A Study of Recruitment & Selection of Employees in Public Sector Enterprises of India

Dr. Arvind Kumar Yadav

Head, Faculty of Commerce, KMGG (PG) College, Badalpur, G. B. Nagar, U.P.

Sanjeev Kumar

Assistant Professor, Faculty of Commerce, KMGG (PG) College, Badalpur, G. B. Nagar, U.P.

Abstract

Recruitment and selection are two important functions of human resource management. Technically speaking the function of recruitment precedes the selection function. It includes finding, developing prospective employees and attracting them to apply for jobs in an organization. Selection is the process of finding out the most suitable candidate to the job. Successful recruitment and selection practices are key components at the entry point of human resources in any organization .Efficient recruitment and selection strategies result in improved organizational outcomes. An organizational system is a function of the size of an enterprise. In smaller enterprises, there may be merely informal recruiting procedures and the line official may be responsible to handle this function along with his usual responsibilities. On the other hand, in the larger organizations, there is usually a staff unit attached with personnel or an industrial relations department designated as employment or recruitment office. This specialization of recruitment enables staff personnel to become highly skilled in recruitment techniques and their evaluation. However, recruitment remains the line responsibility as for as the personnel requisition forms are originated by the line personnel, who have also the final word in the acceptance or rejection of a particular applicant. In this research paper researcher highlighted sources of recruitment, placement process and placement polices of public sector enterprises.

1. INTRODUCTION

Recruitment is the first stage in the process which continues with selection and ends with the placement of candidate. Recruitment facilitates in acquiring the number and the types of people necessary to ensure continued operations of the organizations. Recruitment is finding the potential applicants for actual or anticipated org vacancies thus, it acts as link in bringing together the people with jobs and those seating jobs. The purpose of recruitment is to identify suitable man power to meet the job requirements and job specifications. It is the most important function of personnel administration on the other hand selection is concerned with securing right information about the applicant. The object of selection process is to determine whether the prospective candidate possesses the qualification for the specific job it is a long process.

Starts from the interview and ends with the contract of employment.

2. OBJECTIVES OF THE RESEARCH PAPER

The main objective of this paper is to identify general practices and policies that public sector enterprises use to recruit and select employees. The study also focus its attention to determine how the recruitment and selection process affect the organizational outcomes and provide some suggestions that can help to different public sector companies.

3. SOURCES OF RECRUITMENT

Sources of recruitment can be divided into two categories: (1) internal and (2) external. These can furthermore be divided into several sub-categories.

A. INTERNAL RECRUITMENT

(i) **Present employees :** A good source for recruitment can be promotions and transfers among present employees. The advantages are that it builds morale among employees and encourage ambitions individuals to perform. It also improves the selection since the individual's qualifications are clearly available. Recruitment within the company is cheaper and it ensures the employee's familiarity with the organisation. Transfers are preferable if the company want their employees to acquire multi-skills.

(ii) **Employee referrals :** This can be a very effective way of recruiting and a good source of internal recruitment. In a large organisation a large number of potential applicants can be reached to a very low cost, and the employees usually helps the company to promote the job for their family and friends. They know the requirements and therefore it enables them to identify persons suitable for the job.

(iii) **Former employees :** Former employees that used to work in the organisation sometimes may be willing to come back. Some retired employees might want to come back and work on a part-time basis, or it could be a person who left the company and now wants to return. The advantage is that the performance of the person is already known.

(iv) **Previous applicants :** It is not truly an internal recruitment but it can still be a good source. People who previously applied for a job can be contacted again if there is an unexpected opening. It is a very quick and inexpensive way to fill a position.

B. EXTERNAL RECRUITMENT

(i) **Advertisement :** Popular method among recruiter because of the wide reach. The advertisement should describe the job contents and the benefits of the job, and identify the employer to the applicants, as well as create a desire to apply for the job. It has to sell the idea that the company and the job is perfect for the job seeker.

(ii) **Campus Recruitment :** Recruiting on campus is often an expensive process but still an attractive source for recruitment, especially among global companies where the search for talents is of great importance to their competitiveness. The presence of companies at campuses has increased throughout the last decades to the extent that each collage, university or institute will have to have a placement centre to handle all the recruitment functions.

(iii) **Consultants :** Consultants is equivalent to recruitment agencies and headhunting firms. Recruitment through this source is mostly for managerial and executive personnel and it gives access to the consultant firm's private and professional network. It is reliable but quite an expensive method.

(iv) **Competitors :** Recruiting from rival firms is popularly called 'poaching' and can be a very successful of the right person is found. The method involves identifying potential candidates in the rival company and then approach them a job offer with better terms. There are ethical issues addressed with this method. One is for example whether it is appropriate of an employee to leave the company which have given him education and training to join a rival firm? There are also country specific legal issues involved but they will not be included in this paper.

(v) **E-recruiting :** The Internet has revolutionized the recruitment practices and the impacts are strikingly to how both employers and candidates can benefit from it. Companies can benefit from low costs, speed enhancement and perhaps the most important, worldwide reach to potential candidates. From the job seekers' point of view, it gives them access to larger labour markets and a wider scope of potential employers.

4.   **EMERGING PERSPECTIVES ON RECRUITMENT IN INDIA**

Radhika Dahwan reports on how Indian executives from best organizations conduct recruitment in business and engineering school campuses. Following guidelines appear useful for campus recruitment.

(a)   **Short Campuses :** Concentrate on the business schools whose curricula and specialization match your needs. Take the example of Asian Paints. It evaluates the education standards of all leading business schools embracing the quality of classroom education, the strengths of the faculty and depth of support systems such as libraries, computerized references, etc. It also scans the entrance tests of these schools to ensure that the students are of superior intelligence. The schools which fit its stringent standards are on its list every year.

(b)   **Choose Recruiting Team Carefully :** The members of the most effective recruiting team are between 30 and 45, usually line managers and have through knowledge of the company and the job. The squad must consist of senior executives. Attempt should be made to ensure that the composition of recruiting team reflects how seriously the management takes campus recruitment. Take the example of HCL. Its CEO, Shiv Nadar, in certain cases himself addresses the students. Also ensure to involve alumni from the business school for a favorable response.

(c)   **Pay Smartly, Not Highly :** However, high a company's pay packet is, its competitor's could well be higher. The highest annual salary from an India-based company on business school campuses was Rs. 5 lack in 1995. On an average, this is 43 percent higher than in 1994. However, an Om Kaul, director of the Mumbai based recruitment agency Om Kaul and Associates observes, "Companies may be surprised to learn that compensation is not the most important factor at the beginning of one's

career". Therefore, smart recruiters attempt to build ownership into compensation. Take the example of HCL. It offers a risk-free benefit package for those opting start-up ventures providing stock options as part of the deal. The young MBAs are highly impressed by stock ownership option. Some organizations present a clear offer: a learning environment or a chance to work abroad. This attracts a section of students. Take the example of P&G. It puts forward a clear image, "Come grow with us", initially. Now, it stresses a different theme. The cover of its placement brochure for business schools in 1996 shows a blank chart with a pencil. As Sunil Dhurani vice-president (HR) observes, "The idea is that you can now chart a career for yourself at P&G" Likewise. Nestle presents case examples of career development to demonstrate as to how new recruits grow in the company attempts are also made by the successful recruiters to clarify corporate culture and values through their tone and form of presentation. Business school students are largely interested in corporate culture than cash. They give top priority to issues such as level of responsibility, extent of autonomy and scope of learning.

(d)   **Placement Process :** Although an effective recruitment programme can provide us numerous job applications, there still remains a crucial problem of selection of the most suitable human resources with a view to placing them in vacant positions in the enterprise. Obviously, selection and placement form a crucial manpower function. It may be noted that the trends towards automation and computerization have increased the significance of these processes. Notwithstanding marked technological developments, profits stemming from efficient operations involve expeditious application of manpower through effective selection and placement programmes. The terms "selection" and "placement" are two separate phases in

staffing. Frequently, selection means rejection of candidates for a position and it is considered a negative process accordingly. On the other hand, placement is viewed as a positive process involving filling positions with the most suitable candidates. Selection standards and personal qualities of a candidate determine whether or not he is placed on a job. Explicitly, selection standards are adjusted to the needs of the organization and labour market situations. The applicants pass or fail on specific selection standard of "hurdles" and those surviving these standards or hurdles for specific jobs are placed in vacant positions. Thus, an effective selection programme is a non-random process because those selected have been chosen on the basis of the assumption that they are more likely to be "better" employees than those who have been rejected In differential placement, attempts are made to compare an applicant's aptitudes, abilities, interests and temperament with job requirements for different jobs to ascertain for which of these he is most suitable. While traditional placement (for a single job) is effective only in a labour market marked by an ample supply of candidates, differential placement has been found to be extremely useful in a tight labour market. Indeed, differential placement makes the most effective use of human resources. The organization can make the best use of differential placement as it specifies several positions for which an individual is suitable and provides enhanced flexibility of the work force if records of the secondary job qualifications are adequately maintained. It decreases recruiting and selection costs, absenteeism and turnover and increases job satisfaction and productivity.

(e) **Placement Policy :** While formulating selection and placement policy, attempts should be made take under purview organizational requirements as well as technical and professional dimensions of selection procedures. Decisions regarding selection and placement are line responsibilities, although these decisions can be improved through the advice of the staff personnel. Explicitly, administration and interpretation of psychological tests necessitate professional assistance. Accordingly, the crucial consideration in selection and placement relates to whether or not a professional selection and placement programme should be undertaken. Policies on selection and placement should be based on effective blending of professional industrial relations needs, organizational planning and employee development goals. The selection process is to make effective use of individual differences with a view to selecting individuals who possess the greatest degree of qualities required for effective job performance. Indeed, individual differences provide the basis for the selection and placement processes. It has been found that differences between the most efficient and the least efficient workers for certain jobs such as spoon polishing are five times. This indicates advantages of developing selection methods to reject individuals with relatively less efficiency. It may be noted, as the psychology of individual differences reveals, that personal qualities of people are normally distributed. Thus, some individuals will have a high amount of a certain quality and some will have a low amount, while most of the individuals will have a moderate amount of that quality.

5. CONCLUSION

The procedure of selection will vary from organisation to organization and over from department to department within the same organization. According to the kinds of the jobs to be filled. Government of India and the Indian Institute of Psychometry examined various aspects related to personnel selection, placement and promotion which help in clarifying different issues, problems and approaches concerning selection procedures in India especially in public sector enterprises in general. A number of public sector undertakings are utilizing the tests devised by Indian

Institute of Psychometry for their selection of candidates. On the basis of the obtained results and on the extent of work done, it has been observed that it has done extensive pioneering work in the selection area particularly in the public sector enterprises. Personnel selection is of particular importance to the nation today. The need for locating the right talent for the right job is of utmost significance. It is necessary to develop scientific management systems as well as have a staff equipped with technical excellence and mental qualities of a very high order. The importance of selecting the right persons for the right jobs is even more critical in public sector undertakings, as they have to meet both commercial and social objectives simultaneously. To accomplish lasting results major attention has to be focused on the selection at the junior levels. Highly centralized selection systems as followed for government services may not be appropriate for public sector undertakings. The constantly changing technology and the new challenges of the environment necessitate possession of a wide range of knowledge and skills to promote specialization and morale. It is essential to allow individual enterprises to build their own individual corporate cultures. The traditional selection systems based on the candidates' performance in standard written examination accompanied by the findings of an interview, although

effective in testing knowledge, are not much reliable in testing aptitude or evaluating the probability of the selected individual to succeed on the job; they do not ensure that the right person is selected for the right job. This issue is of utmost importance because the effectiveness of the selection system in an enterprise influences its performance. It is also observed that along with the introduction of scientific methodology, one has to wait for results to emerge after a reasonable gestation period. Proper scientific attitude is to be evolved and maintained and the relevance of the new system studied with the help of experts over a period of time in the same manner one is dealing with the inventions in the fields of medicine, physics, etc. In most of the public sector enterprises the selection procedure starts with the receipt of applications for various jobs from the interested candidates. Totally unsuitable candidates are rejected as the screening stage. The personnel department administers various kinds of tests to the candidates to determine if they would be able to do their jobs efficiently. Those passing this stage are called for employment interviews. Candidates found suitable for employment are required to go through medical examination and reference checking. The employment process is completed when appointment letters are issued to the candidates clearing all the stages in the selection procedure.

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