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# Recruitment

Chapter 3



- Recruitment is the process of locating and encouraging potential applicants to apply for existing or anticipated job openings



Certain influences, however, restrain a firm while choosing a recruiting source such as:

- Poor image

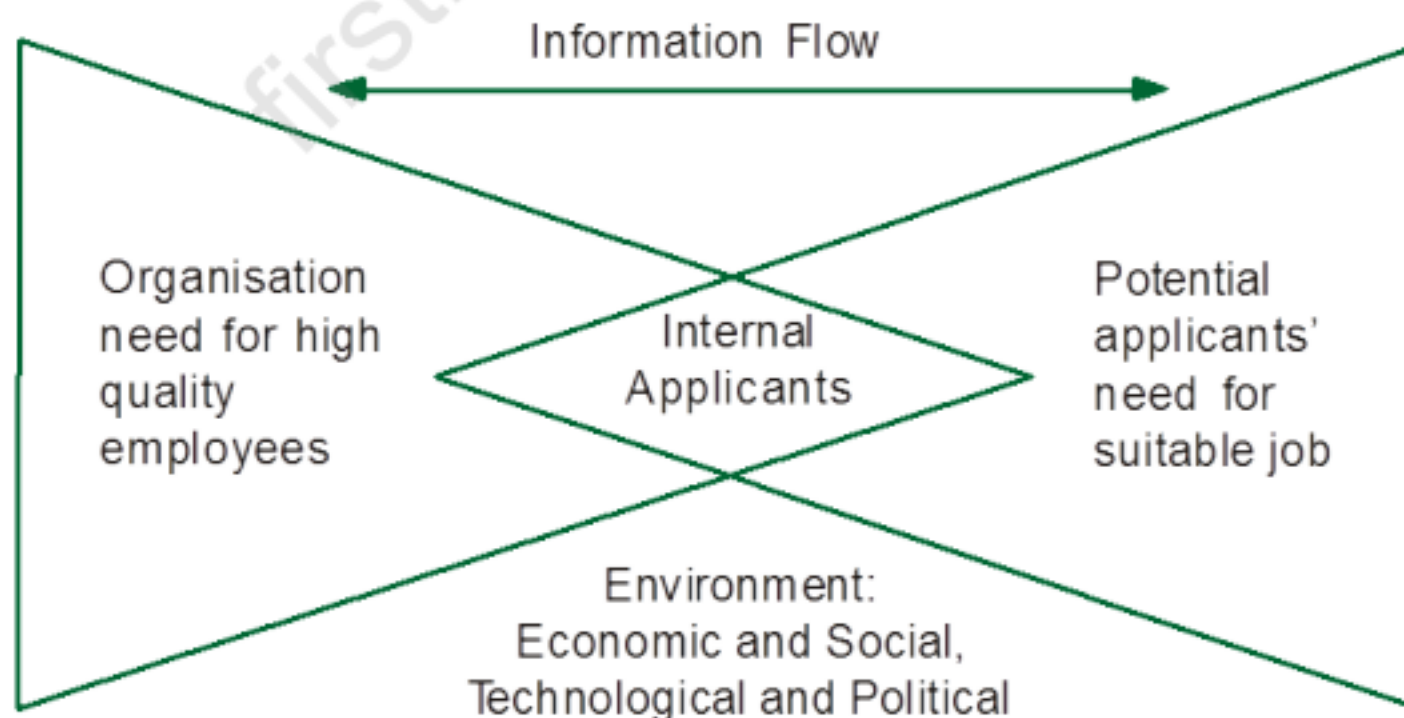
- Unattractive job

- Conservative internal policies

- Limited budgetary support

- Restrictive policies of government

Recruitment:  
matching the needs of applications and  
organisations



# Situational factors impacting recruitment

- Economic factors
- Social factors
- Technological factors
- Political factors
- Legal factors
  - The Factories Act
  - The Apprentices Act
  - The Employment Exchanges Act
  - The Contract Labour Act
  - Bonded Labour System Act
  - The Child Labour Act



# Sources of Recruitment

- The sources of recruitment may broadly be divided into two categories:
- internal sources and
- external sources.

## Merits and demerits of hiring people from within

### Merits

- (i) **Economical:** The cost of recruiting internal candidates is minimal. No expenses are incurred on advertising.
- (ii) **Suitable:** The organization can pick the right candidates having the requisite skills. The candidates can choose a right vacancy where their talents can be fully utilized.
- (iii) **Reliable:** The organization has knowledge about the suitability of a candidate for a position. 'Known devils are better than unknown angels!'
- (iv) **Satisfying:** A policy of preferring people from within offers regular promotional avenues for employees. This motivates them to work hard and earn promotions. They will work with loyalty, commitment and enthusiasm.





- Demerits
- (i) Limited choice: The organisation is forced to select candidates from a limited pool. It may have to sacrifice quality and settle for less qualified candidates.
- Inbreeding: It discourages entry of talented people, available outside an organisation. Existing employees may fail to behave in innovative ways and inject necessary dynamism to enterprise activities.
- (iii) Inefficiency: Promotions based on length of service rather than merit, may prove to be a blessing for inefficient candidates. They do not work hard and prove their worth.
- (iv) Bone of contention: Recruitment from within may lead to infighting among employees aspiring for limited higher-level positions in an organisation. As years roll by, the race for premium positions may end up on a bitter note.



# Merits and demerits of hiring people from outside

- **Merits**

- **Wide choice:** The organisation has the freedom to select candidates from a large pool. Persons with requisite qualifications could be picked up.
- **Injection of fresh blood:** People with special skills and knowledge could be hired to stir up the existing employees and pave the way for innovative ways of working.
- **Motivational force:** It helps in motivating internal employees to work hard and compete with external candidates who are seeking career growth. Such a competitive atmosphere would help an employee to work to the best of his abilities.
- **Long term benefits:** Talented people could join the ranks, new ideas could find meaningful expression, a competitive atmosphere would compel people to give of their best and earn rewards, etc.

- **Demerits**

- **Expensive:** Hiring costs could go up substantially. Tapping multifarious sources of recruitment is not an easy task, either.
- **Time consuming:** It takes time to advertise, screen, to test and to select suitable employees. Where suitable ones are not available, the process has to be repeated.
- **Demotivating:** Existing employees who have put considerable service may resist the process of filling vacancies from outside. The feeling that their services have not been recognised by the organisation, forces them to work with less enthusiasm and motivation.
- **Uncertainty:** There is no guarantee that the organisation ultimately, will be able to hire the services of suitable candidates. It may end up hiring someone who does not fit and who may not be able to adjust in the new set-up.

# Methods Of Recruitment

Internal methods :

- Promotions and transfers: Promotion is the movement of employee from a lower level position to a higher level position with increase in salary
- Transfer, on the other hand, is a lateral movement within same grade, from one job to another.
- Job posting: It is a method of publicising job openings on bulletin boards, electronic media and similar outlets by company.
- Employee referrals: It is a kind of recommendation from current employee regarding a job applicant.



# Possible benefits and costs of employee referrals

- ❖ Recommender gives a realistic picture about the job. The applicant weighs the weight of the recommendation more heavily than other factors. The employee, once employed, tends to have a higher job survival.
- ❖ It's an excellent means of locating potential employees in those hard-to-fill positions. The recommender earns a reward and the company can avoid expensive recruiting search – in case the candidate gets selected.
- ❖ Recommenders may confuse friendship with job competence. Factors such as bias, nepotism, and eagerness to see their friend succeed at the company may come in the way of hiring a suitable candidate.

# Direct methods

## Campus recruitment

- It is a method of recruiting by visiting and participating in college campuses and their placement centres. Possibly the most popular way of hiring the best brains in the country, this method has to be used with lot of care and caution. Campus hiring, of course, is not easy.



# Guidelines for campus recruiting

- ❖ Shortlist campuses
- ❖ Choose recruiting team carefully
- ❖ Pay smartly, not highly
- ❖ Present a clear image
- ❖ Do not oversell yourself
- ❖ Get in early
- ❖ Not everyone fits the bill

# Indirect methods

- Newspaper advertisements
- Television and radio advertisements

## **Third party methods**

- Private employment search firms
- Employment exchanges
- Gate hiring and contractors
- Unsolicited applicants/walk-ins
- Internet recruiting



# Alternatives to recruiting

- **Overtime:** Short term fluctuations in work volume could best be solved through overtime. The employer benefits because the cost of recruitment, selection and training could be avoided. The employee benefits in the form of higher pay. However, an overworked employee may prove to be less productive and turn out less than optimal performance. Employees may slow down their pace of work during normal working hours in order to earn overtime daily. In the course of time, overtime payments become quite routine and if, for any reason, these payments do not accrue regularly, employees become resentful and disgruntled.
- **Subcontracting:** To meet a sudden increase in demand for products and services, the firm may sometimes go for subcontracting – instead of expanding capacities immediately. Expansion becomes a reality only when the firm experiences increased demand for products for a specified period of time. Meanwhile, the firm can meet increased demand by allowing an outside specialist agency to undertake part of the work, to mutual advantage.

- **Temporary employees:** Employees hired for a limited time to perform a specific job are called temporary employees. They are particularly useful in meeting short term human resource needs. A short increase in demand could be met by hiring temporary hands through agencies specialising in providing such services. It's a big business in United States these days (\$3-\$4 billion industry). In this case, a firm can avoid the expenses of recruitment and the painful effects of absenteeism, labour turnover, etc. It can also avoid fringe benefits associated with regular employment. However, temporary workers do not remain loyal to the company; they may take more time to adjust and their inexperience may come in the way of maintaining quality.
- **Employee leasing:** Hiring permanent employees of another company who possess certain specialised skills on lease basis to meet short term requirements – although not popular in India – is another recruiting practice followed by firms in developed countries. In this case, individuals work for the leasing firm as per the lease agreement/arrangement. Such an arrangement is beneficial to both firms because it avoids expense and problems of personnel administration.

- **Outsourcing:** Any activity in which a firm lacks internal expertise and requires an unbiased opinion can be outsourced. Many businesses have started looking at outsourcing activities relating to recruitment, training, payroll processing, surveys, benchmark studies, statutory compliance etc., more closely, because they do not have the time or expertise to deal with the situation. These heads are no longer keeping activities like resume management and candidate sourcing in their daily scrutiny. This function is more commonly outsourced when firms are in seasonal business and have cyclical staffing needs.



# Questions to be asked while hiring people

- Has the vacancy been agreed by a responsible manager?
- Is there an up-to-date job description for the vacancy?
- What are the conditions of employment for the vacancy (salary, hours of work, fringe benefits, perquisites, holidays, etc.)?
- Has a personnel specification/candidate's profile (in terms of physique, intelligence, aptitude, qualifications experience, etc.) been prepared?
- Has a notice of the vacancy been circulated internally?
- Has a job advertisement been agreed? Have details of the vacancy been forwarded to relevant agencies?
- Do all potential candidates (internal or external) know where to apply and what form?
- What are the arrangements for drawing up a shortlist of candidates?
- What about the interviewing dates and arrangements for selection of candidates?
- Have the shortlisted candidates or waitlisted candidates been informed sufficiently in advance and asked to furnish detailed references?



# Selection

## INTRODUCTION

- Selection is the process of picking individuals who have relevant qualifications to fill jobs in an organization. Selection is much more than just choosing the best candidate. It is an attempt to strike a happy balance between what the applicant can and wants to do and what the organization requires.

# ESSENTIALS OF SELECTION

- Picking individuals possessing relevant qualifications
- Matching job requirements with the profile of candidates
- Using multiple tools and techniques to find the most suitable candidates capable
- Of achieving success on the job

# The Process of Selection

- Reception
- Screening Interview
- Application blank
- Selection Tests
- Selection Interview
- Medical Examination
- Reference Checks
- Hiring Decision

Selection is usually a series of hurdles or steps. Each one must be successfully cleared before the applicant proceeds to the next



- Reception

A warm, friendly and courteous reception is extended to candidates with a view to create a favourable impression. Employment possibilities are also communicated honestly and clearly

- Screening interview

The HR department tries to screen out the obvious misfits through this courtesy interview. A prescribed application form is given to candidates who are found to be suitable.

- Application blank

It is a printed form completed by job aspirants detailing their educational background, previous work history and certain personal data.



# Contents Of Application Blank

- Personal data (address, sex, identification marks)
- Marital data (single or married, children, dependents)
- Physical data (height, weight, health condition)
- Educational data (levels of formal education, marks, distinctions)
- Employment data (past experience, promotions, nature of duties, reasons for leaving previous jobs, salary drawn, etc)
- Extra-curricular activities data (sports/games, NSS, NCC, prizes won, leisure-time activities)
- References (names of two or more people who certify the suitability of an applicant to the advertised position)

### The Process of Selection:

- Weighted application blank

The items that have a strong relationship to job performance are given numeric values or weights so that a company can cross-compare candidates with more or less similar qualifications on a single paper

- ❖ It is a printed form completed by candidate wherein each item is weighted and scored based on its importance as a determinant of job success
- ❖ It helps a company to cross-compare candidates having more or less similar qualifications and reject those not meeting the job criteria strictly
- ❖ On the negative side, it is difficult to develop an appropriate WAB, the exercise could be quite costly, and needs frequent updating so as to be in line with changing job requirements.

# SELECTION TESTING

- A test is a standardized, objective measure of a sample behaviour. Selection tests are increasingly used by companies these days because they measure individual differences in a scientific way, leaving very little room for individual bias.

- A. Intelligence tests:** They measure a candidate's learning ability and the ability to understand instructions and make judgements. They do not measure any single trait but several mental abilities (memory, vocabulary, fluency, numerical ability, perception etc)
- B. Aptitude tests:** They measure a candidate's potential to learn clerical, mechanical and mathematical skills. Since they do not measure a candidate's job motivation, they are generally administered in combination with other tests.
- C. Personality tests:** They measure basic aspects of a candidate's personality such as motivation, emotional balance, self confidence, interpersonal behaviour, introversion etc.
- ❖ **Projective tests:** These tests expect the candidates to interpret problems or situations based on their own motives, attitudes, values etc (interpreting a picture, reacting to a situation etc)
  - ❖ **Interest tests:** These are meant to find how a person's interests compare with the interests of successful people in a specific job. These tests show the areas of work in which a person is most interested.
  - ❖ **Preference tests:** These tests try to compare employee preferences with the job and organisational requirements



- D. Achievement tests:** These are designed to measure what applicant can do on the job currently, i.e., whether the testee actually knows what he or she claims to know.
- E. Simulation tests:** Simulation exercise is a test which duplicates many of the activities and problems an employee faces while at work.
- F. Assessment centre:** It is a standardised form of employee appraisal that uses multiple assessment exercises such as in-basket games, role play etc and multiple raters.

- ❖ **The in-basket:** From out of reports, memos, letters etc placed in the in-basket, candidates are supposed to initiate relevant actions within a limited period of time.
- ❖ **The leaderless group discussion:** This exercise involves group of problem so as to measure skills such as communication, tolerance, self-confidence, adaptability, etc.
- ❖ **Business games:** Here participants try to solve a problem, usually as members of simulated companies that are competing in the market place.
- ❖ **Individual presentations:** In this case the participants are given a presentation on a given topic.



- **G. Graphology tests:** Here a trained evaluator tries to analyse the person's handwriting to assess the person's personality and emotional make-up.
- **H. Polygraph :** It is a lie detection test. During the test, the operator records the perspiration of the subject as he or she responds to a series of questions posed to elicit the truth.
- **I. Integrity tests:** these are designed to measure an employee's tendency to indulge in unacceptable behaviour

# Standards For Selection Tests

- **Reliability:** the ability of a selection tool to measure an attribute consistently; When a test is administered to the same individual repeatedly, he should get Approximately identical scores.
- **Validity:** the extent to which an instrument measures what it intends to measure; In a typing test, validity measures a typist's speed and accuracy.
- **Suitability:** a test must fit the nature of the group on which it is applied **Usefulness:** exclusive reliance on any single test should be avoided
- **Standardisation:** norms for finalising test scores should be established **Qualified people:** tests demand a high level of professional skills

# Selection Interview

- Interview is an important source of information about job applicants. Several types of interviews are used , depending on the nature and importance of the position to be filled within an organisation.

- **The nondirective interview:** the recruiter asks questions as they come to mind
- **The directive or structured interview:** the recruiter uses a predetermined set of Questions that are clearly job-related
- **The situational interview:** the recruiter presents a hypothetical incident and asks The candidate to respond
- **The behavioural interview:** the focus here is on actual work related incidents and The applicant is supposed to reveal what he or she did in a given situation
- **Stress interview:** the recruiter attempts to find how applicant would respond to Aggressive, embarrassing, rule and insulting (times) questions
- **The panel interview:** three or four interviewers pose questions to the applicant and Examine the suitability of the candidate

# Interviewing Mistakes

- These include: favouritism, failure to establish rapport with candidates, not being able to ask right questions, resorting to snap judgements, showing leniency, being influenced by cultural noise, stereotyping, bias, halo effect, being influenced by the body language of the candidate, candidate order error etc.

# PLACEMENT

- Placement is the actual posting of an employee to a specific job—with rank and responsibilities attached to it. Most organisations put new recruits on probation for a given period of time after which their services are confirmed. Placement, however, should be made with as little disruption to the employee and organisation as possible.

## Benefits of Placement

The employee is able to:

- ❖ Show good results on the job.
- ❖ Get along with people easily.
- ❖ Keep his spirits high, report for duty regularly.
- ❖ Avoid mistakes and accidents.





- **Induction or orientation** is the process through which a new recruit is introduced to the job and the organisation. Induction removes fears from the mind of a newcomer, creates a good impression about the organisation and acts as a valuable source of information.

# Induction Programme: Steps

- Welcome to the organisation
- Explain about the company and show all the facilities
- Show the location where the new recruit will work.
- Give the company's manual
- Offer details about various work groups
- Provide details about policies, rules, regulations, benefits etc
- Explain about opportunities and career prospects
- Clarify doubts
- Assign the new recruit to the supervisor

# Internal Mobility

- Internal mobility refers to the lateral or vertical movement an employee within an organisation.

## Purposes of Internal Mobility

- Improve organizational effectiveness
- Improve employee effectiveness
- Adjust to changing business operations
- Ensure discipline



# Transfer

- A transfer is a change in job assignment. It may involve a promotion or demotion Or no change at all in status and responsibility

## Purposes of transfer

- To meet organizational requirements
- To satisfy employee needs
- To utilise employees better
- To make the employee more versatile
- To adjust the workforce
- To provide relief to overburdened employees
- To reduce conflicts
- To punish employees

# Benefits and problems associated with transfers

Benefits	Problems
<ul style="list-style-type: none"> <li>❖ Improve employees skills</li> <li>❖ Reduce redundancy/boredom</li> <li>❖ Remedy faulty placement decisions</li> <li>❖ Prepare the employee for challenging assignments in future</li> <li>❖ Stabilise changing work requirements in different departments/locations</li> <li>❖ Improve employee satisfaction and morale</li> <li>❖ Improve employer-employee relations</li> </ul>	<ul style="list-style-type: none"> <li>❖ Inconvenient to employees who otherwise don't want to move</li> <li>❖ Employees may or may not fit in the new location/department</li> <li>❖ Shifting of experienced hands may affect productivity</li> <li>❖ Discriminatory transfers may affect employee morale</li> </ul>

# Promotion

- Employee movement from current job to another that is higher in pay, responsibility and/or organisation level is known as “promotion”. Promotion has powerful motivational value as it compels an employee to utilise his talents fully, and remain loyal and committed to his or her job and organisation.



Bases of promotion:

- Merit based promotions
- Seniority based promotions

**Promotion policy:** To be fair, an organization should institute a promotion Policy that gives due weight age to seniority and merit. Promotion Opportunities must be thrown open to all employees. The norms for promotion should be expressed in writing. Detailed records must be maintained for this Purpose. A responsible official should be asked to take the final decision regarding employee promotions.

Demotion :

Employee movement that occurs when an employee is moved from one job to another that is lower in position, responsibility and/or organization level is called demotion.

Causes of demotion:

- Employee unable to meet job requirements
- Organization forced to demote employees because of adverse business conditions
- Demotions happening to check errant employees

# Employee Separations

- **Resignation:** A voluntary separation initiated by the employee himself is called resignation. It is always better to find why an employee has decided to quit the organisation. Properly conducted exit interviews would help throw light on factors behind the current decision.
- **Retirement:** Termination of service on reaching the age of superannuation is called retirement. To avoid problems, organisations normally plan replacements to retiring employees beforehand.
- **Death:** Some employees may die in service. Death caused by accidents, occupational hazards, or diseases is known as death.
- **Attrition:** Separation of people from an organisation due to resignation, retirement or death is known as attrition.
- **Lay off:** A lay off entails the separation of the employee from the organisation temporarily for economic or business reasons.

# The Do's and Don'ts of laying off employees

Consulting firms offer the following advice for telling employees that they will be laid off

Do's	Don't's
<ul style="list-style-type: none"> <li>❖ Give as much warning as possible for mass layoffs</li> <li>❖ Sit down one-to-one with the individual in a private office</li> <li>❖ Complete the firing session quickly</li> <li>❖ Prepare the individual who is being asked to leave to cope with his emotions</li> <li>❖ Offer written explanations of severance benefits</li> <li>❖ Provide outplacement assistance away from company headquarters</li> <li>❖ Be sure the employee learns about the layoff from a manager, not a colleague</li> <li>❖ Appreciate the contributions made by the employee – if they are appropriate</li> </ul>	<ul style="list-style-type: none"> <li>❖ Don't leave the room, creating confusion. Tell the employee that he or she is laid off or terminated</li> <li>❖ Don't allow time for debate</li> <li>❖ Don't make personal comments; keep conversation professional</li> <li>❖ Don't rush the employee off-site unless security is really an issue</li> <li>❖ Don't fire people on important dates (birthdays, anniversary of their employment, the day their mother died, etc.)</li> <li>❖ Don't fire employees when they are on vacation or have just returned</li> <li>❖ Employees who continue to work with the company should not be ignored. They are vulnerable to the changes as the ones being laid off</li> </ul>

- **Retrenchment:** A permanent lay off for reasons other than punishment but not retirement or termination owing to ill health called retrenchment. Legally speaking, employers in India are required to give advance notice or pay equivalent wages before actual lay off date. (50 per cent of basic wages plus allowances)

#### How to trim the workforce? :

- ❖ Stop hiring people when the first signals of trouble appear on the surface. This would send the right message to the trade unions.
- ❖ Better to be on good terms with all the trade unions.
- ❖ Allay the workers' suspicions by communicating with them directly.
- ❖ Design a severance package with incentives for training and redeployment.
- ❖ Never use pressure tactics to intimidate your workers into leaving.



- **Outplacement:** Outplacement assistance includes Efforts made by the employer to help a recently separated employee find a new job. Apart from training support to such employees, some organizations offer assistance in the form of paid leave travel charges for attending interviews, search firm expenses ,etc.
- **Suspension:** Suspension means prohibiting an employee from attending work and performing normal duties assigned to him.
- **Discharge and dismissal:** The termination of the services of an employee as a punitive measure for some misconduct is called dismissal. Discharge also means termination of the services of an employee. Discharge does not arise from a single irrational act (such as alcoholism, wilful violation of company rules, insubordination, carelessness, dishonesty, inefficiency, violent acts, unauthorised absence for a long time).



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