# NEW METHODOLOGY TO IMPROVE MANAGER RECRUITMENT PROCESS USING AHP

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#### **ABSTRACT**

Executive recruitment process is a complex and mostly subjective and has to take into account both the employer (different stakeholders) and candidates that eventually may become employees. This process can be supported by an executive recruitment firm and/or its HR consultants. Consultants in those executive recruiting firms have experience that help clients to assess and prioritize their needs in terms of an ideal profile which will be used as a target or benchmark when search process begin in the actual job.

Final decision on a executive recruitment process must be done on time and opportunely by the client with the support in most of the cases of the consultant.

During searching, evaluation, and selection process, executive recruitment consultants have to be aware of both candidates' needs and expectations and his/her client criteria and priorities to be able to include in the process the best candidates for the vacant position. Most of this selection is presently done using experts experience and knowledge.

In this paper, a new methodology based on the use of AHP is presented, preserving present process and taking advantage of clients knowledge of his/her needs and consultant experience in searching, selecting and presenting candidates to the clients.

Keywords: Manager Recruitment, AHP, HR consultant

#### 1. Introduction

Company's performance and results around the world depend on their human resources rather than trade mark, size and external factors and HR selection and recruitment is a key process that can be supported by experts on the field known. Choosing right personnel could the key to success.

Companies in Venezuela hire the services from an executive recruitment firm (henceforth, firm) when the position to be filled is either crucial for the process and/or highly confidential. These firms vary from international well known to small local companies. Executive search, selection and recruitment are part of a complex process surrounded by subjectivity (instincts) that can be better managed with experience. Each recruitment process represents a challenge for both the client itself and the consultant since selection criteria have to be met and those criteria are most of the time in conflict. Currently in Venezuela tuning of criteria and their weight is done by instinct and consultant's experience by knowing the client, the market or both but sometimes disagreement is due to the definition of hiring criteria and specially, priorities'. Experience is normally found in consultants for big firms as well as a normally rather big database with candidates and contacts.

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This investigation proposes the application of Analytic Hierarchy Process (henceforth, AHP) to improve and add objectivity to a process that is normally subjective in order to improve performance and avoid repetition and misleading. AHP will be proposed to be used for more than one step in the process of management recruitment to help both client and consultant optimize classification of candidates according to criteria and weights and selection. Efficiency must not be affected by including AHP.

# 2. Current Management Recruitment process in Venezuela

Current process in Venezuela for a well known recruitment firm is defined by firm's procedures, tools and experiences of its consultants. The recruitment process involves a consultant experience, market information, a large database with candidates and the client's trust in the firm and the desire to participate in the process. Trust in the firm and its consultants can be achieved either by previous experiences, else by hiring a well-known firm.

Figure 1 represents the current executive recruitment process followed by recruitment firms in Venezuela. In 17 steps a candidate should fulfill requirements for a position in a company that hire the services of an executive recruitment firm.

Steps 1 to 3 leads to define client's expectations for a new employee for his/her company and the feasibility to those expectations that includes among others: background, experience, maximum salary and benefits, position location, languages, minimum level of education. The client gives weight to the list of criteria that is populated with consultant's support. The firm must define at this first steps if candidates will be found to the proposed position that will fulfill criteria and weights (feasibility). If weights, criteria are not feasible, a review is done or the contract is not sign and the firm withdraws the search.

Weights are the intuitive importance a client assigns to each criterion, by expressions like "it is mandatory the candidate speaks English" or "A good level of English is desirable". In these two examples English/language will have a different weight.

A client is either a big enterprise represented by one of the top managers or a smaller company represented by stakeholders. Clients are normally of different categories with different expectations for the process, are previously known or new for the firm.

Once feasibility is reached, in steps 4 and 5, consultant investigates firm's database and market (similar companies with similar processes) to populate a list of available candidates (long list). During step 6, consultant interviews and updates information on preselected candidates in the long list. Long list can be used to evaluate the market and either review criteria and their weight or reinforce them. This list is presented and reviewed with the client.

In step 7, consultant populates short list with the best three candidates and prepares a report for each candidate and the evaluation and impressions of the candidates based on requirements (established criteria and weight). Client evaluates information and decides if more candidates are needed. Once client is satisfied, client interviews candidates one by one and gives consultant feedback. Once client finishes interviewing all candidates, those candidates who do not fulfill client's requirements are dropped out the list. Then, in step 11, consultant crosschecks candidates' references against criteria and importance. Once this is done, consultant reports client and client selects best candidate for the position. At this point candidate gets job position information, salary, benefits and decides whether accepts or not.

Once the placement has been completed, consultant updates placement information in database and informs firm's staff. Candidate follow-up starts as soon candidates start working.

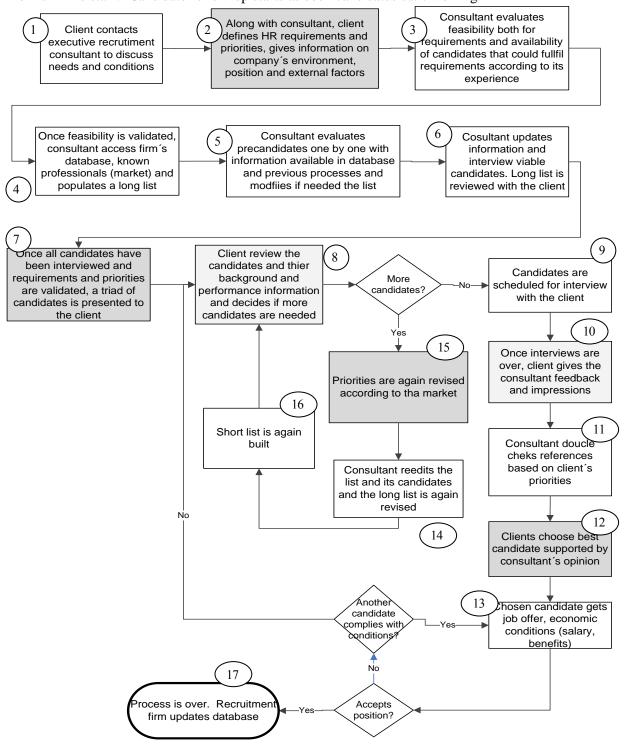


Figure 1. Current manager recruitment process for HR Firms in Venezuela

## 3. AHP in HR recruitment

Fuzzy AHP has been used by Güngör et all (2009) to compare results against Yager.

Some articles have been written and specific market like the solution proposed for a petroleum industry by Mohanty and Deshmukh (1997).

# 4. Use of AHP in current executive recruitment process

Executive recruitment process as done in Venezuela is surrounded by subjectivity, managed with consultant's experience, known of the market and client or similar clients and intuition. And decisions have to be made based on these subjectivities, client's and consultant's.

Executive recruitment process is systematic as a whole but some parts are done by intuition and during those steps, AHP can be used to give rationality to the process allowing efficiency in time and effort both to the client and consultant. Most importantly, as a tool for consultants, including AHP in the process of defining criteria and weighting them will help consultant rationalize client's expectations using a systemized well-known, well-supported technique.

Thomas Saaty (1985) proposes that "The Analytic Hierarchy Process is a systematic procedure for representing the elements of any problem, hierarchically". Criteria and weights currently used to evaluate if a candidate is good enough to occupy a position in a given company are given currently as adjectives enclosing of experience, feelings and inclinations.

Including AHP to give a numerical weight to the criteria can then easily be used to select or reject candidates along the process and will help client understand his/her needs.

Firms have a list of criteria and each client decides either if a criteria applies or not to job position, company's characteristics and current conditions and external influences both on the company and the position.

Step 2 can be completed using an AHP model and advantages to calculate criteria and weights using the hierarchically structure shown in Figure 2.

In step 7, consultant will populate short list using AHP model. Criteria and judgments can be review and recalculated in step 15 using AHP model.

In steps 8 and 10 AHP Ratings can be used to reject least important candidates, understanding that Ratings is an absolute comparison of candidates against final objective, using a very easy to use and fast procedure to evaluate candidates.

In step 12, client will choose the best candidate using complete model, including results of interview, impressions, and initial criteria. Best candidate will have higher priority.

Criteria are first proposed by client and consultant needs to interpret client's feelings. The following is a list of criteria:

- a) Studies (academic including certifications)
- b) Professional Skills (technical)
- c) Job experience

- d) Personal skills or characteristics (languages among others)
- e) Others (travel availability)

The given criteria can be and frequently is divided into sub-criteria.

Once in step 2 criteria are defined, weight can be calculated by interacting with client for preference using a questionnaire like the following. Client could decide who can participate in the process.

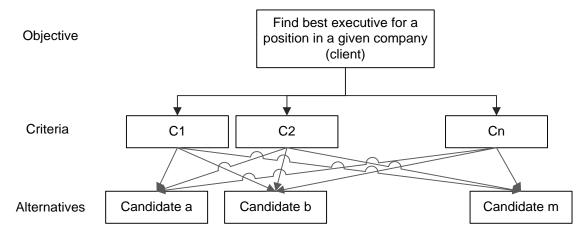


Figure 2.General AHP model for a recruitment process

Paired comparisons have to be done until all criteria have been compared to each other. Comparisons identify preference and judgment and judgment will finally convey into weights. At step 2, the model will be completed until criteria. At step 12, candidates must be included and weights can be recalculated by including interview performance, either as a new criterion or embedded in existing ones.

Executive recruitment process for a firm has the particularity that is different each time, each client and for different process for same client. So, building the decision model will be mandatory each time, but, since the rest of the process is well documented and supported by systematization, no extra working is necessary.

#### 5. Conclusions

The proposed changes in methodology will affect directly consultants of executive recruitment firms in Venezuela and their clients.

AHP will give structure to part of the recruitment process that is vital and it is now done intuitively. AHP has strength in those areas where recruitment process can be improved.

Paired comparison will allow client and consultant give their judgment easily and fast for an AHP model that is rather simple.

Complications in implementation will be related to the need to build a new model every time. However, models are simple and easy to understand and consultants have the experience needed to do it.

Next step will be to implement these changes in a recruitment process.

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