



UNIT-2

Recruitment and Selection

Learning Outcomes

By the end of this unit the learner will be able to:

- ✓ Identify the Factors Affecting Recruitment
- ✓ Assess the Recruitment Process

Unit 2

Recruitment and Selection

In the present business environment, organizations are faced with the pressure to produce more with fewer resources. Employees, on whom an organization's profitability depends, comprise the largest fixed cost that an organization incurs. Organizations now intend to evolve methods not only to improve productivity but to also keep the costs down. On the human resources front, productivity can be improved by ensuring that the organization attracts the best talent at the lowest possible cost.

People are the assets on which competitive advantage is built, whether in the public or private sector, whether in the corporate world or in the world of education. In the words of the latest theory on human resource management, people are an "inimitable" asset. People and their skills is the one thing that competitor organizations cannot imitate. The most valuable asset for any large organization is its employees of high-calibre. Finding right people and putting them at right jobs is the most important challenge for any organization.

What is Recruiting?

Once the required number and kind of human resources are determined, the management has to find the places where required human resources are or will be available and also find the means of attracting them towards the organization before selecting suitable candidates for jobs. All this process is generally known as recruitment.

Recruitment is defined as, "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 workforce." Edwin B. Flippo defined recruitment as "process of searching for prospective employees and stimulating them to apply for jobs in the organization."

Objectives of Recruitment

1. To attract people with multi-dimensional skills and experiences that suits the present and future organizational strategies.
2. To induct outsiders with a new perspective to lead the company.
3. To infuse fresh blood at all levels of the organization.
4. To develop an organizational culture that attracts competent people to the company.
5. To search or head hunt people whose skills fit the company's values.
6. To devise methodologies for assessing psychological traits.
7. To seek out non-conventional development grounds of talent.

8. To search for talent globally and not just within the company.
9. To design entry salary that competes on quality but not on quantum.
10. To anticipate and find people for positions that does not exist yet.

Recruitment Policy

Recruitment policy of any organization is derived from the personnel policy of the same organization. The policy must incorporate motivating the employees through internal promotions, improving the employee loyalty to the organization by absorbing the retrenched or laid off employees or casual/temporary employees or dependents of present/ former employees etc. subject to their capabilities.

The following factors should be taken into consideration in formulating recruitment policy. They are:

1. Government policies;
2. Personnel policies of other competing organizations;
3. Organization's personnel policies;
4. Recruitment sources;
5. Recruitment needs;
6. Recruitment cost;
7. Selection criteria and preference etc.

Planning for Recruitment

Before any applicants for a job are interviewed, any organization about to engage in the recruitment and selection process needs to undertake a number of important steps. These prior steps, in which the HRM specialists in the organization are likely to be particularly prominent (relative to line managers) include the forecasting of human resource needs, the specification of individual job requirements and the identification and use of appropriate recruitment channels.

Factors Affecting Recruitment

Both internal and external factors affect recruitment. The external factors include supply of and demand for human resources, employment opportunities and/or unemployment rate, labour market conditions, political, legal requirement and government policies, social factors, information systems etc.

Internal Factors

Preparing a detailed job description must complement the initial step of identifying specific human resource needs. The job description is a legal requirement and assists the HR manager in screening candidates. The direction the company goes from there will depend greatly on the corporate philosophy:

- Will the company look internally or externally to fill its employment needs?

- Does the company believe in hiring the most qualified candidates, regardless of background, or does it aspire to be an industry leader when it comes to workforce diversity?
- Will the firm try to sell itself as a high wage, high search, or high training as identified by Stigler?
- Meshing this philosophy with existing company policies and practices gives the recruiter the necessary base from which to proceed to the external environment.

External Factors

For legal, ethical, and practical reasons, it is critical for the recruiter to be acutely aware of the organization's external environment. All of these factors will play a hand in the recruiter's strategy:

- **Legal:** The legal environment is constantly changing, as new laws and regulations are passed affecting all aspects of Human Resource Management. The recruiter must abide by the rules to avoid unpleasant government actions.
- **Ethical:** In keeping with the corporate philosophy identified internally, the recruiter has a moral obligation to follow the guidelines that facilitate and further the company's positive corporate image.
- **Practical:** A wide array of avenues is open for the recruiter in seeking appropriate job candidates. Having updated information on the composition of the labour market and economy on both a national and local level will improve the efficiency of the effort. All of the above considerations will lead to an efficient and effective recruiting effort for the HR professional.

Internal Recruiting

Internal recruiting is the search for in-house employees who have the abilities and the attitudes to fulfil the requirements needed and to help the organization achieve its objectives.

Advantages of Internal Recruiting

- **Recruiting costs:** Since the recruiting machinery is focused on an already existing pool of employees to fill a vacant position, and therefore selection and socializing processes are less time and energy consuming, internal recruiting tends to be less expensive than external recruiting.
- **Motivation:** The prospect of potential promotion or transfers provides a clear sign to the current work force that the organization offers room for advancement. This addresses the employee's need for self-achievement.
- **Familiarity:** The familiarity of the employee has a two-side effect: On the one hand the employee is familiar with the organization's policies, procedures, and customs. At the same time, the organization has established an employment history showing the workers formal and informal skills and abilities.

Disadvantages of Internal Recruiting

- **Inbreeding:** One drawback of extensive internal recruiting is the reduced likelihood of innovation and new perspectives. A lack of new employees from the outside leads to a lack of new ideas and approaches.
- **EEO Criteria:** A use of the internal pool for the consideration of vacant positions can lead to conflicts with the Equal Employment Opportunity Commission. The organization has to ensure and continuously check its balance of a diverse workforce. This has to relate to the organization's legal, political and geographical environment.
- **More training:** Internal recruiting demands a higher degree of employee training. In order to develop the skills needed to train the current workforce in new processes and technologies, the organization has to provide a more expensive training program.

External Sources of Recruitment for Organization

External Sources Include:

- a) Campus Recruitment,
- b) Private Employment Agencies/Consultants,
- c) Public Employment Exchanges,
- d) Professional Associations,
- e) Data Banks,
- f) Casual Applicants,
- g) Similar Organizations,
- h) Trade Union.

Campus Recruitment: Different types of organizations like industries, business firms, and service organizations, social or religious organizations can get inexperienced candidates of different types from various educational institutions like Colleges and Universities imparting education in Science, Commerce, Arts, Engineering and Technology, Agriculture, Medicine, Management Studies etc.

Trained candidates are recruited with different specialization in subjects, like engineering, medicine from the training institutes of State Government or National Industrial Training Institutes for Engineers or Vocational Training Centres.

Most of the Universities and Institutes imparting technical education in various disciplines like engineering technology, management studies provide facilities for campus recruitment and selection.

Private Employment Agencies/Consultants: Public employment agencies or consultants they perform the recruitment functions on behalf of a client company by charging fee. Line managers are relieved from recruitment functions so that they can concentrate on their operational activities and recruitment functions is entrusted to a private agency or consultants. But due to limitations of high cost,

ineffectiveness in performance, confidential nature of this function managements sometimes do not depend on this source. However, these agencies function effectively in the recruitment of executives.

Public Employment Exchange: The Government set-up Public Employment Exchanges in the country to provide information about vacancies to the candidates and to help the organizations in finding out suitable candidates.

Professional Organizations: Professional organizations or associations maintain complete biodata of their members and provide the same to various organizations on requisition. They also act as an exchange between their members and recruiting firms in exchanging information, clarifying doubts etc. Organizations find this source more useful to recruit the experienced and professional employees like executives, managers, engineers.

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 needs to recruit.

Casual Applicants: Depending upon the image of the organization, its prompt response, participation of the organization in the local activities, level of unemployment, candidates apply casually for jobs through mail or handover the applications in Personnel Department. This would be a suitable source for temporary and lower level jobs.

Similar Organizations: Generally, experienced candidates are available in organizations producing similar products or 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 organization or diversified or expended organizations.

Trade Unions: Generally, unemployed or underemployed persons or employees seeking change in employment put a word to the trade union leaders with a view to getting suitable employment due to latter's intimacy with management. As such the trade union leaders are aware of the availability of candidates. In view of this fact and in order to satisfy the trade union leaders, management enquires with trade unions for suitable candidates. Management decides about the sources depending upon the type of candidates needed, time lapse period, etc. It has to select the recruitment technique(s) after deciding upon source.

The Recruitment Process

Recruiting is the process of generating a pool of qualified candidates for a particular job. It is a set of activities an organization uses to attract candidates who have the abilities and the attitudes needed to help the organization achieve its objectives.

The recruitment process for most organizations follows a common theme: applications/CVs are received, either online or by post; and candidates are short-listed and invited for interview. The interview format can vary considerably and may include an assessment centre and/or tests. The number of interviews also varies. Some companies are satisfied after one interview, whereas others will want to recall a further shortlist of candidates for more. If successful at the final interview stage, you will receive an official job offer.

Starting from the position where the recruitment process has produced a number of applicants, the important steps in selection are as follows:

- short-listing the candidates for the next stage;
- setting up tests for the short-listed candidates, sometimes in the form of an assessment centre (although tests do not take place on every occasion);
- interviewing the candidates (and giving them feedback on the tests) and allowing the candidates to interview the selectors;
- choosing the successful candidate;
- obtaining references (although this is sometimes carried out before interview);
- offering the position, confirming in writing and gaining acceptance;
- organising the induction process;
- evaluating the result.

Short-listing

Short-listing involves reducing the number of applications received down to an appropriate sized list of candidates to be invited for interview. There are two approaches in this reduction process. Firstly, there is the *screening* approach where unsuitable applicants are rejected until only the required number of applicants for interview is left. The second method is one of *inclusion* where each applicant is compared with the requirements set out in the person specification and given a score through a pre-set scoring system. For example, a maximum of 10 points could be awarded for experience, 8 for qualifications, 15 for demonstration of certain key skills or competencies and 7 for other factors, giving a total of 40 points. It would also be agreed that a minimum number of points would need to be scored in certain categories to be able to be included in the list. This process avoids discrimination and is much fairer to all the candidates, if taking a little longer.

Selection Testing

The aim is to take on board a candidate who is going to succeed and perform well. These tests may include ability tests, aptitude tests, personality tests etc.

Interviewing the Candidates

An interview has been the traditional method of selection for decades. Although interviewing is still seen generally as an art form, there are a number of essential ingredients which make up a successful interview. These can be divided into *preparation, operation and summation*. *Preparation* includes the following elements:

- All the relevant documents, especially the application form and candidate's accompanying letter, should be read thoroughly.
- It should be firmly agreed between the interviewers the nature of the measurement of the candidate. It may be carried out by a points system based on how closely they meet the person specification or by an agreed system of elimination.
- The division of the interview should be agreed, with time divided between telling the candidate a little more about the organisation and the position, the questioning of the candidate and giving the candidate the opportunity to ask questions.
- The room allocated for the interview should be prepared. It is better for it to be informally set out, rather than interviewers on one side of the desk and the candidate on the other. There should be no interruptions of any kind.
- The nature of the data recording must be agreed, the stationary printed and the recording roles assigned.

Operation covers a wide area and can be divided into a number of areas:

- opening the interview,
- listening,
- asking the right questions,
- structured interviews.

Choosing the Successful Candidate

The final decision on selecting the preferred candidate should follow the same process that applies to short-listing. Only the candidates who match the 'essential' aspects of the person specification should be considered.

It is a poor decision to select 'the best on the day' when this person only reaches half of the necessary criteria. It is far better to start the process again than take a serious risk in a potentially hazardous investment. If there is more than one candidate who meets all the criteria, then the final decision can be made by a number of ways. Generally, the decision is given to the line manager who will have to motivate, develop and manage the person concerned. The manager should justify the decision in terms of as much objective criteria as possible.

Obtaining References

The offer of employment should not be made, even informally, until references have been obtained. Once a decision is reached on the chosen candidate, it is normal to make approaches to past employers to check the accuracy of information provided by the applicant and to ensure that there is no 'skeleton' lurking in the applicant's past that has not been revealed.

Offering the Position

Once satisfactory references have been obtained, the offer of employment can be made to the successful candidate. This needs, of course, to be confirmed in writing but, because of the need to inform the candidate as soon as possible, especially if you aware that they are in the market for other positions, then a telephone call with the main details usually takes place as soon as possible. Should the candidate wish to negotiate any of the details, then this call allows such negotiations to proceed quickly.

The offer of employment should contain the following details:

- Job Title.
- Starting Date.
- Starting salary and any agreed details on salary progression and how it is determined, especially during the first year.
- Any help with re-location if appropriate.
- Company car level and arrangements for petrol, if appropriate.
- Details of confirmation of the offer (the candidate is usually asked to sign their agreement on one copy of the letter, returning it to the company in the envelope supplied).
- Details may also be supplied of other company benefits if not given beforehand. These can include medical and life assurance, staff discounts, parking arrangement and pension scheme.
- The candidate may be asked to bring with them on the first day their driving licence and any qualifications they have claimed for which the organisation have not yet obtained confirmation.

This offer will, when accepted, need to be followed up with a formal 'contract of employment' which needs to be given to the employee within two months of their starting employment. Unsuccessful candidates need to be informed at this stage, usually by letter, although the candidate who is 'first reserve', should also be telephoned to be told of the decision. They will be informed that they are waiting for confirmation but, if the chosen candidate declines, they will be offered the position. This is more than just a courtesy as it keeps this candidate interested and positive towards the organisation.

Evaluating the Selection Process

Evaluation takes two forms:

- Judging how successful the selection process has been.

- Examining the process to judge the effectiveness of each stage.

When can you tell that you have made the right selection decision? That depends on the position. For a post-room clerk or receptionist, you may be fairly sure within a few weeks. For a factory manager, you should have a good idea after a year is up and objectives are reached. At the extreme end, for the research director of a pharmaceutical company, it may be a question of 5–10 years before one or two successfully marketed drugs indicate a good level of success. However, a successfully completed recruitment exercise, one minute can change into a failure the next when the employee concerned abruptly decides to leave. It is impossible to distinguish between those factors that you can influence, such as the job design, the selection process and the way the successful candidate is managed and motivated, and the external factors over which you have no control, such as the way the economy moves, the market changes and the personal circumstances of the successful candidate changes. So recruitment is a long-term process where constant evaluation is necessary.

There are some hard facts that will give you some indication of success:

- How quickly was the position filled, measured from the date of the request to the starting date of the successful candidate. The average length of tenure of the person recruited.
- The proportion of employees recruited that were promoted within 5 years.
- The response cost per candidate in terms of advertising (that is, cost of advertising divided by number of responses).
- The proportion of candidates who met the minimum requirements specified.

None of these, on their own, will give you a complete answer. As with many management statistics, it is the comparison against previous years and similar companies that will be a better indicator of selection performance.

Complexity and Challenges of Recruitment

Performing the function of recruitment *i.e.*, increasing the selection ratio is not as easy as it seems to be. This is because of the hurdles created by the internal factors and external factors which influence an organization. The first activity of recruitment *i.e.*, searching for prospective employees is affected by many factors like:

- 1) Organizational policy regarding filling up of certain percentage of vacancies by internal candidates.
- 2) Local candidates (sons of soil).
- 3) Influence of trade unions.
- 4) Government regulations regarding reservations of certain number of vacancies to candidates based on community/region/caste/sex.

- 5) Influence of recommendations, nepotism etc. As such, the management is not free to find out or develop the source of desirable candidates and alternatively it has to divert its energies for developing the sources within the limits of those factors though it cannot find suitable candidates for the jobs.

The other activity of recruitment is consequently affected by the internal factors such as:

- Working conditions.
- Promotional opportunities.
- Salary levels, type and extent of benefits.
- Other personnel policies and practices.
- Image of the organization.
- Ability and skill of the management to stimulate the candidates.

It is also affected by external factors like:

- Personnel policies and practices of various organizations regarding working conditions, salary, benefits, promotional opportunities, employee relations etc.
- Career opportunities in other organizations.
- Government regulations.

The degree of complexity of recruitment function can be minimized by formulating sound policies. If the recruitment is considered as the art of attracting the best qualified people to the process and act as constraints. Some constraints are given below:

Image of the Organization: It is well known fact that candidates will be attracted to a reputed organization only. This has been proved particularly in the younger age group and college students who are interested in building their careers.

Attractiveness of the Job: If the job is unattractive, recruiting a large and qualified pool of candidates will be difficult. In the recent past it has been observed that employers find it difficult to get suitable candidates for the jobs that are considered as routine, boring, physically hazardous, wrongly scheduled, low salary structure, lack of promotional potential etc.

Organizational Policies: Promotional policies of the organization will definitely attract the potential applicants at the initial level but not at the higher positions. Although this is promising, once one is hired, it may reduce the number of applications for higher positions.

Legislation: Organization should comply the existing rules and regulations governing the recruitment process and cannot make any discrimination on the ground of age, religion, race, sex etc. relating to the organizational recruitments.

Cost of the Recruitment: The cost of the recruitment is always expensive. This continuing search for best applicants may be limited by many factors to it.

Ethical Standards and Manpower Recruitment

The challenge of acquiring large volumes of employable candidates is so immense that organizations prefer to pass on this task to a recruitment agency. These agencies are faced with their own share of troubles.

Some of the Challenges They Face Are

- 1) Most candidates lie to varying degrees on their CVs. When recruiting in large numbers, this leads to a real screening near impossible task. Candidates may consider their CVs to be advertisements of their skills and achievements, and they project all sorts of unbelievable information. This may be acceptable to a marginal extent but not in excess when the information crosses the line to become absolute lying. Databases at educational institutes are also not available which makes it difficult to trace candidates' academic records. This is especially true of older candidates being considered for higher positions.
- 2) The rapidly multiplying of job websites is something of a problem. Corporate companies often cut out of costs by pointing out that the resumes received from the Recruiting agency are already available on the websites and are not genuinely compiled data base.

Organizations and recruiters must put in fair practices act to eliminate unethical practices which is not going to be possible overnight. However, with a little initiative and a strong commitment to the cause, it is absolutely possible to reduce the recent occurrences to rare occurrences.

Recruiters to maintain ethical standards must follow:

- Maintain high moral standards and deliver full value for money to the clients.
- Candidate's confidentiality is really kept confidential.
- Avoid cutting service levels to get assignments at cut prices.
- Keep away from corrupting clients' HR people for more assignments.
- Get assignments from clients by proven track record in recruitments.

Further Reading:

- ✓ *Michael Armstrong, (2006), A Handbook of Human Resource Management Practice*
- ✓ *Elearn, (2009), Recruitment and Selection Revised Edition*
- ✓ *Jon Billsberry, (2007), Experiencing Recruitment and Selection*