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## **A Study on “Employee Referral Program” with Reference to HCL Technologies BPO Services Ltd, Chennai**

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### ***Abstract:***

*The study was made at “HCL TECHNOLOGIES BPO SERVICES LIMITED on the topic “EMPLOYEE REFERRAL PROGRAM”. The scope of the study is to analyze whether the company understands more on the drawbacks of the current employee referral program and work on enabling a referring scheme strategy that can be followed for all kinds of employees in organization to obtain high satisfaction.*

*The objectives of the study are to find out positives and negatives preferred by the company and also find out the difficulties and reasons in the referral program.*

*It also helps in finding out requirements, sources that needs to improve the effectiveness and recruitment through referral program.*

*The type of research design used is descriptive in nature and the required data is been generated using a research instrument called the questionnaire, to a sample of 123 employees based on convenience sampling. The period of study is for three months.*

*The collected data has been analyzed using statistical tools like Rank correlation, K- S test, Chi square , Two way ANOVA and Interval estimation test, after analyzing the data general and specific findings are soughted out through interpretation, suggestions are formulated from the summary of findings.*

*From the findings of the study, it is revealed that employee referral program in the organization is effective.*

## **1. Introduction**

### ***1.1. General Introduction***

“Employee Referral “is the process of recruiting the candidates through reference given by the employee working in the same concern. The process of recruiting through “Employee Referral “is: Giving the candidate the corresponding Employee Code or the Permanent Employee Number of the referral along with the name. The candidate while filling the application during the interview has to give the employee code and the name of the referral after which they will be recruited for the job.

In software, the “Employee referral” refers to the same procedure, but it is compulsory for the candidate to clear the first round which is aptitude round and even if they didn’t do the technical round they will be recruited because of referral.

Employee referral is an internal recruitment method employed by organizations to identify potential candidates from their existing employees' social networks. An employee referral scheme encourages a company's existing employees to select and recruit the suitable candidates from their social networks. As a reward, the employer typically pays the referring employee a referral bonus. Recruiting candidates using employee referral is widely acknowledged as being the most cost effective and efficient recruitment method to recruit candidates and as such, employers of all sizes, across all industries are trying to increase the volume of recruits through this channel. As per the Global Employee Referral Index 2013 Survey, 92% of the participants reported employee referrals as one of the top recruiting sources for recruiting as well as the #1 source to see a significant rise in investment in 2014.

Proponents of employee referral schemes claim the benefits to be an improved candidate quality, ‘fit’, and retention levels, while at the same time delivering a significant reduction in recruitment expenditure. However, there are a number of potential drawbacks. One of the greatest concerns tends to be that relying too heavily on employee referrals could limit diversity in the workplace, with new staff recruited in the likeness of existing employees. But, provided that there is already a diverse workforce in place this ceases to be such an issue.

### 1.1.1. Improved Candidate Quality, 'Fit', and Retention

The one-to-one direct relationship between the candidate and the referring employee and the exchange of knowledge that takes place allows the candidate to develop a strong understanding of the company, its business and the application and recruitment process. With this information the candidate is ideally placed to assess their own suitability and likelihood of success at the company and make an informed decision, with the support of the referring employee as to whether to apply. This is the start of the company's recruitment process where, at no cost to the employer, candidates and employees remove unsuitable and poor quality candidates, from the recruitment process ensuring a consistently high quality of applications

Candidates who are interviewed are thoroughly prepared resulting in superior interview to job offer conversion rates. In addition, successful candidates get up to speed faster compared to other recruitment methods. Candidate 'fit' to the company's culture, departments and teams is improved as the expectations of candidate and employer match. This significantly increases the level of staff retention and builds a loyal and committed workforce - ultimately reducing the company's future recruitment requirements

### 1.1.2. Reduction in Recruitment Expenditure

Employee referral scheme's allows existing employees to screen, select and refer only the best candidates to the recruitment process lowering the attrition rate which is around 45% annually. This eliminates the often considerable cost of third parties service providers who would have previously conducted the screening and selection process. The costs of operating an employee referral scheme extends to the cash bonus' paid to employees and internal promotion and administration, the total of which is considerably lower than the expense of recruiting using traditional recruitment consultants, headhunters and online recruitment methods.

As candidate quality improves and interview to job offer conversion rates increase, the amount of time spent interviewing decreases, which means the company's Human Resources headcount can be streamlined and be used more efficiently. Marketing and advertising expenditures decrease as existing employees source potential candidates from the existing personal networks of friends, family and associates.

The opportunity to improve candidate quality, 'fit', and retention levels, while at the same time significantly reduce recruitment expenditure, has seen a dramatic increase in the emphasis employers place on increasing the volume of recruits by employer referral. Through referrals, employers can access employees' networks, through social media or personal networks, to find qualified talents to fill the open positions, according to Harpaul Samhbi, CEO of Careerify.[http://en.wikipedia.org/wiki/Employee\\_referral](http://en.wikipedia.org/wiki/Employee_referral) However, there are number of obstacles to achieving the desired increase:

- An employees social network is limited – only a small proportion of the network may be suitable for referral
- Recruiting from an employee's limited social network may compromise the diversity of the workforce
- Actively referring candidates increases an employee's workload and may be detrimental to their main responsibilities
- The best and most relevant candidates may not be acquainted with an existing employee of the company and therefore cannot be recruited via the referral scheme
- The complexity of today's technology does not allow for easy employee referral management, states Founder Kristy Schoenberg of Riferral.com.
- An employee referral scheme is only as good as the volume and quality of candidates applying through the channel.

### 1.1.3. Social Network Referral

To help make the referral better, employees can broad their referral demands on Social network. This would increase their opportunity to be contacted by friends. LinkedIn is very useful for broadcasting these demands, since it is a professional social network. But Facebook has better user engagement ratio. There are also some other websites which provide a platform for people to exchange referrals like Hirefer.

### 1.1.4. Process and Selection of Candidate through Employee Referral Program

- HR will provide the template to the employees as well as fresher who are going to attend interview in order to fill the name and telephone no. of their friends.
- Then HR will call the candidates were given reference by your friend to attend interview in HCL.
- If candidates are willing, the HR will give the exact domain where the interview process happens.
- And they do interview for those candidates and they will select accordingly by the interview section.
- Once the candidate got selected and become employee and if he survives in the company for one month then the referrer will get Rs.3500/- as referral bonus.
- If the selected employee survives in organization for complete 3 months, the referrer will receive Rs.1000 as referral bonus.
- If employee gives more than 10 referrals he will receive some gift package from the organization.
- This process is common for every employee in the organization, except the HR.

## *1.2. Company Profile*

HCL - as India's largest IT conglomerate is actively involved with the growth of the India ITES industry. As an experienced global software outsourcing enterprise, HCL has extensive and understanding of the critical issues and concerns related to offshore outsourcing.

### 1.2.1. Top Ten Client of HCL:

- Global Telecom Major – U.K
- Fortune 500 Retail Conglomerate – U.S.A
- Fortune 500 Retail Chain – U.S.A
- Property Services & Insurance Major – U.K
- Global E-integration Solution Provider – U.S.A
- Global Retail/ Financial Automation Systems – U.S.A
- Global Telecom Major – U.S.A
- Global Network Security Solution Provider – U.S.A
- Global Insurance Major – U.K
- Global Media & education Company – U.S.A

### 1.2.2. HCL BPO: The Management Team

- Shiv Nadar – Chairman
- N. Ranjit - Chief Operating Officer
- Raj Sirohi - Global Head, Sales and Marketing
- Sumit Bhattacharya - Executive Vice President –Marketing
- Kevin Houston - Center Head – Belfast
- Eileen Mc Aleese - Operations Manager – Belfast
- Ron Ruys - Campaign Manager – Belfast
- S. K. Pillai - Vice President – Quality
- A.P. Rao- Vice President - Human Resources
- Vijay Reddy - Chief Technology Officer

### 1.2.3. Awards & Certifications



*Figure 1*

### 1.2.4. India Operations

- ISO 9001:2000
- Purdue Benchmark (Ranked Second In Global Peer Group)



*Figure 2*

- COPC Certification awarded (Noida)



*Figure 3*

- BS 7799 Certification awarded

### 1.2.5. Delivery Center Network

Code	Place	No. of Seats
<b>N1:</b>	<b>Noida</b> , India	650 Seats
<b>N2:</b>	<b>Noida</b> , India	700 Seats
<b>N3:</b>	<b>Noida</b> , India	700 Seats
<b>N4:</b>	<b>Noida</b> , India	1000 Seats
<b>A1:</b>	<b>Belfast</b> , UK ,HCLT NI- A 90:10 JV With British Telecom	1000 seats
<b>B1:</b>	<b>Bangalore</b> , India	350 Seats
<b>C1:</b>	<b>Chennai</b> , India	750 Seats
<b>C2:</b>	<b>Chennai</b> , India	1000 Seats
<b>M1:</b>	<b>Malaysia</b>	200 Seats

Table 1

### 1.2.6. Reference and Selection Procedure at HCL BPO:

#### 1.2.6.1. Reference Generation

Requirement to fill up a vacancy/generate new position would be raised by the concerned department on the manpower requisition form (Annexure 1) and forwarded to the HR team, keeping the lead times for filling up the vacancies in perspective.

We encourage the existing employees to give reference to other people to join the organization.

The HR and Operations teams mutually decide on the date by which the requirement needs to be closed. The HR team would fill the vacancies on or before the agreed date.

#### 1.2.6.2. Selection Process

- The selection process begins with the list given by the employees.
- HR calls the candidates referred for the interview.
- The candidate needs to attend the interview on the specified date.
- The candidate needs to go through the similar rounds like written test, typing test.
- Interview by the training Team for voice and Accent or fluency
- Interview by Operations team/Concerned manager, followed by the Final HR interview.
- Once the candidate gets selected, the selected one will be assigned to the employee's identification number.
- If the selected employee had been in the organization for one month the referral would get Rs.3500 in the salary.
- If the candidate stays with the company for another 3months the referral will get the entire amount announced for the program.

### 1.3. Industry Profile

#### 1.3.1. Definition-BPO

"Delegation of one or more business process to an external provider who, in turn, owns, administers, and manages the selected process (es) [together with the IT system that support it], based upon defined and measurable performance" - Gartner

#### 1.3.2. BPO Industry in India

Business process outsourcing (BPO) is a broad term referring to outsourcing in all fields. A BPO differentiates itself by either putting in new technology or applying existing technology in a new way to improve a process.

Business Process Outsourcing (BPO) is the delegation of one or more IT-intensive business processes to an external provider that in turn owns administers and manages the selected process based on defined and measurable performance criteria. Business Process Outsourcing (BPO) is one of the fastest growing segments of the Information Technology Enabled Services (ITES) industry.

Few of the motivation factors as to why BPO is gaining ground are:

- Factor Cost Advantage
- Economy of Scale
- Business Risk Mitigation
- Utilization Improvement

Generally outsourcing can be defined as - An organization entering into a contract with another organization to operate and manage one or more of its business processes.

1.3.3. Different Types of Services Being Offered By BPO's

- Customer Support Services
- Technical Support Services
- Telemarketing Services
- Employee IT Help-desk Services:
- Insurance Processing
- Data Entry Services / Data Processing Services:
- Data Conversion Services
- Book Keeping and Accounting Services
- Form Processing Services
- Internet / Online / Web Research

1.3.4. Business Process Outsourcing: The Top Rankers

WNS has emerged as the top BPO in India, pushing Wipro Spectra mind to the second position, according to a survey done by NASSCOM. The basis of ranking is the revenues generated by the BPO companies, as per US GAAP. A list of top fifteen BPO companies in India is given below.

- WNS Group
- Wipro Spectra mind
- HCL Technologies
- Daksh e-Services
- Convergys
- Zenta
- ICICI One source
- Mphasis
- EXL
- Tracmail
- GTL Ltd.
- VCustomer
- HTMT
- 24/7 Customer
- Sutherland Technologies

1.4. Need for the Study

- Manpower is the main resource of the company, therefore the company need to know the critical areas where they can implement improvement so as to get the right candidates at the right time through the employee referral program.
- To identify the best source through which the company can recruit good candidates at less cost and also to give records for their reference to encourage the existing employees' level.
- To motivate the existing employees to give more and more reference to the other unemployed also to make the unemployed to join and enjoy the benefits in the job and the organization.
- It aims to know effectiveness of the company's present referral program.

1.5 Review of Literature

Reeling under high attrition in a labour intensive industry, IT and BPO companies are now setting their eyes on job referrals by their employees with a twin-aim to retain the existing workforce and expand it as well. "We are hiring more than 32 per cent of employees through referrals," Nasdaq-listed Indian BPO service provider EXL Services' vice-president and Global Head of Human Resources Deepak Dhawan said.

"The process saves a lot of time and cost that the company would otherwise need to spend while recruiting through conventional channels," Dhawan said. "Hiring through employee referrals is on an upswing with about 50 per cent new employees being sourced through this method," Xansa India's senior vice-president (Human Resources) Vikram Karayi said.

Xansa is a UK-based outsourcing and technology firm with over 8,000 employees in the UK and India. Employee-referral is a policy for encouraging employees, usually through cash incentives, to nominate potential job candidates and is part of the overall recruiting process.

"More than 60 per cent of the recruitments we do are through the referral channel titled 'Bring In Your Buddy' scheme," domestic IT firm Patni Computer Systems' senior vice-president (HR) Deepak Khosla said.

With 35 to 40 percent of recruitment happening through employee referral programmes in some organisations, the process is becoming a popular method of hiring, says Atanu Kumar Das. Pramod Sadarjoshi, Director & Head, HR, CSC India, "An employee referral program is a very effective tool. It not only ensures the throughput of the best-of-breed talent, but also sends out a very empowering signal to employees about their engagement with the company. When there is a war for talent going on in the industry, having ambassadors within the company to facilitate the pipeline of good talent is a great strength for an organization. The most

significant feature of an RP is that it provides an effective filtering process with respect to the background of the candidates. Therefore, it is important to have an effective referral program.”

Indrajit Sen, Director, Recruitment, HR, Flextronics Software Systems, believes that it is important to have RPs as they help an organization get the right candidates. “We have 35 percent of recruitment happening via RP presently...this number sometimes goes up to 40 percent. I believe the need of the hour is for every company today to have proper referral programs,” says Sen.

J Kalyanraman, Vice- president, Human Capital Management, HCL Comnet, believes that there is a tendency for people to bring in similar types into the organization. “A lot depends on the managerial team and the organisation’s people process to be able to build up on the individual once he is in. In a good recruitment process there will be a certain ratio of referrals, other lateral hires, and fresh pass-outs. The ideal ratio would depend on the organisation’s ability to spend time in moulding each one of these groups,” he adds.

Employee Referral Saves Time, Saves Money Delivers Quality - Statistical Data Included Workforce, June, 2001 by Carroll Lachnit. Computer hardware giant Intel Corp. uses a combination of monetary and non-monetary incentives, says Erin Gorsline, program manager, Intel e-Staffing. In addition to a cash reward for referrals, the company also offers a raffle for those employees who've made referrals. Last year, the prize was a choice between a \$1,000 travel voucher or a home entertainment system.

"Unifi Network, a division of Price water-house Coopers, uses non-monetary incentives in its referral program. But "money gets people's attention faster," says Tom Casey, a partner in charge of the talent management practice.

Employee referrals are the most popular hiring process, but organizations have to be cautious and avoid the common mistakes, writes Sudipta Dev. “While this has become a popular method for recruitment and apparently accounts for 30-40 percent of new hires in an organization, the success (or lack of it) in design, implementation, and outcome is likely to vary from one company to another,” says Tarun Singh, Director, Kenexa. Sandeep Devendra Kumar, General Manager, Human Resources, CSC India, points out that the success factors depend on timeliness of responses, partnering with the employees and a widespread overall respect for the company that they must have. Soumen Basu, executive chairman of recruitment firm Manpower, says, “Incentives on referrals are getting quite attractive. We are also giving bonus to people for suggesting names of their acquaintances.”

In HCL, which recruits 30% of its employees by referral, the incentive varies from Rs 9,000-15,000 depending on the seniority and skill set of the candidate. In Wipro, about 15% employees are recruited through referrals and up to 20% via recruiting firms, says Achuthan Nair, Vice-president, strategic sourcing.

CSC has recently launched a special employee referral scheme where employees get chances to win a car amongst other exciting prizes. “Certainly, employee referral is the most cost-effective recruiting method, In Satyam, the referral bonus varies from Rs 15,000-40,000,” says Hari T, senior Vice-president, global HR, Satyam, which gets 26% people from employee referral and 13-14% each from recruitment firms and online sites. Some corporate also give rewards like cars and I-Pods if an employee helps recruit for rare skills. Senior employees may not get any monetary incentive, but they can surely take home some gift or holiday package. (Wikipedia)

An employee referral scheme encourages a company's existing employees to select and recruit the suitable candidates from their social networks. As a reward, the employer typically pays the referring employee a referral bonus. Recruiting candidates using employee referral is widely acknowledged as being the most cost effective and efficient recruitment method to recruit candidates and as such, employers of all sizes, across all industries are trying to increase the volumes they recruit through this channel.

Empirical research on labor market referrals has emphasized the identification of effective proxies for referred worker status, as a result of the difficulty of measuring referral status in most relevant data sources. Recent research focuses on whether neighbors cluster in the same or area as an indication of the strength of informal referral networks (Bayer et al. 2008 and Hellerstein et al. 2011).

Others study family based networks (Kramarz and Nordstrom Skans 2007) and educational institutions (Oyer and Schaefer 2012). Giuliano et al. (2009) and Aslund et al. (2010) find a relation between the ethnic status of managers and the ethnic composition of new hires using data from one large U.S. retail firm and Swedish social security data, respectively. Dustman, Glitz, and Schoenberg (2011) use ethnic minority groups as a source of variation in network distance between current employees and new hires in German employment data. Heath (2011) uses direct data on referrer-referred pairs from the Bangladeshi garment industry to test the predictions of a model in which referrals alleviate a moral hazard problem (the employer makes the referrer responsible for the referred workers effort).

With regard to the impact of referrals on hiring probabilities, Holzer (1987a) states that the probability of obtaining a job or receiving an offer through personal contacts is higher than that through formal methods. Holzer (1988) also states that among all search methods, informal methods (personal contacts and direct applications) generate the most offers and acceptances conditional on offer. The high fraction of jobs found through informal means reflects both high usage and high productivity of these methods.

With regard to match outcomes, Datcher (1983) uses PSID data and lower turnover (quit rates) in jobs found through personal contacts rather than formal means, for black and college educated workers but not for those with high school educations or less. Three revealing studies of referral based on data and explicit referral information address the subject from a sociological perspective.

Fernandez and Weinberg (1997), Fernandez and Castilla (2000, 2001) and Castilla (2005) use data from a retail bank and a call center to study the role of referral networks in hiring for low to moderate skill jobs. Much of the focus of these papers is on the hiring stage, and on initial productivity. Major findings include that referred applicants are more likely to be hired after controlling for other observables, that referrers do have relevant information about referred employees and that there is some evidence of assortative matching between referrer and referred. Castilla has direct measures of worker productivity from a call center that referred workers are in fact more productive.

However, these studies do not follow employees for long post-hire periods, and they generally do not rely on the tools of labor economics. Our study is to find knowledge, to use explicit data on individual employees referral status to relate referrals to both immediate and long-term employment outcomes including starting salary, salary trajectory over time, promotion patterns and stability of the job match, and hence we are able to test the collection of predictions generated by the theoretical literature on employee referrals regarding salary trajectories, promotion and turnover using explicit data on employees referral status. In addition, we observe various measures of affinity between referrer and referred along several dimensions, so we can study whether and how these referral effects vary depending on the nature of the match between referral provider and receiver.

#### 1.5.1. Theoretical Models of Employment Referrals and Their Predictions

The two leading descriptions of the role of referrals in the labor market, learning and homophily, are modeled in Simon and Warner (1992) and Montgomery (1991). Simon and Warner embed employee referrals in a Jovanovic (1979, 1984) learning model of job matching and turnover, and use this partial equilibrium framework to derive predictions for differences in salary and match duration between referred and non-referred workers. As a result of their partial equilibrium, dynamic framework, testing the types of predictions generated by the Simon and Warner model involves immediate and ongoing observation of referred and non-referred workers in a single employment spell, a task for which our panel data is particularly well suited.

Montgomery models employers who rely on referrals from high ability workers to alleviate a potential adverse selection problem in hiring (not being able to observe the type of a prospective employee). Homophily in worker networks implies that high ability employees will be more likely to refer other high ability workers. More recent theoretical papers on employee referrals also favor one of these approaches or the other. Dustmann, Glitz and Schoenberg (2011) and Galenianos (forthcoming) allow referrals to affect information in models of employer and employee learning about worker productivity.

Galenianos (2012), on the other hand, drives the referral effect through homophily, and generates results that address the relationship among network density, aggregate employment and job search outcomes. Other conceptualizations of the role of referrals include alleviating a moral hazard problem via monitoring (Heath 2011 and Kugler 2003) and favoritism towards social network members, e.g. relatives (this possibility is explored, in an experimental setting, by Beaman and Magruder 2012). We discuss the predictions of these alternative models alongside the learning and homophily models, wherever possible, in light of our empirical findings

Morris West (2009) at Quantum Human Resource, South Melbourne wrote article on "HR and Recruitment Consulting", say that HR and Recruitment Consulting is a service that you can utilize in order to get the most out of the investment you make in your company's most valuable resource, namely, your employees.

Lakwinder Singh and Leenu Narang (2008) did research on "Behavior Revelations Concerning E-Recruitments", say that as companies are expanding their use of the internet as a recruitment tool to attract competent people having competitive advantage. It has been found that monster.com and naukri.com are the most popular job boards, and chat groups are the leading source of information about job openings.

G. Louise (2008) wrote article on "Recruitment Consultant Jobs", say that recruitment consultant jobs involves the process of selecting, screening and sourcing people for a particular job, firm or organization. Consultants also communicate with other recruiting agencies in effort to cross-match potential workers or human resources.

Pedro Martins and Francisco Lima (2006) did research on "External Recruitments and Firm Performance", suggest that internal promotion generates better incentives than outside hiring. Their results indicate that firm exhibits a higher share of top managers hired from the external labour market also present lower levels of productivity.

Greg Ford (2005) did research on "Tapping the Top Talent: Seven Steps to Getting the Best New Recruits for Your Business" told following points to keep in mind while making a recruitment plan: Analysing Customers, Asses Customer Needs, Define your USP, Establish Price, Develop Channels, Set Goals, and Assign Responsibilities.

de Stricker, Ulla & Olesen, Annie Joan (2005) wrote article on "Is Management Consulting for You?", said that consultants come with a fresh perspective unencumbered by the organization's culture, internal politics and unchallenged assumptions. Some managers know their ideas might not be accepted if put forth themselves; they hire a consultant to become the source of fresh thinking and the generators of buy-in.

Hall Stephen (2004) wrote article on "See Website Recruitment Through, For Best Results", focused on website recruitments. In-house job sites have been a catalyst in the recruitment process, but more investment is needed in key stages for organizations to get the most from the talent pool.

Russo, Pat (2002) wrote article on "Recruiting, Retaining Top Technology Employees", cited as lack of qualified professionals as barrier, current economic conditions are easing this situation. Some say that competition with consulting firms offering higher salaries is easing, with job candidates focused mostly on financial stability.

Feldman, Daniel C.; Klass, Brian S. (2002) wrote article on "Internet Job Hunting: A Field Study of Applicant Experiences with On-Line Recruiting", presented the results of a field study that examines how the internet affects applicants' job hunting behavior, the factors that influence how much individuals use the Internet to look for jobs, and the aspects of online recruiting perceived as most user-friendly and user-hostile to potential job candidates.

John Doe (1985 - 2001) did research on "Managing for Success: Work Environment Version", said that every job that requires human effort has work environment. That work environment can be best described in terms of behavior. If the behavior of the person does not match the job, there will be tension between the job and the person's natural behavior, which may affect longevity and work performance.

Williams, Kathy (2000) wrote article on "Online Recruiting: A Powerful Tool", focused on the advantages of the internet based resources and tools for recruiting employees. Milton Zall (2000) wrote article on "Internet Recruiting", said that online recruiting methods have become extremely popular with both employers and job seekers. When used properly, the internet helps you hire top talent, reduces your time to hire, and lowers your recruiting costs.

Brain J. Lewis (1999) did research on "Top Six Suggestions For Hiring IT Employees", talked about placing more importance on candidates' experiences than on their education; Looking for people who are relaxed rather than tightly wound; Picking a seasoned veteran; Going with a younger prospect; Making vacation time mandatory to avoid burnout, once you've made your choice; Being flexible about work schedules, and provide workers with ongoing educational opportunities.

Murray, John P. (1999) wrote article on "Successfully Hiring and Retaining IT Personnel", said that there are four basic components associated with the process of the successful hiring of the IT personnel i.e., rapid, focused, candid, and decisive.

M. Van Latham & Peter M. Leddy (1987) at Department of Management, Creighton University, USA and Department of Psychology, Illinois Institute of Technology, USA, did research on "Source of Recruitment And Employee Attitudes: An Analysis of Job Involvement, Organizational Commitment, and Job Satisfaction", investigated the relationship between recruiting methods and the work attitudes of the job involvement, organizational commitment, and job satisfaction.

### 1.6. Scope of the Study

- Recruit high quality staff with the right skills on the appropriate contracts to deliver the key objectives of the position and organization;
- Ensure that equality of opportunity is considered as an integral part of this program practice, thus encouraging diversity;
- Encouraging the employees to give reference to new blood to join the organization.
- Ensure that this program is effective as a key public relations exercise for all involved;

## 2. Research Methodology and Design

### 2.1. Introduction

Research methodology is a way to systematically solve the research problem. It may be understand as a science of studying how research is scientifically proved. The scope of research methodology is wider that of research methods. Thus research not only talk of the research methodology but also consider logic behind the methods, in the context of the study explains why a particular methods/technique and why are not using other so that research results are capable of being evaluated either by the research himself or by others.

However, there is never a single, standard, correct method of carrying out a piece of research. Do not wait and start your research until you find out the proper approach, because there are many ways to tackle a problem - some good, some bad, but probably several good ways. There is no single proper design. A research method for a given problem is not like that solution to a problem in algebra.

According to Eriksson and Wiederheim-paul there are two differences of principle when it comes to approaches of research the inductive and deductive approach.

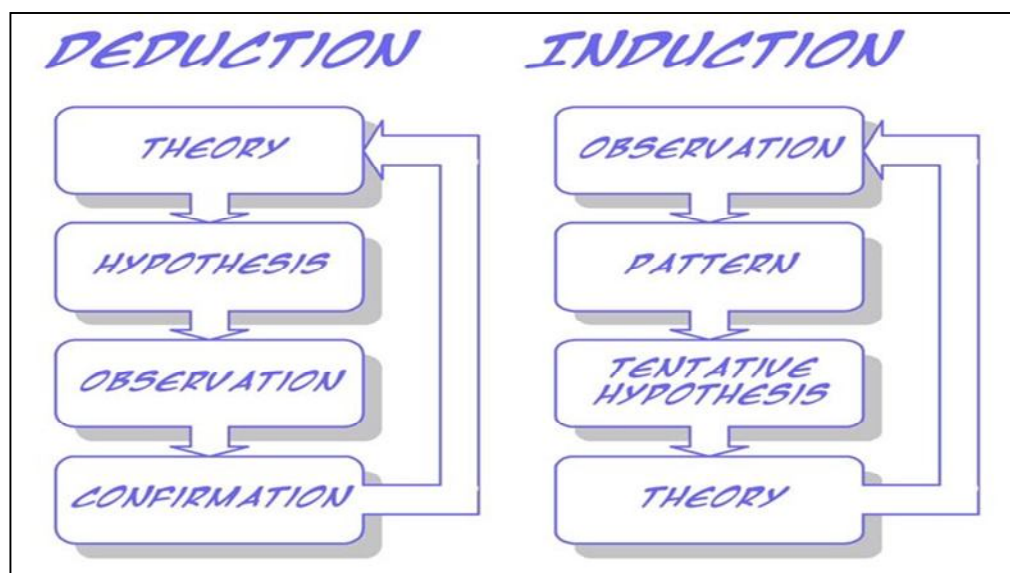


Figure 4

The concept deductive approach means that on the basis of theory shape hypothesis that are testable statement about the reality. The result appears through logical deduction. Induction means that on basis of different phenomena, sensory impressions, in the reality



draw conclusions, i.e., theories and models. The inductive approach means to draw conclusions from empirical data. The weakness with the inductive approach through, is that is seldom is build upon all, possible observations.

The work was based on a deductive approach, with inductive elements. The work spring from theory, and constantly returns to theory. There were inductive parts, observation done, which results were connected to the theoretical frame of references for analyses.

### 2.1.1. Type of Research

Research can be classified on the basis of either technique or function. Experiments, surveys, and observational studies are just a few command research techniques. Classifying research by its purpose or function shows how the nature of the marketing problem influences the choice of methods. The nature of the problem determines whether the research is explorative, Descriptive, or casual.

Explorative research is being done to clarify and define the nature of the problem. It is in general done to give the problem a more solid shape and identify which information that is being needed for future research.

Descriptive research is designed to describe characteristics of a population of phenomenon. It is in general being used for answering question of the characteristics; who, what, when, where and how. It provides the number of times something occurs, or frequency, lends itself to statistical calculations such as determining the average number of occurrences or central tendencies.

Casual research has a basic alignment to identify cause - effect relations between different variable. In studies of this kind the investigator has expectations on the relation between the investigated variables, for example, how the price is affecting the sales for a product. This requests that the investigator has rather good knowledge of the area.

In this research the objective is to describe what a certain research population has in common, and what differs. What employee brand image does the companies and their employees on the inside? This research can thereby be classified as descriptive.

### 2.1.2. Objectives of the Study

#### 2.1.2.1. Primary Objective

- To analyze the factors influencing the employee referral program

#### 2.1.2.2. Secondary Objectives

- To find the awareness level of the employee referral program
- To identify the sources of recruitment preferred by the company
- To analyze the employee loyalty towards the organization
- To ascertain the effectiveness of recruitment strategy of the company
- To find out the drawbacks of employee referral program

### 2.1.3. Research Instrument

The research instrument used in this study “structured questionnaire”. Structured questionnaire are those questionnaire in which there are predetermined question relating to the aspect for which the researcher collects data. The questions are presented with exactly the same wording and in the same order to all the respondents.

### 2.1.4. Questionnaire Design

The structured questionnaire of employee referral program consists of open ended, closed ended, multiple choice, rank and dichotomous types of questions.

### 2.1.5. Data Collection

Data refers to information or facts. It includes numerical figures, non –numerical figures, descriptive facts, and qualitative information. The task of data collection begins after research problem has been defined and research plan has been decided. The nature of the data is both Primary and Secondary data.

#### 2.1.5.1. Primary Data

The primary data are those that are collected through questionnaire and direct personal interview. The questionnaire was framed in such a manner to obtain correct information, graded suitably for the study.

#### 2.1.5.2. Secondary Data

The secondary data has been collected from stored information. Secondary data about the company profile and other details were collected from the company website.

### 2.1.6 Sampling Procedure

Convenience sampling had been used in this study. Convenience sampling is used for selection of homogeneous sample for the study. It is a non-probability sampling. Thus research study may include study objects, which are conveniently located. Research findings based on convenient sampling however, cannot be generalized.

### 2.1.7 Period of Study

The study was under taken for 3 months, April 2015 to June 2015, during the period the following steps were taken:

- Objectives were set and questionnaire was finalized.
- Data were collected and recorded
- Data were analyzed and interpreted
- Reports were generated

### 2.1.8 Sampling Size

The employees of HCL BPO form the population for this study.

Total Population: 500 (approximately)

Due to time and resource constraint the sample size has been taken as 123 for survey. In consultation with the company guide and the project guide.

### 2.1.9 Pilot Study

A pilot survey with 20 samples from employees was conducted for testing the validity of the questions. It was found that there was no need for changes in the questionnaire and hence the same questionnaire was used for final survey also.

### 2.1.10 Limitations of the Study

- Time was the main constraint.
- Since the project is of qualitative nature there was the participant's bias in some cases.
- Some information cannot be accessed due to its confidential nature.

## **3. Data Analysis and Interpretation**

### *3.1. Introduction*

The data after collection has to be processed and analyzed in accordance with the outline laid down for the purpose at time of developing the research plan. This is essential for scientific study and ensuring that we have all relevant data for many contemplated comparisons and analysis. Technically processing implies editing, coding, classification and tabulation of collected data so that they are amenable for analysis.

The term analysis refers to the computation of certain measures along with searching for patters of relationship that exists among data groups. Thus, "in this process of analysis, relationships or differences supporting or conflicting with original or new hypothesis should be subjected to statistical tests of significance to determine with what validity data can be said to indicate any conclusions.

Analysis of data in a general way involves a number of closely related operations that are performed with the purpose of summarizing the collected data and organizing these in such a manner so they answer the research questions.

### 3.1.1 Percentage Analysis

Percentage analysis is the method to represent raw streams of data as a percentage (a part in 100 - percent) for better understanding of collected data.

Frequency and percentage distribution,  $\% = f/N \times 100$ , where f is the frequency and N is the number of cases.

<b>Opinions</b>	<b>No. of respondents</b>	<b>Percentage</b>
Yes	120	98
No	3	2
<b>Total</b>	<b>123</b>	<b>100</b>

*Table 2: Awareness of Employee Referral Program  
(Source: Primary Data)*

➤ **Inference:**

From the above table it is inferred that 98% of respondents said they know about Employee Referral Program and 2% said they are not aware of it.

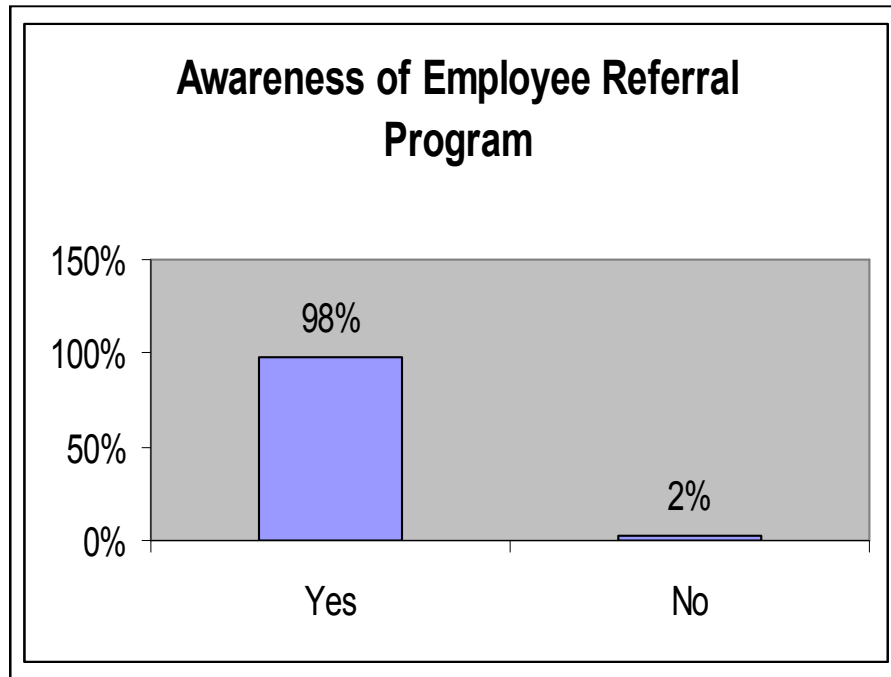


Figure 5: Awareness of employee referral program

Sources	No. of Respondents	Percentage
HR	39	32
Colleagues	41	33
Website	9	7
Intra-mail	11	9
Hoardings	23	19
<b>Total</b>	<b>123</b>	<b>100</b>

Table 3: Sources of Awareness  
(Source: Primary Data)

➤ Inference:

From the above table it is inferred that 33% of respondents were known by Colleagues, 32% of respondents were known by HR, 19% of respondents were known by hoardings, 9% of respondents were known by Intra mail and 7% of respondents were known by Website.

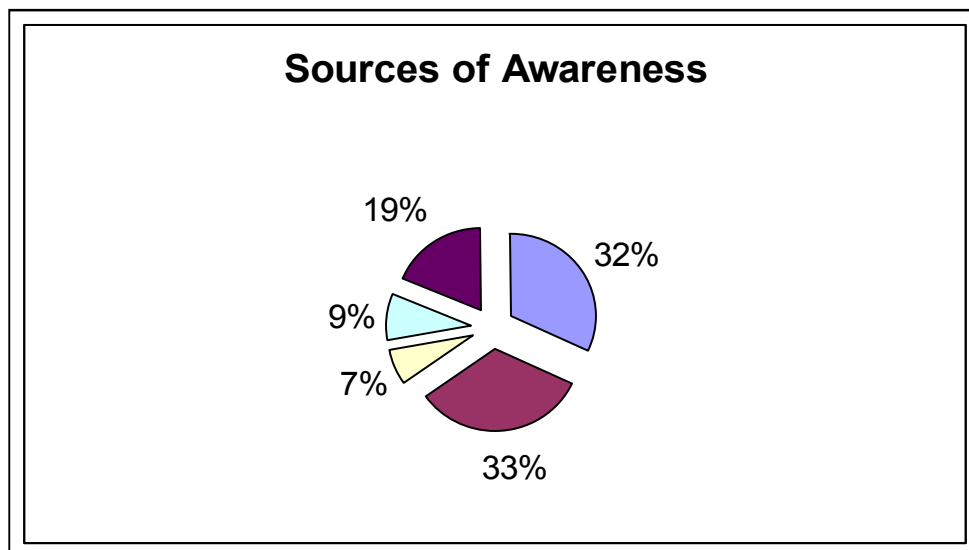


Figure 6: Sources of awareness

Opinions	No. of Respondents	Percentage
Yes	117	95
No	6	5
<b>Total</b>	<b>123</b>	<b>100</b>

Table 4: Awareness of Name and Id at the Time of Referral  
(Source: Primary Data)

➤ Inference:

From the above table it is inferred that 95% of respondents are aware of mentioning the name and Id at the time of referrals, 5% of respondents are not aware of mentioning the name and Id at the time of referrals.

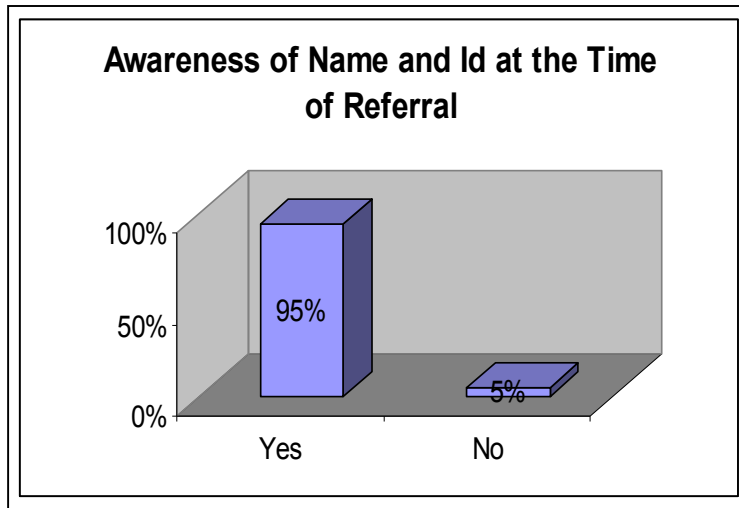


Figure 7: Awareness of name and id at the time of referral

Pattern	No. of Respondents	Percentage
10+3	65	53
10+2+3	58	47
<b>Total</b>	<b>123</b>	<b>100</b>

Table 5: Awareness of Educational Qualification  
(Source: Primary Data)

➤ Inference:

From the above table it is inferred that 53% of respondents are not aware about education qualification for candidate referrals, 47% of respondents are aware about minimum education qualification for candidate referrals.

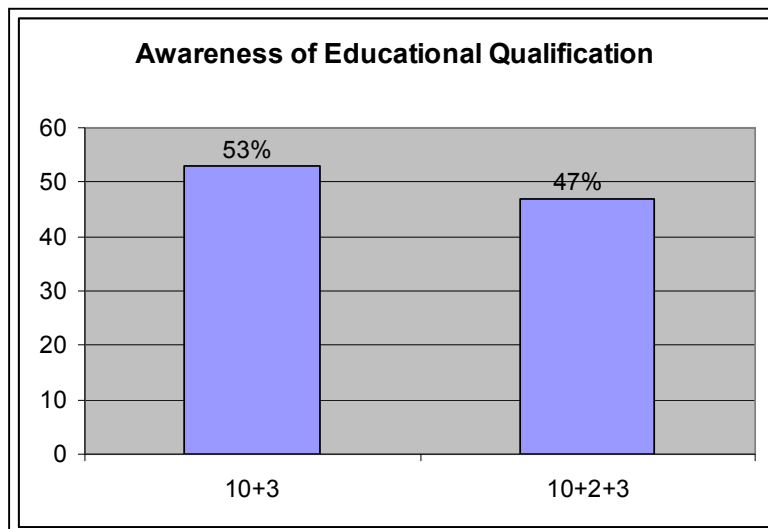


Figure 9: Awareness of educational qualification

Sources	No. of Respondents	Percentage
Employee Referral	54	44
Advertisement	23	19
Consultancy	24	20
Campus Interview	19	15
Others	3	2
<b>Total</b>	<b>123</b>	<b>100</b>

Table 6: Preferred Source in Recruitment Process  
(Source: Primary Data)

➤ Inference:

From the above table it is inferred that 44% of respondents prefer employee referral, 20% of respondents prefers consultancy, 19% of respondents prefer advertisement, 15% of respondents prefers campus interview and 2% of respondents prefers others.

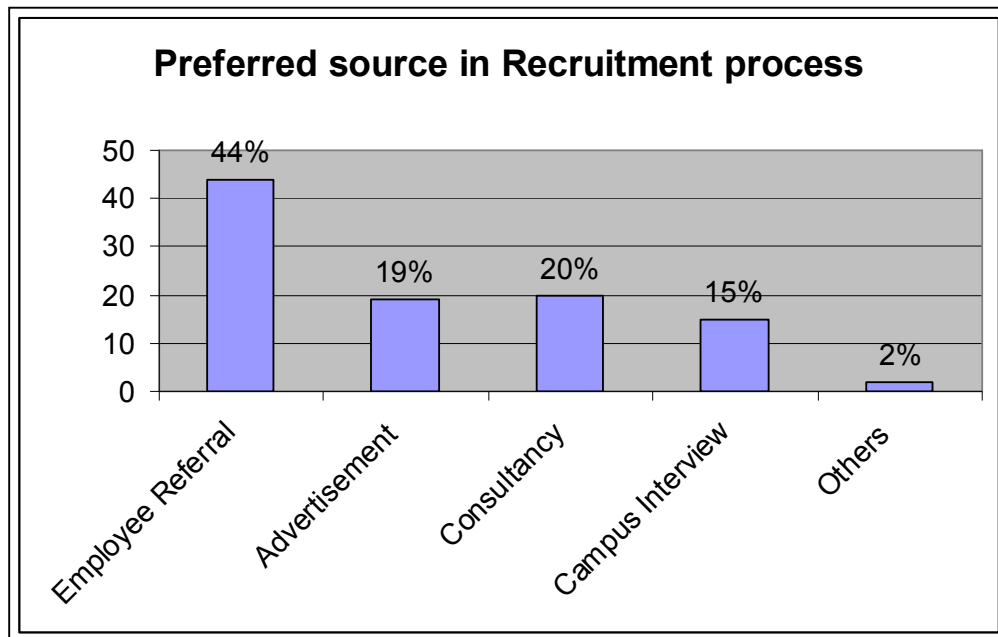


Figure 10: Preferred source in recruitment process

Opinions	No. of Respondents	Percentage
Yes	62	50
No	61	50
<b>Total</b>	<b>123</b>	<b>100</b>

Table 7: Reference Given By Someone to Join  
(Source: Primary Data)

➤ Inference:

From the above table it is inferred that 50% of employees joined HCL through the reference given by someone, 50% of employees joined HCL by their own without any reference.

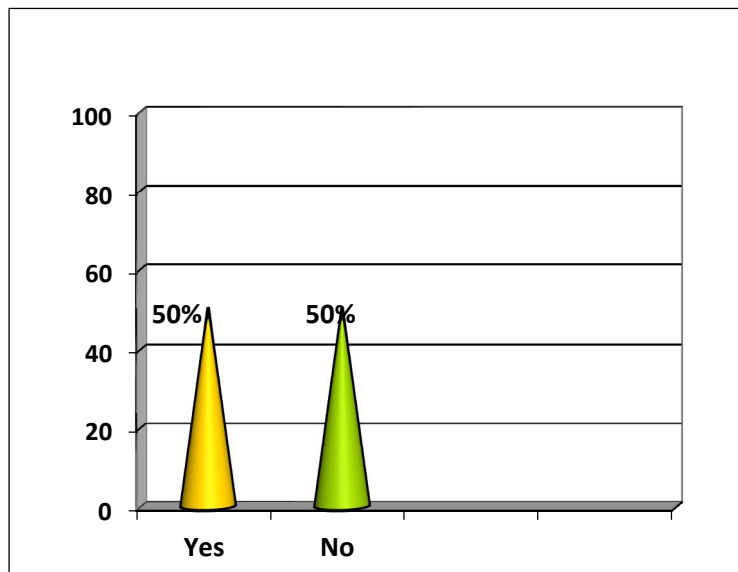


Figure 11: Reference given by someone to join

Opinions	No. of Respondents	Percentage
Yes	83	65
No	40	35
<b>Total</b>	<b>123</b>	<b>100</b>

Table 8: Reference Given By the Employees  
(Source: Primary Data)

➤ Inference:

From the above table it is inferred that 65% of employees were given reference to others to join HCL, 35% of employees were not given reference to others to join HCL.

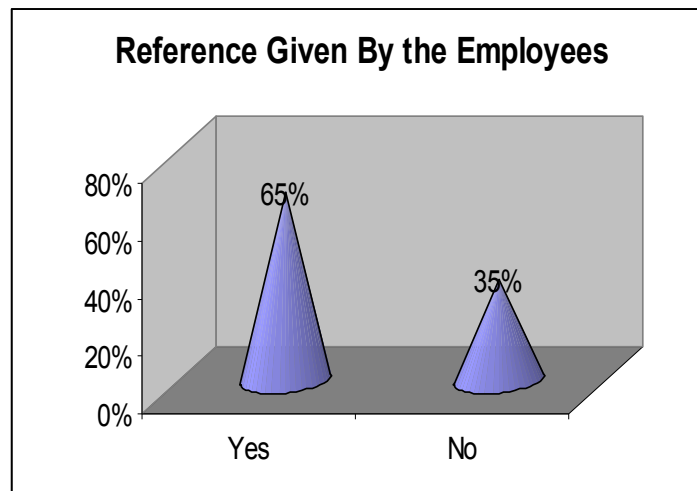


Figure 12: Reference given by the employees

No. of reference given	No. of respondents	Percentage
1	20	24
2	35	42
3	19	23
4	5	6
5	4	5
<b>Total</b>	<b>83</b>	<b>100</b>

Table 9: No. of Reference Given By the Employee  
(Source: Primary Data)

➤ Inference:

From the above table it is inferred that 42% of respondents referred only 2 person to join HCL, 24% of respondents referred 1 to join the company, 23% have referred 3, 6% have referred 4 and only 5% were referred 5 persons to join HCL.

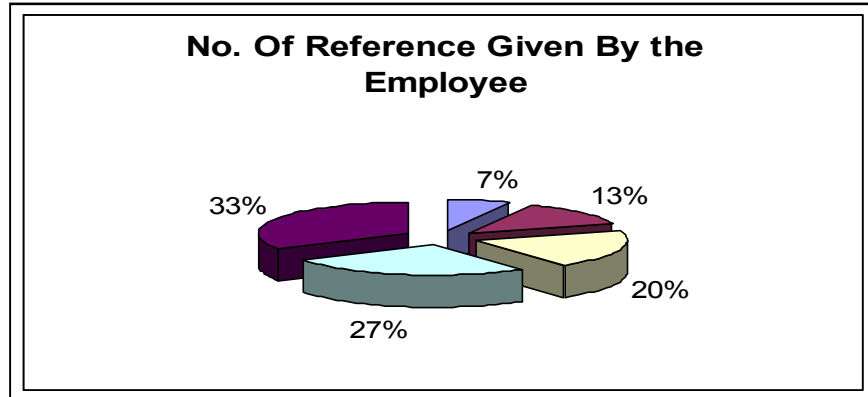


Figure 13: No. of reference given by the employee

Factors	No. of Respondents	Percentage
Highly satisfied	23	19
Satisfied	85	69
Neither satisfied nor dissatisfied	13	11
Dissatisfied	2	1
Highly Dissatisfied	0	0
<b>Total</b>	<b>123</b>	<b>100</b>

Table 10: Satisfaction of the Current Job  
(Source: Primary Data)

➤ Inference:

From the above table it is inferred that 69% of respondents were satisfied with the job, 19% of respondents were highly satisfied with the job, 11% of respondents were neither satisfied nor dissatisfied with the job and 1% of respondents were dissatisfied with job.

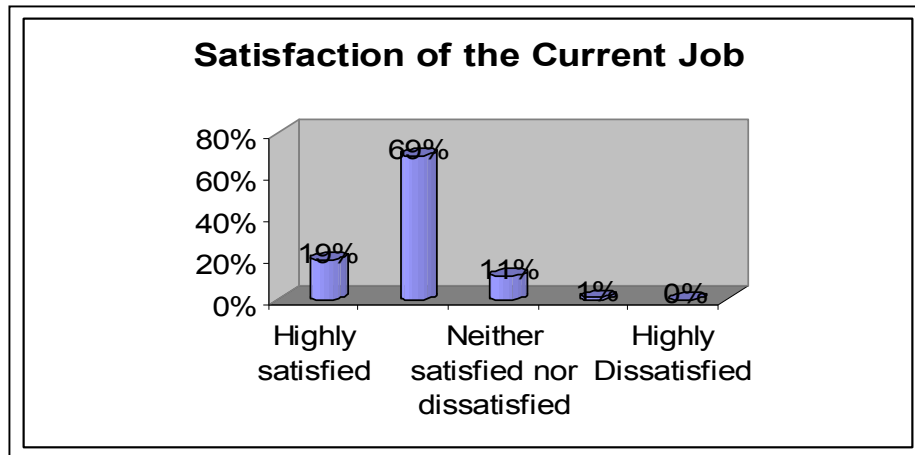


Figure 14: Satisfaction of current job

Round	No. of Respondents	Percentage
Group discussion	55	45
Voice	52	42
Written test	4	3
Technical	8	6
HR Interview	4	4
<b>Total</b>	<b>123</b>	<b>100</b>

Table 11: Critical Round in Interview Process  
(Source: Primary Data)

➤ Inference:

From the above table it is inferred that 45% of respondents mentioned GD, 42% of respondents mentioned Voice, 6% mentioned technical, 4% mentioned HR interview and 3% mentioned written test.

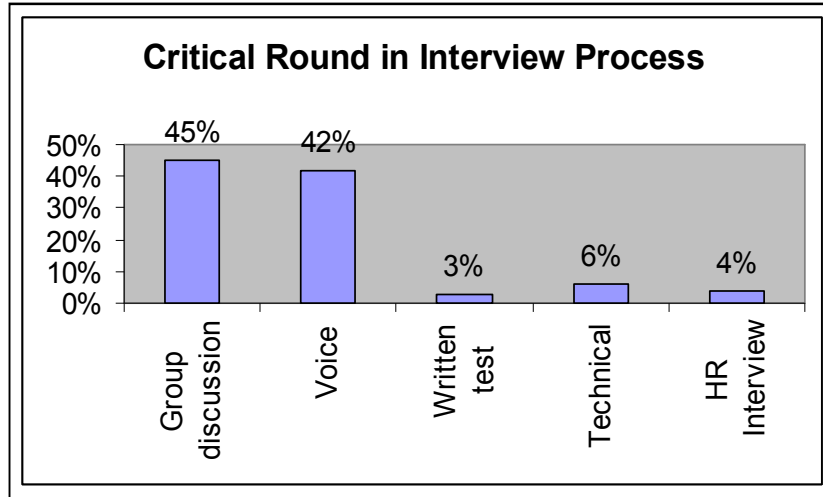


Figure 15: Critical round in interview process

Opinions	No. of Respondents	Percentage
Highly confidential	100	81
Transparency	23	19
<b>Total</b>	<b>123</b>	<b>100</b>

Table 12: Recruitment Process Standard (Source: Primary Data)

➤ Inference:

From the above table it is inferred that 81% of respondents were given the recruitment process was highly confidential, 19 % of respondents were given the recruitment process was transparency

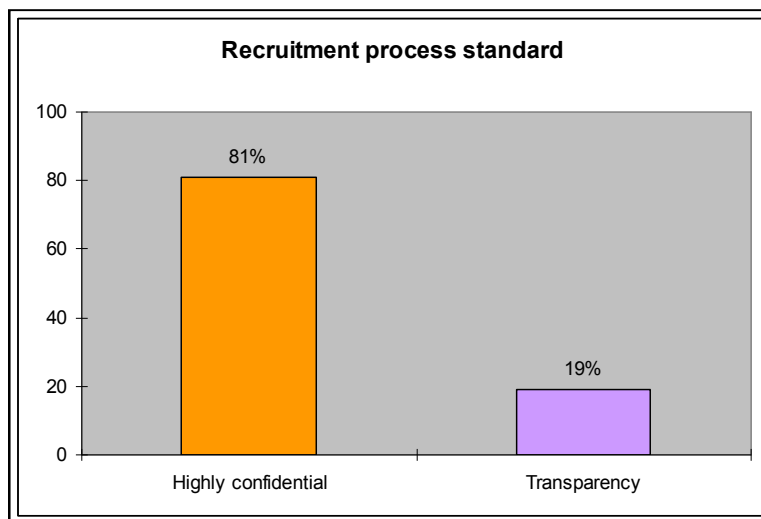


Figure 16: Recruitment process standard

Opinions	No. of Respondents	Percentage
Yes	107	87
No	16	13
<b>Total</b>	<b>123</b>	<b>100</b>

Table 13: Satisfaction of Employee Referral Program (Source: Primary Data)



➤ Inference:

From the above table it is inferred that 87% of respondents were satisfied the employee referral program, 13 % respondents were not satisfied the employee referral program in HCL.

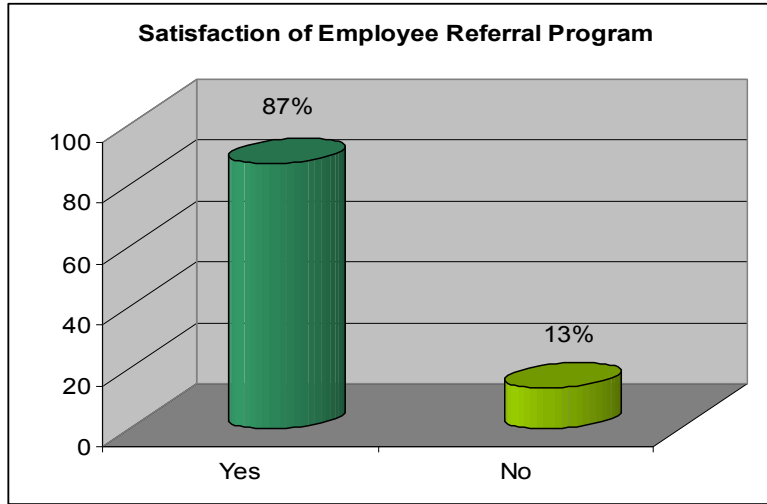


Figure 17: Satisfaction of employee referral program

Opinions	No. of Respondents	Percentage
Yes	81	66
No	42	34
<b>Total</b>	<b>123</b>	<b>100</b>

Table 14: Reward for the Performance  
(Source: Primary Data)

➤ Inference:

From the above table it is inferred that 66% of respondents were rewarded for their performance, 34% of respondents were not rewarded for their performance.

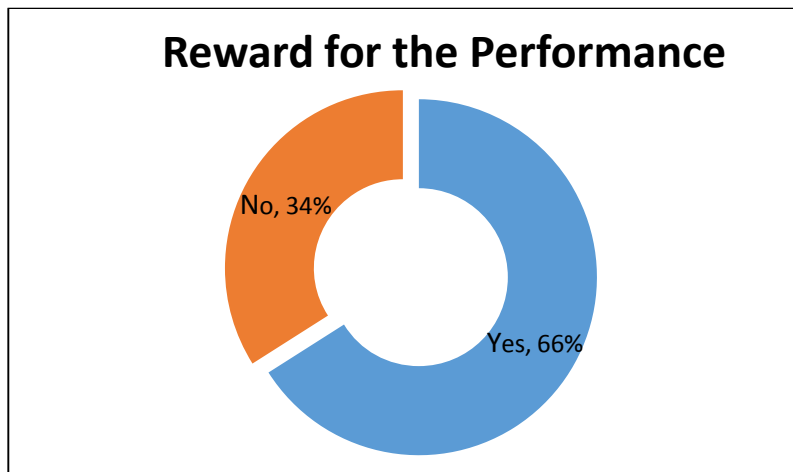


Figure 18: Reward for the performance

Factors	No. of Respondents	Percentage
Salary hike	44	54
Promotion	20	25
Fringe benefits	10	12
Any other	7	9
<b>Total</b>	<b>81</b>	<b>100</b>

Table 15: Basis of Rewards  
(Source: Primary Data)

➤ Inference:

From the above table it is inferred that 54% of respondents were rewarded by increasing their salary, 25% of respondents were rewarded by upgrading their position, 12% of respondents were rewarded by their fringe benefits and 9% of respondents rewarded by others.

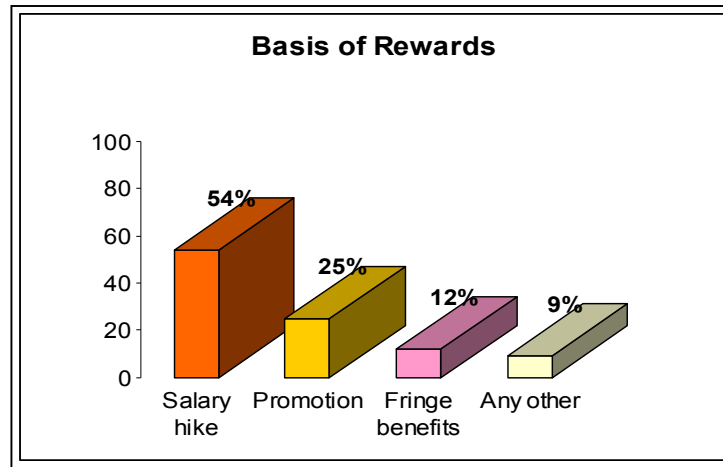


Figure 19: Basis of rewards

Factors	No. of Respondents	Percentage
Highly Effective	19	15
Effective	70	57
Neither Effective nor Ineffective	25	20
Ineffective	6	5
Highly Ineffective	3	3
<b>Total</b>	<b>123</b>	<b>100</b>

Table 16: Motivation Level of Employee Referral Program  
(Source: Primary Data)

➤ Inference:

From the above table it is inferred that 57% of respondents were given effective, 20% were given neither effective nor ineffective, 15% of respondents were given highly effective in motivation level, 5% of the respondents were given ineffective and 3 % were given highly ineffective.

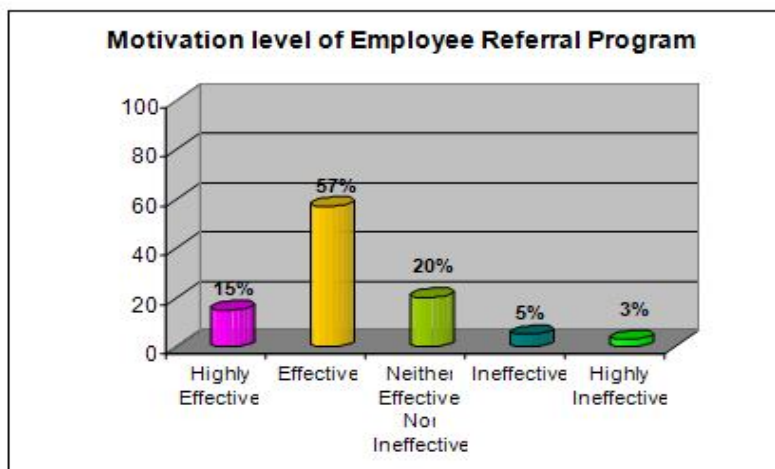


Figure 20: Motivation level of employee referral program

Factors	No. of Respondents	Percentage
Referral bonus	47	38
Working environment	32	26
Recognition	13	11
Employment benefits	15	12
Job satisfaction	16	13
<b>Total</b>	<b>123</b>	<b>100</b>

Table 17: Factors of Motivation to Refer  
(Source: Primary Data)

➤ Inference:

From the above table it is inferred that 38% of respondents were motivated because of Referral Bonus, 26% of respondents were motivated because of working environment, 12% of respondents were motivated in employment benefits, 13% of respondents were motivated in Job satisfaction and 11% of respondents were motivated because of the recognition,

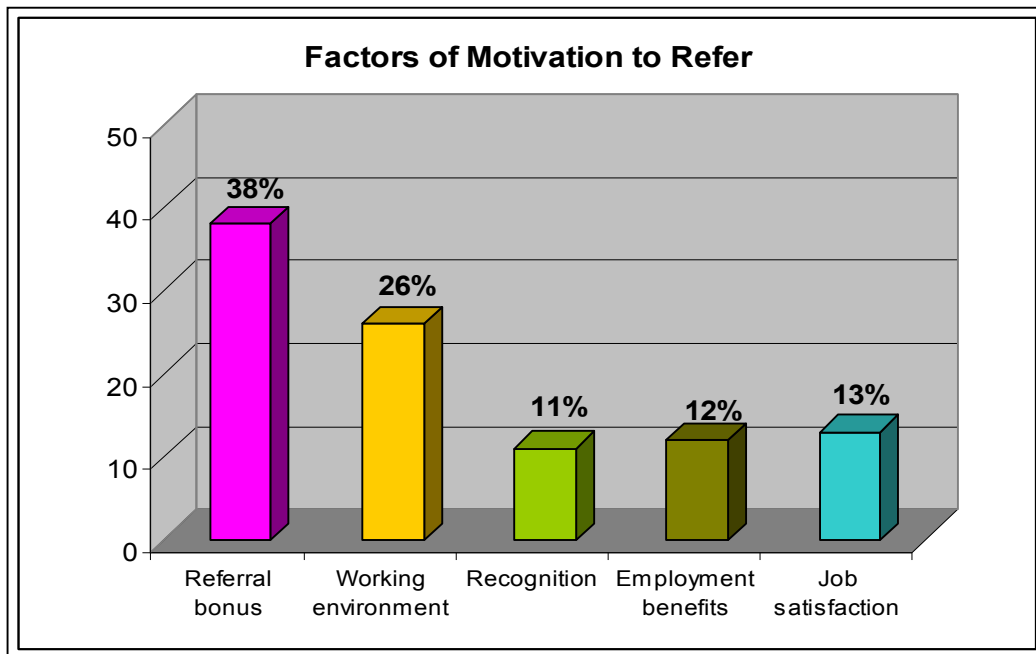


Figure 21: Factors of motivation to refer

Factors	No. of Respondents	Percentage
Highly satisfied	20	16
Satisfied	81	66
Neither satisfied nor dissatisfied	18	15
Dissatisfied	4	3
Highly dissatisfied	0	0
<b>Total</b>	<b>123</b>	<b>100</b>

Table 18: Satisfaction of Monetary Reward  
(Source: Primary Data)

➤ Inference:

From the above table it is inferred that 66% of respondents are satisfied, 16% of respondents are highly satisfied with the monetary reward, 15% are neither satisfied nor dissatisfied with the monetary reward and 3% of the respondents are dissatisfied.

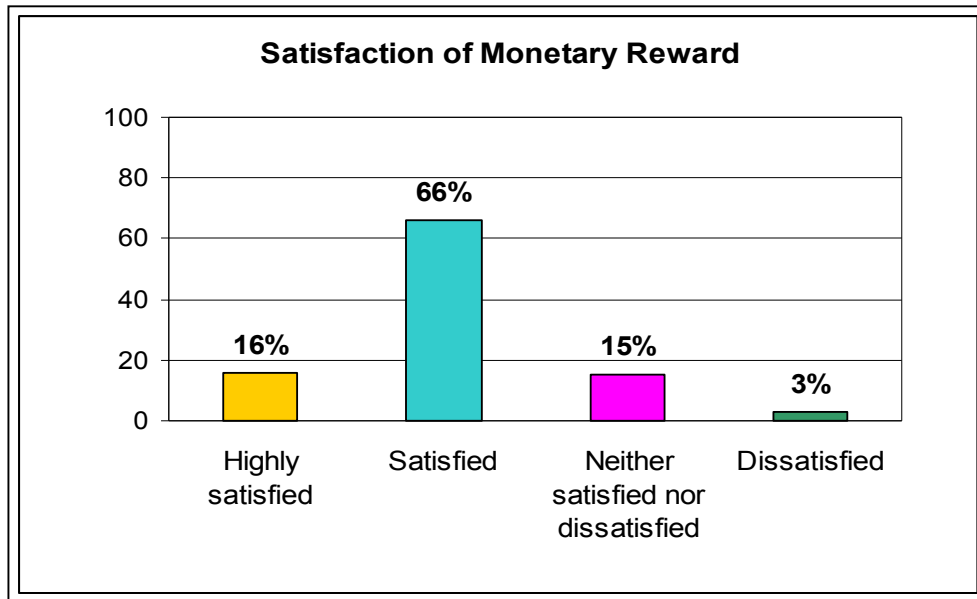


Figure 22: Satisfaction of the monetary reward

Factors	No. of Respondents	Percentage
Strongly agree	27	22
Agree	59	48
Neither agree nor disagree	26	21
Disagree	10	8
Highly disagree	1	1
<b>Total</b>	<b>123</b>	<b>100</b>

Table 19: Preference for Employee Referrals  
(Source: Primary Data)

➤ Inference:

From the above table it is inferred that 48% of respondents agree, 22% of respondents strongly agree, 21% of employees are neither agree nor disagree, 8% are disagree and 1% are highly disagree that the preference are given for employee referrals in recruitment.

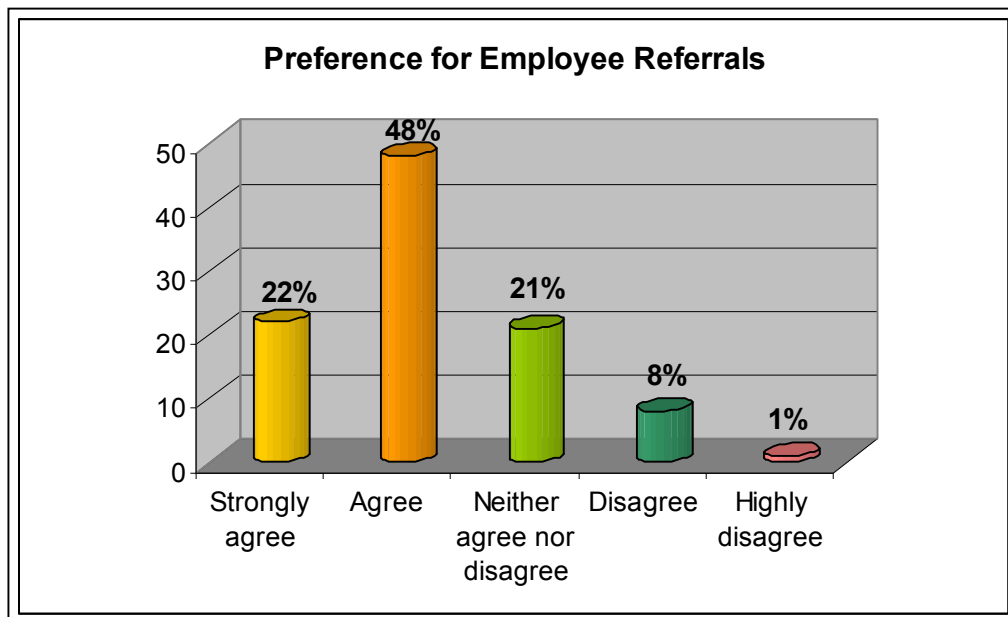


Figure 23: Preference for employee referrals

Opinions	No. of Respondents	Percentage
Yes	58	47
No	65	53
<b>Total</b>	<b>123</b>	<b>100</b>

Table 20: Drawbacks in Employee Referral Program  
(Source: Primary Data)

➤ Inference:

From the above table it is inferred that 53% of respondents were not given any drawbacks and 47% of respondents were given drawbacks in employee referral program.

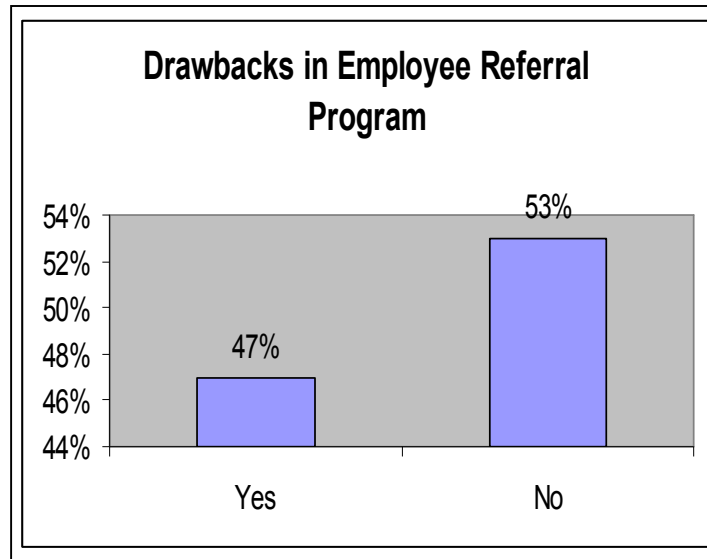


Figure 24: Drawbacks in employee referral program

Factors	No. of Respondents	Percentage
Delay in payment	33	57
Not getting bonus as per installment	20	34
Not satisfied with employee referral bonus	5	9
Any other	0	0
<b>Total</b>	<b>58</b>	<b>100</b>

Table 21: Factors of Drawback  
(Source: Primary Data)

➤ Inference:

From the above table it is inferred that 57% of respondents said there is delay in payment, 34% of respondents said we are not getting bonus as per installment, 9% of respondents said the reward is not sufficient.

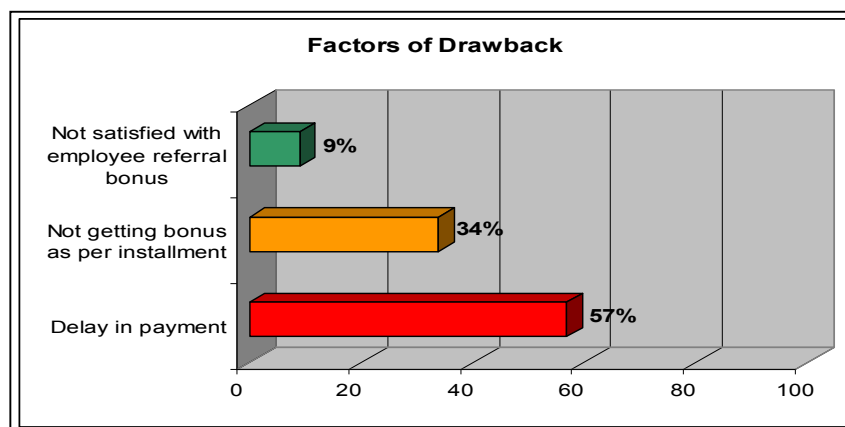


Figure 25: Factors of drawback

Opinions	No. of Respondents	Percentage
Yes	72	59
No	51	41
<b>Total</b>	<b>123</b>	<b>100</b>

Table 22: Information about Referred Candidate Status  
(Source: Primary Data)

➤ Inference:

From the above table it is inferred that 59% of respondents were accepted about the company given information of referred candidate status, 41% of respondents were not accepted above statement.

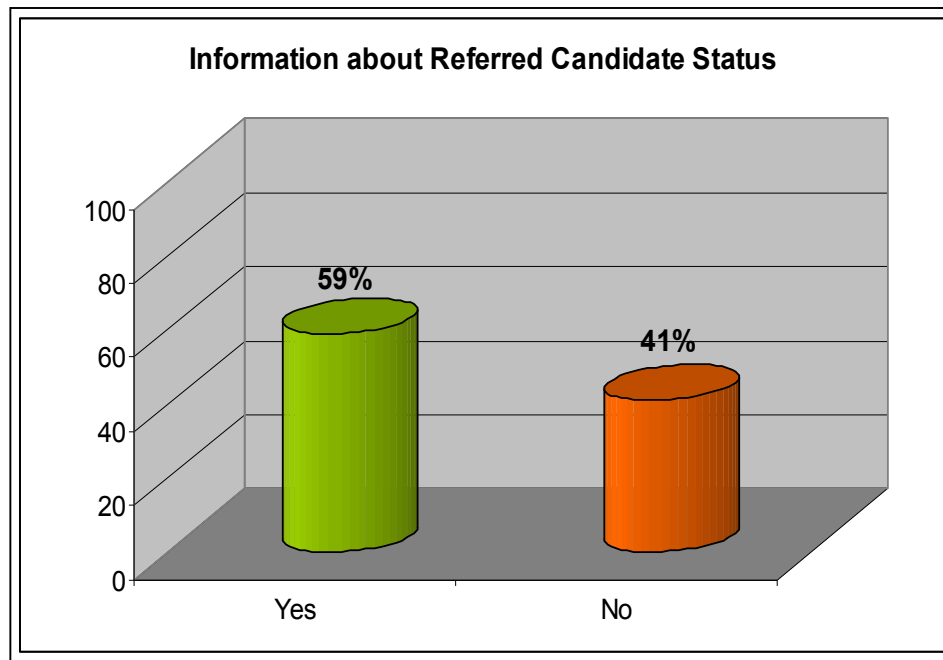


Figure 26: Information about referred candidate status

### 3.2. Statistical Analysis

#### 3.2.1. Spearman Rank Correlation

Spearman rank correlation is a measure of the correlation that exists between the two sets of ranks, or it is a measure of degree of association between the variables that we would not have been able to calculate otherwise.

Rank correlation coefficient

We used sample correlation coefficient  $r$  to measure the linear relationship between two continuous variables  $X$  and  $Y$ . If ranks 1, 2, ...,  $n$  are assigned to the  $X$  observations in order of magnitude and similarly to the  $Y$  observations, and if these ranks are then substituted for the actual numerical values into the formula for  $r$ , we obtain the nonparametric counterpart of the conventional correlation coefficient. A correlation coefficient calculated in this manner is known as the spearman rank correlation coefficient and is denoted by  $r_s$ , where there are no ties among either set of measurements, the formula for  $r_s$  reduces to a much simpler expression, which is given below.

A nonparametric measure of association between two variables  $X$  and  $Y$  is given by the rank correlation coefficient

$$R_s = 1 - \frac{6 \sum d_i^2}{n(n-1)}, \text{ where}$$

$\sum$  = notation meaning "the sum of"

$d_i$  = the difference between the ranks assigned to  $x_i$  and  $y_i$

$n$  = the number of paired observations

$r_s$  = coefficient of rank correlation.

In practice, the proceeding formula is also used when there are ties either among  $x$  or  $y$  observations. The ranks for tied observations are assigned by averaging the ranks that would have been assigned if the observations were distinguished.

The value of  $r_s$  will usually be close to the value obtained by finding  $r$  based on numerical measurements but nevertheless and is interpreted in much the same way. As before, the values of  $r_s$  will range from -1 to +1. A value of +1 or -1 indicates perfect association between  $X$  and  $Y$ , the plus sign occurring for identical rankings and the minus sign occurring for reverse rankings. When  $r_s$  is close to zero, we would conclude that the variables are uncorrelated.

### 3.2.2. Kolmogorov- Smirnov Test

The statisticians A.N. kolmogorov and N.V. smirnov developed the kolmogorov-smirnov test. It is a simple non parametric test for testing whether there is a significant difference between an observed frequency and a theoretical frequency distribution. In short, this test is known as K-S test. The K-S test is, therefore, another measure of the goodness of fit of a frequency distribution, as was the chi-square test.

- Advantages

It is a more power full test

It is easier to use, since it does not require that the data be grouped in any way.

- K-S Statistic

The k-s statistic is the maximum absolute deviation of expected relative frequency  $F_e$  and the observed relative frequency  $F_0$ . It is denoted by  $D_n$ . The K-S test is always a one tailed test for given, the level of significance. The critical value for  $D_n$  can be tabulated by using the table. We compare the calculated value of  $D_n$  with the critical value of  $D_n$  from the table. If the tabled value is greater than the calculated value, then the null hypothesis is accepted.

This test is used for comparing the distribution on an ordinal scale. The test is concerned with degree of agreement between the distribution and some specified theoretical distribution. It determines whether the scores in the sample can be reasonably thought to have to come from a population having theoretical distribution.

Formula

$$D_{\text{Maximum}} = \{F_0(x) - F_e(x)\}$$

$F_0(x)$  = observed cumulative frequency

$F_e(x)$  = expected cumulative frequency

For a sample (n) at 5% level significance, the critical value of D can be given by

$$\frac{1.36}{\sqrt{n}}$$

Decision arrived from the test is based on comparing with the critical value (table value), if the calculated value is higher we accept the alternative hypothesis. Similarly if the calculated value is higher less than the critical value we accept null hypothesis

### 3.2.3. Chi-Square Test

The chi-square test, written as  $\Psi^2$  - test, is a useful measure of comparing experimentally obtained results with those expected theoretically and based on the hypothesis. It is used as a test statistics in testing a hypothesis that provides a set of theoretical frequencies with which observed frequencies are compared. In general chi-square test is applied to those problems in which we study whether the frequency with which a given event has occurred, is significantly different from the one as expected theoretically. The measure of chi-square enables us to find out the degree of discrepancy between observed frequencies and theoretical frequencies and thus to determine whether the discrepancy so obtained between observed frequencies and theoretical frequencies is due to error of sampling or due to chance.

The chi-square is computed on the basis of frequencies in a sample and thus the value of chi-square so obtained is a statistics. Chi-square is not a parameter as its value is not derived from the observations in a population. Hence chi-square test is a non-parametric test. Chi-square test is not concerned with any population distribution and its observations.

The  $\Psi^2$ -test was first used in testing statistical hypothesis by Karl Pearson in the year 1900. It is defined as

$$\Psi^2 = \sum (O_i - E_i)^2 / E_i$$

Where  $O_i$  = observed frequency of ith event

$E_i$  = Expected frequency of ith event.

The following are the steps to calculate  $\Psi^2$ .

- Step 1: Calculate all the expected frequencies, i.e.,  $E_i$ , for all values of  $i = 1, 2, \dots, n$ .
- Step 2: Take the different between each observed frequency  $O_i$  and the corresponding expected frequency  $E_i$  for each value of  $i$ , i.e., find  $(O_i - E_i)$ .
- Step 3: Square the difference for each value of  $i$ , i.e., calculate  $(O_i - E_i)^2$  for all values of  $i = 1, 2, 3, \dots, n$ .
- Step 4: Divide each square difference by the corresponding expected frequency, i.e.,
- Calculate  $(O_i - E_i)^2 / E_i$  for all values of  $i = 1, 2, 3, \dots, n$ .
- Step 5: Add all these quotients obtained in STEP 4, then  $\Psi^2 = \sum [(O_i - E_i)^2 / E_i]$  is the required value of chi- square.

It should be noted that

- (a) The value of  $\Psi^2$  is always positive as each pair is squared one.

(b)  $\Psi^2$  will be zero if each pair is zero and it may assume any value extending to infinity. When the difference between the observed frequency and expected frequency in each pair is Unequal, Thus  $\Psi^2$  lies between 0 and  $\infty$ .

(c) The significance test on  $\Psi^2$  is always based on one tailed test of the right hand side of Standard Normal curve as  $\Psi^2$  is always non-negative.

(d) As  $\Psi^2$  is a statistic and not a parameter, so it does not involve any assumption about the form of original distribution from which the observations have come.

#### ➤ Degrees of Freedom

The number of data that are given in the form of a series of variables in a row or column or the number of frequencies that are put in cells in a contingency table, which can be calculated independently is called the degrees of freedom and is denoted by  $v$ .

#### Case I

If the data is given in the form of a series of variables in a row or column, then the degree of freedom = (number of items in the series) – 1, i.e.,  $v = n - 1$ , where  $n$  is the number in the series in a row or column.

#### Case II

When the number of frequencies are put in cells in a contingency table, the degrees of freedom will be the product of (number of rows less one) and the (number of columns less one) i.e.,

$v = (R-1)(C-1)$ , where  $R$  is the number of rows and  $C$  is the number of columns.

#### • Conditions for applying the CHI-SQUARE test

- i. Each of the observations making up the samples for this test should be independent of each other.
- ii. The expected frequency of any item or cell should not be less than 5. If it is less than 5, then frequencies taking from the adjacent items or cells are pooled together in order to make it 5 or more than 3. The total number of observations used in this test must be large i. e.,  $n \geq 30$ .
- iii. This test is used only for drawing inferences by testing hypothesis. It cannot be used for estimation of parameter or any other value.
- iv. It is wholly dependent on the degrees of freedom.
- v. The frequencies used in  $\Psi^2$  – test should be absolute and not relative in terms.
- vi. The observations collected for  $\Psi^2$  – test should be on random basis of sampling.

#### $\Psi^2$ – Test

The chi-square test is widely used to test the independence of attributes. It is applied to test the association between the attributes when the sample data is presented in the form of a contingency table with any number of rows and columns

Working rule:

Step 1:

Set up the Null Hypothesis  $H_0$ : No association exists between the attributes.

Alternate Hypothesis  $H_1$ : An association exists between the attributes.

Step 2:

Calculate the expected frequency  $E$  corresponding to each cell by the formula

$$E_{ij} = R_i * C_j/n$$

Where,  $R_i$  = sum total of the row in which  $E_{ij}$  is lying

$C_j$  = sum total of the columns in which  $E_{ij}$  is lying

$n$  = total sample size.

Step 3:

Calculate  $\Psi^2$  – statistic by the formula  $\Psi^2 = \sum (O_i - E_i)^2/E_i$ .

The characteristics of this distribution are completely defined by the number of degrees of freedom  $v$  which is given by  $v = (R-1)(C-1)$

Where  $R$  = number of rows and  $C$  = number of columns in the contingency table.

Step 4:

Find from the table the value of  $\Psi^2$  for a given value of the level of significance  $\alpha$  and for the degrees of freedom  $v$ , calculated in STEP 2

If no value for  $\alpha$  is mentioned, then table  $\alpha = 0.05$ .

Step 5:

Compare the computed value of  $\Psi^2$  with the tabulated value of  $\Psi^2$  found in step 4.

(a) If calculated value of  $\Psi^2 <$  tabulated value of  $\Psi^2_\alpha$  then accept null hypothesis

$H_0$ .

(b) If calculated value of  $\Psi^2 >$  tabulated value of  $\Psi^2_\alpha$  then reject null hypothesis

$H_0$  and accept the alternate hypothesis  $H_1$ .



### 3.2.4. ANOVA – Analysis of Variance

Under two way classifications we will discuss the influence of two factors. The data here classified according to two different factors. For example fertilizers may be tried on different soil textures. Thus with fertilizers in the column classification the different types of land textures may be in rows. But there may be sampling variations besides the two factors considered which we call characteristic residual variations.

The sum of squares of variation in columns (SSC) plus the sum of squares of variations in rows (SSR) plus the sum of squares as the residual due to errors (SSE) make up the total sum of squares of variations (SST) i.e.

$$SST = SSC + SSR + SSE$$

The total number of degrees of freedom =  $Cr - 1$  where  $c$  refers to the columns and  $r$  represents the rows respectively

$$\text{Degrees of freedom between columns} = (C-1)$$

$$\text{Degrees of freedom between rows} = (R-1)$$

$$\text{Degrees of freedom between residuals} = (c-1)(r-1)$$

ANOVA TABLE NOW TAKES THE FOLLOWING FORM			
Source of Variation	Sum of squares	Degrees of freedom	Mean squares
Between columns	SSC	(c-1)	SSC/C-1
Between rows	SSR	(r-1)	SSR/R-1
Residuals	SSE	(c-1)(r-1)	SSE/(c-1)(r-1)
Total	SST	N-1	

Table 23

If calculated value is lesser than tabulated value null hypothesis is accepted otherwise alternate hypothesis is accepted.

### 3.2.5. Interval Estimation Test

As distinguished from a point estimate which provides one single value of the parameter, an interval estimate of a population parameter is a statement of two values between which it is estimated that the parameter lies. An interval estimate would always be specified by two values, i.e., the lower one and the upper one. In more technical terms, interval estimation refers to the estimation of a parameter by a random interval, called the Confidence interval, whose end points  $L$ , and  $U$  with  $L < U$ , are functions of the observed random variables such that the probability that the inequality  $L < \theta < U$  is satisfied in terms of pre-determined number,  $1-\alpha$ .  $L$  and  $U$  are called the confidence limits and are the random end points of interval estimate. Since in an interval estimate, we determine an interval of plausible values, hence the name interval estimation. The interval estimate does provide such confidence and hence interval estimate should generally be employed in practice.

An interval estimate describes a range of values within which a population parameter is likely to lie.

Standard error of the mean for an infinite population

$$\delta_x = \delta / \sqrt{n}$$

$\delta$  is the standard deviation of the population

$n$  = number of trials

$p$  = probability of success

$q = 1-p$  = probability of failure

Standard error of the proportion  $\delta_p = \sqrt{pq/n}$

$p + Z_{\alpha/2} \delta_p$  is the upper confidence limit where  $Z_{\alpha/2}$  is the level of significance

$p - Z_{\alpha/2} \delta_p$  is the lower confidence limit

### 3.2.1 Spearman Rank Correlation

AIM: To test the various sources of recruitment process using rank correlation

SOURCE/RANK	RANK 1	RANK 2	RANK 3	RANK 4	RANK 5
<b>Rank</b>	<b>5</b>	<b>3</b>	<b>2</b>	<b>4</b>	<b>1</b>
Advertisement	13	23	30	19	38
<b>Rank</b>	<b>4</b>	<b>2</b>	<b>3</b>	<b>1</b>	<b>5</b>
Campus Interview	23	27	26	32	15
<b>Rank</b>	<b>5</b>	<b>3</b>	<b>1</b>	<b>2</b>	<b>4</b>
Jobsite	17	24	36	27	19
<b>Rank</b>	<b>1</b>	<b>2</b>	<b>5</b>	<b>3</b>	<b>4</b>
Employee Referral	50	23	9	22	19
<b>Rank</b>	<b>5</b>	<b>2</b>	<b>4</b>	<b>3</b>	<b>1</b>
Consultancy	20	26	21	23	33

Table 24

H0: There is no correlation between advertisement and campus interview

H1: There is correlation between advertisement and campus interview

R1	R2	D=R1-R2	D <sup>2</sup>
5	4	1	1
3	2	1	1
2	3	-1	1
4	1	3	9
1	5	-4	16
<b>Total</b>			<b>28</b>

Table 25

Formula

$$R = 1 - 6 \sum D^2 / n(n^2 - 1)$$

$$R = 1 - 6 * 28 / 5(5^2 - 1)$$

$$R = 1 - 168 / 600$$

$$R = 1 - 0.28$$

$$R = 0.72$$

For N=5, table value @ 5 % level of significance is 0.9, since calculated value is less than table value  $0.72 < 0.90$ , we accept H0 and conclude that there is no correlation between advertisement and campus interview.

H0: There is no correlation between jobsite and employee referral

H1: There is correlation between jobsite and employee referral

R1	R2	D=R1-R2	D <sup>2</sup>
5	1	4	16
3	2	1	1
1	5	-4	16
2	3	-1	1
4	4	0	0
<b>Total</b>			<b>34</b>

Table 26

$$R = 1 - 6 \sum D^2 / n(n^2 - 1)$$

$$R = 1 - 6 * 34 / 5(5^2 - 1)$$

$$R = 1 - 204 / 600$$

$$R = 1 - 0.34$$

$$R = 0.66$$

For N=5, table value @ 5 % level of significance is 0.9, since calculated value is less than table value  $0.66 < 0.90$ , we accept H0 and conclude that there is no correlation between jobsite and employee referral.

H0: There is no correlation between consultancy and advertisement

H1: There is correlation between consultancy and advertisement

R1	R2	D=R1-R2	D <sup>2</sup>
5	5	0	0
2	3	-1	1
4	2	2	4
3	4	-1	1
1	1	0	0
<b>Total</b>			<b>6</b>

Table 27

$$R = 1 - 6 \sum D^2 / n(n^2 - 1)$$

$$R = 1 - 6 * 6 / 5(5^2 - 1)$$

$$R = 1 - 36 / 600$$

$$R = 1 - 0.06$$

$$R = 0.94$$

For N=5, table value @ 5 % level of significance is 0.9, since calculated value is less than table value  $0.94 > 0.90$ , we reject H0 and conclude that there is correlation between consultancy and advertisement.

**Conclusion:**

There is correlation between consultancy and advertisements showed the recruitment process had possibility of best sources are employee referral, campus interview and advertisement.

**3.2.2 KOLMOGOROV- SMIRNOV TEST**

AIM: To find the significance difference between the screening process and the preference for the employee referrals in recruitment process.

SCREENING PROCESS/PREFERENCE	Strongly agree	Agree	Neither agree nor disagree	Disagree	Total
Group discussion	7	36	6	6	55
Voice	16	16	17	3	52
Written	1	2	1	0	4
Technical	3	3	1	1	8
HR interview	1	2	1	0	4
<b>Total</b>	<b>28</b>	<b>59</b>	<b>26</b>	<b>10</b>	<b>123</b>

Table 28

**SETTING OF HYPOTHESIS:**

H0: There is significance difference between screening process and the preference given for employee referral in recruitment process.

H1: There is no significance difference between screening process and the preference given for employee referral in recruitment process.

**CALCULATION OF EXPECTED VALUE:**

Weighted average method

$$GD = (7*4) + (36*3) + (6*2) + (6*1)/55$$

$$Voice = (16*4) + (16*3) + (17*2) + (3*1)/52$$

$$Written = (1*4) + (2*3) + (1*2) + (0*1)/4$$

$$Technical = (3*4) + (3*3) + (1*2) + (1*1)/8$$

$$HR\ interview = (1*4) + (2*3) + (1*2) + (0*1)/4$$

		<u>Rank</u>
$(28+108+12+16)/55$	= 2.80	5
$(64+48+34+3)/52$	= 2.87	4
$(4+6+2+0)/4$	= 3.0	1
$(12+9+2+0)/8$	= 2.88	3
$(4+6+2+0)/4$	= 3.0	1

Observed frequency	Cumulative of observed frequency	Observed relative frequency (Fo)	Expected frequency	Expected frequency cumulative	Expected relative frequency (Fe)	d= Fo-Fe
3.0	3.0	0.34	2.88	2.88	0.33	0.01
2.86	5.86	0.67	2.88	5.76	0.66	0.01
2.80	8.66	1	2.88	8.64	1	0

Table 29

$$N = 4$$

K-S statistic:  $D_n = \max|Fe-Fo| = 0.01$

For N = 4 and significance level of 5% the table value is 0.624.

Calculated value of D-max = 0.01

@ 5% level of significance 1.36

$$\sqrt{n}$$

$$= \frac{1.36}{\sqrt{123}} = 0.123$$

Hence the calculated value is less than table value i.e.  $0.01 < 0.123$

#### Result

The maximum value of K-S statistic is lesser than the tabled value, the null hypothesis is accepted.

#### Conclusion

There is significance difference between screening process and the preference given for employee referral in recruitment process.

### 3.2.3 – CHI – SQUARE

AIM: To find the significance difference between motivation level and reason for referring the candidates.

#### SETTING OF HYPOTHESIS:

H0: There is no significance difference between motivation levels and reason for referring the candidates.

H1: There is a significance difference between motivation levels and reason for referring the candidates.

MOTIVATION LEVEL	HIGHLY EFFECTIVE	EFFECTIVE	AVERAGE	INEFFECTIVE	HIGHLY INEFFECTIVE	TOTAL
REASONS						
REFERRAL BONUS	7	33	5	1	1	47
WORK ENVIRONMENT	8	19	4	1	0	32
EMPLOYMENT BENEFITS	1	4	9	1	0	15
JOBSATISFACTION	2	6	5	2	1	16
RECOGNITION	1	8	2	1	1	13
TOTAL	19	70	25	6	3	123

Table 30

#### CALCULATION OF EXPECTED VALUE:

EXPECTED VALUE = column total\*row total/ grand total

1.  $E = (19 \times 47) / 123 = 7.26$
2.  $E = (19 \times 32) / 123 = 4.94$
3.  $E = (19 \times 15) / 123 = 2.31$
4.  $E = (19 \times 16) / 123 = 2.47$
5.  $E = (19 \times 13) / 123 = 2.00$
6.  $E = (70 \times 47) / 123 = 26.74$
7.  $E = (70 \times 32) / 123 = 18.21$
8.  $E = (70 \times 15) / 123 = 8.53$
9.  $E = (70 \times 16) / 123 = 9.10$
10.  $E = (70 \times 13) / 123 = 7.39$
11.  $E = (25 \times 47) / 123 = 9.55$
12.  $E = (25 \times 32) / 123 = 6.50$
13.  $E = (25 \times 15) / 123 = 3.04$
14.  $E = (25 \times 16) / 123 = 3.25$
15.  $E = (25 \times 13) / 123 = 2.64$
16.  $E = (6 \times 47) / 123 = 2.29$
17.  $E = (6 \times 32) / 123 = 1.56$
18.  $E = (6 \times 15) / 123 = 0.73$
19.  $E = (6 \times 16) / 123 = 0.78$
20.  $E = (6 \times 13) / 123 = 0.63$
21.  $E = (3 \times 47) / 123 = 1.14$
22.  $E = (3 \times 32) / 123 = 0.78$
23.  $E = (3 \times 15) / 123 = 0.36$
24.  $E = (3 \times 16) / 123 = 0.39$
25.  $E = (3 \times 13) / 123 = 0.31$

O	E	(O-E)	(O-E) <sup>2</sup>	(O-E) <sup>2</sup> /E
7	7.26	-0.26	0.0676	0.0093
8	4.94	3.06	9.3636	1.8954
5	6.78	- 2.78	2.937	1.3323
33	26.74	6.26	39.1876	1.4655
19	18.21	0.79	0.6241	0.0342
10	17.53	-7.63	30.1309	4.4617
8	7.39	0.61	0.3721	0.0503
5	9.55	-4.55	20.7025	2.1678
13	9.54	4.21	41.7716	12.6462
5	3.25	1.75	3.0625	0.9423
5	7.22	-2.22	2.4602	1.1825
2	0.78	1.22	1.4884	1.9082
6	3.61	0.29	1.8227	3.8643
CALCULATED VALUE				$\chi^2 = 30.96$

Table 31

$$\begin{aligned} \text{Degree of Freedom } (C-1)*(R-1) &= (5-1)*(5-1) && = 16 \\ \text{Tabulated Value @ 5\% Significance and D.O.F, 16} &&& = 26.296 \end{aligned}$$

Result:

Since the tabulated value is greater than the calculated value the null hypothesis is rejected. (30.96>26.296)

Conclusion:

There is a significance difference between motivation and reasons for referring the candidates.

### 3.2.3a – CHI – SQUARE

AIM: To find the significance difference between awareness level and sources of preference in recruitment.

SOURCES AWARENESS LEVEL	EMPLOYEE REFERRAL	ADVERTISEMENT	CONSULTANCY	CAMPUS INTERVIEW	OTHERS	TOTAL
HR DEPT	24	9	3	2	1	39
COLLEAGUES	20	8	6	6	1	41
WEBSITE	6	1	1	1	0	9
INTRA-MAIL	2	3	3	3	0	11
HOARDINGS	2	2	11	7	1	23
<b>TOTAL</b>	<b>54</b>	<b>23</b>	<b>24</b>	<b>19</b>	<b>3</b>	<b>123</b>

Table 32

SETTING OF HYPOTHESIS:

H0: There is no significance difference between awareness level and sources of preferred in recruitment process.

H1: There is a significance difference between awareness level and sources of preferred in recruitment process.

CALCULATION OF EXPECTED VALUE:

EXPECTED VALUE = column total\*row total/ grand total

1.  $E=(54*39) /123 =17.12$
2.  $E=(54*41) /123 =18$
3.  $E=(54*9) /123 =3.95$
4.  $E=(54*11) /123 =4.82$
5.  $E=(54*23) /123 =10.09$
6.  $E=(23*39) /123 =7.292$
7.  $E=(23*41) /123 =7.67$
8.  $E=(23*9) /123 =1.68$
9.  $E=(23*11) /123 =2.05$
10.  $E=(23*23) /123 =4.3008$
11.  $E=(24*39) /123 =7.609$
12.  $E=(24*41) /123 =8$

- 13.  $E=(24*9) /123 =1.75$
- 14.  $E=(24*11) /123 =2.14$
- 15.  $E=(24*23) /123 =4.487$
- 16.  $E=(19*39) /123 =6.024$
- 17.  $E=(19*41) /123 =6.3$
- 18.  $E=(19*9) /123 =1.39$
- 19.  $E=(19*11) /123 =1.69$
- 20.  $E=(19*23) /123 =3.553$
- 21.  $E=(3*39) /123 =0.9512$
- 22.  $E=(3*41) /123 =1$
- 23.  $E=(3*9) /123 =0.21$
- 24.  $E=(3*11) /123 =0.26$
- 25.  $E=(3*23) /123 =0.561$

O	E	(O-E)	(O-E)^2	(O-E)^2/E
24	17.12	6.88	47.33	2.765
20	18	2	4	0.222
10	18.86	-8.09	77.6	24.04
9	7.292	1.708	2.917	0.400
8	7.67	0.33	0.1089	0.0142
9	15.65	-6.64	27.89	4.74
6	8	-2	4	0.5
15	8.37	6.62	43.71	10.12
8	12.32	-3.72	16.28	2.70
14	9.61	4.37	14.04	5.28
<b>CALCULATED VALUE</b>				$\chi^2 = 50.78$

Table 33

Degree of Freedom  $(C-1)*(R-1) = (5-1)*(5-1) = 16$   
 Tabulated Value @ 5% Significance and D.O.F, 16 = 26.296

Result:

Since the tabulated value is greater than the calculated value the null hypothesis is rejected.  
 (50.78 > 26.296)

Conclusion:

There is a significance difference between awareness level and sources of preferred in recruitment process.

3.2.3b CHI - SQUARE

AIM: To find the significance difference between effectiveness of program and satisfaction of monetary rewards.

SETTTING OF HYPOTHESIS:

H0: There is no significance difference between effectiveness of this program compared with satisfaction of monetary rewards.

H1: There is a significance difference between effectiveness of this program compared with satisfaction of monetary rewards.

FACTORS	HIGHLY SATISFIED	SATISFIED	NEITHER SATISFIED NOR DISSATISFIED	DISSATISFIED	TOTAL
HIGHLY EFFECTIVE	2	5	1	1	9
EFFECTIVE	6	42	6	1	55
AVERAGE	5	26	5	1	37
INEFFECTIVE	6	6	6	1	19
HIGHLY INEFFECTIVE	1	2	0	0	3
<b>TOTAL</b>	<b>20</b>	<b>81</b>	<b>18</b>	<b>4</b>	<b>123</b>

Table 34

## CALCULATION OF EXPECTED VALUE:

EXPECTED VALUE = column total\*row total/ grand total

1.  $E=(20*9) /123 =1.46$
2.  $E=(20*55) /123 =8.94$
3.  $E=(20*37) /123 =6.01$
4.  $E=(20*19) /123 =3.08$
5.  $E=(20*3) /123 =0.48$
6.  $E=(81*9) /123 =5.92$
7.  $E=(81*55) /123 =36.21$
8.  $E=(81*37) /123 =24.36$
9.  $E=(81*19) /123 =12.51$
10.  $E=(81*3) /123 =1.97$
11.  $E=(18*9) /123 =1.31$
12.  $E=(18*55) /123 =8.04$
13.  $E=(18*37) /123 =5.41$
14.  $E=(18*19) /123 =2.78$
15.  $E=(18*3) /123 =0.43$
16.  $E=(4*9) /123 =0.29$
17.  $E=(4*55) /123 =1.78$
18.  $E=(4*37) /123 =1.20$
19.  $E=(4*19) /123 =0.61$
20.  $E=(4*3) /123 =0.097$

O	E	(O-E)	(O-E) <sup>2</sup>	(O-E) <sup>2</sup> /E
8	10.4	-2.4	8.93	1.15
5	6.01	-1.01	1.020	0.16
6	3.56	3.44	8.79	3.32
5	5.92	-0.92	0.846	0.142
42	36.21	5.79	33.52	0.92
26	24.36	1.64	2.68	0.11
6	12.51	-6.51	42.38	3.38
9	11.32	-2.32	0.09	0.07
6	8.04	-2.04	4.16	0.517
5	5.41	-0.41	0.168	0.031
10	7.18	2.82	11.83	6.56
<b>CALCULATED VALUE</b>				$\chi^2 = 16.36845$

Table 35

$$\begin{aligned} \text{Degree of Freedom } (C-1)*(R-1) &= (4-1)*(5-1) && = 12 \\ \text{Tabulated Value @ 5\% Significance and D.O.F, 12} &&& = 21.026 \end{aligned}$$

Result:

Since the tabulated value is less than the calculated value the null hypothesis is accepted.

(16.3685&lt;21.026)

Conclusion:

There is no significance difference between effectiveness of this program compared with satisfaction of monetary rewards.

3.2.3c CHI – SQUARE

AIM: To find the significance difference between experience factors compared with satisfaction of the job.

SETTING OF HYPOTHESIS:

H0: There is no significance difference between experience factors compared with satisfaction of the job.

H1: There is a significance difference between experience factors compared with satisfaction of the job.

SATISFACTION LEVEL	HIGHLY SATISFIED	SATISFIED	NEITHER SATISFIED NOR DISSATISFIED	DISSATISFIED	TOTAL
EXPERIENCE					
HIGHLY EFFECTIVE	15	36	4	1	56
EFFECTIVE	5	28	6	1	40
AVERAGE	1	6	2	0	9
INEFFECTIVE	1	4	1	0	6
HIGHLY INEFFECTIVE	1	10	1	0	12
TOTAL	23	85	13	2	123

Table 36

## CALCULATION OF EXPECTED VALUE:

EXPECTED VALUE = column total\*row total/ grand total

1.  $E=(23*56)/123=10.47$
2.  $E=(23*40)/123=7.47$
3.  $E=(23*9)/123=1.68$
4.  $E=(23*6)/123=1.12$
5.  $E=(23*12)/123=2.24$
6.  $E=(85*56)/185=38.64$
7.  $E=(85*40)/185=27.64$
8.  $E=(85*9)/185=6.21$
9.  $E=(85*6)/185=4.14$
10.  $E=(85*12)/185=8.29$
11.  $E=(13*56)/113=5.91$
12.  $E=(13*40)/113=4.22$
13.  $E=(13*9)/113=0.95$
14.  $E=(13*6)/113=0.063$
15.  $E=(13*12)/113=1.268$
16.  $E=(2*56)/12=0.910$
17.  $E=(2*40)/12=0.650$
18.  $E=(2*9)/12=0.146$
19.  $E=(2*6)/12=0.097$
20.  $E=(2*12)/12=0.195$

O	E	(O-E)	(O-E) <sup>2</sup>	(O-E) <sup>2</sup> /E
15	10.47	4.53	20.52	1.95
5	7.47	-2.47	6.1	0.81
1	1.68	-0.68	0.46	0.27
1	1.12	-0.12	0.014	0.0125
1	2.24	-1.24	1.537	0.686
36	38.69	-2.69	7.23	0.186
28	27.64	0.36	0.12	0.004
6	6.21	-0.21	0.044	0.0070
4	4.14	-0.14	0.0196	0.0045
10	8.29	1.71	2.92	0.352
4	5.91	-1.91	3.64	0.615
6	4.22	1.78	3.16	0.748
2	0.95	1.05	1.102	1.16
1	0.063	0.937	0.877	13.92
1	1.26	-0.26	0.067	0.053
1	0.91	0.09	0.008	0.008
1	0.65	0.35	0.122	0.18
0	0.14	-0.14	0.019	0.13
0	0.09	-0.09	0.0081	0.09
0	0.19	-0.19	0.0361	0.19
CALCULATED VALUE				$\chi^2 = 21.376$

Table 37



$$\begin{aligned} \text{Degree of Freedom } (C-1)*(R-1) &= (4-1)*(5-1) && = 12 \\ \text{Tabulated Value @ 5\% Significance and D.O.F, 12} &&& = 21.026 \end{aligned}$$

Result:

Since the calculated value is greater than the tabulated value the null hypothesis is rejected. (21.376 < 21.026)

Conclusion:

There is a significance difference between experience factors compared with satisfaction of the job.

3.2.4 Two Way Anova

H<sub>0</sub> = Φ1 = Φ2 (there is no difference between designation and the educational Qualification)

H<sub>1</sub> = Φ1 ≠ Φ2 (there is a difference between designation and the educational Qualification)

Designation /Qualification	UG y <sub>1</sub>	PG y <sub>2</sub>	Professional y <sub>3</sub>	Diploma y <sub>4</sub>	Total
TSO	38	28	5	1	72
CSE	7	13	8	0	28
TL	3	4	0	1	8
Others	2	2	11	0	15
<b>Total</b>	<b>50</b>	<b>47</b>	<b>24</b>	<b>2</b>	<b>123</b>

χ <sub>1</sub>	χ <sub>2</sub>	χ <sub>3</sub>	χ <sub>4</sub>	Y <sub>1</sub>	Y <sub>2</sub>	Y <sub>3</sub>	Y <sub>4</sub>
1444	49	9	4	1444	784	25	1
784	169	16	4	49	169	64	0
25	64	0	121	9	16	0	1
1	0	1	0	4	4	121	0
<b>2254</b>	<b>282</b>	<b>26</b>	<b>129</b>	<b>1506</b>	<b>973</b>	<b>210</b>	<b>2</b>

Table 38

Step 1: Grand Total

$$CF = \frac{T^2}{N} = \frac{123^2}{16} = 945.56$$

Step 2: Total Sum of Squares

$$\begin{aligned} \sum y_1^2 + \sum y_2^2 + \sum y_3^2 + \sum y_4^2 + - CF \\ 1506+973+210+2-945.56 \\ 2691-945.56 \\ 1745.44 \end{aligned}$$

Step 3: Sum of Squares between Columns

$$\begin{aligned} \left(\frac{\sum y_1}{n_1}\right)^2 + \left(\frac{\sum y_2}{n_2}\right)^2 + \left(\frac{\sum y_3}{n_3}\right)^2 + \left(\frac{\sum y_4}{n_4}\right)^2 + \left(\frac{\sum y_5}{n_5}\right)^2 - CF \\ \frac{(50)^2}{4} + \frac{(47)^2}{4} + \frac{(24)^2}{4} + \frac{(2)^2}{4} - CF \\ 625+552.25+144+1-945.56 \\ 1322.25-945.56 \\ 376.69 \end{aligned}$$

Step 4: Sum of Squares between Rows

$$\begin{aligned} \left(\frac{\sum \chi_1}{k_1}\right)^2 + \left(\frac{\sum \chi_2}{k_2}\right)^2 + \left(\frac{\sum \chi_3}{k_3}\right)^2 + \left(\frac{\sum \chi_4}{k_4}\right)^2 + \left(\frac{\sum \chi_5}{k_5}\right)^2 - CF \\ \frac{(72)^2}{4} + \frac{(28)^2}{4} + \frac{(8)^2}{4} + \frac{(15)^2}{4} - 945.56 \\ 1296+196+16+56.25-945.56 \\ 1564.25 - 945.56 \\ 618.69 \end{aligned}$$

Step 5: SSE

$$\begin{aligned} TSS - SSC - SSR \\ 1745.44 - 618.69 - 376.69 = 750.06 \end{aligned}$$

ANOVA TABLE

Sources of Variation	SS	df	MSS	Statistic
SSC (b/w Col's)	376.69	(4-1) = 3	125.23	376.69/83.34 = <b>1.50</b> (F <sub>1</sub> )
SSR (b/w Row's)	618.69	(4-1) = 3	206.23	206.23/83.34 = <b>2.47</b> (F <sub>2</sub> )
Error's	750.06	(4-1) (4-1) = 9	83.34	

$F_{0.05}$  with (3,9) df = 3.86

$F_{1 \text{ Cal}} = 1.50$ ,

$CV < TV$ ,  $1.50 < 3.86$ , we accept  $h_0$

$F_{2 \text{ Cal}} = 2.47$ ,

$CV < TV$ ,  $2.47 < 3.86$ , we accept  $h_0$

Conclusion:

There is no significant difference between designation and educational qualification.

### 3.2.5. Interval Estimation Test

Are you referred by someone?

Given

p = States the number of Yes

q = States the number of No

n = No. of respondents

$p \pm Z_{\alpha/2} \delta p$ ,  $p - Z_{\alpha/2} \delta p$

Yes = 62

No = 61

$p = \frac{62}{123} = 0.504$

$q = \frac{61}{123} = 0.496$

n = 123

$\delta p = \sqrt{pq/n}$

$= \sqrt{(0.504 * 0.496)/123}$

= 0.451

Hence 5% level of significance,  $p \pm Z_{\alpha/2} \delta p$

$0.504 + 1.96(0.451) = 0.592$

Upper confidence limit

$p - Z_{\alpha/2} \delta p$

$0.504 - 1.96(0.451) = 0.415$

Lower confidence limit

$0.415 < 0.504 < 0.592$

Conclusion:

Thus we estimate from our sample of 123 employees that with 95% of confidence we believe that the proportion of the total population of the who are referred by someone lies between 0.415 and 0.592

### 3.2.5a Interval Estimation Test

Have you referred any employee to join HCL?

Given

p = States the number of Yes

q = States the number of No

n = No. of respondents

$p \pm Z_{\alpha/2} \delta p$ ,  $p - Z_{\alpha/2} \delta p$

Yes = 83

No = 40

$p = \frac{83}{123} = 0.674$

$q = \frac{40}{123} = 0.325$

n = 123

$\delta p = \sqrt{pq/n}$

$$= \sqrt{(0.674 * 0.325)/123}$$

$$= 0.042$$

Hence 5% level of significance,  $p \pm Z_{\alpha/2} \delta p$

$$0.674 + 1.96(0.042) = 0.756$$

Upper confidence limit

$$p - Z_{\alpha/2} \delta p$$

$$0.674 - 1.96(0.042) = 0.591$$

Lower confidence limit

$$0.591 < 0.674 < 0.756$$

Conclusion:

Thus we estimate from our sample of 123 employees that with 95% of Confidence, we believe that the proportion of the total population have referred to join in HCL lies between 0.591 and 0.756

### 3.2.5b Interval Estimation Test

Have you rewarded for performance?

Given

p = States the number of Yes

q = States the number of No

n = No. of respondents

$p \pm Z_{\alpha/2} \delta p$ ,  $p - Z_{\alpha/2} \delta p$

Yes = 81

No = 42

$$p = \frac{81}{123} = 0.658$$

$$q = \frac{42}{123} = 0.341$$

n = 123

$\delta p = \sqrt{pq/n}$

$$= \sqrt{(0.658 * 0.341)/123}$$

$$= 0.0427$$

Hence 5% level of significance,  $p \pm Z_{\alpha/2} \delta p$

$$0.658 + 1.96(0.0427) = 0.741$$

Upper confidence limit

$$p - Z_{\alpha/2} \delta p$$

$$0.658 - 1.96(0.0427) = 0.574$$

Lower confidence limit

$$0.574 < 0.658 < 0.741$$

Conclusion

Thus we estimate from our sample of 123 employees that with 95% of confidence, we believe that the proportion of the total population have rewarded for their performance lies between 0.574 and 0.741

## **4. Chapter - IV**

### *4.1. General Findings*

- 98% of respondents said they know about Employee Referral Program
- 33% of respondents were known by colleagues, 32% of respondents were known by HR, 19% of respondents were known by hoardings, 9% of respondents were known by Intra-mail and 7% of respondents were known by website
- 95% of respondents are aware of mentioning the name and Id at the time of referrals, 5% of respondents are not aware of mentioning the name and Id at the time of referrals.
- 53% of respondents are not aware about education qualification for candidate referrals and 47% of respondents are aware about minimum education qualification for candidate referrals.
- 44% of respondents prefer employee referral, 20% of respondents prefers consultancy, 19% of respondents prefer advertisement, 15% of respondents prefers campus interview and 2% of respondents prefers others.
- 69% of respondents were satisfied with the job, 19% of respondents were highly satisfied with the job, 11% of respondents were neither satisfied nor dissatisfied with the job and 1% of respondents were dissatisfied with job.
- 45% of respondents mentioned GD, 42% of respondents mentioned Voice, 6% mentioned technical, 4% mentioned HR interview and 3% mentioned written test.

- 81% of respondents were given the recruitment process was highly confidential,
- 19 % of respondents were given the recruitment process was transparency
- 87% of respondents were satisfied the employee referral program, 13 % respondents were not satisfied the employee referral program in HCL.
- 66% of respondents were rewarded for their performance, 34% of respondents were not rewarded for their performance.
- 54% of respondents were rewarded by increasing their salary, 25% of respondents were rewarded by upgrading their position, 12% of respondents were rewarded by their fringe benefits and 9% of respondents rewarded by others.
- 57% of respondents were given effective, 20% were given neither effective nor ineffective, 15% of respondents were given highly effective in motivation level, 5% of the respondents were given ineffective and 3 % were given highly ineffective.
- 38% of respondents were motivated because of Referral Bonus, 26% of respondents were motivated because of working environment, 11% of respondents were motivated because of the recognition, 13% of respondents were motivated in Job satisfaction and 12% of respondents were motivated in employment benefits.
- 66% of respondents are satisfied, 16% of respondents are highly satisfied with the monetary reward, 15% are neither satisfied nor dissatisfied with the monetary reward, 3% of the respondents are dissatisfied.
- 48% of respondents agree ,22% of respondents strongly agree that the preference are given for employee referrals in recruitment, 8%neither agree nor disagree and 1% of the respondents highly disagree.
- 53% of respondents were not given any drawbacks and 47% of respondents were given drawbacks in employee referral program.
- 57% of respondents said there is delay in payment, 34% of respondents said we are not getting bonus as per installment, 9% of respondents said the reward is not sufficient.
- 59% of respondents were accepted about the company given information of referred candidate status, 41% of respondents were not accepted with above statement.

#### 4.2. Statistical Findings:

##### 4.2.1. Rank Correlation

- Advertisement and Campus interview - Calculated value is less than table value  $0.72 < 0.90$ , we accept  $H_0$  and conclude that there is no correlation between advertisement and campus interview.
- Jobsite and Employee referral – Calculated value is less than table value  $0.66 < 0.90$ , we accept  $H_0$  and conclude that there is no correlation between jobsite and employee referral.
- Consultancy and Advertisement - Calculated value is less than table value  $0.94 > 0.90$ , we reject  $H_0$  and conclude that there is correlation between consultancy and advertisement

##### 4.2.2. K-S Test

- Calculated value is less than table value i.e.  $0.01 < 0.123$ , accept  $H_0$ .  
There is significance difference between screening process and the preference given for employee referral in recruitment process.

##### 4.2.3. Chi-Square

- Calculated value is greater than table value  $30.96 > 26.296$ , we reject  $H_0$ .  
There is a significance difference between motivation levels and reasons for referring the candidates.
- Calculated value is greater than table value  $50.78 > 26.296$ , we reject  $H_0$ .  
There is a significance difference between awareness level and sources of preferred in recruitment process.
- Calculated value is lesser than table value  $16.3685 < 21.026$ , we accept  $H_0$ .  
There is no significance difference – between effectiveness of this program compared with satisfaction of monetary rewards.

##### 4.2.4. ANOVA Test

- $F_{1 \text{ Cal}} = 1.50$ ,  $CV < TV$ ,  $1.50 < 3.86$ , we accept  $H_0$ ,  $F_{2 \text{ Cal}} = 2.47$ ,  
 $CV < TV$ ,  $2.47 < 3.86$ , we accept  $H_0$ .  
There is no significant difference between designation and educational qualification.

##### 4.2.5. INTERVAL ESTIMATION

- $0.415 < 0.504 < 0.592$ .  
We estimate from our sample of 123 employees that with 95% of confidence, we believe that the proportion of the total population of the who are referred by someone lies between 0.415 and 0.592
- $0.591 < 0.674 < 0.756$   
We estimate from our sample of 123 employees that with 95% of confidence, we believe that the proportion of the total population have referred to join in HCL lies between 0.591 and 0.756
- $0.574 < 0.658 < 0.741$

We estimate from our sample of 123 employees that with 95% of confidence, we believe that the proportion of the total population have rewarded for their performance lies between 0.574 and 0.741

#### 4.3 Suggestions and Recommendations

- Advertisements of the employee referral program should be displayed to all the departments.
- Vacancy details should be communicated to all employees.
- To encourage the employees, referral bonus can be increased.
- Awareness to the employees about which position he/she is offered.
- Referral bonus should not be delayed at any cost.
- Communicate to the employees about the selected candidates who referred by them.
- Employees hesitate to refer the candidates due to improper recognition of the referral.
- Motivate the employees by presenting award/reward for the best performance.
- Making the Employee Referral Program a fundamental aspect of the company culture.
- Constant communication about the program and the openings to all levels of the organization.
- A focused effort to speed referrals – over normal applicants – through the screening process.
- An effort to educate team members about the attributes of the company as well as to offer advice on how they can convince their friends to apply.
- Prioritize your jobs – the best programs do not cover all jobs and instead prioritize and focus on high-impact and hard-to-fill jobs. Don't waste employee time and burden your program's administration with "junk referrals" and referrals for jobs that can be adequately filled through normal sources. Referral programs that focus their resources on attracting top talent, game changers, and innovators produce the highest ROI.
- Educate employees as to how/where to find prospects – most employees simply don't know where to look for referral prospects and how to convince them to accept becoming a referral. Start by asking your most effective referring employees what works and what doesn't work. Then educate your employees by providing them with a simple toolkit that directs them toward the best approaches and helps them to avoid learning by trial and error.
- Provide a story inventory – the most powerful tool for selling referral prospects are authentic compelling stories about the firm. The first step is to develop an electronic story inventory so that employees can easily access your compelling stories. You should also develop a process that allows employees to contribute new stories by creating a "spread-the-love" website or wiki. The goal is to provide employees with access to an abundant number of stories, best practices, and examples for use in selling prospects.
- Proactively approaching target employees – most referral programs communicate using a broad impersonal approach; a superior proactive approach involves recruiters seeking out individual employees who have a high likelihood of making a quality referral for a specific job. Employees and managers are proactively approached on a one-to-one basis (and often in person) and are asked to provide the names of a handful of individuals who fit a targeted set of criteria. Because the approach is personal and targeted, the response rate and referral quality are significantly higher. Incidentally, top-performing employees submit the highest-quality referrals. When top performers and executives are proactively approached, frequently they are willing only to provide names, with no follow up or resume. Accept these referrals and use Linked In to see if they qualify.
- "Do it for the team" should be the primary motivator – instill in your employees that the primary reason that they should refer people is because the team wins when it has the best players. It is a superior motivator over monetary rewards, because it turns referrals into an opportunity to provide their teammates and themselves with the very best coworkers. The key is to convince every employee it is part of their responsibility to the firm and their team to be a 24/7 talent scout. By emphasizing the superior capability of employees to make contacts, to build relationships, and to assess potential candidates, you can educate your employees about the critical role that only they can play in filling the team with top performers and innovators.
- Provide referral cards – providing you're most visible employees with a paper or electronic referral card can be powerful. The card should praise the type of person receiving the card and note that you have determined that they would be an exceptional fit at your firm. Electronic referral cards can include a tracking code to ensure that the employee gets credit for the referral. Encouraging your employees to wear "ask me about xyz" buttons at major industry events can also be effective in starting conversations and for beginning referral relationships.
- Boomerang referrals – some of the highest-quality referrals are former employees (boomerangs). In order to capture them, you must maintain a continuous relationship with these high-quality former employees (corporate alumni) in the hopes of someday rehiring them through an employee referral. Top corporate alumni themselves can also be asked to provide referrals.
- Send your job openings only to a targeted pool of likely connected referrers – do not "spam" all employees with referral requests for all job openings. Instead, develop a targeted pool of referrers (a top referral database) that can be proactively searched in order to identify and approach the small number of individual employees who have a high likelihood of knowing individuals with the required skills and experience for any particular job. This group of employees should include the externally "well-connected" and "super-knower" who know about the established relationships that your employees have.
- Expand eligibility to include managers and non-employees – managers should also be included in the referral eligibility list. Non-employees who know your firm well are often willing to provide referrals. Consider including corporate alumni,

retirees, vendors, spouses, references, strategic partners, and even customers. Work with finance to find the easiest administrative ways to reward non-employees. This approach is even more impact at smaller firms, where the employee population simply isn't large enough to generate enough referrals.

- Rapid response to a referral is critical – a lack of responsiveness to employee referrals is the No. 1 program killer. The best programs set a target of getting feedback to the referrer and the referred individual within 48-72 hours of submission. Continuous and honest feedback is also essential if you don't want to discourage future referrals.

#### 4.3.1. Also Avoid Referral Program Killers

If you expect great results, in addition to providing some of the above advanced features and best practices, you must consciously avoid the following 14 “referral program killers” that can instantly damage your results.

- A program that is slow to respond to referrals and questions
- Failing to periodically re-energize the program's marketing every 18 months
- Delaying the reward/bonus payment for three to six months
- Referral spamming of employees with too many messages
- Not ATS tagging of referral applications, so that you can track program effectiveness and the quality of hire that it produces
- Paying equal rewards for all jobs
- No feedback to individual employees on their weak or bad referrals
- Individual recruiters are allowed to “ignore” referrals
- Not tracking referral rates by manager so that you know the weak spots
- Too many rules and restrictions that make the process of submitting a referral time-consuming
- Not weighting individual employee referrals based on their past success record
- When referral applications are not given priority treatment in the recruiting process
- Not preventing frequent referral program manager turnover
- Not tying together the referral program with employer branding and social media recruiting

#### *4.4. Conclusion*

An effective employee referral program should be an integral part of any employee recruiting process. There are many recruiting sources that can be used for your employee recruiting and it is not necessary to limit activities to any single source. Referrals from existing employees have been shown to be some of the best employees. Study after study has shown that employees referred by existing employees perform better and last longer on average.

There are many benefits from a well designed and implemented employee referral program in addition to getting better employees. The first area of improvement is a significantly reduced cost per hire for brings on new employees. Employee recruiting is expensive. Running ads, posting on-line and using headhunters all cost money. In many cases multiple sources will be used to build a candidate pool and the costs add up. But giving existing employees a referral bonus can be much more cost effective. There is only one payment. Calculate an amount that is both attractive to your employees and cost effective for the business. A good recommendation is 20-25% of the normal cost per hire number.

The second benefit of a good program is the program can be a significant morale booster for existing employees. They are much happier when the money spent on recruiting “stays in the family” instead of being spent on outside sources. Existing employees appreciate the opportunity to make more money while helping the company at the same time. Everyone benefits from a well-run employee referral program.

To ensure a successful employee referral program, it has to be designed and implemented well. It is important to suitably award those employees who are bringing suitable candidates to the organization. The most effective employee referral programs foster employee awareness and involvement in the hiring process. To overall, the success of the employee referral program is effective. Nevertheless, the employee referral program is effective further to strengthen the said suggestions and recommendations should be implemented.

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**QUESTIONNAIRE**

I **SUJITHRA.J**, M.Phil scholar, **PRIST UNIVERSITY**, as a part of my curriculum, I a doing a dissertation in “Employee Referral Program”, I would be grateful if you could spare a few minutes to answer the following questions. The information given will be used for academic purpose only and kept confidential.

**A. Personal Details**

- (I) Name :
- (ii) Employee ID :
- (iii) Age (in years)  
a. below 20  b. 21-30  c.31-40  d. above 40
- (iv) Designation :
- (v) Educational qualification  
a. UG  b. PG  c. Professional  d. Diploma
- (vi) Experience in HCL  
a. 0 - 6 months  b. 6-12 months  c. 12-18 months   
d.18-24 months  e. above 24

**b. Referral factors**

- Are you aware of the employee referral program in HCL?  
a. Yes  b. No
- How do you know about Employee Referral Program in HCL?  
a. HR Dept  b. Colleagues  c. Website  d. Intra mail   
e. Hoardings  f. Others (please specify)\_\_\_\_\_
- Are you aware that your name and ID should be mentioned at the time of referral?  
a. Yes  b. No
- What is the minimum qualification for candidate referral?  
a. 10+3 Education  b. 10+2+3 Education
- Which of the following is most preferred in HCL recruitment process?  
a. Employee Referral  b. Advertisement (Paper, Mail or Job-fair)   
c. Consultancy  d. Campus Interview   
e. Others (Please specify) -----
- Are you referred by someone?  
a. Yes  b. No   
If yes, your satisfaction level with the organization?  
(i) Highly Satisfied   
(ii) Satisfied   
(iii) Neither satisfied nor dissatisfied   
(iv) Dissatisfied   
(v) Highly dissatisfied
- Have you referred any candidate to join in HCL?  
a. Yes  b. No   
If yes, How many candidates  
1  2  3  4  5
- Are you satisfied with your current job?  
a. Highly Satisfied   
b. Satisfied   
c. Neither satisfied nor dissatisfied   
d. Dissatisfied   
e. Highly dissatisfied
- Are you rewarded for your performance?  
a. Yes  b. No   
If yes, how were you rewarded?  
(i) Salary Hike   
(ii) Promotion   
(iii) Fringe Benefits   
(iv) Any other (Please specify) -----

- 10. Rank the recruitment process through which the candidates are recruited.(1,2,3,4,5)
  - a. Advertisement
  - b. Campus Interview
  - c. Jobsite
  - d. Employee Referral
  - e. Consultancy
- 11. Your satisfaction level with regard to recruitment process
  - a. Highly Satisfied
  - b. Satisfied
  - c. Neither satisfied nor dissatisfied
  - d. Dissatisfied
  - e. Highly dissatisfied
- 12. Mention the critical round where most of the candidates are screened out?
  - a. Group Discussion
  - b. Voice (one to one round)
  - c. Written test
  - d. Technical skills
  - e. HR interview
- 13. The standard maintained for the recruitment process is
  - a. Highly Confidential  b. Transparency
- 14. Are you satisfied with Employee Referral Program?
  - a. Yes  b. No
- 15. Indicate your ratings in the rating scale pattern regarding the effectiveness of employee referral ... (5 being the highest and 1 being the least)

1	2	3	4	5
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- 16. How effective the Employee Referral Program motivate you in your organization?
  - a. Highly Effective
  - b. Effective
  - c. Average
  - d. Ineffective
  - e. Highly Ineffective
- 17. Why do you refer the candidates? (state the reason)
  - a. Referral Bonus
  - b. Working Environment
  - c. Employment Benefits
  - d. Job satisfaction
  - e. Recognition
  - f. Others (Please specify) -----
- 18. Does your company intimate about vacancy details?
  - a. Yes  b. No
- 19. Company is giving preference for Employee Referrals in recruitment process, do you agree?
  - a. Strongly Agree
  - b. Agree
  - c. Neither Agree nor Disagree
  - d. Disagree
  - e. Strongly disagree
- 20. Does the company provide any benefits to you for the employee referrals?
  - a. Yes  b. No
  - If yes, specify those benefits .....
- 21. Are you satisfied with monetary rewards for referral?
  - a. Highly Satisfied
  - b. Satisfied
  - c. Neither satisfied nor dissatisfied
  - d. Dissatisfied
  - e. Highly dissatisfied
- 22. Is there any drawback in Employee Referral Program?
  - a. Yes  b. No

If yes, what are they?

(i) Delay in payments

(ii) Not getting bonus as per norms

(iii) Not satisfied with referral bonus

(iv) Any other (Please specify) -----

23. Does your company inform you about the referred candidate's status?

a. Yes  b. No

24. Are you aware for which position, employee referral benefit is offered for?

a. Yes  b. No

25. Give your Valuable suggestion for further improvement of employee referral program .....