**Lesson - 5 a**

# RECRUITMENT

## 5a.0  Objective:

After completion of this lesson, you should be able to understand:

* meaning of Recruitment

* definitions

* objectives

* sources of recruitment

* techniques of recruitment

* selection

* importance of selection

* steps in selection

* placement

## Structure:

# 5a.1  Introduction:

Recruitment is the development and maintenance of sufficient man power sources. Recruitment involves the creation of a pool of available human resources from which the organisation can draw additional employes as and when required.  It is the process of attracting applicants with certain skills, abilities, and with other personnel traits to job vacancies in the organisation.  In other words, it is a 'linking activity' bringing together those with jobs and those seeking jobs.

# 5a.2  Meaning and Definition:

According to **Yoder,** it is a process to discover the sources of manpower to meet the requirements of the staffing schedule and to employ effective measures for attracting that manpower in adequate numbers to facilitate effective selection of an efficient working forces.

According to **Flippo**, recruitment is both positive and negative activity.  It is a process of searching for prospective employees and encouraging the to apply for jobs in an organisation.  It is positive in the sense that it stimulates people to apply for jobs to increase the hiring ratio.  On the other hand, selection tends to be negative because it rejects a good member of those who apply, learning only the best to be hired.

According to **Denerley and Plumblay,** recruitment is concerned with both engaging the required number of people and measuring their quality.  It is not only a matter of satisfying a company's needs.  It is also an activity which influences the shape of the company's future.

From above, it is crystal clear that recruitment is an important function in the organisation, because unless the right type of people are hired, even the best plans, organisation charts and control systems will become ineffective and will not yield the expected results.

# 5a.3  Objectives of Recruitment:

The objectives of recruitment are:

a) to attract people with skills to sent the present and future needs of the organisation.

b) to induct outsiders with a new perspective to lead the company.

c) to infuse new blood at all levels of the organisation.

d) to develop an organisational culture to attract suitable people to the company.

e) to devise methodologies for assessing psychological traits.

f) to seek out non-conventional development grounds of talent.

g) to search for talent globally and not just within the company, and so on.

## 5a.4  Factors Affecting Recruitment:

All organisations, irrespective of their size and nature are engaged in the recruitment process in one way or the other.  Their process of recruitment may differ due to:

* the size of the organisation

* the employment opportunities available in the organisation

* the influence of past recruiting efforts in recognising the talent.

* the working conditions

* the salary and other benefit packages offered

* the level of operations and production programmes

* the future expansion and diversifications

* the socio, economic, cultural, legal factors etc.

* the security and protection to employment

* the internal factors in the organisation

* the external factors in the organisation

## 5a.5  Recruitment Policy:

The economic liberalisation and consequent competition through quality and services necessitated the companies to search for and attract competent human resources corporations focusing on new business development will have to seek enterpreneurial abilities, companies planning to withdraw from diversifications must look for pragmatists companies chasing growth alliances, mergers, acquisitions should employ people comfortable in different cultural backgrounds. Above all, companies must hire for the future anticipating the future needs that may not be in existence yet.  Therefore, the companies must take atmost care in formulating their recruitment policy.  They should take into account not only the above mentioned factors but also the factors that are given below:

* Government Policies

* Personnel policies of other competitors

* Recruitment sources

* Recruitment needs

* Recruitment Cost

* Selection criteria and preference etc.

## 5a.6  Centralised and Decentralised Recruitment:

Recruitment practices differ from one organisation to other.  Some like commercial banks prefer centralised recruitment while others like Indian Railways may prefer decentralised recruitment in respect of certain positions.  The personnel department at the central office performs all the functions of recruitment in case of centralised recruitment and personnel departments at unit level perform all the functions of recruitment relating to the jobs of the respective unit.

### 5a.6.1 Merits of Centralised Recruitment:

* The cost of recruitment per candidate will be less due to economies of large scale

* People with more talent and expertise can be tapped

* Uniformity at different units in the same organisation can be maintained in respect of qualification, skill, knowledge etc.

* It will be free from bias, favouritism etc.

* Facilitates interchangeability among different units.

* Facilitates centralised promotion, transfer, selection procedure etc.

* Facilitates effective placement to candidates etc.

Inspite of the above advantages, some organisations resist to decentralised recruitment for the following reasons.

### 5a.6.2 Merits of De-Centralised Recruitment:

* The cost of recruitment is less as it concentrates only on those areas where it gets the suitable candidates.

* It gets suitable candidates as it is aware of its requirements of the job regarding qualification, tradition, back ground, local features etc.

* It can recruit men as and when required without delay.

* The respective units will have freedom in the selection techniques.

* The unit can enjoy better control over its employees etc.

However, both the systems suffer from certain draw backs. Hence, management should weigh the merits and demerits of each system before making final decision.

## 5a.7 Sources of Recruitment:

Before the commencement of the procedure of recruitment activity, organisation must find out what type of employee it needs. Some companies develop new sources while others try to tackle the existing sources which are available to them. These sources may be termed as internal and external.

### 5a.7.1 Internal Sources:

They are the most obvious sources. They include personnel on the pay roll of the organisation. In other words, present working force. Whenever an vacancy arises someone from with in is promoted transferred or demoted. This source includes personnel who worked and left the organisation and want to return, personnel those retired from the company, personnel who left voluntarily or left due to strikes and lock-outs.

### Merits:

* It creates confidence among employees as they will be preferred over outsiders when a vacancy arises.

* Employer has the advantage of evaluating the presently employed than outsiders.

* It creates a sense of job security to the existing employees.

* Little training only is required to employees as they will be aware of the operating procedures when    compared to outsiders.

* The employees are trained and tried people, therefore be relied on.

* It is less expensive.

**Demerits:**

It leads to inbreeding and discourages new blood from entering an organisation.

* Sometimes, internal source many dry up and suitable candidates may not be available within.

* Men with talent may be deprieved of the opportunities as promotions depend on seniority.

Many organisations do not tap this source though used by some organisations. It is not only reasonable but wise to use this source. If the vacancies to be filled are within the capacity of the present employees. This some will be of great use if adequate employee records are maintained and if opportunities are provided in advance to prepare themselves for promotion from 'blue collar' to white collar jobs.

### 5a.7.2 External Sources:

These are related to outside organisation. They include:

* New entrants to the labour force like young inexperienced from colleges.

* The unemployed with skills and suitable abilities.

* Retired experienced persons such as mechanics, welders etc.

* Others not in the labour force such as married women and ex-servicemen.

**Merits:**

Provides the personnel with skill, training, and education to the required standard.

* Best personnel can be selected without any bias to caste, creed, sex or colour as the market is large.

* It is economical became potential employees do not need extra training in the long run.

**Demerits:**  However, this system suffers from what is called "brain drain' especially when experienced persons are haunted by sister concerns.

## 5a.8 Techniques of Recruitment:

Each and every organisation must facilitate the candidates to know the availability of jobs and the nature of the organisation where they have to work. They must also findout where the suitable candidates in required number are available organisations must have clear sources of recruitment and proper techniques of stimulating the prospective candidates. Some managements feel that sources and techniques of recruitments are one and the same. But in reality the two are quite different. Sources indicate where prospective employees are available and techniques indicate the stimulations available to the prospective employees to apply for jobs.

The sources of recruitment are divided into internal sources and external sources. Internal sources are the sources with in an organisational pursuits. External Sources are outside organisational pursuits.

**5a.8.1 Internal Sources:** Internal sources include the following:

**a) Present Permanent Employees:** Organisations consider the candidates from the source for higher level jobs due to the following reasons:

* availability of most suitable candidates for jobs relatively or equally to the external source.

* to meet the trade union demands

* to the policy of the organisation to motivate the present employees.

**b) Present Temporary or Casual Employees:** Organisations find this source to fill the vacancies relatively at the lower level owing to the availability of suitable candidates or trade and pressures or in order to motivate them on the present job.

**c) Retrenched or Retired Employees:** Generally a particular organisation retrenches. The employees due to lay-off. The organisation takes the candidates for employment from the retrenched employees due to obligation, trade union pressure and the like. Sometimes the organisations prefer to re-employ their retired employees as a taken of their loyalty to the organisation or to post pone some inter-personal conflicts for promotion etc.

**d) Dependents of Deceased, Disabled, Retired and Present Employees:** Some organisations with a view to depending to commitment and loyalty of not only the employee but also his family members and to build up image provide employment to the dependent(s) of deceased, disabled and present employees. Such organisations find this source as an effective source of recruitment.

**5a.8.1.1 Why do organisations prefer Internal Source? :**

Organisations prefer this source to external source to some extent for the following reasons:

* Internal recruitment can be used as a technique of motivation

* It improves the morale of the employees.

* Selection of internal candidates will be easier than the external candidates. It is because "known devils are better than unknown angels".

* It enhances the commitment, loyality and security of the existing employees.

* The economic needs for promotion and higher income of the employees can be satisfied.

* Cost of selection can be minimised.

* Trade Unions can be satisfied.

* Social responsibility towards employees may be discharged.

* Stability of employment can be ensured.

Generally it is not wise for the organisations to depend on internal source exclusively as too-much consumption of even sugar tasted bitter. The excessive dependence on this source results

in in-breeding, discourages flow of new blood into the organisations, organisation would become dull and back number without innovations, new ideas, excellence and expertise. Hence, organisation depend on internal source to the extent of motivating and then depend on external sources.

**5a.8.2 External Sources:** These are those sources which are outside the organisational pursuits. Organisations prefer to choose the required candidates from this source because of the following reasons:

* The suitable candidates with skill, talent, knowledge etc. are generally available.

* Candidates can be selected without any reservations.

* Cost of employees can be minimised because the employees selected are generally placed in minimum pay-scale.

* The enhance and experience in other organisations can be tapped.

* Human resources can be balanced with different back-ground, experience, skill etc.

* Latest knowledge, creative talent etc. can be available to the organisation.

* The personality of existing employees can be broadend

* The qualitative human resources brought into the organisation will benefit in the long run.

**The External Sources include the following:**

**a) Campus Recruitment:** Different types of organisations can get inexperienced candidates of different types from various educational institutions. The trained candidates can be obtained from the training institutes like vocational training, institutes of state governments. Most of the unevarsities imparting technical education provide opportunities for campus recruitment. The institutes maintain the bio-data of the candidates. The organisations requiring the candidates can contact these institutions either in person or by post. Majority of organisation employing this source perform the function of the selection after completing recruitment in the campus. This reduces the time lapse and they can also secure the best personnel.

**Campus Recruitment Techniques:** Campus recruitment is the best source for organisations to get the cream. The technique of this method include the following:

* Short listing the institutes based on the quality of students, faculty facilities and past track record.

* Selecting the recruitment team with care

* Offering smart pay instead of high pay package.

* Presenting the true picture of the organisation

* focussing the career growth opportunities available in the organisation

* Include young managers business school and engineering school alumini in the recruitment team.

**b) Private Employment Agencies:**

In India, consultants like ABC consultants perform the recruitment function on behalf of a client company. Recruitment is entrusted to private agencies so that the line managers can concentrate on operational activities. Sometimes, the managements do not depend on this type due

to limitations of high cost, confidential nature of recruitment function etc. Private Recruitment Agencies perform this function effectively in respect of the recruitment of executives. Hence, these agencies are also called executive search agencies. Most of the organisations depend on this source in respect of recruiting personnel to executive positions.

**c) Public Employment Exchanges:** These organisations provide information about the available vacancies to candidates. It also helps the organisations in finding suitable candidates. The Employment Exchange Act makes it obligatory for public sector and private sector enterprises in India to fill certain types of vacancies through these agencies.

**d) Professional Organisations:** These organisations maintain complete bio-data of their members and provide the same to various organisations on requisites. They also act as an exchange between their members and recruiting firms in exchanging information, clarifying doubts etc. Organisations find this source more useful to recruit experienced and professional employees like executives, managers, engineers.

**e) Data Banks:** The management can collect the bio-data of the candidates from different sources like Employment Exchange, Educational Training Institutes, candidates etc. and feed them in the computer. It will become another source and the company can get the particulars as and when it need to recruit.

**f) Casual Applicants:** Depending upon the image of the organisation, its prompt response, participation of the organisation in the local activities, level of unemployment, candidates apply casually for jobs through mail or hand over the applications in personnel department. This would be a suitable source for temporary and lower level jobs.

**g) Similar Organisations:** Generally experienced candidates are available in organisation producing similar products or are engaged in similar business. The management can get most suitable candidates from this source. This would be the most effective source for executive positions and for newly established organisation or diversified or expanded organisations.

**h) Trade Unions:** Generally, unemployed or underemployed or employees seeking change in employment may contact the trade union leaders who have lot of raport with various managements. In view of this, the managements to satisfy the trade union leaders may enquire trade unions for suitable candidates. Management decides about the source depending on the type of candidates needed, time lapse period etc. It has to select the recruitment techniques after deciding the source.

**Recruitment Techniques:** They are the means by which managements contact the prospective employees or provides needed information or stimulates them to apply for jobs. Depending on the situations the managements use various types of techniques to stimulate internal and external candidates. The following are the useful techniques to stimulate internal candidates:

* promotions and

* transfers

Techniques useful to stimulate external candidates are:

* present employees

* scouting

* advertising

**Promotions:** Most of the internal candidates would be stimulated to hold higher responsibilities if the managements assures them of promotion to next higher levels.

**Transfers:** Employees would be stimulated to take up new places of work if management wishes to transfer them to the work places of their choice.

**Recommendations of the Present Employees:** The managements can persuade the outsiders to apply for jobs in the organisation through the recommendations to the candidates by the present employees, trade union leaders etc.

**Scouting:** It means sending the representatives of the organisation to the prospectus to stimulate them to apply for jobs. The representatives provide information required by the prospects and clarify the doubts of the candidates if any.

**Advertising:** It is another familiar technique used by the organisations widely to recruit. It provides only one way communication. It provides information to prospects and stimulates them to apply for jobs. Advertising is done through different media.

## 5a.9  Modern Sources and Techniques of Recruitment:

In additional to traditional techniques corporates use a number of modern recruitment sources and techniques. They include walk-in and consult-in, body-shopping, business alliances, tele-recruitment etc.

**Walk-in:** Some companies do not find time to adopt various techniques of recruitment. Instead, they advise the prospects to attend interviews direct without any prior intimation or application. They conduct the tests and interviews and after the screening tests, the suitable candidates are selected for appointment.

**Consult-in:** The busy and dynamic companies invite the potential job-seekers to consult them personally. Such companies select the candidates after due selection process.

**Body-Shopping:** Some professional organisations develop the human resources for possible employment. The employers in times need contact these organisations to recruit. The professional organisations can also approach the prospective employers to place their human resource. These professional organisations are called body-shoppers. The activities conducted by them are called body-shopping.

**Business Alliance:** It is nothing but mergers, acquisitions and takeovers. They also help in mobilising human resources. In addition to this, some companies may have alliances for showing their human resources on ad-hoc basis. It does not mean that organisations with surplus human resource resist to this. It depends on the terms of their alliances relating to the human resource.

**Tele-Recruitment:** The revolution in technology helped the organisations to use internet as a source of recruitment. They advertise world wide the available vacancies through their web-sites. The job seekers respond through web-internets. Similarly, the job seekers also adopt this technique through which the prospective employers can respond depending on their requirements.

## 5a.10  Recruitment Appeal:

First the recruiter must be clear about his needs. He must also be clear about what he is going to offer to the employees. It is because different candidates require different needs.

**For example:** Men employee desires security, opportunity for promotions, freedom in the job etc.

Women employee desires good personal relationship with people at work, good supervision, good working conditions etc.

Therefore, the recruiter should possess the talents of an advertising expert, the skills of a salesman and expertise in market research. Above all, he must know that the appeal of an organisation will be effective in hiring employees but not in retaining them. Therefore he should follow such methods which would stimulate the job-seekers.

## 5a.11 Recruitment Practices in India:

The different sources for recruitment in India are:

* With in the Organisation

* Temporary Workers

* Employment Agencies

* Casual Callers

* Applicants introduced by friends and relatives in the organisation.

* Advertisements and

* Labour Contractors.

The public and private sector employers adopt the following methods in recruiting their employees:

In the Public Sector the major sources on priority basis are:

* casual callers

* new paper advertisements

* scheduled castes and scheduled tribes

* employment exchanges

* other public under takings

* internal advertisements

* displaced persons

* relatives and friends

* employee recommendations and

* institutions

In the private sector, the major source of recruitment are:

* advertisements

* employment exchanges

* relatives and friends

* casual callers and

* employee recommendations

## 5a.12  Summary:

Sources of recruitment should be evaluated periodically.  In hiring organisations must take into account the cost of recruitment, tenure, etc.  Organisations must find out the reasons which attracted an applicant.  Organisations must improve the recruitment process periodically to sent the technological changes.  They should take into consideration the ethical practices, such as use of truth in hiring.

An effective recruitment requires, a well defined policy, a proper organisational structure, a set procedure for locating sources of manpower resources, suitable techniques and a constant assessment and consequent improvement.

## 5a.13  Self - Assessment Questions:

1. Objectives of Recruitment

2. Factors Affecting Recruitment

3. Recruitment Policy.

4. Internal Source

5. External Source

## 5a.14  Essay Questions:

1. Explain the merits and demerits of centralised and decentralised recruitment.

2. Explain the Sources of Recruitment.

3. What is recruitment process?

4. What are the modern sources and techniques of recruitment?

## 5a.15  Reference Books:

1. Personnel Management                                    -  Memoria

2. Hand Book of Personnel Management and Labour Relations      - Dale Yoder

3. Personnel Management                                    - Edwin B. Flippo.


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