

UNIT -2 THE CONCEPT BEST FIT EMPLOYEE

Importance of Human Resource Planning – Forecasting human resource requirement
–matching supply and demand - Internal and External sources. Recruitment - Selection
– induction – Socialization benefits.

DEFINITION: HRP

Human resource planning (HRP) is the continuous process of systematic **planning** ahead to achieve optimum use of an organization's most valuable asset—quality employees.

Human resources planning ensures the best fit between employees and jobs while avoiding **manpower** shortages or surpluses.

According to E.W. Vetter viewed human resource planning as “a process by which an organization should move from its current manpower position to its desired manpower position.

According to Leon C. Megginson human resource planning is “an integrated approach to performing the planning aspects of the personnel function in order to have a sufficient supply of adequately developed and motivated people to perform the duties and tasks required to meet organisational objectives and satisfy the individual needs and goals of organisational members.”

Human Resource Planning – Need and Importance:

I. Assessing Future Personnel Needs:

Whether there is a labour shortage or surplus, it paints a picture of poor planning or no planning in an organisation. Many businesses, especially public sector units (PSUs) in India, are struggling with a labour shortage. Because of the excess labour, businesses later provide programmes like the Voluntary Retirement Scheme (VRS) to get rid of the extra workers.

II. Foundation for Other HRM Functions:

HRP is the first step in all HRM functions. So, HRP provides the essential information needed for the other HRM functions like recruitment, selection, training and development, promotion, etc.

III. Coping with Change:

Changes in the business environment like competition, technology, government guidelines, global market, etc. bring changes in the nature of the job. This means changes in the demand of personnel, content of job, qualification and experience needed. HRP helps the organization in adjusting to new changes.

IV. Investment Perspective:

As a result of change in the mindset of management, investment in human resources is viewed as a better concept in the long run success of the enterprise. Human assets can increase in value as opposed to physical assets. Thus, HRP is considered important for the proper planning of future employees.

Expansion and Diversification Plans:

During the expansion and diversification drives, more employees at various levels are needed. Through proper HRP, an organization comes to know about the exact requirement of personnel in future plans.

V. Employee Turnover:

Every organization suffers from the small turnover of labour, sometime or the other. This is high among young graduates in the private sector. This necessitates again doing manpower planning for further recruiting and hiring.

VI. Conformity with Government Guidelines:

In order to protect the weaker sections of the society, the Indian Government has prescribed some norms for organizations to follow. For example, reservations for SC/ST, BC, physically handicapped, ex-servicemen, etc. in the jobs.

VII. International Expansion Strategies:

International expansion strategies of an organization depend upon HRP. Under International Human Resource Management (IHRM), HRP becomes more challenging. An organization may want to fill the foreign subsidiary's key positions from its home country employees or from host-country or from a third country.

FEATURES OF HUMAN RESOURCE PLANNING

- a) **It is future oriented:** Human Resource Planning is forward-looking. It involves forecasting the manpower needs for a future period so that adequate and timely provisions may be made to meet the needs.
- b) **It is a continuous process:** Human Resource Planning is a continuous process because the demand and supply of Human Resource keeps fluctuating throughout the year. Human Resource Planning has to be reviewed according to the needs of the organisation and changing environment.
- c) **Integral part of Corporate Planning:** Manpower planning is an integral part of corporate planning because without a corporate plan there can be no manpower planning.
- d) **Optimum utilization of resources:** The basic purpose of Human Resource Planning is to make optimum utilization of organisation's current and future human resources.
- e) **Both Qualitative and Quantitative aspect:** Human Resource Planning considers both the qualitative and quantitative aspects of Human Resource Management, 'Quantitative' meaning the right number of people and 'Qualitative' implying the right quality of manpower required in the organisation.
- f) **Long term and Short term:** Human Resource Planning is both Long-term and short-term in nature. Just like planning which is long-term and short-term depending on the need of the hour, Human Resource Planning keeps long-term goals and short-term goals in view while predicting and forecasting the demand and supply of Human Resource.

HUMAN RESOURCE PLANNING – OBJECTIVES:

- (i) Proper assessment of human resources needs in future.
- (ii) Anticipation of deficient or surplus manpower and taking the corrective action.
- (iii) To create a highly talented workforce in the organization.
- (iv) To protect the weaker sections of the society.
- (v) To manage the challenges in the organization due to modernization, restructuring and re-engineering.
- (vi) To facilitate the realization of the organization's objectives by providing right number and types of personnel.
- (vii) To reduce the costs associated with personnel by proper planning.
- (viii) To determine the future skill requirements of the organization.

- (ix) To plan careers for individual employee.
- (x) Providing a better view of HR dimensions to top management.
- (xi) Determining the training and development needs of employees.

HUMAN RESOURCE PLAN – FACTORS:

Several factors affect HRP. These factors can be classified into external factors and internal factors.

External Factors:

- i. Government Policies** – Policies of the government like labour policy, industrial relations policy, policy towards reserving certain jobs for different communities and sons-of the soil, etc. affect the HRP.
- ii. Level of Economic Development** – Level of economic development determines the level of HRD in the country and thereby the supply of human resources in the future in the country.
- iii. Business Environment** – External business environmental factors influence the volume and mix of production and thereby the future demand for human resources.
- iv. Level of Technology** – Level of technology determines the kind of human resources required.
- v. International Factors** – International factors like the demand for resources and supply of human resources in various countries.
- vi. Outsourcing** – Availability of outsourcing facilities with required skills and knowledge of people reduces the dependency on HRP

Internal Factors:

- i. Company policies and strategies** – Company policies and strategies relating to expansion, diversification, alliances, etc. determines the human resource demand in terms of quality and quantity.
- ii. Human resource policies** – Human resources policies of the company regarding quality of human resource, compensation level, quality of work-life, etc., influences human resource plan.
- ii. Job analysis** – Fundamentally, human resource plan is based on job analysis. Job description and job specification determines the kind of employees required.

iii. Time horizons – Companies with stable competitive environment can plan for the long run whereas the firms with unstable competitive environment can plan for only short-term range.

iv. Type and quality of information – Any planning process needs qualitative and accurate information. This is more so with human resource plan; strategic, organisational and specific information.

v. Company's production operations policy – Company's policy regarding how much to produce and how much to buy from outside to prepare a final product influence the number and kind of people required.

vi. Trade unions – Influence of trade unions regarding number of working hours per week, recruitment sources, etc., affect the HRP.

HUMAN RESOURCE PLANNING AT DIFFERENT LEVELS:

- i. National level** – Generally, government at the center plan for human resources at the national level. It forecasts the demand for and supply of human resource, for the entire nation. HRP at the national level helps to plan for educational facilities, health care facilities, agricultural and industrial development, and employment plans etc. The government of the country plans for human resources at the national level.
- ii. Sector level** – Manpower requirements for a particular sector like agricultural sector, industrial sector or tertiary sector are projected based on the government policy, projected output/operations, etc.
HRP at the sectoral level helps to plan for a particular sector like agriculture, industry etc. It helps the government to allocate its resources to the various sectors depending upon the priority accorded to the particular sector.
- iii. Industry level** – Manpower needs of a particular industry like cement, textiles, chemical are predicted taking into account the output/operational level of that particular industry. HRP at the industry level takes into account the output/operational level of that particular industry when manpower needs are considered
- iv. Unit level** – This covers the estimation of human resource needs of an organisation or company based on its corporate/business plan.
- v. Departmental level** – This covers the manpower needs of a particular

department in a company. HRP at the departmental level looks at the manpower needs of a particular department in an organisation.

- vi. **Job level** – Manpower needs of a particular job family within department like Mechanical Engineer is forecast at this level. This level of planning fulfils the human resource needs of a particular job family within department. For example, the requirement of number of sales executives in the marketing department.

BENEFITS OF HUMAN RESOURCE PLANNING

- **A Better View to the business decision**

HR planning leads to a better overall view of the business's decisions by employees and the public. The actions taken by the organization become systematic and process-oriented, thus taking personal feelings out of the equation.

- **Retaining top talents**

When a human resource plan is thoughtfully executed, organizations can better retain top talents. As any organization knows, getting a talented individual hired in is only half the battle— incentivizing them to stay can be another matter entirely.

- **Addressing the organization's manpower needs**

Human resource planning identifies a company's needs with regards to manpower, thus allowing the organization to effectively address them.

- **Minimum Cost**

Attracting and retaining talent costs money, there's no getting around it. Human resource planning, however, allows organizations to minimize the money they spend on these areas, thus reducing costs overall and leading to more efficient operations.

- **Ensuring that the right people are hired**

A solid human resource strategy helps organizations attract the right person for the job. This is especially important for any type of specialized position, where a specific background or knowledge is required, but it can also extend to more general positions. Finding an employee with the right attitude, for example, can greatly improve the experience of customers at a convenience store.

- **Facilitating expansion programs**

If your business plans to expand, human resource planning can help your business prepare to do so with minimal growing pains. If you know there are going to be six openings coming up in the next year, you can begin to recruit for them now instead of waiting until it's too late.

- **Training employees**

Even the right employee for the job can't counteract a lack of training. Human resource planning considers training an important part of the recruitment and retention process.

- **Managing employees**

Employee management can be a challenge for any organization, big or small. A solid human resource plan ensures the right employees are placed in management roles.

- **Improved Utilization**

HR planning can improve employee utilization by connecting the right employee with the right position. This increases productivity and leads to a more knowledgeable workforce.

- **Management Development**

Hiring entry-level employees is tough— hiring management can be downright impossible. A human resource plan can direct your organization to potential employees that can be successfully groomed for management.

- **Information Base**

A human resource plan serves as an information base for an organization. It contains data on the organization's growth, hiring strategy, training plan, and retention. This can help the organization make more informed decisions in the future.

- **Coordination**

One result of a successful human resource plan is coordination amongst different departments. There must be communication between departments to ensure accurate job descriptions and staffing predictions, for example.

- **Corporate Asset**

A human resource plan can be a tremendous asset to any corporation, particularly larger ones or companies with multiple locations and moving parts.

- **Gradual Growth**

HR strategies can ultimately lead to gradual growth for an organization, which is sustainable and ideal. Unchecked growth can put unnecessary strain on an organization and actually harm it in the long run.

- **Coping with change**

Organizations must adapt to changes in the environment, both locally and abroad. A human resource plan can help a company adapt to changes, potentially even staying one step ahead.

DEMAND FORECASTING

DEFINITION:

Demand forecasting is the process of estimating the future quantity and quality of people required. The basis of the forecast must be the annual budget and long-term corporate plan, translated into activity levels for each function and department.

Human Resource Demand Forecasting is the process of estimating the future human resource requirement in right quality and right number. Demand forecasting is affected by a number of external and internal factors.

Demand Forecasting Techniques

Forecasting techniques vary from simple to sophisticated ones. Before describing each technique, it may be stated that organisation generally follow more than one technique.

The techniques are:

1. Managerial judgement
2. Work study techniques
3. Delphi technique
4. Executive Judgment
5. Work Load Forecasting
6. Statistical Techniques

1. Managerial Judgement

The managerial judgement technique includes the bottom-up approach and top-down approach. In the bottom-up approach, line managers communicate human resource requirements to top management. Applying the information received directly from their line managers, top management forecasts human resource requirements. The end result of the bottom-up approach is a demand forecasting process that incorporates input from various departments.

2. Work Study Technique

Commonly referred to as workload analysis, the work study technique predicts comprehensive activities and production for a specified future time period. The end result of the work study technique is an estimation of the work hours required per unit produced. When estimating future work hours needed, human resource management professionals must take into consideration-

- Resignations
- Dismissals

- Strikes
- Technical difficulties
- Absenteeism
- Turnover rate

3. Delphi Technique

The Delphi technique utilizes expert feedback in order to predict the human resources requirements that are necessary in the future. Human resource management professionals gather responses and develop reports that comprehensively summarize expert opinions. The process of collecting feedback and creating reports is continued until a unified consensus is reached between the experts. For this reason, the Delphi technique can be a long-term process if experts do not agree.

4. Executive Judgment:

Executive or Managerial Judgment method is the most suitable for smaller enterprises because they do not afford to have work study technique. Under this method the executives sit together and determine the future manpower requirements of the enterprise and submit the proposal to the top management for approval. This approach is known as 'bottom up' approach.

5. Work Load Forecasting:

It is also known as work load analysis. Under this method the stock of workload and the continuity of operations are determined. Accordingly, the labour requirement is determined. The workload becomes the base for workforce analysis for the forthcoming years. This method is also known as work study technique.

6. Statistical Techniques:

Long range demand forecasting for human resources is more responsive to statistical and mathematical techniques. With the help of computers any data is rapidly analysed.

(a) Ratio Trends Analysis:

Under this method the ratios are calculated for the past data related to number of employees of each category i.e., production, sales and marketing levels, work load levels. Future production and sales levels, work load, activity levels are estimated with an allowance of changes in organization, methods and jobs. The future ratios are estimated.

(b) Econometric Models:

Econometric models are built up on the basis of analysis of past statistical data establishing the relationship between variables in a mathematical formula. The variables are those factors such as production, sales, finance and other activities affecting human resource requirement.

(c) Burkes Smith Model:

Elmer Burkes and Robert Smith have developed a mathematical model for human resource forecasting based on some key variables that affects overall requirement for human resources of the organisation.

(d)Regression Analysis:

Regression analysis is used to forecast demand for human resources at some point of time in future by using factors such as sales, production services provided etc. This method is used when independent and dependent variables are functionally related to each other. Nowadays computers are used to solve regression equations for demand forecasting.

FACTORS AFFECTING HR DEMAND FORECASTING -

- Employment trends
- Replacement needs
- Productivity
- Absenteeism
- Expansion and growth

HUMAN RESOURCE SUPPLY FORECASTING DEFINITION

Supply forecasting means to make an estimation of supply of human resources taking into consideration the analysis of current human resources inventory and future availability. Human Resource supply forecasting is the process of estimating availability of human resource followed after demand for testing of human resource. ... Internal supply of human resource available by way of transfers, promotions, retired employees & recall of laid-off employees, etc.

EXTERNAL FACTORS AFFECTING HR SUPPLY FORECASTING

- Supply and demand of jobs.
- literacy rate of nation.
- Rate of population
- industry and expected growth rate and levels
- technological development.
- compensation system based on education, experience, skill and age.

INTERNAL FACTORS AFFECTING HR SUPPLY FORECASTING

- Organizational features (e.g., staffing capabilities).
- Productivity - rates of productivity, productivity changes.
- Rates of promotion, demotion, transfer and Turnover.

SUPPLY FORECASTING METHODS:

- ☐ Trend analysis
- ☐ Competency model
- ☐ Replacement Charts

- ☐ Staffing table
- ☐ Succession Planning
- ☐ Flow Modelling/Markov Analysis

1. Trend analysis

Trend analysis involves collecting and evaluating data to identify patterns of information that might impact the future.

By examining the trends of the past, the HR department can predict the effect of the same activity on the future of the organization, because it is assumed that these patterns will remain stable.

2. Competency model

Competencies are behaviours that encompass the knowledge, skills, and attitudes(ksa) required for successful performance. Competency modelling is the activity of determining the specific competencies that are characteristic of high performance and success in a given job.

A future-oriented model that first reviews competencies that are aligned with an organization's mission, vision, and strategy, and then aims to identify an ideal workforce in terms of these competencies.

3. Replacement chart

A chart used to estimate vacancies in higher level jobs and identify how potential HR supply can fill these vacancies via internal movements from lower levels jobs.

Replacement charts provide identification of potential replacements for vacancies within an organization. A comprehensive replacement chart will include information regarding possible replacements for vertical or horizontal movement.

4. Staffing table

A clear graphical view of all organizational jobs and the current number of employees at each job. Staffing tables are graphic representations of all organizational jobs, along with the numbers of employees currently occupying those jobs and future (monthly or yearly) employment requirements, which can be derived from demand forecasts.

5. Succession Planning

Determining the internal Labour supply calls for a detailed analysis of how many people are currently in various job categories or have specific skills within the organization.

The planner then modifies this analysis to reflect changes expected in the near future as a result of retirements, promotions, transfers, voluntary turnover, and terminations.

6. Markov analysis

Analysis that helps to predict internal employee movement from one year to another by identifying percentages of employees who remain in their jobs, get promoted or demoted, transfer, and exit out of the organization. To help predict internal employee movement from one year to another by identifying percentages of employees who remain in their jobs, get promoted or demoted, transfer, and exit out of the organization.

RECRUITMENT DEFINITION:

Recruitment in HRM is a systematic process for Hiring Talent. It starts from identifying, attracting, screening, short listing interviewing, selecting and finally hiring the most potential candidate for filling up the vacant job vacancies in an organization.

Example: An example of recruitment is the efforts made by military forces at high schools and colleges to try to get students to enlist.

Recruitment Process Steps

The five Recruitment Process Steps ensure that recruitment takes place without any interruption and within the allotted time period. It also helps to maintain compliance and consistency in the recruitment process.

Five Best Recruitment Process Steps:

1. Recruitment Planning
2. Strategy development
3. Searching
4. Screening
5. Evaluation and control

1. Recruitment Planning

It is the first step of HR Recruitment Process in which the job vacancies in the organization are analysed and relevant job description is prepared. It also includes preparation of job specification and details about qualification and skills needed to perform the job. This step is very vital for recruitment process as it helps in attracting the right and suitable candidates for the job.

2. Strategy Development

After the job description and job specification is prepared the organization decides the number of recruits needed to work on the profile to close the vacancy as soon as possible. The recruiter decides the strategy that should be adopted for successful recruitment of employee.

The strategic draft includes the following point: -

a. Sources of Recruitment- Based on the job position and skills required to perform the job the recruiter choose the source of recruitment. The internal and external are the two categories of the recruitment source.

b. Methods of Recruitment- The HRM department decides on the method of recruitment whether the firm wants to recruit the candidate using direct or indirect method. A lot of companies now are using third party recruitment method and outsourcing some part of recruitment process to the experienced consulting firms.

c. Geographical Area- The location of job is fixed and thus recruitment team has to decide the area from which they can search candidates who want to join the job.

d. Make Employees or Buy Employees- The investment required for recruitment is depending on this decision. The organization can choose to select the skilled employees and pay them appropriate salary or can selected less qualified people and trained them to perform better.

3. Searching

The searching step is divided into two parts that is :

- i. Source activation
- ii. Selling.

The activation took place when the department which has vacancy confirms it to the HR manager about the requirement; also approve the draft of job description as well as specification. Under selling the organization selects the channel of communication to reach the prospective candidates.

4. Screening

Once the job applications are received by the HR Recruiter it starts the screening process. It is a step in which the application are shortlisted for the further selection process. After short-listing of application based on the job specification the selection process begins. At the early stage the recruiter has to remove the applications which are clearly under qualified and not suitable for the job.

5.Evaluation and Control

The validity and effectiveness of HR Recruitment Process is assessed in this step. The step is essential as organization has to check the cost incurred during recruitment and the output in terms of selection of suitable candidates and their joining.

PURPOSE OR OBJECTIVES OF RECRUITMENT

- Determine current and future needs: To determine the present and future needs of the organization, with the combination of their plan and job analysis activities. Also, this is one of

the most important objectives of recruitment.

- Increase in the job pool: To increase the pool of job candidates at the minimum post cost.
- Assistance in increasing success rate: To help increase the success rate of the selection process by reducing the visible number of under-qualified or exaggerated job applicants.
- Help reduce the probability: To help reduce the likelihood of job applicants, once recruited and selected, only after a short period they can cure the organization.
- Meet the organization's social and legal obligation: it should fulfil the organization's social and legal liability towards the combination of its employees
- Start identifying job applicants: Identifying job applicants and preparing for potential job applicants will be suitable candidates.
- Increase effectiveness: To increase organizational and personal effectiveness in the short-term and long-term.
- Evaluate effectiveness: To evaluate the effectiveness of various recruitment techniques, all types of jobs are the source for the applicants. Also, This is the ultimate purpose of recruitment.
- Attract and empower an ever-increasing number of applicants to apply in the organization
- Build positive impression of the recruitment process
- Create a talent pool of candidates to enable the selection of best candidates for the organization.
- To attract and engage people it needs to achieve its overall organizational objectives
- Increase the pool of job candidates at minimum cost.
- Recruit right people who will fit in to organizations culture and contribute to the organization's goals
- It Help decrease in the likelihood that activity candidates once enlisted and chose will leave the organization after a brief time frame.
- Evaluate the effectiveness of various recruiting technique and sources for all types of job applicants.

METHODS OF RECRUITMENT:

1. Direct Method
2. Indirect Method
3. Third Party Method.

1.Direct Method:

In this method, the representatives of the organisation are sent to the potential candidates in the educational and training institutes. They establish contacts with the candidates

seeking jobs. These representatives work in cooperation with placement cells in the institutions. Persons pursuing management; engineering, medical etc. programmes are mostly picked up in this manner. Sometimes, some employer firms establish direct contact with the professors and solicit information about students with excellent academic records.

2. Indirect Methods:

Indirect methods include advertisements in news papers, on the radio and television, in professional journals, technical magazines etc.

This method is useful when:

- (i) Organisation does not find suitable candidates to be promoted to fill up the higher posts
- (ii) When the organisation wants to reach out to a vast territory, and
- (iii) When organisation wants to fill up scientific, professional and technical posts.
- (iv) First, to visualise the type of the applicant one is trying to recruit.
- (v) Second, to write out a list of the advantages the job will offer
- (vi) Third, to decide where to run the advertisement, i.e., newspaper with local, state, nation-wide and international reach or circulation.

3. Third Party Methods:

These include the use of private employment agencies, management consultants, professional bodies/associations, employee referral/recommendations, voluntary organisations, trade unions, data banks, labour contractors etc., to establish contact with the job-seekers.

SOURCE OF RECRUITMENT

1. Internal Source of Recruitment - is a recruitment which takes place within the concern or organization. Internal sources of recruitment are readily available to an organization. Internal sources are primarily three - Transfers, promotions and Re-employment of ex- employees. Internal sources are primarily 3

a. Transfers: it refers to the process of interchanging from one job to another without any changes in the rank and responsibilities

b. Promotions (through Internal Job Postings): it refers to upgrading the grade of the employee by evaluating their performance in the organisation.

c. Re-employment of ex-employees - Re-employment of ex-employees is one of the internal sources of recruitment in which employees can be invited and appointed to fill vacancies in the

concern.

2. External Source of Recruitment - External sources of recruitment have to be solicited from outside the organization. External sources are external to a concern. But it involves lot of time and money. The external sources of recruitment include –

a. Employment at Factory Level - This a source of external recruitment in which the applications for vacancies are presented on bulletin boards outside the Factory or at the Gate. This kind of recruitment is applicable generally where factory workers are to be appointed.

b. Advertisement - It is an external source which has got an important place in recruitment procedure. The biggest advantage of advertisement is that it covers a wide area of market and scattered applicants can get information from advertisements

c. Employment Exchanges - There are certain Employment exchanges which are run by government. Most of the government undertakings and concerns employ people through such exchanges.

d. Employment Agencies - There are certain professional organizations which look towards recruitment and employment of people, i.e., these private agencies run by private individuals supply required manpower to needy concerns.

e. Educational Institutions - There are certain professional Institutions which serves as an external source for recruiting fresh graduates from these institutes. This kind of recruitment done through such educational institutions, is called as Campus Recruitment

f. Recommendations - There are certain people who have experience in a particular area. They enjoy goodwill and a stand in the company. There are certain vacancies which are filled by recommendations of such people

g. Labour Contractors - These are the specialist people who supply manpower to the Factory or Manufacturing plants. Through these contractors, workers are appointed on contract basis, i.e. for a particular time period.

ADVANTAGES OF EXTERNAL RECRUITMENT PROCESS:

1. Increased chances:

In this increased chance, the company receives a variety and number of candidates who owns knowledge and ability to handle that job. If the company enters a selection procedure with external recruitment, then there are increased chances of finding a suitable candidate for the job. This increased chance provides better availability of skilled and qualified employees for the company by using the external recruitment method.

2. Fresher skill and input:

When a company goes with an external recruitment method, there is a quite better

possibility of finding and identifying a fresher candidate who is capable of delivering new skills and inputs for the betterment of the company.

3. Qualified candidates:

Nowadays, when a company posts an advertisement in social media or newspaper. One common thing they look for is a well experienced and qualified candidate. With external recruitment advertising, the company can find a variety of qualified candidates for the post offered.

4. Better competition:

In the external recruitment process, there will be a chance of facing better competition in terms of hiring new talent. Most of the time some of the company looks for candidates who are capable of handling a certain skilled job and some of them search those candidates who are better with their risk-taking ability.

DISADVANTAGES OF EXTERNAL RECRUITMENT PROCESS:

1. A limited understanding of the company:

When a candidate is selected from an external recruitment process, there is a possibility that the candidate might have less chance of understanding the environment of the company. And this lesser understanding can make a big difference in the future activities of the company.

2. Higher risk:

There is a possibility that the candidate selected for the post is not worthy of the position offered and he/she can take advantage of their position in the company. This type of risk is very much common in an external recruitment process as most of the candidates applied for the job are total strangers to the company.

3. Time-consuming:

The main disadvantages of external recruitment are that it is time-consuming as most of the companies post an advertisement for their company recruitment drive. Then there is a quite possible chance of receiving a higher number of applicants for the post and the recruiter need to be very careful with their decision of selecting the best candidate for each round selection process.

4. High costs:

As most part of the external recruitment process mainly deals with complete new candidates then the company needs to come up with a pay scale for that candidate which should value his/her skill and ability. This can turn things a bit costly for the company as they are in need of new ideas and to get such new and creative ideas from the potential candidate. The company needs to provide him/her with the best possible deal to refuse.

5. Agencies are not trusted:

By recruiting candidates through external recruitment, recruitment agencies play a role where they do not have adequate knowledge about the culture of the organization and their intrinsic qualities. They also do not care much about the key requirements of the post.

6. Invites unsuitable applicants:

External advertising methods are something that happens in large scale through print media and hence a large number of applicants who are not fit for the job post are drawn in. There are a number of unsuitable candidates who line up for low-level job positions.

7. Legal risks:

There are chances for legal issues when external recruitment is carried on. When hiring intact teams, top hiring talents are recruited with non-compete recruitment which may lead to legal issues.

SELECTION

Definition

Selection is the process of putting right men on the right job. It is a procedure of matching organisational requirements with the skills and qualifications of people. Effective selection can be done only when there is effective matching. By selecting best candidate for the required job, the organisation will get quality performance of employees.

Selection process:

1. Preliminary Interview:

It is the first step in selection. Initial screening is done in this step and all the undesirable applicants are weeded out. This interview is generally conducted by lower-level executives. It is a very important step as it shifts out all the unqualified, not desirable applicants and the HR manager can then concentrate on the other applicants without wasting time.

2. Screening of Applicants:

These days application forms of almost all organizations can be downloaded from the website or may even be provided on request. The form asks for basic things like educational qualifications, experience, age etc.

3. Employment Tests:

Employment tests are device to check the areal knowledge of candidates for the respective jobs. These tests are very specific as they enable the management to bring out right type of people for the jobs.

(a) Intelligence Tests:

They test the mental ability of candidates. These tests measure the learning ability of candidates in understanding questions and their power to take quick decision on crucial points.

(b) Aptitude Tests:

They test an individual's capacity to learn a particular skill. There are mainly two types of aptitude tests. Cognitive tests which measure intellectual, mental aptitudes. The second one is called motor tests which check the hand – eye coordination of employees.

(c) Proficiency Tests:

These tests are also called performance or occupational tests. They determine the skills and knowledge acquired by an individual through experience and on the job training.

They are of 4 types:

- (i) **Job knowledge tests** – These tests are used to judge proficiency in operating mechanical equipment, dictating, typing, computer applications etc. These tests can be written and practical both.
- (ii) **Work sample tests** – In this test the applicant is given a piece of work to perform in a stipulated time. His performance will judge whether he can be picked up for the job.
- (iii) **Personality tests** – These tests judge the psychological makeup of any person. These tests check a person's motivational level, emotions, integrity, sympathy, sensitivity etc.
- (iv) **Simulation tests** – In this test many situations which an employer will have to face in the job will be duplicate and the candidate will be asked to face the problem.

4. Selection Interview:

Interview is an examination of the candidate where he sits face to face with the selection body and answers to their information given by the candidate about his abilities and the requirements of the jobs.

Interview gives the recruiter an opportunity to:

- (a) Assess subjective aspects of the candidate.
- (b) Know about his enthusiasm and intelligence.
- (c) Ask questions which were not a part of his application.
- (d) Obtain as much information from him as possible about his economic, social and cultural background.
- (e) Give facts about the policies, procedures, culture of the company so that he feels good about

joining it.

5.Checking of References:

Once the candidate's interview is over, the reference he had mentioned are checked by the personnel department. His old employers may be asked some quick questions on phone about the candidate's behaviour with co-workers, management etc.

6Medical Examination:

After a candidate has been approved for the job, his physical fitness is examined through medical specialists of the company. If the report says that he or she is medically fit for the job they are then finally selected. In case there is a problem with the fitness, the candidates are given reasons for rejection.

7. Final Selection/Hiring:

The line managers are then asked to give final decision after all technical and medical tests are cleared by the candidate.

INDUCTION

DEFINITION

Induction means introduction of a new employee to the job and the organization. It is the process of receiving and welcoming an employee when he first joins a company and giving him the basic information, he needs to settle down quickly and happily and start work.

The important characteristics of induction are:

- (i) Encouraging employees to ask questions.
- (ii) Including information on both technical and social aspects of the job.
- (iii) Making the new employee's manager responsible for the orientation.
- (iv) Avoiding embarrassment to the new members.
- (iv) Arranging formal and informal interaction with managers and peers.
- (v) Providing relocation assistance such as house hunting, information about the local society, and etc.
- (vi) Giving information about the company's products, services and customers.
- (vii) Familiarizing adequately with the culture of the organization such as how work is done, what matters in the organization, which work- related behaviours are acceptable or unacceptable and etc.

OBJECTIVES OF INDUCTION

- (i) To help the new employee to develop a close and cordial relation with the existing employees.
- (ii) To give the new employee necessary information such as – location of the different building, company rules, leave rules, rest periods etc.
- (iii) To help the new employee overcome his natural shyness and nervousness in meeting the new people in the organization.
- (iv) To develop a sense of belongingness and loyalty among new employees.
- (v) To help the employees know the different facilities and opportunities available in the organization.
- (vi) To help the new employees to minimize the “reality shock” that they may undergo after reporting to duty.

SOCIALIZATION

It refers to process of making the new employees get acquainted to the new environment of the organization. This reduces the anxiety of the new hires and allows them to adjust with the other existing employees in the company.

PROCESS OF SOCIALIZATION

The Socialization process can be divided into three stages:

1. **Pre- Arrival Stage:** This stage recognizes that every individual employee comes with set of values and hope. For example, in some jobs like the managerial kind, the employee might need a substantial degree of socialization in training.

During the selection process, most organizations inform their prospective candidates about the process of Socialization.

2. **Encounter Stage:** Here the employees bump into the real working conditions of the organization. For example, the expectations of the job, co-workers, immediate seniors and the business as a whole.

Here, if the expectations confirm to be more or less correct, this stage reaffirms the employees of the perceptions generated in past. If the reality is different, socialization helps the employees in understanding to replace these.

3. **Metamorphosis Stage:** The new employees, in this stage will work out solutions to meet any problems. Hence this stage is called the metamorphosis stage. At this stage, the new employees will have become comfortable with their jobs and the team members.