent Variable: Employer Branding						

The model is fit based on the significance, Employer branding depend upon the combined effects of independent variables perceived, HR Practice, Recruitment Policy, HR Manager, Employee Attitude and Team (Table no.2). The predictive ability expressed by R-square was (0.835) whereby

83.5% of the variance in dependent variable Employer Branding was explained by the independent variables with the F-value 44.695 (Table No.4). The order of importance of the independent variables and its significance is HR Policy, HR Practice, Team, HR Manager and Employee Attitude as per the Table No.3

Table 4 ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	436.063	5	87.213	44.695	.000b
	Residual	85.857	44	1.951		
	Total	521.920	49			
a. Dependent Variable: Employer Branding						
b. Predictors: (Constant), Team, HR Practice, Recruitment Policy, Employee Attitude, HR Manager						

The equation after entering all the variables is

Employer Branding =0.1954 + **0.514 Recruitment Policy +0.323 HR Practice** +0.214 Team – 0.110 HR Manager + 0.17 Employee Attitude

The observation is only Recruitment Policy and HR Practices are significant variables contributing to Employer branding .Therefore the human attributes like team building ,HR Manager's Qualities or the employee attitude are not the factors which affect Employer branding .For Talent acquisition and retention policies and practices plays a vital role in employer branding as per the study at a fortune 500 company at India in the Infrastructure sector .The start-up companies also should draft clear cut policies in Human resource management and in the Human Resource practices of the company .

V. DISCUSSIONS

A framework on approaches to employer branding. (Pavitra.K.H 2018).

(Sommer, Luise Pauline et.al., 2017) By communicating new organizational innovativeness in employer branding the perception of employees, in general, will improve and also attract innovative and talented candidates. This innovation can either be product innovation or innovation in the organization's culture. Apart from attracting new talent the war for talent also holds good with respect to withholding existing key employees in the organization. Innovation can act as a USP for employer branding.

Apart from voluntary conscious efforts to employer branding, the other ways that will automatically build the employer brand over the years for start-ups and small scale companies are they must focus on planned hiring rather than panic hiring. Based on the study undertaken the hacks to reduce panic while hiring, the following are a few strategies that companies can adopted while framing HR practices and Recruitment policies.

- Streamlined interviews

- Effective training strategy

- Develop a sense of belonging among employees

- Enable a flexible working environment that is not often provided by corporates

- Look for employees beyond educational qualification and experience, however, the implementation of any strategy and its degree of impact depends upon the nature, size, and geographical location of the company.

Thus, this article throws light on the following research gaps

- Lack of attraction for candidates towards small-sized companies

- The urge for small companies and start-ups to fill the vacancy by inappropriate job fit
- Approaches to developing branding by small and new companies.
- Myths in hiring strategies by small and new companies.
- Strategies to reduce panic while hiring.

This research hence contributes to the current understanding of panic hiring and the hacks to resolve the same focusing mainly on the start-ups and small scale units by developing an integrated model for the employer and corporate brand building and focusing on developing best practices to avoid the war for talent. This study also reveals the candidate's perception to join an organization.

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