

A STUDY ON OPTIMIZING HR RECRUITMENT PROCESSES FOR CONTRACT-TO-HIRE ROLES AT CAREERNET TECHNOLOGIES IN CHENNAI

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Abstract: In today's dynamic workforce landscape, contract-to-hire roles have become an increasingly popular hiring strategy for organizations seeking flexibility and risk mitigation in talent acquisition. This project focuses on optimizing Human Resources (HR) recruitment processes specifically tailored to contract-to-hire positions. These roles provide a trial period for both employers and employees, making efficient and accurate recruitment processes critical to success. The study aims to identify common challenges faced in hiring for contract-to-hire roles, such as prolonged hiring timelines, poor candidate-job matching, and inadequate onboarding practices. The research also investigates best practices in candidate sourcing, screening, engagement, and conversion to full-time status. Data is gathered through literature reviews, industry reports, and interviews with HR professionals. Addressing budget constraints and managing candidate expectations are key to successful hiring. A strong employer brand, effective onboarding, and structured C2H processes can significantly boost conversion and retention rates.

Keywords: Contract-to-Hire (C2H), Talent Acquisition, Candidate Screening, Employer Branding, Job Matching, Hiring Challenges, Retention

I. INTRODUCTION

Contract-to-hire roles have become a strategic hiring approach for organizations seeking flexibility and reduced long-term risk. This model allows employers to assess candidates' performance and cultural fit before offering permanent positions. However, traditional recruitment methods often fall short in addressing the unique challenges of this hiring process, such as time constraints, candidate alignment, and conversion efficiency. This study focuses on optimizing HR recruitment processes specifically for contract-to-hire roles by identifying current gaps and proposing practical, technology-driven solutions. The aim is to improve hiring efficiency, candidate quality, and long-term workforce planning through a more streamlined and strategic recruitment approach.

II. LITERATURE REVIEW

According to SHRM (2020), the Contract-to-Hire (C2H) model has gained momentum in recent years due to its ability to offer flexibility, cost-efficiency, and reduced hiring risk. Harvard Business Review (2019) notes that traditional recruitment methods often fall short when it comes to filling contract-to-hire positions. Issues such as delayed hiring timelines, ineffective job-role matching, and inadequate candidate evaluation are common. Glassdoor Research (2020) emphasizes that positive candidate experience—including clear communication, supportive onboarding, and transparent expectations—greatly increases a contract employee's likelihood of converting to a full-time role. A study by the Forbes HR Council (2018) highlights that strong employer branding is a key driver in attracting top-tier candidates for contract roles. Candidates are more likely to accept offers from companies with a positive public image, clear mission, and employee-centric policies.

Objectives:

- To identify key challenges and inefficiencies in current HR recruitment processes for contract-to-hire roles.
- To explore the role of technology and data-driven tools in improving the hiring process efficiency and candidate quality.
- To develop a strategic framework for optimizing recruitment practices to enhance conversion rates from contract to permanent employment.

III. METHODOLOGY

This study adopts a mixed-methods approach combining qualitative interviews and quantitative data analysis. HR professionals and hiring managers from the Careernet were interviewed to identify current challenges in contract-to-hire recruitment.. The population size is 732 were the sample size is 101. A descriptive research design was used for the study. Simple Random sampling method was adopted to collect the required data.

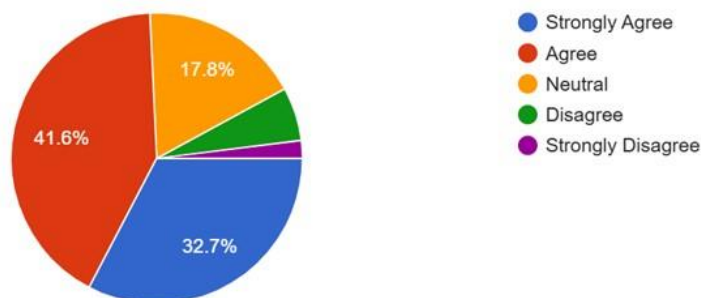
IV. ANALYSIS AND INTERPRETATION

Demographic Profile

Age	Below 25 years	64%
	25 - 35 years	18%
	36 - 45 years	13%
Education Qualification	Undergraduate	23%
	Postgraduate	77%
Gender	Male	40%
	Female	60%
Marital Status	Unmarried	70%
	Married	30%
Monthly Income	10,000 - 25,000	36%
	26,000 - 40,000	28%
	41,000 - 55,000	16%

The Communication process between HR, hiring managers and C2H candidate is clear and effective

101 responses



The study finds that a clear and effective communication process between HR, hiring managers, and contract-to-hire candidates plays a critical role in streamlining recruitment and improving candidate experience.

REGRESSION ANALYSIS

		The current HR Processes for C2H hiring are efficient and Streamlined	The Screening and selection Process for C2H candidates is well-structured and effective
The current HR processes for C2H hiring are efficient and streamlined	Pearson correlation	1	.275**
	Sig.(2-tailed)		.006
	N	100	100
The screening and selection process for C2H candidate is well structured and effective	Pearson correlation	.275**	1
	Sig.(2-tailed)	.006	
	N	100	100

**Correlation is significant at the 0.01 level (2-tailed)

The result indicates a positive association between the efficiency of HR processes for C2H hiring and the effectiveness of the screening and selection process. This suggests that streamlined HR practices contribute to a more structured and effective candidate evaluation.

ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	3.052	1	3.052	3.407	.068
Residual	86.907	97	.896		
Total	89.969	98			

a. Dependent Variable:

The current HR recruitment process for C2H roles effectively identifies and attracts the right candidate

b. Predictors: (Constant), Educational Qualification

Coefficient

Model	Unstandartized Coefficient		Standardizes Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	4.721	.413		11.439	.000
Educational Qualification	-.412	.223	-.184	-1.846	.068

a. Dependent Variable: The Current HR recruitment process for C2H roles effectively identifies and attracts the right candidate

The result suggests a weak and marginally significant negative relationship between educational qualification and perceived effectiveness of the HR recruitment process for C2H roles.

V. FINDINGS

- 39% of the respondents are Male & 61% of the respondents are Female
- 22% of respondents hold an Undergraduate (UG) degree & 77% have completed a Postgraduate (PG) qualification.
- 70% of the respondents are Unmarried and 31% are Married.
- 35% of respondents earn below ₹25,000 and 28% fall in the ₹26,000–₹40,000 range
- 55% of employees accepted that budget is one of the main constraint 40.6% of the employees feel that candidate expectation is the next level challenges
- 40% indicated C2H candidates is well - structured and effective.
- Correlation coefficient indicates a weak relationship between the company's provision of adequate training programs and the perceived need for more targeted training to address specific skill gaps within employees' roles.
- The regression analysis concludes that there is no relationship among work experience and employees' technical knowledge. This suggests that simply having more years of experience does not necessarily equate to higher technical competence

VI. RECOMMENDATION

- Design flexible work policies and career development programs that align with the needs of highly educated female talent.
- HR and finance teams should align hiring budgets with market expectations, especially in high-demand roles.
- Set clear expectation management practices during recruitment to reduce mismatches and attrition.
- Consider performance-based incentives to boost employee morale and retention.
- Use skill gap assessments regularly to ensure training meets real-time business needs.
- Prioritize competency-based hiring over experience-based filtering.
- Include practical skill assessments and real-time case studies in the recruitment process to better evaluate technical competence.
- Promote the benefits of the C2H model internally to gain leadership buy-in.

VII. CONCLUSION

The Contract-to-Hire (C2H) model is emerging as a strategic solution in today's dynamic hiring landscape, offering flexibility, cost-efficiency, and reduced hiring risks. However, its success depends on aligning recruitment strategies with employee expectations, enhancing training programs, and shifting from experience-based to competency-based hiring. A strong employer brand, effective onboarding, and structured C2H processes can significantly boost conversion and retention rates. By addressing current challenges such as budget constraints and skill mismatches, organizations can fully leverage the potential of the C2H model to build a more adaptable and high-performing workforce.

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