UNIT 2 HR PLANNING, RECRUITMENT, SELECTION, PLACEMENT AND INDUCTION

Structure

2.0 Introduction
2.1 Unit Objectives
2.2 HR Planning
   2.2.1 Definition of HR Planning; 2.2.2 Objectives of HR Planning; 2.2.3 Process of HR Planning; 2.2.4 Strategies for HR Planning; 2.2.5 Advantages of HR Planning Programmes; 2.2.6 Limitations of HR Planning; 2.2.7 Guidelines for Making HR Planning Effective; 2.2.8 Responsibility for HR Planning
2.3 Job Analysis, Job Description and Specification
2.4 Recruitment
   2.4.1 Sources of Recruitment; 2.4.2 Recruitment Policy
2.5 Selection
   2.5.1 Definition of Selection; 2.5.2 Steps in Selection Procedure; 2.5.3 Types of Induction Programme
2.6 Placement
   2.6.1 Problems of Placement
2.7 Induction Programme
   2.7.1 Types of Induction Programme
2.8 Case Study
2.9 Summary
2.10 Answers to ‘Check Your Progress’
2.11 Questions and Exercises
2.12 Further Reading

2.0 INTRODUCTION

Human resource planning is the predetermination of the future course of action chosen from a number of alternative courses of action for procuring, developing, managing, motivating, compensating, career planning, succession planning and separating the human element of enterprise. It determines a conscious choice of patterns of the humanisation of work environment in an organization.

2.1 UNIT OBJECTIVES

After going through this unit you be able to:
- Define Human Resource Planning
- Understand the Process and objectives of Human Resource Planning
- Understand Job analysis and description
- Understand the Recruitment policy and process
- Understand the Various Sources of Recruitment and selection procedure
- Understand Steps in the Selection Procedure, Placement and know the types induction programme
2.2 HR PLANNING

2.2.1 Definition of HR Planning
According to Geisler “HR planning is the process (including forecasting, developing and controlling) by which a firm ensures that it has the right number of people and the right kind of people at the right places at the right time doing work for which they are economically most useful.”

According to Wendell French human resource planning may be defined “as the process of assessing the organization’s human resources needs in the light of organizational goals and making plans to ensure that a competent, stable workforce is employed.”

From the above definitions, we can get some general characteristics of human resource planning. They are:

1. Human resource plan must incorporate the human resource needs in the light of organizational goals.
2. Human resource plan must be directed towards well-defined objectives.
3. Human resource plan must ensure that it has the right number of people and the right kind of people at the right time doing work for which they are economically most useful.
4. Human resource planning should pave the way for an effective motivational process.
5. A human resource plan should take into account the principle of periodical reconsideration of new developments and extending the plan to cover the changes during the given long period.
6. Adequate flexibility must be maintained in human resource planning to suit the changing needs of the organization.

2.2.2 Objectives of HR Planning
From the above, it is clear that the failure in HR planning will be a limiting factor in achieving the objectives of the organization. If the number of persons in an organization is less than the number of persons required, then, there will be disruptions in the work—production will be hampered, the pace of production will be slow and the employees burdened with more work. If on the other hand, there is surplus manpower in the organization, there will be unnecessary financial burden on the organization in the form of a large pay bill if employees are retained in the organization, or if they are terminated the compensation will have to be paid to the retrenched employees. Therefore, it is necessary to have only the adequate number of persons to attain the objectives of the organization.

In order to achieve the objectives of the organization, the HR planner should mind the timing and scheduling of HR planning. Furthermore, the management has to be persuaded to use the results of manpower planning studies.

Manpower planning can also be used as an important aid in framing the training and development programmes for the employees because it takes into account the anticipated changes in the HR requirements of the organizations.

2.2.3 Importance of HR Planning
HR planning is a highly important and useful activity. Without clear-cut planning, an estimation of the organization’s human resource needs is reduced to mere guesswork. If used properly, it offers a number of benefits. These are:

1. Planning defines future manpower needs and this becomes the basis of recruiting and developing personnel.
2. Employees can be trained, motivated and developed in advance and this helps in meeting future needs for high-quality employees.

3. Change in technology has attached more importance to knowledge and skill resulting in surplus manpower in some areas and shortage in other areas. HR planning helps in creating a balance in such a situation.

4. Jobs are becoming more and more knowledge-oriented. This has resulted in a changed profile of HR. Because of increased emphasis on knowledge, recruitment costs have also increased. To avoid the high cost of recruitment, proper HR planning is necessary.

5. The organization can have a reservoir of talent at any point. People with requisite skills are readily available to carry out the assigned tasks.

6. Planning facilitates the preparation of an appropriate manpower budget for each department. This in turn, helps in controlling manpower costs by avoiding shortages/excesses in manpower supply.

7. Systematic HR planning forces top management of an organization to participate actively in total HR management functions. When there is active involvement of top management, they will appreciate the real value of human resources in achieving organizational effectiveness.

8. Systematic HRP forces top management of an organization to participate actively in total HRM functions. When there is active involvement of top management, they will appreciate the real value of human resources in achieving organizational effectiveness.

2.2.4 Process of HR Planning

With the expansion of business adoption of complex technology and professional management techniques, the process of HR planning has assumed great significance. It consists of the following stages.

(a) Analysing Organizational Plans and Deciding on Objectives

Before undertaking the HR planning of an organization the short-term and long-term objectives should be analysed. The process of HR planning should start with analysing the organizational plans and programmes. They help in forecasting the demand for human resources as it provides the quantum of future work activity.

(b) Analysing Factors for Manpower Requirements

The existing job design and analysis may be reviewed thoroughly keeping in view the future capabilities, knowledge and skills of present employees. The job design and analysis should reflect the future human resources and organizational plans. The factor for manpower requirements can be analysed by two ways:

(a) Demand Forecasting – Forecasting the overall HR requirements in accordance with the organizational plans.

(b) Supply Forecasting – Obtaining the data and information about the present inventory of human resources and forecast the future changes in present human resource inventory.

(c) Developing Employment Plans

After determining the number of personnel for each job in the organization, the HR department has to spell out the job description and job specification.

Job Description: A job description will generally describe the work to be performed, the responsibilities involved, the skill or training required, conditions under which the job is done, relationships with other jobs and personal requirements on the job.

Job Specification: Job specification is an output of job description, states the minimum acceptable qualifications that the newcomer must possess to perform the job satisfactorily and successfully.
(d) Developing Human Resource Plans

Net HR requirements in terms of number and components are to be determined in relation to the overall HR requirement. After estimating the supply and demand of human resources, the management starts the adjustment when the internal supply of employees is more than the demand, and there is a human resource surplus; then the external recruitment is stopped. If there is a human resource deficit then the planners have to rely on the external sources.

2.2.5 Strategies for HR Planning

The objective of manpower planning is to help the organization achieve its goal. For this purpose, the manpower planners have to develop some strategies. Stainer has suggested nine strategic points for the benefit of manpower planners:

(a) They should collect, maintain and interpret relevant information regarding HR.
(b) They should periodically report manpower objectives, requirements and existing employment and allied features of manpower.
(c) They should develop procedures and techniques to determine the requirements of different types of manpower over a period of time from the standpoint of organization’s goals.
(d) They should develop measures of manpower utilization as components of forecasts of manpower requirement along with independent validation.
(e) They should employ suitable techniques leading to effective allocation of work with a view to improving manpower utilization.
(f) They should conduct research to determine factors hampering the contribution of individuals and groups to the organization with a view to modifying or removing these handicaps.
(g) They should develop and employ methods of economic assessment of HR reflecting its features as income-generators and cost, and accordingly improving the quality of decisions affecting the manpower.
(h) They should evaluate the procurement, promotion and retention of the effective HR; and
(i) They should analyse the dynamic processes of recruitment, promotion and loss to the organization and control them with a view to maximising individual and group performance at minimum cost.

2.2.6 Advantages of HR Planning Programmes

As the manpower planning is concerned with optimum use of HR, it can be of great benefit to the organization in particular and to the nation in general. At the national level, it would be concerned with factors like population, economic development, educational facilities and labour mobility. At the level of the organization it is concerned with requirements, sources of availability, the welfare of HR etc. The advantages of HR planning are discussed below:

(a) Improvement of Labour Productivity

Manpower or HR as a factor of production differs from other factors of production. As it is subject to its free will, the productivity of labour can be improved if the workers are kept satisfied. In other words, just as the satisfied workers can be productive, dissatisfied workers can even be destructive. Therefore, through proper HR planning we can improve the morale of the labour and thereby labour productivity.

(b) Recruitment of Qualified HR

Talented and skilled labour has become a scarce resource especially in developing countries. Therefore, for the survival of the firm it is essential to recruit the best labour force through proper manpower planning.

(c) Adjusting with Rapid Technological Changes

With the advancement technology, job and job requirements are changing. Therefore, it is necessary to forecast and meet the changing manpower, which can withstand the challenges
of the technological revolution. This can be done through effective manpower planning.

(d) Reducing Labour Turnover
Labour turnover refers to the mobility of labour out of the organization due to various factors such as dissatisfaction, retirement, death etc. Due to labour turnover a firm loses experienced and skilled labour force. This loss can be minimised through efficient manpower planning.

(e) Control over Recruitment and Training Costs
Highly skilled personnel are in short supply and it is costly to hire, train, and maintain them. A company has to incur heavy costs in processing applications, conducting written tests, interviews etc., and in the process providing adequate training facilities. In consideration of these costs it is essential to plan carefully vis-à-vis manpower so as to minimize costs.

(f) Mobility of Labour
Today, it is difficult to retain qualified personnel in an organization as they move from one job to another in search of better prospects. In a free society, people enjoy unrestricted mobility from one part of the country to the other. Therefore, in order to reduce the loss of experienced and skilled labour, every organization must have a sound system of manpower planning.

(g) Facilitating Expansion Programmes
In these days of rapid industrial development every company goes for expansion of its activities. With the increase in company size, the demand for HR also increases. This necessitates proper manpower planning so as to ensure the continued supply of the required manpower for the firms’ activities.

(h) To Treat Manpower Like Real Corporate Assets
Today it is being increasingly felt by the practicing managers and psychologists that employees in an organization must be treated as the most significant assets. The productivity of a company can be improved only through manpower planning, recognizing the significance of the human factor in business. A proper manpower planning is based on the realization that satisfied workers can contribute to the overall profitability of the firm through improved productivity.

2.2.7 Limitations of HR Planning
The main hurdles in the process of HR planning are:

(a) Inaccuracy
HR planning involves forecasting the demand for and supply of HR. Projecting manpower needs over a period of time is a risky one. It is not possible to track the current and future trends correctly and convert the same into meaningful action guidelines. Longer the time taken, greater is the possibility of inaccuracy. Inaccuracy increases when departmental forecasts are merely aggregated without critical review. Factors such as absenteeism, labour turnover, seasonal trends in demand, competitive pressures, technological changes etc., may reduce the rest of manpower plans as fashionable, decorative pieces.

(b) Uncertainties
Technological changes and market fluctuations are uncertainties, which serve as constraints to HR planning. It is risky to depend upon general estimates of manpower in the face of rapid changes in environment.

(c) Lack of Support
Planning is generally undertaken to improve overall efficiency. In the name of cost cutting, it also helps management weed out unwanted labour at various levels. The few efficient ones that survive such frequent onslaughts complain about increased workload. Support from management is lacking. The latter is unwilling to commit funds for building an
appropriate HR information system. The time and effort involved – with no tangible, immediate gains – often force them to look the ‘other way’. HR planning grows slowly and gradually. In some cases, sophisticated technologies are forcefully introduced just because competitors have adopted them. These may not yield fruit unless matched with the needs and environment of the particular enterprise.

(d) Numbers’ Game
In some companies, HR planning is used as a numbers’ game. The focus is on the quantitative aspect to ensure the flow of people in and out of the organization. Such an exclusive focus overlooks the more important dimension, i.e. the quality of human resources. HR planning, in the long run, may suffer due to an excessive focus on the quantitative aspects. Aspects such as employee motivation, morale, career prospects, training avenues etc may be totally discounted.

(e) Employees Resistance
Employees and trade unions feel that due to widespread unemployment people will be available for jobs as and when required. Moreover they feel that HR planning increases their workload and regulates them through productivity bargaining.

(f) Employers Resistance
Employers may also resist HR planning on the ground that it increases the cost of manpower.

(g) Lack of Purpose
Managers and HR specialists do not fully understand human planning process and lack a strong sense of purpose.

(h) Time and Expense
Manpower planning is a time-consuming and expensive exercise. A good deal of time and costs are involved in data collection and forecasting.

(i) Inefficient Information System
In most of the organizations, human resource information system has not been fully developed. In the absence of reliable data, it is not possible to develop effective HR plans.

2.2.8 Guidelines for Making HR Planning Effective
Some of the steps that may be taken to improve the effectiveness of HR planning are given below:

(a) Objectives
The HR plan must fit in with the overall objectives of the organization. Important aspects such as working conditions, human relationships etc., must be kept in mind while developing the plan. The HR plan should be balanced with the corporate plan of the enterprise. The methods and techniques used should corroborate the objectives, strategies and environment of the particular organization.

(b) Top Management Support
The plan must meet the changing needs of the organization and should enjoy consistent support from top management. Before starting the HR Planning process the support and commitment of top management should be ensured. Moreover, the exercise should be carried out within the limits of a budget. There is no use formulating plans, which cannot be implemented due to financial constraints.

(c) Appropriate Time Horizon
The period of an HR plan should be appropriate to the needs and circumstances of the specific enterprise. The size and structure of the enterprise as well as the changing aspirations of the people should be taken into consideration.
(d) Manpower Inventory
The quantity and quality of HR should be stressed in a balanced manner. The emphasis should be on filling future vacancies with right people rather than merely matching existing people with existing jobs. The organization must have an up-to-date employee skills inventory showing previous jobs held, tenure on current job, educational and training qualifications, specific knowledge and skills, prior work performance, past and current compensation, mobility factors. Markov Analysis (an approach to forecast the internal supply of manpower tracking past patterns of personnel movements) may be pressed into service while preparing the manpower inventory. Upward mobility of existing staff needs to be considered carefully.

(e) HR Information System
An adequate database should be developed for HR to facilitate HR planning. To manage employee skills inventories, organizations should maintain computerised HR information systems containing data on: individuals, demographics, career progression, appraisals, skills, interests, training, target positions, performance ratings, geographic preferences, promotability ratings etc.

(f) Adequate Organization and Co-ordination
HR planning function should be properly organized. A separate manpower planning division must be created, especially in large organizations to coordinate manpower planning exercise at various levels. The various plans for procurement, promotion and retention of HR should include filling future vacancies with the right people.

2.2.9 Responsibility for HR Planning
HR planning is the responsibility of the personnel department. The department has to recommend relevant personnel policies in respect of HR planning, devise methods of procedure and determine the quantitative aspects of HR planning. Geisler has enumerated the responsibility of the personnel department with regard to HR planning in the following words:

“1. To assist, counsel and pressurise the operating management to plan and establish objectives
2. To collect and summarise data in total organizational terms and to ensure consistency with long-range objectives and other elements of the total business plan.
3. To monitor and measure performance against the plan and keep the top management informed about it.
4. To provide the research necessary for effective manpower and organizational planning.”

2.3 JOB ANALYSIS, JOB DESCRIPTION AND SPECIFICATION

2.3.1 Job Analysis
Job analysis is the process by means of which a description is developed of the present methods and procedures of doing a job, physical conditions in which the job is done, relation of the job to other jobs and other conditions of employment. The purpose of job analysis is not to describe the ideal but to show the management how at the movement the constituent parts of its business are being carried out. Thus, Job Analysis is the process by means of which a description is developed of the present method and procedure of doing a job, physical conditions in which the job is done, relation of the job to other jobs, physical conditions in which the job is done, relation of the job to other jobs and other conditions of employment.
(a) **Uses of Job Analysis**

Job analysis is of fundamental importance to manpower management program. The following are the possible uses of job analysis:

(i) *Provides Complete Knowledge of the Job:* Job analysis provides complete knowledge about the job. Therefore, it is helpful in organizational planning.

(ii) *Helps in Recruitment and Selection:* By indicating the specific requirements of each job, job analysis provides a realistic basis for recruitment and selection of employees. It is the best means of discovering the essential traits and personal characteristics leading to success or failure on the job.

(iii) *Establishes a Base for Compensation of Employees:* By indicating the qualifications required for doing a specified job and the risk and hazards involved in doing a job, job analysis helps in establishing a basis for compensation. Job analysis precedes job evaluation which measures the worth of jobs within the organization for the purpose of establishing a base for wages. A satisfactory evaluation of jobs is not possible without a comprehensive job analysis.

(iv) *Job Re-engineering:* Job analysis provides information which enables us to change jobs in order to permit their being manned by personnel with specific characteristics and qualifications. Job analysis helps to rearrange the work flow and to revise existing procedure.

(v) *Employee Development:* Job analysis provides the necessary information for employee development. When considering an employee for promotion, job analysis may facilitate his easy consideration for the job.

(vi) *Performance Appraisal:* Job analysis helps in establishing clear-cut standards. This helps the employees as they can know what is expected of them. It also helps the managers to appraise the performance of their subordinates.

(vii) *Training:* Job analysis reveals the required skills and knowledge for doing a job. This helps in providing suitable training for the workers by determining the content and subject matter for the training course.

### 2.3.2 Job Description

The first and immediate result of a job analysis is a job description. It is a simple, concisely written statement explaining the contents and essential needs of a job and a summary of the duties to be performed. Job description gives a precise picture of features of each job in terms of task contents and occupational requirements. Job description describes ‘jobs’ not ‘job holders’. It is the defines the scope of job activities, major responsibilities and positioning of the job in the organization. According to Arun Monappa and Mizra S Satyadain, “A well-thought-out job description has several advantages and serves various important functions:

1. It helps to indicate very clearly the nature and content of the job to the applicant and hence to remove uncertainties.

2. Rewards and punishments can be easily legitimised. Applicants will know the consequences if they do not comply with the requirements. Any reward or punishment meted out to an employee because he is not in line with the job requirements will not be perceived as a favour or injustice.

3. Job descriptions serve as an important basis for wage and salary administration. What the salary structure of two adjacent positions in an organization should be, what the differential should be and so on, are determined, as also the skills required to perform the job successfully.

4. It is easy to identify the training needs of the employee. Once it is clear what is required to perform the job, training content can be identified and suitable training can be given to those who do not perform successfully.”
Limitations of Job Description:
(i) Job tends to be dynamic, not static and a job description can quickly go out of date.
(ii) The supervisors and subordinates should agree that a job description fairly reflect the job, otherwise job evaluation would seem to be unfair.
(iii) Job description must be as accurate as possible but this is a very difficult job.

2.3.3 Job Specification
Job specification is a statement of the minimum acceptable human qualities necessary to perform a job satisfactorily. Making job description as its base, it lays down the abilities and qualities that a worker should possess in order to hold the job in question. Job specifications translate the job description into terms of the human qualifications which are required for a successful performance of a job. A job specification or man specification is a statement of the minimum acceptable human qualities necessary to perform a job satisfactorily. It tells what kind of person to recruit and for what qualities that person should be tested. These specifications relate to:
(i) Physical Characteristics: height, weight, vision, voice etc.
(ii) Personal characteristics: emotional stability, good and pleasing manners, skill in dealing with others etc.
(iii) Psychological characteristics: analytical ability, mental concentration and alertness, mechanical aptitude etc.
(iv) Responsibilities: responsibility for the safety of others responsibility for generating confidence and trust, etc.
(v) Demographic Characteristics: age, sex, education, experience etc.

Job specifications are based on the opinion of supervisors and personnel managers. It should be remembered that preparing a complete and correct job specifications is relatively difficult as compared with preparing a correct job description. There is always considerable disagreement concerning the human requirement for work. Further, there is also a difference of opinion on whether a requirement should be “mandatory” or “desirable”.

2.4 RECRUITMENT
If the HR department fails to indentify the quality and the number of persons to be recruited and also fails to procure the services of persons with required qualifications, skill and calibre continuously, a time may come ultimately when all the qualified persons have retired and no qualified person remains in the organization. Therefore, the importance of recruitment and selection of the right type of persons at the right time is indispensable to the organization. According to Flippo, recruitment “is a process of searching for prospective employees and stimulating and encouraging them to apply for jobs in an organization”.

In the words of Mamoria, “recruiting is the discovering of potential applicants for actual or anticipated organizational vacancies”.

2.4.1 Sources of Recruitment
Basically, the sources of recruitment are of two types:
(a) Internal; and (b) External.

(a) Internal Sources
Internal sources include personnel already on the pay roll of an organization. Filling a vacancy from internal sources by promoting people has the advantages of increasing the general level of morale of existing employees and of providing to the company more reliable
information about the candidate. Among the internal sources, may be included promotions transfers, and response of employees to notified vacancy.

Merits of Internal Sources of Recruitment:

- Absorbing people already acquainted with the company culture.
- Having tried and tested people on whom the company can depend.
- It is a useful signal to employees that assures them that their services are recognized; this helps in maintaining their motivation and morale.
- It reduces labour turnover as it gives employees a sense of job security and opportunity for advancement.
- Fully acquainted employees minimizes job training.
- Internal sources of recruitment are less costly than the other sources of recruitment.

Demerits of Internal Sources of Recruitment: Internal sources of recruitment suffer from certain demerits which are:

- It limits the choice to a few employees only.
- The likes and dislikes of the superiors play an important role in the selection of an employee.
- It creates frustration among the unselected employees.

(b) External Sources

These sources lie outside the organization. They may include:

(i) Advertisements: Advertising in newspapers, trade journals and magazines is the most frequently used method. In order to be successful, an advertisement should be carefully written. If it is not properly written, it may not draw the right type of applicants or it may attract too many applicants who are not qualified for the job.

(ii) Employment Exchanges: An employment exchange is an office set up for bringing together as quickly as possible candidates searching for employment and employees looking for prospective employees. The main functions of employment exchanges are registration of job seekers and their placement in notified vacancies.

(iii) Campus Recruitment: Sometimes, recruiters are sent to educational institutions where they meet the placement officer or the faculty members who recommend suitable candidates. This system is prevalent in USA where campus recruitment is a major source. However, today the idea of campus recruitment has slowly caught up the fancy of Indian employers too.

(iv) Unsolicited Applicants: Unsolicited applicants are another source. Some candidates send in their applications without any invitation from the organization.

(v) Labour Contractors: Many organizations employ labour contractors to hire workers. This method is usually resorted to when the work is of a temporary nature.

(vi) Employee Referrals: Friends and relatives of present employees are also a good source from which employees may be drawn.

(vii) Field Trips: An interviewing team makes trips to towns and cities, which are known to contain the kinds of employees required. In this method of recruitment, carefully prepared brochures describing the organization and the job it offers are distributed to the candidates before the interviewer arrives. The arrival dates and the time and venue of interview are given to the candidates in advance.

Merits of External Sources of Recruitment:

- Fresh talent and skill come into the organization.
- New employees may try to change old habits.
• New employees may be selected at the latest terms and conditions of the organization.
• Highly qualified and experienced employees may help the organization to boost performance.
• Since persons are recruited from a large market, the best selection can be made. In other words, the recruiter has a wide range of candidates to choose from.
• External sources provide the requisite type of personnel having the required skill and standard.

Demerits of External Sources of Recruitment:
• They reduce the morale of existing employees because outsiders are preferred to fill up superior vacancies.
• They deny carrier advancement for existing employees.
• Proper evaluation may not be possible due to the time constraint resulting in faulty selection.
• Outsiders not being acquainted with the policies and procedures of the organization need training, before they can deliver.

From all this we can conclude that there is no hard and fast rule whether the recruitment must be internally or externally or exclusive to each other. The best management policy regarding recruitment must be to first look within the organization and if no able talent is available, external sources may be looked at. To use the words of Koontz and O'Donnell ‘the (recruitment) policy should be to ‘raise’ talent rather than ‘raid’ for it’.

2.4.2 Recruitment Policy

A policy is standing plan policies are directives providing continuous framework for executive actions on recurrent managerial problems. A policy assists decision-making but deviations may be needed, as exceptions and under some extraordinary circumstances. Such a policy asserts the objectives of the recruitment and provides a framework of implementation of the recruitment programme in the form of procedures.

The essentials of policy formation may be listed as follows:
1. It should be definite, positive and clear. Everyone in the organization should understand it.
2. It should be translatable into practice.
3. It should be flexible and at the same time have a high degree of permanency.
4. It should be formulated to care all reasonable anticipated conditions.
5. It should be founded upon facts and sound judgment.
6. It should conform to economic principles, statutes and regulations.
7. It should be a general statement of the established rules.

Therefore, a well-considered and pre-planned recruitment policy, based on corporate goals and needs may avoid hasty decisions and help the organization to appoint the right type of personnel.

According to Yoder, ‘a recruitment policy may involve a commitment to broad principles such as filling vacancies with the best-qualified individuals... It may also involve the organization system to the developed for implementing recruitment programme and procedures to the employed’. Therefore, recruitment policy involves a commitment by the organization to principles such as:

(i) To find and employ the best qualified persons for each job.
(ii) To retain the best talent by offering life-time carriers, and
(iii) To facilitate personal growth on the job.

Conditions Necessary for a Good Recruitment Policy: A good recruitment policy must satisfy the following conditions:
Human Resource Management

NOTES

(a) Organization’s Objectives
A good recruitment policy should be in conformity with the organization’s objectives. It must take into consideration the basic parameters for recruitment decisions.

(b) Identification of Recruitment Needs
A good recruitment policy should be flexible enough to meet the changing needs of an organization. The recruiters should prepare profiles for each category of workers and accordingly work out the employees’ specifications.

(c) Ensure Long Term Employment Opportunities for Its Employees
A good recruitment policy should be so designed as to ensure career growth for its employees on a long-term basis. It should help in developing the potentialities of employees.

(d) Preferred Sources of Recruitment
A good recruitment policy should match the qualities of employees with the requirements of the work for which they are employed. The preferred sources of recruitment, which would be tapped by the organization for, such staff as skilled or semi-skilled workers could be internal sources or employment exchanges whereas for highly specialized managerial personnel, external sources could be preferred.

2.5 SELECTION

Selection, either internal or external, is a deliberate effort of organizations to select a fixed number of personnel from a large number of applicants. The primary aim of employee selection is to choose those persons who are most likely to perform their jobs with maximum effectiveness and to remain with the company. Thus, an attempt is made to find a suitable candidate for the job. In doing so naturally many applicants are rejected. This makes selection a negative function.

2.5.1 Definition of Selection
Having identified the potential applicants, the next steps are to evaluate their experience and qualifications and make a selection. According to Yoder, “the hiring process is of one or many ‘go-no-go’ gauges. Candidates are screened by the employer and the short-listed applicants go on to the next hurdle, while the unqualified once are eliminated”.

2.5.2 Steps in Selection Procedure
There is no shortcut to an accurate evaluation of a candidate. A variety of methods is used to select personnel. The selection pattern, however, is not common for all organizations. It varies from one to another, depending on the situation and needs of the organization. Therefore, there is no standard selection procedure followed by all.

However, the steps commonly followed are as under:

(a) Application Blank
In a sense the application blank is a highly structured interview in which the questions are standardized and determined in advance. An application blank, is a traditional, widely accepted device for getting information from a prospective applicant. The application blank provides preliminary information as well as aid in the interview by indicating areas of interest and discussion.

(b) Initial Interview of the Candidate
Those who are selected for interviews on the basis of particulars furnished in the application blank are called for initial interview by the organizations. This is meant to evaluate the appearance of the candidate and to establish a friendly relationship between the candidate and the company and for obtaining additional information or clarification on the information already on the application bank. Preliminary interview becomes a necessity, when a large number of candidates apply for a job.

Check Your Progress

4. Define recruitment.
5. Name the sources of recruitment.
6. What are the types of internal sources of recruitment?
7. What are the chief merits of internal sources of recruitment?
8. What are the disadvantages of internal sources of recruitment?
9. What are external sources of recruitment? Name them.
10. What are the merits of external sources of recruitment?
11. What are the demerits of external sources of recruitment?
(c) Employment Tests

For further assessment of a candidate’s nature and abilities, some tests are used in the selection procedure. If tests are properly conducted, they can reduce the selection cost by reducing the large number of applicants to manageable levels. The different types of tests are:

(i) **Aptitude Test**: Aptitude or potential ability tests are widely used to measure the talent and ability of a candidate to learn new job or skill. Aptitude tests measure ability and skills. They enable us to find out whether a candidate would be suitable for the job.

(ii) **Interest Test**: Interest test is found out the type of work in which the candidate has an interest. An interest test only indicates the interest of a candidate for a particular job. It does not reveal his ability to do it.

(iii) **Intelligence Test**: This test is used to find out the candidate’s intelligence. It reveals, the candidate’s mental alertness, reasoning ability, power of understanding etc. The scores on intelligence tests are usually expressed as Intelligence Quotient (IQ), which are calculated as follows:

\[
IQ = \frac{\text{Mental Age}}{\text{Actual Age}} \times 100
\]

(iv) **Performance or Achievement Test**: This test is used to measure the candidate’s level of knowledge and skill in a particular trade or occupation. Achievement test measures the skill of knowledge which is acquired as a result of previous experience or training obtained by a candidate.

(v) **Personality Test**: Personality test is used to measure the characteristics that constitute personality.

(d) **Interviews**

After putting the candidates to various types of tests, all those passing out are finally called for interview. The interview consists of interaction between the interviewer and the applicant. If handled properly, it can be a powerful technique in achieving accurate information and getting access to material otherwise unavailable. If the interview is not handled carefully, it can be a source of bias, restricting or distorting the flow of communication. An interview is thus an attempt to secure maximum amount of information from the candidate concerning his suitability for the job under consideration.

(e) **Checking References**

The reference provided by the applicant has to be checked. This is to find out from the past records of the candidate. Reference checking requires the same use of skills as required by the interviewer and some amount of diplomacy. The main difficulty is ascertaining the accuracy of information given. Besides inaccurate facts, the referees’ inability to assess and describe the applicant and his limited knowledge about the candidate also pose problems. In spite of its difficulties, it is necessary to verify the information. In many organizations, reference checking is taken as a matter of routine and treated casually or omitted entirely.

(f) **Physical or Medical Examination**

The next step is getting the candidates medically examined if there is a need. Quite often the candidates are told to get medically examined before reporting for duty. In Government and other quasi government organizations getting medically examined is a must before reporting for duty or at the time of reporting for duty. Medical examination is a part of the selection process for all suitable candidates in many organizations.

(g) **Final Interview and Induction**

After the candidate is finally selected the management will have to explain the job to him. He should be told as to what are his duties, what is required of him and what are his future prospects in the organization. Normally this information is given to the candidate at the time...
of final selection interview. This is the way how the candidate is inducted into the job. He is formally appointed by issuing him an appointment letter or by concluding with him a service agreement. The appointment letter contains the terms and conditions of the employment, pay scale and other benefits associated with the job.

The interviewer can describe the company and its policies, the duties and responsibilities of the applicant as well as the opportunities available to him for future promotion. The interviewer should, in fact highlight the favourable aspects of the job.

### 2.6 PLACEMENT

After selecting a candidate, he should be placed on a suitable Job. It involves assigning a specific rank and responsibility to an employment. Most organisations put new recruits on probation for a given period of time (say 6 months or 1 year) after which their services are confirmed after successful completion of the probationary period. If the performance is not satisfactory, the organisation may extend the probation or ask the candidate to quit the job. However if the employee’s performance during the probation period is satisfactory, his services will be regularised and he will be placed permanently on the job.

The employee placement process is shown in the figure shown below:

![Employee Placement Process Diagram](image-url)

**Figure 2.1 Employee Placement Process**

Placement is an important HR activity. If neglected, it may create employee adjustment problems leading to absenteeism, turnover, accidents, poor performance etc. Proper placement is important to both employee and the organisation. Pigors and Myers have defined placement as “the determination of the job to which an accepted candidate is to be assigned and his assignment to that job. It is a matching of what the supervisor has reason to think he can do with the job demands; it is a matching of what he imposes in terms of strain, working conditions, etc., and what he offers in the form of pay roll, companionship with others, promotional possibilities etc”. Proper placement helps to improve employee morale. If a candidate adjusts himself to the job and continuous to perform as per expectations, it might mean that the candidate is properly placed. However if the new employee has problems in adjusting himself to the job and he continues to perform below
expectations, he might be misplaced. Such new recruits should be assigned some other more suitable jobs or they must be given further training to make them fit for the job.

2.6.1 Problems of Placement

Some problems might crop up while placing an employee on a job. These problems could include:

- Employee expectations form the job.
- Expectations form the employers are more than the employee’s ability or skills.
- Technological changes might result in mismatch between the job and the employee.
- Change in the organisational structure may result in changes in the job. These changes result in a misfit between the employee and the job.

2.7 INDUCTION PROGRAMME

According to R.P. Billimoria, induction or orientation is “a technique by which a new employee is rehabilitated into the changed surroundings and introduced to the practices, policies and purposes of the organization”. A formal orientation tries to bridge the information gap of the new employee. When a person joins an organization, he is a stranger to it. He may experience a lot of difficulties which could lead to tension and stress in him. This in turn can reduce his effectiveness.

Need for Orientation: In an organization, orientation is required for overcoming employee anxiety, reality shocks and for accommodating employees.

- New employees experience a lot of anxiety in an organization. This is a natural phenomenon which can be overcome through orientation.
- An employee joins an organization with certain assumptions and expectations. When these expectations do not match with reality, the new employee experiences a reality shock. Effective orientation programmes help to reduce this reality shock by providing a more realistic expectation on the part of the new employee.
- Proper employee orientation helps to accommodate the new employee with existing employees by developing new acquaintances and understanding of the various aspects of the job.

Steps in the Induction Programme: The HR department may initiate the following steps while organising the induction programme:

1. Welcoming the new recruit to the organization.
2. Providing knowledge about the company: what it is, what it does, how it functions, the importance of its producers; knowledge of conditions of employment, and company’s welfare services.
3. Giving the company’s manual to the new recruit.
4. Showing the location/department where the new recruit will work. This step should include specific job location and duties.
5. Providing details about various groups and the extent of unionism within the company. In this step the new employee is given a brief idea about the set up of the department, production processes, different categories of employees, work rules, safety precautions and rules.
6. Giving details about pay, benefits, holidays, leave etc.
7. Defining the employee’s career prospects with reference to the training and development activities that the company organises with special reference to the new recruits’ position.
Content of the Induction Programme: Keith Davis has listed the following topics covered in an employees induction programme:

**Table 2.3 Topics of an Induction Programme**

<table>
<thead>
<tr>
<th>1. Organisational Issues</th>
</tr>
</thead>
<tbody>
<tr>
<td>• History of the company</td>
</tr>
<tr>
<td>• Names and titles of key executives</td>
</tr>
<tr>
<td>• Employees’ title and department</td>
</tr>
<tr>
<td>• Layout of physical facilities</td>
</tr>
<tr>
<td>• Probationary period</td>
</tr>
<tr>
<td>• Products/ Services offered</td>
</tr>
<tr>
<td>• Overview of production processes</td>
</tr>
<tr>
<td>• Company policies and rules</td>
</tr>
<tr>
<td>• Disciplinary procedures</td>
</tr>
<tr>
<td>• Employees’ handbook</td>
</tr>
<tr>
<td>• Safety steps</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2. Employee Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Pay scales, pay days</td>
</tr>
<tr>
<td>• Vacations, holidays</td>
</tr>
<tr>
<td>• Rest pauses</td>
</tr>
<tr>
<td>• Training avenues</td>
</tr>
<tr>
<td>• Counseling</td>
</tr>
<tr>
<td>• Insurance, medical, recreation, retirement benefits</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>3. Introductions</th>
</tr>
</thead>
<tbody>
<tr>
<td>• To supervisors</td>
</tr>
<tr>
<td>• To co-workers</td>
</tr>
<tr>
<td>• To trainers</td>
</tr>
<tr>
<td>• To employee counselors</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>4. Job Duties</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Job location</td>
</tr>
<tr>
<td>• Job tasks</td>
</tr>
<tr>
<td>• Job safety needs</td>
</tr>
<tr>
<td>• Overview of jobs</td>
</tr>
<tr>
<td>• Job objectives</td>
</tr>
<tr>
<td>• Relationship with other jobs</td>
</tr>
</tbody>
</table>

Induction Training in some Leading Organizations

**Aptech:** The company takes its new entrants through a structured induction training programme. The one-day programme includes a briefing on the company’s market position, the business it is in, its functioning style, its organisational structure and its HR policies. The entrants are also familiarised with what others do before being deputed to their own departments. A six-month behavioural training is also offered in team building, self-development, customer-sensitivity etc. Finally, the recruits are put through an appraisal process to gauge fitment and progress.

**Maruti Udyog:** The company customizes its initiation programmes to suit the profile of the new recruit. For engineers, the programme is offered in four parts:

1. Familiarize with various functions and meet division heads
2. Work on shop floor
3. Work at various other departments
4. Work in the department for about 2 months, where they will eventually work.

**Standard Chartered Bank:** The management trainees are picked up from premium B-schools and undergo induction training for about 6 months. During this period, the trainees spend time in the various divisions of the bank to get a holistic view of the bank’s operations, and get a chance to meet each of the bank’s business heads. A two-day session dedicated to team-building is also conducted thereafter. After taking charge of the job, the new recruits have to attend a review session about the job itself.

Source: Business Today, May 7-21, 2000 Page 125
2.7.1 Types of Induction Programme

(a) General Induction Programme

Once an offer of employment has been extended and accepted, the final stage in procurement function is concluded. The individual has then to be oriented towards the job and the organization. This is formally done through a process known as induction or orientation. Induction is a welcoming process—the idea is to welcome the candidate, make him feel at home in the changed surroundings and to introduce him to the practices, policies and purposes of the organization. The necessity of an induction programme is that when a person joins an organization, he may feel strange, shy, insecure and/or nervous. Induction leads to reduction of such anxieties.

(b) Specific Orientation Programme

Specific orientation is conducted by the foreman. Induction is specific and requires skill on the part of the foreman. A new employee must be provided operational knowledge that is specific to the position and location. The immediate boss (foreman) is responsible for such induction and training. Every new employee should know

(i) the people he/she works with.
(ii) the work he is responsible for.
(iii) the result to be accomplished.
(iv) the current status of the work.
(v) his relationships in the organization.
(vi) reports and records he must understand and maintain.
(vii) operating policies, procedures and rules
(viii) service group available to help him.

The purpose of specific induction is to enable an employee to adjust himself to his work environment.

(c) Follow-up Induction Programme

The purpose of the follow-up induction programme is to find out whether the employee is reasonably satisfied with the job. It is usually conducted by the foreman or by a specialist from the personnel department. Through guidance and counselling, efforts are made to remove the difficulties experienced by the new comer. Usually, follow up induction takes place after about one or two months from the time of appointment.

2.8 CASE STUDY: INFOTECH LTD.

InfoTech Ltd. is a Mangalore based company having a countrywide network. It is considered as a leading software company having a turnover of 7500 crore rupees. The company is growing rapidly and during the last year, the number of employees increased from 50 to 125. Most of the employees are graduate engineers having BE degrees in Computers, Information Systems and Electronics and Communications. The employees in the sales field are MBAs with basic degrees in science or engineering. The work is highly pressured and result-focussed, in return for which large reward packages are available. The sales force in particular needs strong presentation and negotiation skills since the market is very competitive. Recently, however, the company has had great difficulty in selecting the staff of right calibre for sales position (MBA degreeholders) though they are able to attract candidates in sufficient numbers.

The HR manager analysed the selection procedure to provide a more successful model for the selection of the sales force. The model allowed the selection process to:

- identify differences between recruits that were important to the role
- carry out the identification of differences in a reliable and consistent manner.
- make valid predictions about the future performance of recruits with confidence.
The findings revealed some interesting features relating to the basic skills and attitudes needed for such a role. These were:

1. What is seen as “professionalism” suggested as “an ability to deal sensitively with prospective customers, being “human” rather than “clinical”.
2. Style of behaviour which was “non-threatening” and “non-arrogant” but also “challenging” when required.
3. Skills like tolerance for ambiguity and a capacity to empathise with prospective customers.
4. Show “pride” in working with InfoTech and their product.

Using the above information, you are required to investigate an appropriate selection strategy which should include:

1. which selection techniques could measure the attributes identified?
2. how the HR manager would operate for the selection of sales force.

Justify your answers.

2.9 SUMMARY

Human resource planning determines a conscious choice of patterns of the humanisation of work environment in an organization. In order to achieve the objectives of the organization, the HR planner should be concerned with the timing and scheduling of planning of human resources. Manpower planning can also be used as an important aid in framing the training and development programmes for the employees because it takes into account the anticipated changes in the HR requirements of organizations. With the expansion of business adoption of complex technology and professional management techniques, the process of human resource planning has assumed great significance.

Recruitment is a process of searching for prospective employees and stimulating and encouraging them to apply for jobs in an organization.

Basically, the sources of recruitment are of two types:

1. Internal sources
2. External sources

Having identified the potential applicants, the next step is to evaluate their experience and qualifications and make a selection. There is no shortcut to an accurate evaluation of a candidate. A variety of methods is used to select personnel.

2.10 ANSWERS TO ‘CHECK YOUR PROGRESS’

1. HR planning is the process – including forecasting, developing and controlling – by which a firm ensures that it has the right number of people and the right kind of people at the right places at the right time doing work for which they are economically most useful

2. The general characteristics of human resources planning are
   (i) Human resources plan must incorporate the human resources needs in the light of organizational goals.
   (ii) Human resource plan must be directed towards well-defined objectives.
   (iii) Human resource plan must ensure that it has the right number of people and the right kind of people at the right time doing work for which they are economically most useful.
   (iv) Human resource planning should pave the way for an effective motivational process.
A human resource plan should take into account the principle of periodical reconsideration of new developments and extending the plan to cover the changes during the given long period.

Adequate flexibility must be maintained in human resources planning to suit the changing needs of the organization.

3. HRP consists of the following stages.
   - Analysing organizational plans and deciding objectives
   - Analysing factors for manpower requirements which include Demand Forecasting, Supply Forecasting
   - Developing Employment Plans - After determining the number of personnel for each job in the organization, the human resource department has to determine the nature of job regarding job description and job specification.
   - Developing Human Resource Plans

4. Recruitment is a process of searching for prospective employees and stimulating and encouraging them to apply for jobs in an organization.

5. Basically, the sources of recruitment are of two types:
   (a) Internal sources (b) External sources

6. Among the internal sources, the following may be included:
   (a) Promotions (b) Transfers and (c) Response of employees to notified vacancy.

7. The following are the chief merits of internal sources of recruitment
   (i) Internal sources of recruitment have the advantage of absorbing people already acquainted with the company culture.
   (ii) Our employees are tried and tested people and we can depend on them.
   (iii) It is a useful signal to employees and assures them that their services are recognized and this helps in maintaining their motivation and morale.
   (iv) It reduces labour turnover as it gives employees a sense of job security and opportunity for advancement.
   (v) Our employees are fully acquainted with the organization hence, job training can be reduced.
   (vi) Internal sources of recruitment are less costly than the other sources of recruitment.

8. The disadvantages of internal sources of recruitment Internal sources of recruitment suffer from certain demerits they are:
   (a) It limits the choice to a few employees only.
   (b) The likes and dislikes of the superiors play an important role in the selection of an employee.
   (c) It creates frustration among those employees who are not selected

9. External sources of recruitment are sources lie outside the organization. They may come through the following sources:
   - Advertising in newspapers, trade journals and magazines
   - Employment Exchanges
   - Campus recruitment
   - Unsolicited applicants
   - Labour contractors
   - Employee referrals
10. The merits of external sources of Recruitment
   (i) Fresh talent and skill comes into the organization.
   (ii) New employees may try to change old habits.
   (iii) New employees may be selected at the terms and conditions of the organization.
   (iv) Highly qualified and experienced employees may help the organization to come up with better performance.
   (v) Since persons are recruited from a large market, the best selection can be made. In other words, the recruiter has a wide range of candidates to choose from.
   (vi) External sources provide the requisite type of personnel for an organization, having the required skill and standard.
   (vi) External sources of recruitment are economical because potential employees do not need extra training for their skills.

11. The demerits of external sources of Recruitment
   (i) External sources of recruitment reduce the morale of employees because outsiders are preferred to fill up superior vacancies.
   (ii) External sources of recruitment deny carrier advancement for employees.
   (iii) The recruiter may not be in a position to properly evaluate outside candidates because the time available at his disposal is very less. This may result in faulty selection of employees.
   (iv) Outsiders are not fully acquainted with the policies and procedures of the organization. Therefore, they should be given training, which is quite expensive.

12. According to Yoder, “the hiring process is of one or many ‘go-no-go’ gauges. Candidates are screened by the applicants go on to the next hurdle, while unqualified are eliminated”.

13. The steps commonly followed are as under:
   - Application blank
   - Initial interview of the candidate
   - Employment tests – Which include aptitude test, interest test, intelligence test, performance or achievement test and personality test
   - Interviews.
   - Checking references
   - Physical or medical examination

14. The different types of induction programmes are:
   - General Induction programme
   - Specific orientation programme
   - Follow-up Induction programme

2.11 QUESTIONS AND EXERCISES

Short-Answer Questions
1. List the general characteristics of human resource planning.
2. What are the benefits of HR planning?
3. Which are the nine strategic points suggested by Stainer?
4. Define job specification. What do job specifications relate to?
5. How would you list the essentials of policy formation.
6. What problems can one encounter while placing an employee on a job?
Long-Answer Questions

1. Explain the process of HR planning.
2. Discuss the main hurdles in the process of HR planning.
3. Describe the uses of job analysis.
4. Name and explain the two types of sources of recruitment.
5. Describe the steps in the selection procedure while selecting a personnel.

2.12 FURTHER READING
