

A Study on Calculating Risk during the Hiring Process

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Abstract: *The purpose of this article is to outline the foundational principles of a risk model concerning worker recruitment. The recruitment process has a profound impact on the selection of employees whose contributions directly influence a company's competitive advantages. The hiring of unsuitable candidates can significantly affect an organization's outcomes. This risk is particularly pertinent when sourcing workers from the external labour market but can also extend to internal recruitment. Thus, it becomes imperative to identify the determinants of recruitment risk and categorize their significance within these processes. The development of this model encompasses both theoretical and intuitive aspects, with the paper delving into the identification of model dependencies and their characteristics. Our endeavor is to evaluate the practical applicability of this risk model in the realm of economics. The analyses and findings presented herein aim to elucidate the model's capacity to elucidate the connections between factors that influence the worker recruitment process and the associated risk (the possibility of hiring unsuitable candidates who do not meet the employer's expectations). Recognizing the determinants of the worker recruitment process should facilitate the mitigation of the risk associated with hiring unsuitable candidates and contribute to a reduction in unfavorable recruitment outcomes. The distinctive value of this publication lies in its comprehensive identification of the determinants of recruitment process risk and their formulation in a model format.*

Keywords: Recruitment, Hiring, Selection, Worker, Risk