

Six Sigma Applications in Recruitment Process

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Abstract: Globalization has become the buzz word that is changing the lives of people throughout the world and in order to survive in this competitive era, organizations are trying hard to work upon their strategies so that they can retain their market share. Expectations of consumers are increasing day by day for better quality of product at affordable prices which in turn causes a pressure on the organizations to ensure quality and profitability. Six Sigma techniques have been adopted by many organizations and applied to various departments for cutting down the cost incurred by reducing the waste generated in the processes and improving them. This paper focuses on one of the area that is acquisition of fresh talent which involves considerable amount of investment from organization point of view and gives the overview that how Six Sigma techniques can be used in improving the recruitment process which is crucial for organization point of view as it has become a great challenge for different organizations to select most talented employees in cost effective manner.

Keywords: Globalization, Six Sigma, Recruitment, Acquisition, Strategy, Talent, Cost Effective

INTRODUCTION:

Six Sigma

Six Sigma was first introduced by Motorola in 1986 for focusing on its efficiency in order to avoid manufacturing defective goods while at the same time improving customer satisfaction [1]. Six sigma initiatives involves tools and techniques used to discover process improvement and execute it with the help of individuals[2-3]. (The term sigma denotes the scale of hierarchy of quality and since then it is being used as a defect reduction technique in business processes. Six sigma is top down solution for organization to accelerate the process of improvement of business results. Six Sigma is a problem solving technique that utilizes organization human assets, data measurement and statistics to identify a vital factor to decrease waste and defects and thus increasing customer satisfaction [4]. Six sigma is also directly applicable to improve the efficiency and effectiveness of all processes, task and transaction of any organization[5]. Six sigma has been launched by many companies and it played a pivotal role in their success[6]. (The Greek letter sigma is used as the statistical technique for measuring the variance of process variation. It is based upon two distinctly different methodologies.

- DMAIC
- DMADV

DMAIC is a five phase approach of six sigma which stands for define, measure, analyze, improve and control. It is the widely accepted six sigma approach

which was opted for improving the performance of process [7]. It is being used when process need to be improved. It is used to detect, identify and solve the problems. DMAIC basically deals with organization current products and services and improvement suggested by DMAIC is easily quantified in terms of reduced cost.

DMADV stands for define, measure, analyze, design and verify. It is being used to invent a new process.

RECRUITMENT

Recruitment plays a crucial role in organization development. Efforts are being made by Organizations to streamline the entire process and make it more effective in order to attract the best talent which in turn helps in reducing the employees' turnover, better organizational results.

Recruitment can be defined as the process of finding right people for the right function which means identifying those who possess the required skills, aptitude for the job.

But the entire recruitment process is costly, so cost benefit ratio must be considered in order to avoid unnecessary wastage on money and valuable resources. The total cost of hiring a manager could be ten times as high as once one add search fees, interviewing time, reference checking and travel and moving expenses. In

addition to the cost there are several other barriers also for the effective recruitment process which includes

- Fewer qualified applicants available
- Other organizations are also competing for the same applicants
- Difficulty in finding and identifying applicants
- Selection process is slow and time consuming.

Efforts are being made in order to improvise the entire process so as to reduce the cost incurred by the organizations.

However there are certain potential intervening variable in the recruitment process like

- In terms of generating applicants, it is critical that an employer recruitment action attract the attention of job applicants and which not be able to produce the desired attraction among applicants.
- Fewer qualified applicants available.
- Other organizations are also competing for the same applicants.
- Difficulty in finding and identifying applicants.
- Selection process is slow and time consuming.

CASE STUDY

Human Resource manager at a large multinational would like to reduce the recruitment cost by reducing the recruitment lead time.(The details of the process have been condensed and modified for the sake of confidentiality).

The main objective of the organization is to reduce the recruitment cost for entry level positions, recruitment lead time as well as decrease the efforts required for successful recruitment.



Technique like box plot, hypothesis test can be done in order to identify the critical points which needs the improvement.

Analyze- Analyze the entire process to eliminate the gap between actual performance and desired

DMAIC IMPLEMENTATION IN IMPROVING RECRUITMENT PROCESS

The five phases of DMAIC can be implemented for the improvisation of process.

Define

The need to completely redesign the recruitment process resulted from following weakness in the existing process. First with an average of 60 days to fill a vacant position, it simply takes too long. Secondly due to growing competition in labor market, companies want to organize its hiring process to make it as effective as possible.

The process cycle time was measured from the point of time when the need is being felt for hiring a new employee until the first working day of that employee.

Measure

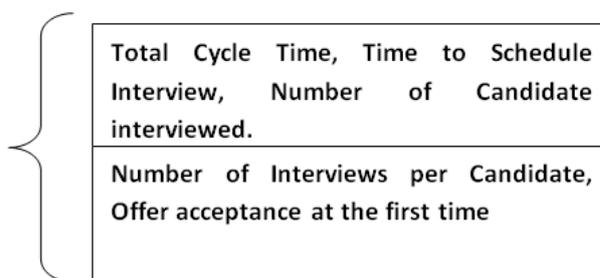
Under a project lead of Human Resource associate, a team comprising of representative of concerned department is established and they would meet at the end of each phase to review the project progress. As one of the first steps the team can conduct a voice of customer data collection. The main question is to determine the customer need, relative importance and measurable critical to quality points can be-

Which aspects of recruitment process are important for the organization?

How would the organization will measure that the process is performing as per the needs?

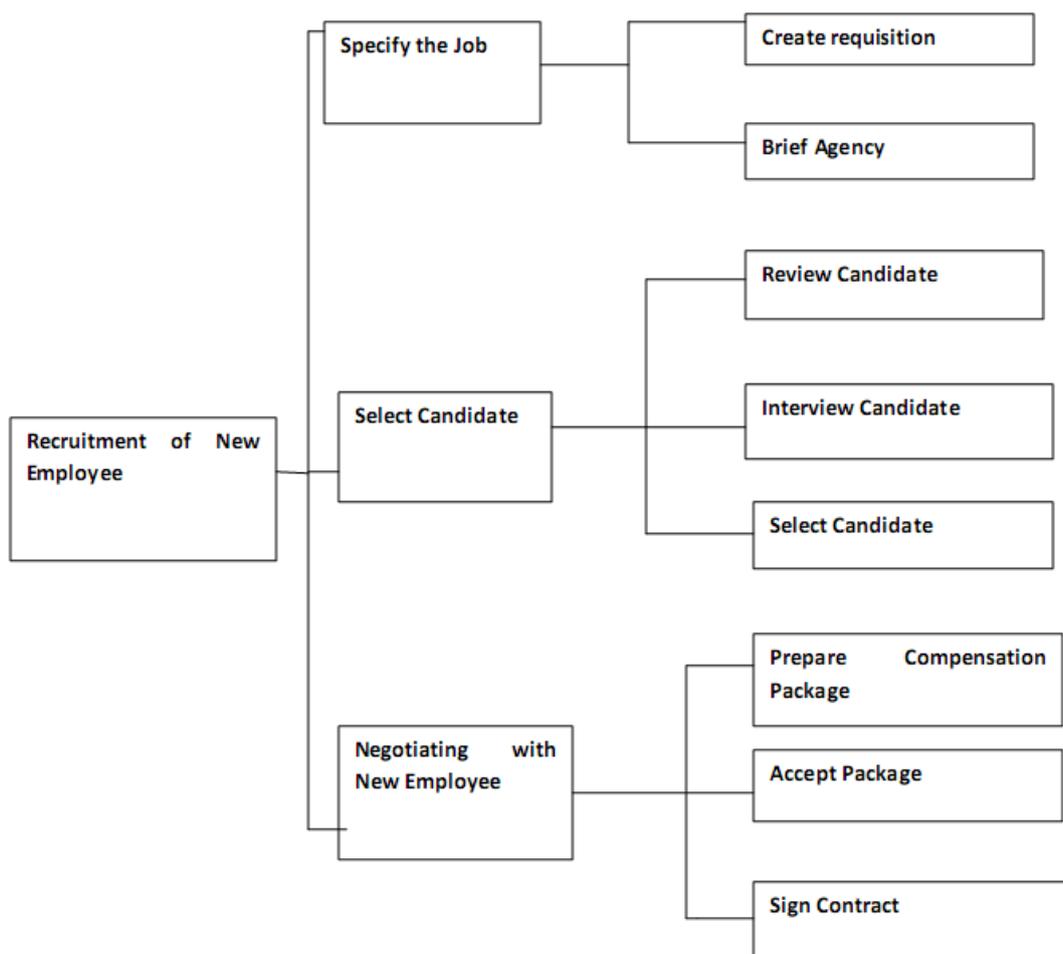
Basically Metrics are employed for this process.

In this case following are the points that are critical to quality (CTQ)



performance and identifying the root cause of the problem.

The team can use a function tree to analyze the initial process as shown below-



In the above mentioned diagram, the most important points are-Create Requisition, Interview Candidate and Preparation of Compensation Package.

Implement

During this phase organizations use techniques like *creative thinking*, *benchmarking* in order to develop alternative solutions to problems. Organizations then select the best alternative solutions using techniques like multi voting, Delphi technique and standardizing the number of interviewers and interviewees. Parallelize the processes, interview candidates and prepare the contract. The improved process map is then documented, piloted, validated and implemented in order to reduce the lead time, the entire recruitment process can be analyzed and unnecessary steps can be removed.

Control

During this phase organizations try to control the improved process so that benefit can be sustained over a longer period of time. With the help of control plan and check list, it is being tried to ensure that unsuitable behavior should not take place.

Finally with removal of gaps, delays, errors and ineffective communication, organization can attract best talent more effectively.

CONCLUSION

Six sigma has not only occupied its place as a process and quality improvement methodology but also for creating knowledge in an organization. Employees being exposed to Six Sigma initiative through their participation as team members not only share their knowledge but also gain new knowledge. Both are valuable assets as they help building a learning organization thus being a source of competitive advantage. Improvements could therefore not only be achieved faster but financial gains locked in earlier. When leveraged within the organization, the benefits could also multiply five to seven times [8]. The process if followed strictly then it will help in reducing turnaround time and also reduces the cost incurred in the entire recruitment process. It has been discussed in several papers already that e.g. reward systems need to be established to promote the use of such repositories and to facilitate building such co-dependent communities; how to achieve this still needs to be discussed in more detail yet.

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