

Rural Management Human Resource Management



# Rural Management Human Resource Management

First Edition



MoE

Government of India  
Ministry of Education

सत्यमेव जयते

**Editorial Board**

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**First Edition:** 2021

**ISBN:**

**Price:** ₹ 750/-

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**Published by:** Mahatma Gandhi National Council of Rural Education (MGNCRE), Hyderabad

## About the Book

Human Resource Management (HRM) is omnipresent, not confined to companies alone. It is there in companies, non-profit organisations, Governments and all workplaces. This book opens the doors to the world of HRM.

It dwells into the past, to find the relationships between two classes – employers and employees. It presents the study of how once upon slaves, were transformed to become human capital. It explains the concept of HRM and its evolution over the times. It details how HRM, from being a tiny part of administration, has become an important function by itself and became ubiquitous in all kinds of organisations.

It presents how today's HR manager has become the face of an organisation by looking at various roles he/she has to do - advisor, counsellor, spokesperson, conscious keeper, change agent, motivator, arbitrator, brand ambassador to name a few. It explains various functions of HRM right from procurement of employees to the integration of their goals with objectives of organisation.

The book covers a full section on Human Resource Planning (HRP) – why and how it is done, the challenge it faces due to various factors both internal and external, various techniques for forecasting demand and supply. And in the process, various solutions to deal with excess manpower without resorting to retrenchment and shortage of manpower without going for recruitment were explored.

Reading continues to make an anatomy of a job, dissecting it into micro-level activities and recording both physical and mental energies required for performing all activities. It explains how that exercise would lead to designing or enriching a job to make it interesting and motivating. It goes into detail on how Recruitment and Selection are to be done in a scientific manner to find a right person for a right job at right time, the primary objective of HRM. And for both processes it prescribes some Do's and proscribes some Don'ts.

Book touches on various aspects like Strategic HRM, Human Resource Information System (HRIS), Artificial Intelligence based technologies and benefits accrue from them. About a dozen case studies are incorporated to make the readers to practise the concepts. The activities and exercises would help in going into further readings.

I thank Mr. V Krishna Rao, Consultant ETA Engineering Pvt Ltd for contributing to this book and for his outstanding insights. Also, I would like to thank MGNCRE Team members for extending their extreme support in completing this textbook.

**Dr W G Prasanna Kumar**  
**Chairman MGNCRE**

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## Chapter 1 Introduction to Human Resource Management

Organisations are built with people. For organisations, people are key assets. While replenishment is possible for all others, it is difficult in case of human resources. As such Human Resource Management (HRM) plays an important role in any organisation. Every person is different from another person. Relations vary. Behaviours fluctuate. It is not uncommon to find 'Possibility of synergies', 'Dynamic environment', 'Outpouring of emotions' and many more in organisations. With all these, HRM is emerging as a vibrant function and it is becoming an integral part of every organisation.

In this chapter, the evolution of HRM over centuries is explored. The concept of HRM, its functions and an array of roles expected out of a human resource manager are discussed at length. It concludes with a study on Strategic Human Resource Management, which organisations are trying to adopt.

### Objectives

- To explain how HRM has evolved and its importance
- To familiarise concept, features, objectives and scope of HRM
- To explain the functions of HRM
- To familiarise the role, duties and responsibilities of a HR Manager
- To comprehend on the strategic HRM and how it acts as a game changer.

### Structure



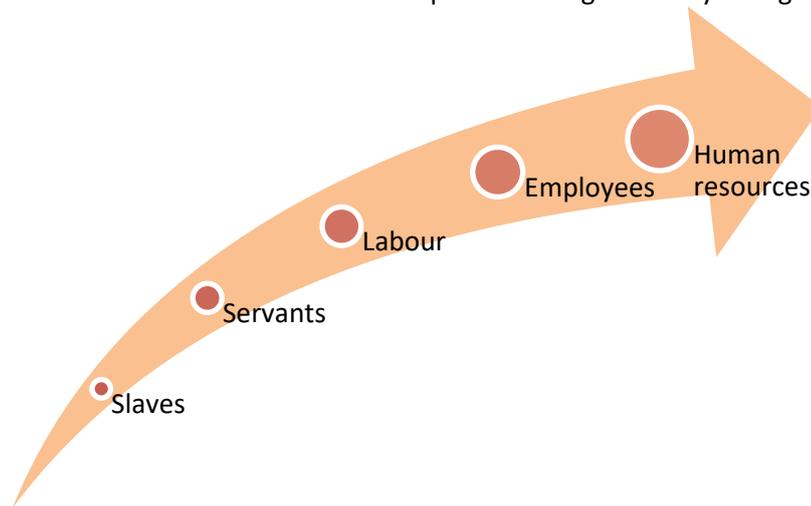
*Train people well enough so they can leave, treat them well enough so they don't want to.*

Richard Bronson

## 1.1 Evolution of HRM

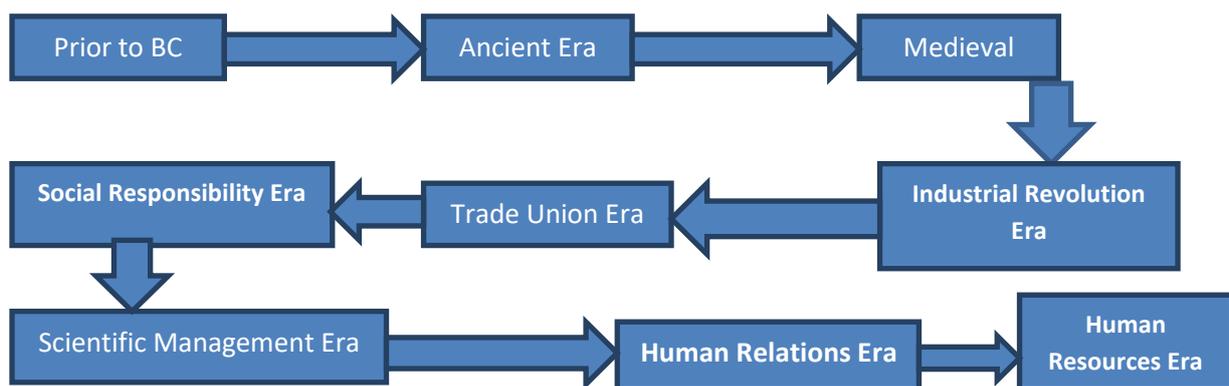
Everyone wants to know the concept of HRM. Instead, we will see the evolution of HRM first.

We will dwell on the past and study the relationships between two sets of people in different eras. It will help us to understand better as the concept has undergone many changes.



**Figure 1.1 Evolution of HRM**

In brief, that was the evolution of relationship or to say the evolution of treatment one set gives to the other set. Started with 'Slaves' (who can be beaten, purchased or sold), treatment moved upwards to 'Servants' (who can be ill-treated). The treatment progressed and started looking at other section as 'Labour' (a force en masse), further improved to treat them as 'Employees' (required workforce) and graduated to recognise them as 'Human resources' (an asset to be possessed). The evolution took centuries. And the process goes on and moves to the next stages of treating employees as 'Human Capital'. Figure 1.2 shows some distinguishable eras in this evolution.



**Figure 1.2 The Journey of HRM: Different Eras**

HRM started along with others like trade and commerce. Existence of HRM dates back to 1800 BC. The Hammurabi (6<sup>th</sup> king of Babylon) Code of laws has prescribed minimum wages for labourers, ox drivers, sailors and others. Kautilya's Arthashastra (300 BC) mentioned many aspects of HRD.

Ancient and Medieval eras of civilisation mostly used to have the village or self-sufficient unit culture wherein farmers and craftsman used to live on their own. Engagement of other persons by



“I bought you with so much money. I am giving food, clothes, accommodation. You need to complete all the tasks. You need to obey. Whatever, I say, is the rule.”

craftsmen was predominantly for teaching or passing on the skills and relationships were akin to teacher and student or a master and pupil. Since all these were few in numbers, there used to be substantial availability of workforce. These are slaves and they were available plenty in number.

Slaves were like goods. One can buy and sell them. Landlords, big businessmen, rulers and their local representatives or self-proclaimed independent chiefs of a tribe or of a region - all used to purchase and maintain the slaves. The tasks for slaves used to be hard including domestic works, agriculture, construction, carrying heavy loads, sailing boats. In return slaves get food, clothes and accommodation. There was no monetary payment. Rules used to be stringent. The non-followers and run-aways used to get harsh punishments. Slaves system continued for centuries almost up to early 19<sup>th</sup> Century and was abolished by the Governments.

***The relationship was Master and Slave.***

### **Medieval Era**

After some centuries landlords started engaging serfs. Serfs are poor peasants who do not have any land of their own. This was slightly better. Serfs had their own accommodation. It could be in the middle of the fields but better than the servant quarters of the land lords. Works used to be confined to domestic works, agriculture, cattle rearing and no heavy works. Landlords used to be slightly better since they used to help in times of distress.

**“You can live in that place and take this money. In return, you till my land and raise crops. You and your family need to do all the domestic works. I will give you food and clothes. I am also giving you land. You can do farming but keep paying rent for that.”**

Unlike slaves, serfs cannot be sold. But still, the freedom used to be elusive since paying back the monies to the landlords was almost an impossible proposition. The arrangement used to be continued for generations almost perpetually. System used to be prevalent in India also in some variants (bonded labour in rural areas) virtually till the end of 19<sup>th</sup> Century.

***The relationship was Master and Slave. But masters used to have some concern for the slaves' difficulties. Serfs, unlike slaves, used to have some freedom and authority on the land leased in.***

Then came the big bang.

### **Industrial Revolution Era**

The first Industrial Revolution started in the middle of the 18th century. It brought the Labour. Remember Adam Smith, father of the Economics who advocated for maximisation of wealth through his book 'Wealth of Nations' - 'Maximisation of wealth' and 'Maximisation of profits'. Opportunity of making goods through the machines has started. The merchants and big landlords entered the fray and they constructed the factories. And to run them, they were in need of manpower. They started hiring manpower by straight employment (no fixed tenure) or by entering into contracts for fixed periods. The contracts were usually associated with advance payments. They used to get manpower mainly from rural areas and also from faraway lands.

Merchants also used to induce the craftsmen to produce more goods and supply to them. The craftsmen responded by increasing production through engaging labour. Some of them, instead left their crafts, closed their cottage outfits and joined the workforce to engage in the production on the machines at merchants' factories. Most of the artisans, who could not compete with the pace of the machines in producing goods, finally joined the workforce at factories. Merchants became industrialists and owners of the factories. Craftsmen became labour.

Contracts used to be almost with unilateral terms and conditions. And the contracts need to be adhered to. Employers used to extend the contracts by offering incentives so that they do not lose the experienced labour. For all others, it was hire and fire. All labour, including the contracted ones were subjected to strict supervision and control with severe punishments for indiscipline and misconduct.

The scenario: Paltry wages, More number of working hours, Pathetic and dangerous workplaces, Insecure employment. Employers started engaging supervisors and Managers to control these labour. Most of the time, the primary relation used to be between Managers or Supervisors and Labour. Since it is strict wage payments for the labour, no human touch was present.

***The relationship was between Owner/Boss with full authority and subordinates or to say, Master and Servant.***

### **Trade Union Era**

Slowly labour started to form groups. But these attempts were failed since Courts also did not support such adventures as per the prevalent statutes. The Governments also used to put a nelson's eye as they get taxes from the trade and it was, after all, a free market. But the labour was increasing in numbers over the years did not relent in their efforts. They realised that individually they are weak but collectively, they have strength. They have started forming associations. Around 1880's trade union movement started and picked up strength by the close of the 19<sup>th</sup> century. Governments began enacting many labour acts mostly for labour safety. Employers also started realising the winds of change. They have perforce, started improving the working conditions in terms of reduced number of working hours, creating some amenities at the workplaces etc., They also started looking into the human aspect since they understood that hire and fire approach would not work forever.

***The relationship was between Owner with constrained authority and workers.***

### **Social Responsibility Era**

Along with the 20<sup>th</sup> century, social responsibility thoughts and concepts also entered. Employers, out of increasing pressures from the Governments and Trade unions, and also because of the feel of the social responsibility started a humane approach. They have slowly started introducing welfare

measures, apart from improving working conditions and some employers even provided housing through building colonies for workers. This social responsibility used to be there in some of the employers much before the concept penetrated the society. Robert Owen, called as the 'father of personnel management' was one such. He was an industrialist from Scotland and made many changes including reducing long working hours (used to be 13-15 hours a day), minimising employment of children, starting of first adult night school for workers, and building housing colonies for workers.

***The Relationship was between a responsible (or even a father figure) owner and workers.***

### **Scientific Management Era**

Around the same time almost, scientific management principles made inroads. Taylor, the author of scientific management based on the principles – scientific working, harmony, and cooperation developed Time and Motion studies which brought in higher productivity. Time studies were used to arrive at the standard time of completing a job. The Motion studies eliminated wastage of workers movement in the workplace. Better tools and scientific techniques for doing job and incentives for higher productivity through differential piece rate system, were suggested. (In differential piece rate system worker who produces normal production gets higher piece rate than the worker whose production was below standard). Clear-cut division of work and harmonious relations were stressed upon. Taylor's principles were followed and many of the tasks of workers were standardised. The production lines and layouts were changed. Some of the inventions were moving or rotating platforms. Instead of all workers working on individual items, the total job was split into activities. One man picks the chassis and puts one part and the second one fixes another part and the third one may tighten the screws and so on. Piece rate of wages concept also stepped in and the idea was increasing productivity. For minimum wages, workers had to produce prescribed number of items. Owners knew that they could increase production by looking after workforce better and employees knew that they have to work productively. Supervision was at its maximum level.

***The relationship was between an expectant owner and a skilled worker.***



**Women factory workers at the Colt Manufacturing Company making barrels for the M1911<sup>1</sup>**

In this period only, the First World War started. The first world war accelerated changes in the development of personnel management, with women being recruited in large numbers to fill gaps left by men going to fight, which in turn meant reaching an agreement with trade unions about

<sup>1</sup> Image Source: *Industry in Connecticut during World War*

<https://library.ccsu.edu/dighistFall16/exhibits/show/industry-ct-ww1/women-in-the-factories>

accepting unskilled women into craftsmen jobs. This also led to appointment of Welfare Secretaries (Officers) for the protection of women and girls. Though the trade unions and statutes of Parliaments improved lot of things, workers detested the scientific management principles of the shop floor. It induced monotony as the same task has to be performed many times during the day with the same precision. There was no human touch. Workers were getting specialised of doing the same task and in a way their job has become mechanised.

And for a worker turned craftsman, it has become intolerable as it was killing his skills totally. Karl Marx captured the feelings of workers. The second kind of alienation, Marx identified was the workers' lack of control over the activity of production and its process. Hitherto, they were making the units as a whole, and though it used to take more time, it used to give satisfaction as the whole process and the total activity was under their control. Since workers did not have any say on the production or its process, they were getting estranged from the job.

***The relationship was between Calculated Owner and mass of workers akin to 'appendages to machinery'***

### **Human Relations Era**

The scientific management continued for about two to three decades. Around 1920s, management researchers started making detailed studies on human factor at work. Harvard Business School studies from 1924 to 1932 at Hawthorne plant of Western Electric Company made key contribution to the human relations approach. These and other studies suggested the importance of human relations and working conditions at the workplace. During this period, International Labour Organisation (ILO) was started. It was created in 1919 as part of the Treaty of Versailles (ending of World War I). It was 'to reflect belief that universal and lasting peace can be accomplished only if it is based on social justice'. (See box 1.1 for more information on ILO).



**Image STOP CHILD LABOUR illuminated in the windows of the ILO headquarters, Geneva, Switzerland<sup>2</sup>.**

Close to these studies, behavioural scientists and industrial psychologists started making studies and gone beyond the management researchers. Maslow's need hierarchy was one notable contribution. Maslow categorised workers' needs into five tiers i.e., physiological, safety, social, self-esteem and self-actualisation and said that workers would go through their needs one after another. Other behavioural scientists had concluded that to get the best out of a person which is self-actualisation, all other needs to be fulfilled. Further studies concluded that apart from economic rewards, job security, social and psychological needs fulfilment, recognition were the motivating factors. They also pointed out that collective interest and informal groups influence the attitude towards the work. They made many a suggestion like creating healthy atmosphere at workplace, giving operational freedom for work (almost against the Taylor's scientific principles, taking cognizance of

<sup>2</sup> & <sup>3</sup> Source: ILO website <https://www.ilo.org/global/about-the-ilo/history/lang--en/index.htm>

the workers' feelings), requirement of constant motivation, and better treatment of subordinates. Many vital concepts like Job enrichment (making job interesting), Management by Objectives (MBO – Involving employee in goal setting exercise) were the results of these studies. All the studies concluded in unison that workers should be treated as human beings. With the result, working conditions were improved.

***The relationship was between Employer and Employees (equal human beings). Refer Box 1.1 (ILO)***

### **Box 1.1 International Labour Organisation<sup>3</sup>**

The driving forces for the ILO's creation arose from security, humanitarian, political and economic considerations. The founders of the ILO recognized the importance of social justice in securing peace, against a background of the exploitation of workers in the industrialising nations of that time. There was also increasing understanding of the world's economic interdependence and the need for cooperation to obtain similarity of working conditions in countries competing for markets. Reflecting these ideas, the Preamble of the ILO Constitution states:

- Whereas universal and lasting peace can be established only if it is based upon social justice;
- And whereas conditions of labour exist involving such injustice, hardship and privation to large numbers of people as to produce unrest so great that the peace and harmony of the world are imperilled; and an improvement of those conditions is urgently required;
- Whereas also the failure of any nation to adopt humane conditions of labour is an obstacle in the way of other nations which desire to improve the conditions in their own countries.

The process resulted in a tripartite organisation, the only one of its kind, bringing together representatives of governments, employers and workers in its executive bodies. The Organization has played a role at key historical junctures – the Great Depression, decolonisation, the victory over apartheid in South Africa and today in the building of an ethical and productive framework for a fair globalization.

### **Human Resources Era**

The era of human relations continued. The role of welfare offices expanded to personnel managers. Later part of 20<sup>th</sup> century (1980s) has seen many changes in the business. Business has become global and rapid technological changes were taking place. Diversity of labour increased in terms of ethnicity, gender and race. The educational background of workers had increased. Mobility of people had gone up. Managements started concentrating on motivation of employees. After Maslow, there were many researchers and industrial psychologists who developed various theories which had influenced the thinking of the managements. Notable among them are: Frederick Herzberg's Motivation-Hygiene Theory classified different factors into Hygiene (necessities) and Motivators placed between esteem and self-actualisation needs of Maslow. Douglas McGregor's Theory X and Theory Y dealt with perspectives of Managers on workers which helped training of Managers.

Rensis Likert's Participative Decision Making Theory created four distinctive management styles viz., Exploitative Authoritative (manager doesn't have trust in decision making capabilities of subordinates), Benevolent Authoritative (Managers only should take decisions and workers should comply), Consultative (Manager doesn't have complete confidence in subordinates' decision making capacity, and takes inputs from them through consultation and makes final decisions) and Participative (managers have complete confidence in workers abilities and encourage them to be active in decision making). And the welfare state slowly evolved into considering employees as assets and that was the beginning of the era of human resources management, the present era.

## In India

Prior Independence, though predominantly an agricultural economy, developments of the world had ripples in India also. India was one of the founder members of the International Labour Organisation (ILO) in 1920s. Two Institutions –The Indian Institute of Personnel Management (IIPM) in Kolkata, National Institute of Labour Management (NILM) in Mumbai were established. There were many industries established prior Independence. There was not much industrial unrest in this period. One of the reasons was founders of some of these companies were benevolent and caring and also were nurturing talents of employees. (See the box 1.2 for HR practices of Tata Iron and Steel Company Ltd (TISCO), presently Tata Steel). The Royal Commission of Labour in India (1929-31) recommended appointment of labour officers in industries. The Bombay Mill Owners Association appointed labour officers on their own to settle disputes. During Second World War, these officers' role is changed to Welfare Officers who were looking after working conditions, establishment of canteens, arranging rations, and providing medical facilities.

After Independence, a lot of legislative support was rendered for the safety and welfare of the workers. India is one of the few countries to bring many acts for workers' welfare. Massive outlay provided for industries in the Second Five year Plan resulted in establishment of many Public Sector Undertakings which acted as Model Employers. 'Though not widespread, the Indian industry was also open to adopting tools and techniques that could help improving efficiency and productivity. For example, in 1961, with full cooperation from the trade union, the Indian Aluminium Company Ltd. conducted a plant-wide work study at its Alupuram, Kerala plant. This led to defining the work output, staffing pattern, and productivity linked incentive scheme. The establishment of management training institutes and business schools like XLRI and the IIMs helped the industry to imbibe modern management principles and thought.' (SreeRamarao, 2009).

While legislature provided checks and balances, from 1970s the shift was moved from welfare towards efficiency. By 1980s and 1990s it graduated to human values and productivity and into the present HRM of today of treating employees as resources. Figure 1.3 would depict the evolution of HRM.

## Evolution of HRM ...

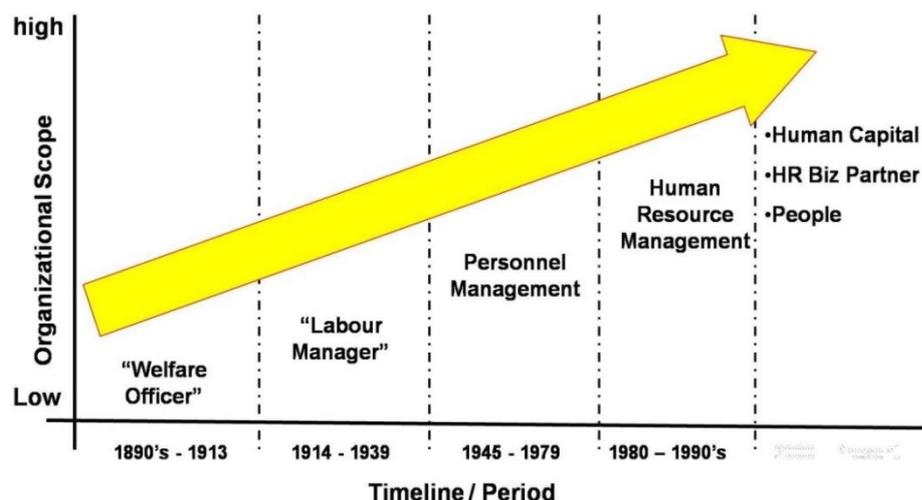


Figure 1.3 Evolution of HRM: Organisational Scope in different time periods<sup>3</sup>

<sup>3</sup> Source: <https://hrdictionaryblog.com/2012/10/28/evolution-of-human-resource-management/>

### To Do Activity

About 70 Companies were established before Independence in India Like Century Textiles, Godrej & Boyce Manufacturing, Indian Hotels, Alembic Pharma, TVS Group, Kesoram Industries, Birla Corporation, Raymond etc., Find out whether any or some of them have good record (like functioning without any strikes for decades) and study their HR practices.

### Box 1.2 HR Practices in Tata Steel

Human Rights, Labour and Environment – all these issues are inter dependent and the human being is central to each one. Good human relations are essential for the success of any organisation. Tata Steel has achieved a pre-eminent position in the Indian industry primarily through maintaining good relations with its employees and other stake holders.

Tata Steel established steel plant in the heartland of tribal belt (Jamshedpur, Jharkhand), started operations from 1911. At that time working conditions were deplorable all over the world. Mahatma Gandhi even visited London to express his solidarity with workers' movement there. But Tata Steel was always proactive in workers welfare. It can be seen from the following Table, that the Company was decades ahead of the legislation in employee welfare measures.

Welfare Measure	Introduced in Tata Steel	Legislation in India	Enforced from
8 hour working day	1912	Factories Act	1948
Free Medical Aid	1915	Employees State Insurance Act	1948
Welfare Department	1917	Factories Act	1948
Works Committees	1919	Industrial Disputes Act	1947
Leave with Pay	1920	Factories Act	1948
Institute for Training	1921	Apprentices Act	1961
Bonus	1934	Bonus Act	1965

Management principles are always people oriented. Post World War I, when prices of essentials shot up, Tata Steel purchased them in bulk and ensured workers got them at cheaper rates. It has also established thrift and credit societies which have eliminated money lenders. Joint Consultation Councils were set up at works level, department level and management level.

It has pioneered in training. For technical training for employees, company established Jamshedpur Technical Institute (JTI). Wide variety of training programmes from literacy to advanced metallurgy and engineering were offered. Training was also imparted to Public Sector Steel Companies. JTI was established in 1921, when there were no noteworthy training institutes in India. For managers, training was from Tata Management Development Center (TMDC).

System of Joint Consultations, a participative management system was established decades ago. There was always an endeavour to improve the quality of the life of the people within 50 km radius of its production facility.

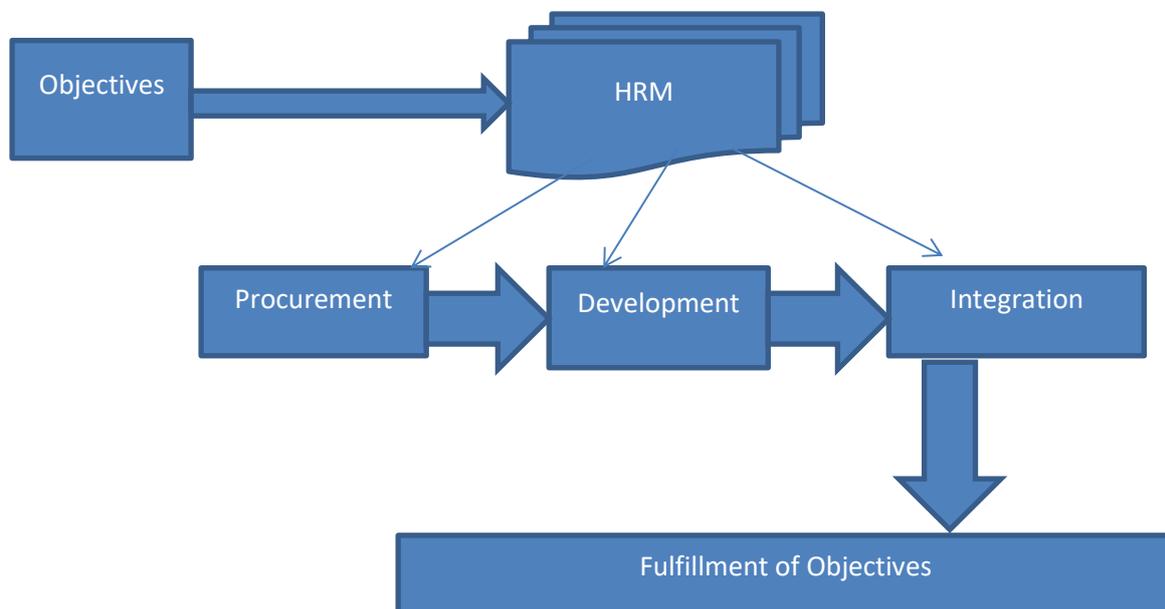
Barometer  Last strike in Tata Steel was in 1928.

Source: Ramesh (2016)

## 1.2 Concept of HRM

In simple words it's managing people. Concept of HRM can be elaborated from the definitions. Also refer Figure 1.4 The National Institute of Personnel Management (NIPM) of India has defined human resource/personnel management as “that part of management which is concerned with people at work and with their relationship with an enterprise. It's aim is to bring together and develop into an effective organisation of the men and women who make up an enterprise and having regard for the well-being of the individuals and of working groups, to enable them to make their best contribution to its success”.

According to Edwin Flippo, “ Human resource management is the planning, organizing, directing and controlling of the procurement, development, compensation, integration, maintenance and separation of human resource to the end that individual, organisational and social objectives are achieved”.



**Figure 1.4 HRM Process**

There are many definitions of HRM and these two are taken, to understand the concept. The NIPM's definition gives the crux. Firstly we are talking of HRM in relation to an enterprise and secondly, we are talking about the people at work with an enterprise. The definition brings the aim of HRM as making an effective organisation with the people by taking care of their well-being. The concept of HRM is driving the organisation to work for the well-being of human resources so that the individuals as a group will give their best contribution to the organisation.

We have seen in the HRM evolution, the change in the relationships between the employer and the employee. We can say the change was for the better. While it used to be only authority at one side and all responsibility on the other side, it changed into sharing of responsibilities on both sides. Definition is saying that HRM is that part of management, to develop an organisation which will enable the people to make their best contribution. The task of enabling the people (through taking care of their well-being) is the responsibility of the organisation. The change or improvement in relationships has come through this shift or sharing of responsibilities. The definition of Edwin Flippo is on the process of HRM and basically talking about procurement and development of human resources so that individual and organisation objectives are achieved. It means identifying correct

people for a job, recruiting and developing them so that, in turn, they will make the organisation to achieve its objectives. In a way it is to say that putting right people at the right job. This is the main objective.

According to Narang M (n.d.), HRM is that art of management process which develops and manages the human element of enterprise considering their resourcefulness in terms of total knowledge, skills, creative abilities, talents, aptitudes and potentialities for effective contribution to the organisational objectives. Look at the definitions once again. Are they both conveying same concept, wording different or are they giving divergent views?

Looks to be different, aren't they?

They are not. Both of them are conveying the same concept but bringing in two different facets. One is dealing at macro level and the other one at functional or micro level. One is describing it as a function. Other one is defining it as a process. Both are relating to 'managing the people'

NIPM definition is on managing people on a broad (macro) level. It is describing HRM as taking care of the people in an enterprise; harness their energies and making them focused on organisation's goals and in the process achieving their individual goals. Remember Maslow's need hierarchy of categorising workers' needs in the order starting from physiological, safety, social, self-esteem and up to self-actualisation. If you treat goals (since they are manifestation of needs) in the place of needs, you will find that the HRM is managing employees, through supporting them in achieving their goals of self-esteem and self-actualisation and orienting those goals so that they become congruent with organisation's goals. It describes HRM as a constant activity or to say defining HRM as a function.

Flippo's definition is again on managing people through different activities or different phases of the same activity. It is talking about planning (for specified manpower), recruiting the manpower and maintain them through fair compensation for their employment, be with them till their separation from the organisation (through resignation or superannuation) and dealing with them to see that individual and organisational objectives are achieved. This definition is also about synchronising the objectives of an individual and those of organisation. It is describing HRM as that of one which puts a system in place or defining HRM as a process.

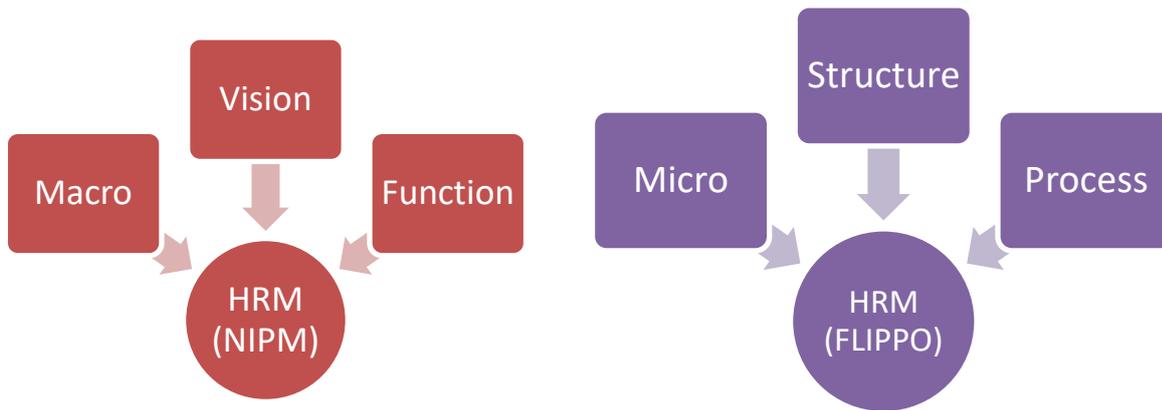
One definition is bringing out a structural dimension of HRM. It puts HRM as an author of a Flow Chart - a Flow Chart of activities and a Flow Chart from beginning to end of a process. It is saying that HRM is managing people in a structured way. The structure through which an organisation achieves its objectives through the people it nurtured and developed.

Other definition is on the vision dimension of HRM. It is describing HRM as a function which looks beyond a structure or a function with vision - a function or process or activity of enabling people. Or it describes HRM as a function of enabling people with a vision to make them building blocks for organisation's success. In other words, it puts HRM as a continuous activity with long term objectives.

The two definitions are not contradicting. They are complementary to each other. HRM is for effective utilisation of the human resources i.e. people. And HRM is facilitating for the peoples' and organisation's goals achievement in a way that both will occur simultaneously.

**The HRM is:**

- Planning for manning positions.
- Spotting and recruiting the human resources
- Managing the people in an organisation.



**Figure 1.5 Two definitions of HRM**

- Developing, maintaining and utilising the human resources.
- Motivating the workforce.
- And in the process tuning individual goals to the frequency of the organisation’s goals. (Refer Figure 1.6)



**Figure 1.6 HRM in brief**

**Progression of HRM**

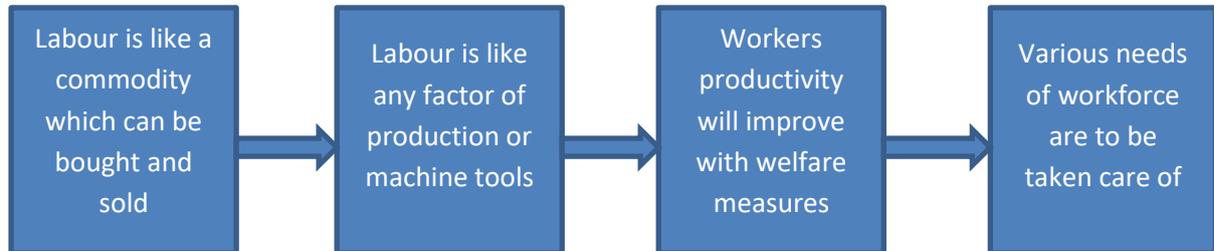


**Figure 1.7 from PM to HRM**

While studying evolution, we have seen how the treatment of human beings has undergone changes in different eras. Similarly HRM has also undergone many changes over the period of time and evolved into the present version. Started with a minuscule part of administration, function has grown to consist of a division by itself. ‘Personnel Management’, progressed to ‘Human Relations Management’ and graduated to Human Resource Management (Figure 1.7). It was insignificant in

the beginning as part of the administration and just used to enrol the owner-selected personnel. And slowly the recruitment and other functions were started getting delegated from owners to down below managers.

This development has come, because of change in the philosophies of managements on workforce, which is depicted in Figure 1.8. The labour which was treated as a ‘commodity’, upgraded to be treated as a factor of production. Then the productivity improvements through welfare measures stepped into.



**Figure 1.8 Changes in the Managements’ philosophies**

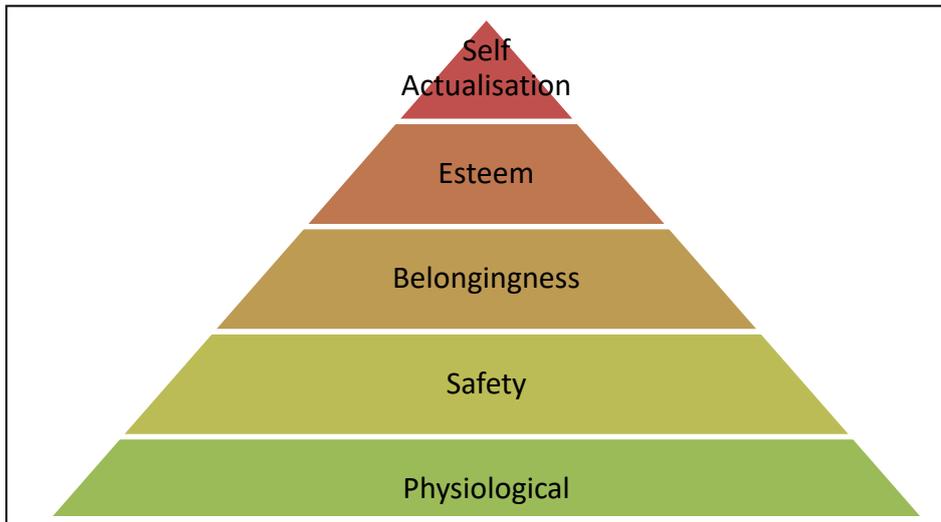
Though the words Personnel Management (PM) and HRM are used interchangeably, there are differences between them. There was a transformation in the concept, consequent to the changes in the management philosophies and external factors like legislation. The evolution of the concept can be seen by observing some key differences between PM and HRM, given in Table 1.1. For the sake of convenience, the Human Relations approach and Human Resources approach are treated as the same.

**Table 1.1 Differences between PM and HRM<sup>4</sup>**

Basis of Comparison	PM	HRM
<b>Activities</b>	Routine	Strategic and with purpose
<b>Communication</b>	Indirect (mostly through circulars, one to many) like “It is hereby informed that ---” or “I am directed to ----”	Direct (meetings, phone calls, mails, sms). Communications can start with a ‘hi’ even
<b>Job Design</b>	Division of labour (calculation of total quantum of work and divide by standard work output)	Changing according to the potential, Making designs for groups
<b>Approach</b>	Mostly framing rules and procedures	Making suggestions
<b>Employment Contracts (Pay)</b>	Standard or through collective bargaining (with unions)	Individual negotiations
<b>Outlook</b>	All are labour/employees	Individuals are different
<b>Attitude</b>	Giving fair price for employee’s time and expertise.	Investment

The passage from PM to HRM was via the stage of Human Relations Management. It was according to the gradual change in the managements’ philosophies. Contributions of various theories (mentioned in the previous section) also can’t be ignored. It was almost similar to the progression in the Maslow’s need hierarchy (Figure 1.9). The present day concept can be better understood by distinguishing between Human Relations approach and Human Resources approach. Table 1.2 gives

<sup>4</sup> Source: Inputs from article “Difference between Personnel Management and Human Resource Management” by Aline Sampras (<https://www.hrmexam.com/2019/05/17/difference-between-personnel-management-and-human-resource-management/>)



**Figure 1.9 Maslow’s Need Hierarchy**

some key differences. To put in simple words HRM is spotting the talent in the employees, nurturing them and harnessing the potential out of them.

**Table 1.2 Differences between Human Relations and Human Resources approaches**

	Human Relations	Human Resources
<b>Attitudes toward people</b>	People need to feel belong, be liked and be respected.	In addition they have desire to contribute effectively and creatively.
	People want to feel a useful part of the company/work group/department.	Workforce is capable of exercising more creativity, initiative and responsibility than their present jobs allow.
<b>Kind and amount of participation</b>	Manager’s basic task is to make each worker believe that he is useful and important part of organisation.	Manager’s basic task is to create an environment in which his subordinates can contribute their full range of talents in fulfilment of organisation’s objectives.
	Manager should be willing to explain his decisions and discuss his subordinates’ objections to his plans. On routine matters he should encourage his subordinates to participate in planning.	Manager should allow and encourage his subordinates to participate in routine and also in important decisions.
<b>Expectations</b>	Sharing information and involving in decision making will satisfy basic needs of belongingness and recognition.	Overall quality of decision making and performance will improve.
	Satisfying these needs will improve morale and reduce resistance to formal authority.	Subordinates will exercise responsible self-direction and self-control in accomplishing objectives.
	High employee morale will improve performance. It will reduce friction and make manager’s job easier.	Subordinate satisfaction will increase as a by-product of improved performance and the opportunity to contribute creatively.

Source: Miles R.E. (1965)

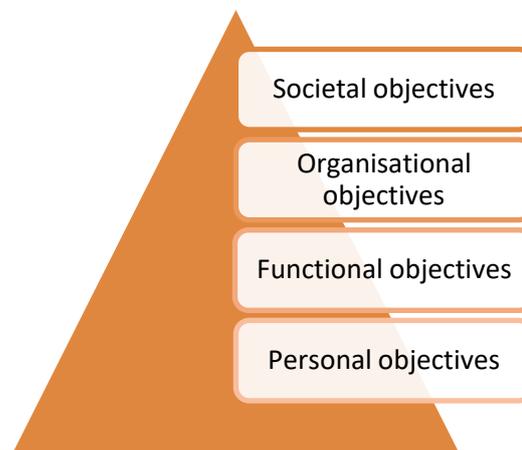
## Features of HRM

- It is a continuous process.
- It needs to change (and changes) according to the times and also brings changes in the organisation as per the needs.
- It is omnipresent. It is not restricted to companies but is also necessary for non-profit organisations, and covers all levels of employees.
- It is a service function and multi-disciplinary.
- It is people-centric and develops team spirit.
- It is integrated and follows regulations religiously.

## Objectives of HRM

As per NIPM, the primary objective of HRM is to ensure the availability of right people for right jobs so as the organisation's goals are achieved effectively. Flippo's definition goes a step further and talks about achieving of individual, organizational and societal objectives.

We may classify the objectives as shown in Figure 1.10



**Figure 1.10 HRM Objectives Classification**

**Societal Objectives:** HRM should be socially responsible. It should keep society's expectations in mind. For instance, when the Governments give concessions for establishment of industries, they in turn, expect employment generation for the local people from the industry. Or at times, Society may impose restrictions on the employment or some other issues.

**Organisational Objectives:** HRM concept is organisation's effectiveness and success. Manpower planning, recruitments and other activities should reflect this concept.

**Functional Objectives:** HRM should cater to the needs of the organisation. While organisational objectives take long term goals into account, the functional objectives consider the short term and immediate requirements of the organisation.

**Personal Objectives:** HRM is for development of Organisation through development of individuals. It should extend support to the individuals achieving their goals which will increase the effectiveness and hence the usefulness to the organisation. Training of employees is one example.

Some Important objectives of HRM are:

- All 'Rights' - To recruit right type of personnel to the right jobs at the right time
- Achieving organisation's goals through recruitment, development and motivation of manpower

- Keeping working place in clean and healthy state both in physical and figurative terms Job seekers would be interested to join, when they get feedback of an organisation like “it’s clean, no politics”, “it’s a very healthy atmosphere there Your talent will be appreciated” ---
- Providing facilities and opportunities for development of employees
- Creating belongingness in the employees and driving away favouritism, nepotism and inequalities in all the decisions
- Taking care of safety and welfare needs of the employees
- Maintaining good industrial relations and keeping peace and harmony
- Effective utilisation of the skill sets of the employees
- Social responsibility
- Encouraging and ensuring employees in achieving their individual goals and tuning them to organisational goals

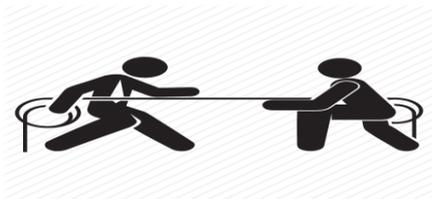
The list is only a gist of the objectives of HRM. We will learn more of them in studying functions and role.

**HRM aims to achieve both efficiency and justice, neither of which can be pursued successfully without the other M.W. Cumming (1989)**

### Scope of HRM

It looks simple. Isn’t it? It is just ‘managing the people’. But it is not. In fact, it has a vast scope. It is expanding day by day. The scope used to be attending problems of low wages or safe working conditions in earlier days. Now the problems that HRM is expected to solve, have increased manifold.

Look at these:



“Dear HR. I don’t like my team leader. He doesn’t like me either. Then why don’t you change the team?”

“You said challenging assignment but never told me that people can keep calling at 11 pm even. If this is the way, my wife will divorce me”

These are just a few examples. The scope of HRM is extensive and defining an exhaustive scope is not possible. However, we will try to understand the scope in broad terms. NIPM has specified the scope of HRM in three key aspects (Figure 1.11).

**Personnel Management** – Manpower planning, Recruitment, Induction, Training and Development, Compensation, Transfers, Performance appraisals, Layoffs, Retrenchment, Productivity

**Employee Welfare** – Cleanliness, Ventilation, Proper lighting, Safety and Security, Medical facilities, Accidental insurance/compensation, Canteen and recreation facilities, Removing workplace hazards or providing adequate safety measures, Employee Counselling

**Industrial Relations**- Cordial relations with Unions, Disciplinary proceedings, Collective bargaining, Dispute settlement mechanisms

It is only taking the Personnel Management aspect into consideration. But when we take present day HRM, the scope expands to conflict resolution, 360° appraisals, building of teams, training and development.



Figure 1.11 Scope of HRM



Figure 1.12 Extended Scope of HRM

Both the scope and objectives are listed in brief and will be better understood when we learn other aspects of HRM.

Let us not forget the usual debate.

### HRM: Is it a science or an art?

It is a science because it involves processes, principles, and experiments. You recruit a person with an expectation that he/she will become a big asset to the organisation. If the person succeeds, it's good. Or if the person proves to be, though got good talent, a misfit in the organisational culture, it's a failed experiment.

Definitely, HRM is an art since managing people is an art.

Is it Science or Art or Both or None? Give a thought.



### 1.3 Functions of HRM

Having learnt the concept, objectives and scope, let us study the functions of HRM (Figure 1.13). You can consider functions as processes. Processes established for fulfilment of organisation's goals and objectives such that they will be in tune with them. HRM functions are of two categories - Managerial and Operative. Managerial functions are common for all managers irrespective of department. Operative function set is HRM-specific. Managerial functions are Planning, Organising, Staffing, Directing and Control. Operative functions are Procurement, Development, Compensation, Maintenance, Motivation and Integration.

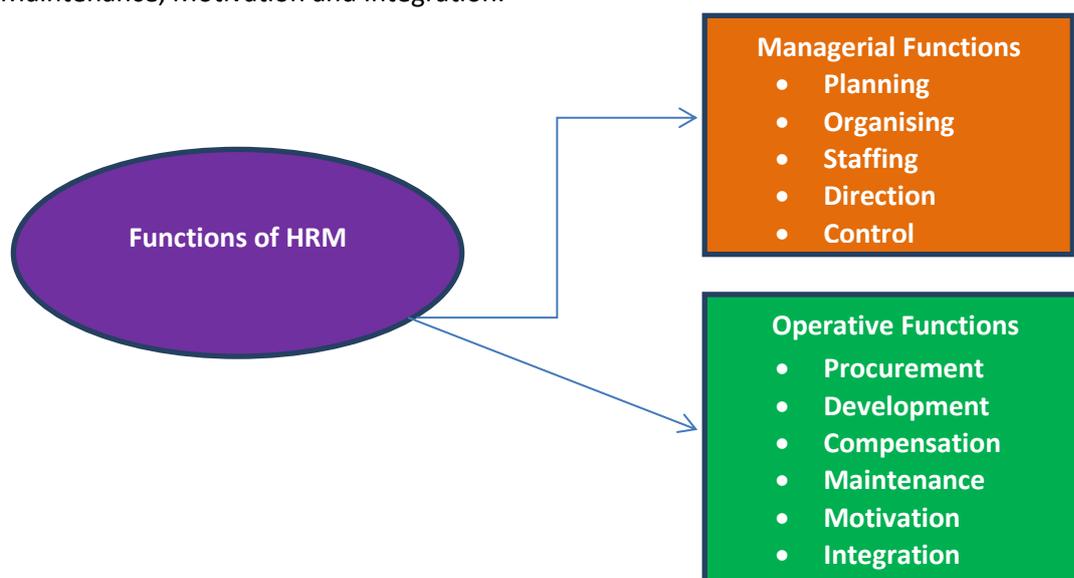


Figure 1.13 Functions of HRM

## Managerial Functions

Most of the day-to-day activities of shop floor managers would involve these functions. Other managers' activities also involve these functions but with less frequency.

### Planning

Remember budgets. Budgets are plans. Plans are documents describing where the organisations would like to move on to in terms of sales, strength, and dealer network etc. "By the end of next year our Bank will have branches in all Tier III Cities of Southern region" is a Goal or Target or an objective statement. Planning is deciding what is to be done to achieve that target. Planning is future oriented. It involves forecasting. All other functions will be dependent on this. According to the objective, activities and procedures will be finalised and specific numbers will be forecasted.

For instance, if the Bank wants to open and increase the branches in all tier III Cities in South India say 200 in numbers, it means they would be requiring about 1000 people to run these branches. After deducting existing strength of people who can be sent to some of the branches, balance manpower are to be recruited. Planning involves deciding numbers as per the levels (Managers, Tellers, and Executives), program of recruitment month-wise and rules for recruitment. It would be a manpower budget for next year and preparation of the same is planning.

### Organising

Once a plan is made next activity is putting men and material in place and that is what Organising. It is an activity of deciding structure and allocation of jobs to individuals. It involves:

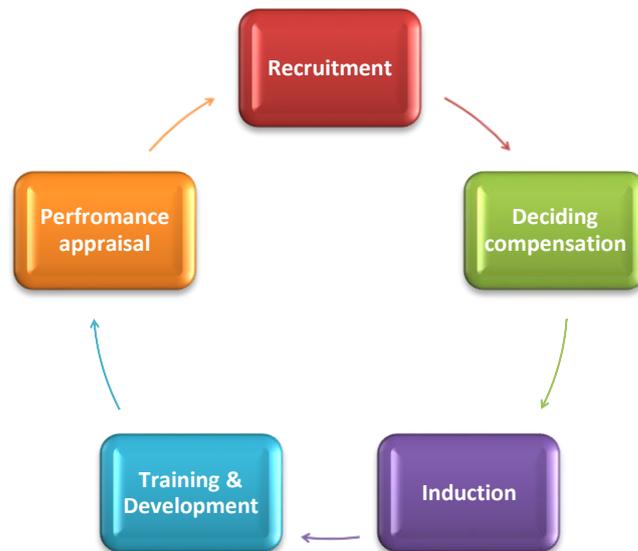
- Giving specific tasks to individuals.
- Establishing Departments/Divisions/Sections job wise.
- Giving authority and specifying responsibilities to each individual.
- Establishing communication channels and deciding authority structure (flow).
- Setting up a system for coordination.



Figure 1.14 Activities of Organising Function

### Staffing

It is putting manpower in the positions/jobs. Activities include deciding what kind of people are required (qualifications/experience/skills), recruitment, deciding compensation (salary), induction, training and development, establishing standards for performance (targets), evaluating the performances and other related activities.



**Figure 1.15 Activities of Staffing Function**

It may be noted that though it is a common managerial function, staffing is done by HR department in general and other managers will specify the numbers and desired skills. In case of highly specialised jobs, the concerned departmental managers will undertake this function. For instance, design specialists for Industrial Boilers would be fewer in numbers and in such cases, the concerned departmental head would be involved in staffing function.

### Directing

To put it simply, it is telling others what is expected out of them in a formal way. Directing function aims at getting willingness and cooperation from others (basically groups) to achieve the goals and involves:

- Getting work done by subordinates
- Establishing a two-way communication channel with them
- Motivating subordinates by giving them incentives, appreciating their efforts etc.,
- Keeping the morale. It is one of the important tasks of HR Manager. Giving equal treatment to all is a must and showing concern for their problems would increase morale. Training and Development programmes or even a day's outing to a picnic spot boost the morale.



**Figure 1.16 Activities of Directing function**

## Controlling

It is a process of efficiency checking. It involves:

- Setting the standards of performance
- Measuring actual performance
- Comparing with the standards
- Taking remedial steps for correcting. Remedial steps include counselling, training or even punitive measures as per the analysis on a case-to-case basis.

Controlling is important because without that organisation cannot achieve continuous improvement.



Figure 1.17 Controlling Functions

## Operative Functions

Now let us study the Operative Functions of HRM. As mentioned earlier, these are HRM specific.

Table 1.3 Operative Functions of HRM

Procurement	Development	Compensation	Maintenance	Integration
Job Analysis	Career Planning	Job Evaluation	Employee Health	Industrial Relations
Recruitment & Selection	Employee Training	Performance Evaluation	Motivation	Discipline
Placement and On-boarding	Executive Development	Salary Administration	HR records	Grievance Addressing
Socialising	Job rotation	Incentives and Statutory Benefits	HRIS	Dispute Settlement Mechanism
				Collective Bargaining

### Procurement

It is manning the positions or filling vacancies both present and future. It comprises the activities of:

**Job Analysis:** It is a systematic process of gathering all information about the job (Refer figure 1.18). The first set Job description is knowing all about, what is expected out of the person and other details like location, to whom he/she has to report, working conditions (including timings), duties and responsibilities, hazards involved (for example mining, chemical and pharmaceutical industries, construction projects involve hazards) etc., The second set Job

specification is setting specifications for the person based on the job description in terms of skills, educational qualifications, and experience. HR Managers should not forget the last two of the job specification box – Emotional characteristics and Sensory demands. You can't put a person in customer service if he/she is confrontational or argumentative. "Sensitive for public issues", "self-injurious" are some of the emotional characteristics to be looked into.

You are injured by a metallic object or fallen on a public road and you go to a hospital. Before starting the treatment, the first question they ask you is whether you are sensitive to penicillin. This is also similar. In hospital, they will ascertain explicitly but in recruitment you have to find implicitly. Some jobs need sensory demands. For instance, if you are recruiting a chemist, you need to make a note of a key sensory demand 'smell'. The same is for a coffee taster, aroma being a key attribute.

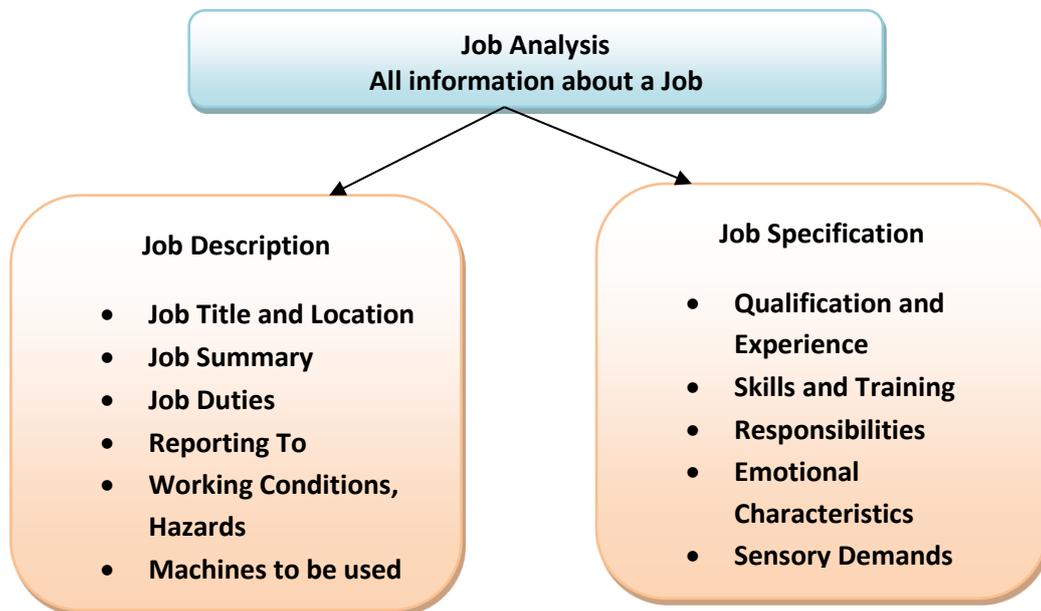


Figure 1.18 Job Analysis

- **Recruitment and Selection** – This is a core function of HRM. Recruitment can be internal or external. In the Internal recruitment chance is given to the existing employees for filling a position. In the external recruitment advertisements will be given in print or electronic media. Following a pre-determined process (written test and/or interview) persons are selected.
- **Placement and On-boarding** are part of the induction of person into the Organisation. He/she will be introduced to all concerned (welcome mail is used commonly in multi-locational organisations particularly), in-house training is provided if required, and finally placed on the job.
- **Socialising** – Process of making employee to mingle with everyone.

#### Development

Development refers to the training and development of employees and it is a core function of HRM. Development of employees would translate into the development of the organisation.

- **Career Planning** – Process of establishing career objectives of employees. This function of HRM helps employees to set goals and help them for promotions.

- **Employee Training** – It would ensure continuous skill development of employees. The training can be on the job (by seniors or good instructors in the industry) or off the job (through classroom lectures, shows or simulation exercises).
- **Executive Development** – Programmes through which competencies of the executives are improved. It would also give exposure to different areas for them. Example: Finance for non-finance executives.
- **Job Rotation** – This will enable workers breaking their monotony and also improve their skills. It will also facilitate employee development as well as development of organisation as organisation will have multi-skilled employees.

### Compensation

It is the determination of pay and benefits of employees and is one of the principal functions of HRM. HR Managers should ensure fair and equitable wages to all employees.

- **Job Evaluation** – It is the assessment of various jobs in relation to their importance for the organisation. Factors like exposure to hazards (or hazardous materials), risks of the job, and odd hours of working should be given due weightage.
- **Performance Evaluation** – Employee’s performance against the standard or set performance needs to be evaluated which is important for decisions on increments, training and development needs.
- **Salary administration** – A key function of HRM. It should follow the calendar of payments of statutory dues like PF (contributions to Provident Fund), ESI (Contributions to Employees State Insurance Corporation) and Professional Tax by due dates. A system should be in place for payment of wages/ salaries on a fixed date every month.
- **Incentives and Statutory Benefits** – While benefits include PF, ESI, Insurance, Gratuity etc., HRM should ensure that better performers should be rewarded monetarily or through perquisites.

### Maintenance

There is an axiom related to HRM. “It is easy to recruit, but difficult to retain an employee”. This function of HRM is for ensuring retaining all skilled and experienced employees. If you lose a key employee, all the expenditure in terms of training imparted, will become wasted and if the losing is to one of your competitors, it would be a double blow because other organisation will get returns on your investments. And remember, your counterparts in other organisations always try to lure your key employees (like you do). High employee turnover is not good for any organisation and HRM through ‘maintenance’ needs to minimise it.

Maintenance is through:

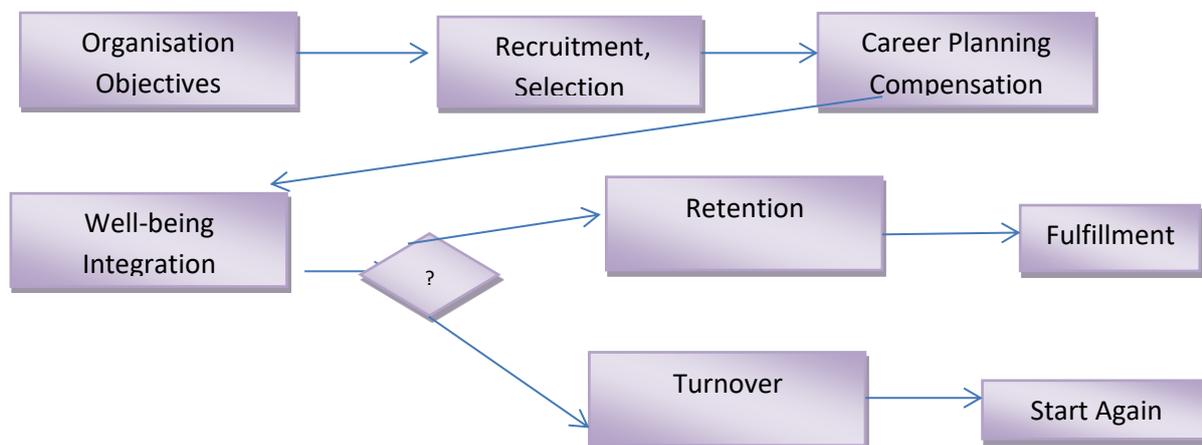
- **Employee Health**—Apart from healthcare, ensuring good working conditions at workplace is critical. In case of factories, the provisions of the Factory Act 1948 are to be ensured.
- **Motivation** – Giving positive feedback to employees needs to be practised as it motivates them. Encouraging employees to participate in the decision making would ensure their complete cooperation and acts as a good motivator.
- **HR Records** – It is a must to keep the records of all employees. It is useful for discharging other functions and also will gain the trust of employees.
- **HRIS – Human Resource Information System.** It is an MIS (Management Information System) and will help HR Managers in performing effectively.

### Integration

It is mainly for good relations between Employees and Management. This is also one of the key metrics of HR.

- **Industrial Relations** – Dealing with Unions. Organisation’s image is dependent on this function.
- **Employee Discipline** – It is required for any Organisation and HRM should evolve a system for this, which is common for all.
- **Grievance Addressing** – HRM should ensure a mechanism for redressal of disputes. Most of the time, they will be small and petty ones only, but if they are not redressed, they will become big disputes.
- **Dispute Settlement Mechanism** - For this also HRM should devise a mechanism for amicable settlement. For factories, provisions of the Industrial Disputes Act 1947 should be ensured.
- **Collective Bargaining** – It is a process in which Management and Unions will collectively decide on wage increases, employment conditions, dispute settlements and HR Manager, being a management representative plays a key role.

The common thread behind all the operative functions is the process of achieving the objective of making human resources available and integrated so that they will make the Organisation to attain its objectives, as shown in Figure 1.19.



**Figure 1.19 Organisation objectives and operative functions of HRM**

Proper discharge of operative functions would result in retaining of an employee which is the desired outcome. We will be learning in detail on some of these functions in other Chapters. You can have a feel of HRM functions in the case study presented in Box 1.3.

#### 1.4 Role and Status of HR Manager

At the outset, let us try to capture what is untold in the books.

“Friend, Philosopher and Guide”.

This is how employees refer to a good HR Manager.

HRM is an integral part of any organisation. Gone are the days where HRM status used to be an insignificant part of Administration. Now you will find the positions of Vice President (HR) or Director (Personnel) in all big organisations. This change has come along with the evolution of HRM concept which we have discussed in previous sections. We will start with a look at a model on the

roles of HR Manager. Dave Ulrich in his book “Human Resource Champions” developed following model and suggested in big organisations HR functions should be split into four segments.

### **Box 1.3 Case Study: But Neelam is paid more than Me**

Kamala Menon joined the Imperial Bank of India training division four years ago. She is pleased with the trainers and administrative staff in her division. After she joined, the training division started getting good name and caught the attention of higher ups in the Bank.

The Imperial Bank of India is the largest Private Sector Bank in India. It has Insurance, Mutual funds, Credit Cards and Housing finance arms apart from the regular bank which itself is quite big in terms of branches and business volumes. It's presence in nook and corner of India that too even in villages and working for more than 99 years made it very popular and customers flock to it when compared to any other bank. It recruits thousands of employees every year and the training division caters to all employees.

On Monday morning, Administrative assistant Poonam Kaur, came to see her. Kamala liked Poonam. Poonam is efficient and once a program is designed she takes care of everything of administering it. Kamala even started giving her small assignments connected to training like collection and classification of basic course material from online video classes and others.

Poonam placed a job transfer application in front of Kamala. Kamala was surprised to see that. She thought that Poonam liked her job. Kamala looked over the form and said “So you want to apply for new policy assistant post in the Insurance division?” But Why”.

Poonam said “I found in job posting that the New Policy assistant position in Insurance division is graded as Pay band 6, two grades higher than my job”. She continued “You know my friend Vandana Sen works over there. She told me that most of the time the policy assistant reads novels after copying some tables. I also understand that not much work in that position as our existing policies sell like hot cakes”. Poonam added, “Look Madam, you know how hard I work. I could not fathom why I should work in a job graded at PB4, while others work less and yet be paid more. The job requirements for that job are bit higher than mine, but still I can manage”.

Kamala knew that the new policy position in Insurance division requires additional skills and responsibilities beyond Poonam's current job. It requires lot of studies, understanding of statistics, and constant watch on competitors' products. She knows that given Poonam's mental abilities, she will be behind all others unlike her present star performer status and will repent. Since Poonam is efficient and nice, Kamala doesn't want to lose Poonam. Also because Kamala is convinced that Poonam is taking a wrong step in her career.

If you are in Kamala Menon's position, what will you do with Poonam Kaur's request for transfer and how you will respond to her salary complaints?

This case is prepared from the concept of the case “How come they make more than me”, found in “Fifty case studies for Management and Supervisory Training” by Alan Clardy, Ph.D.,

# Dave Ulrich Model of HR Roles



**Figure 1.20 Dave Ulrich HR Competency Model**

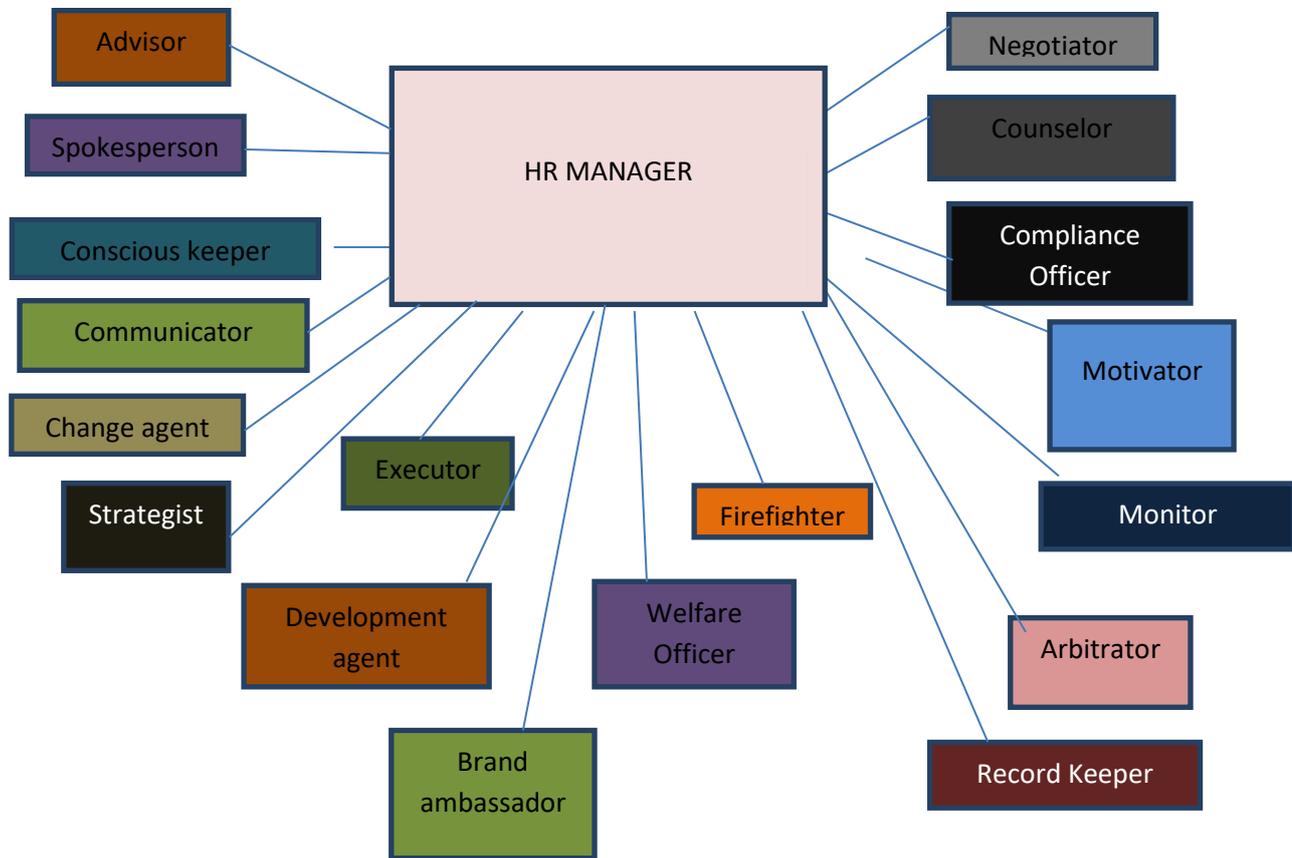
You can see movements (of thought process) on two scales. One is from Day-to-day to Future. Second is from processes to people. The two scales or two axes provide four quadrants or sectors. The present day processes have administrative focus. You are talking of a rule or a usual activity. But when you are talking of a process in the future, basically you are going to design, and it would be strategic. Administrative expert becomes strategic partner (or a partner for developing strategies). Similarly, when the shift is from process to people, for today it is championing employee cause but for future. it would be an agent of change. After all to become a Change agent (in employees) you need to become an Employee champion in the first place to gain their confidence.

One employee has come late to office and you enquired. Whatever be the explanation, you would be telling him, “Rule is rule, you have to come on time to office, don’t repeat”. But when the same thing, while reporting to your GM/Head you will be telling “His child is not well and that is why he is delayed. Generally he comes on time”. That is the shift from processes to people. When talking to the employee your emphasis is on the process, but when reporting, you played it down (his late coming) and moved towards people on the scale. There may not be a gap of even half an hour between the two conversations, but nevertheless the shift or movement from one side to other side happens. Given this backdrop, and considering other inputs we will list out the major roles of HR Manager (Figure 1.21).

**Advisor**—for making good HR policies and procedures, that will change the attitude of the employees considering long term objectives of the organisation and the importance of human resources. HR Manager advises in legal matters for petty cases both by the organisation and against the organisation. Big companies, MNCs have a separate legal department to deal with all legal matters. Other Companies either have legal consultants on retainer basis or engage them on case to case basis. Generally HR Manager will coordinate with those consultants and advise management. Also advises the management on right or wrong, has merits or not, just or unjust in matters of discipline, selection and others, based on his capacity of discriminating what is correct and what is not correct and sound opinion.

**Spokesperson** - Of the organisation with media /Police or any statutory authorities in cases of crime, accidents. In all such cases, HR Manager will act as sole representative of the organisation/top management. Also assumes role of spokesperson of employees before top management when they

are unorganised/could not present their problems. He/she will try to reason out and try to convince management for redressal or solution. Also assumes the role of spokesperson of the top management, in negotiation with Unions on the matters of Strikes, Layoffs, Lockouts and others. He/she will be the spokesperson in dealing with the Society in general, on various issues (if any) like pollution, Corporate social responsibility etc.,



**Figure 1.21 Roles of HR Manager**

**Counsellor** – For illiterate or less educated workers for their personal problems or other information like children education, medical insurance, and savings

**Negotiator/Mediator** – With the trade unions for employee issues of compensation, bonus, disciplinary proceedings, and disputes; negotiator role is important as HR manager has to convince both sides on give and take approach.

**Compliance Officer** – Of the Organisation before statutory authorities of PF, ESIC, and Labour  
All the correspondence and filing of periodical returns (submission of information on specific issues to the authorities as per Acts) will be done by HR Manager. Big organisations employ Company Secretaries who will be responsible for the compliance with all statutory issues or some organisations will engage Company Secretary Firms. In the absence of such arrangements, HR Manager has to assume the role of compliance officer. In any case, the responsibility of compliance of all the labour statutes rests with HR Manager only.

**Conscious keeper** - For the Organisation in cases of exploitation of labour, environmental issues

For instance, suppose organisation is not paying statutory minimum wages or not paying heed to pollution caused by its construction/working mechanisms. In all such cases, HR Manager will explain

the consequences of wrong or short-sighted approaches and convince the management on correct path. Also in cases of social responsibility, HR manager will persuade management for undertaking activities expected by the society say construction of a park, providing drinking water facility, and adoption of a school.



*'Many Hats to wear'*

**Communicator** – of all the policies, changes in the policies, hard decisions like layoff in the cases of recession/stiff competition/ sudden loss of big customers etc., HR Manager will see that all are effectively communicated and see that everyone is explained.

**Motivator** – to the employees by encouraging them directly, or through activities of morale boosting

**Change agent** – In the competitive world, organisations can survive only when all employees are adaptive to changes. HR manager will act as an agent of change in convincing employees for changing their attitudes, beliefs, and working styles.

**Strategist** - while preparing the organisation towards SHRM

**Executor** – HR Manager will see that all the employee policies are formulated (to avoid favouritism) and put them into action.

**Firefighter** – in cases of disputes and in cases of any problems from outside  
Beyond all these there is an untold role of a humanist, showing empathy for employees' problems, emotions, allaying their concerns, and ignoring small mistakes. Apart from the above, different roles would be there in exercising functions and discharging responsibilities as HR manager. Briefly, they are:

**Welfare Officer** – HR Manager may suggest providing facilities like canteen, recreation room, transportation, quarter's facility, and children school fees reimbursement. All these would have a long term impact on employees and motivate them.

**Development agent**– HR Manager organises training and development programmes for improving the skills and competencies of employees which will help the organisation to achieve higher productivity. Also formulate policies for career development.

**Monitor** – in exercising control function and implementation of policies.

**Arbitrator** – in resolving conflicts between employees or between employees and management. Ego clash is one of the major factors in these conflicts. HR manager will solve by reasoning out to both parties before they become big or blow out of proportion.

**Brand Ambassador** –Through presenting the organisation’s strengths, facilities and benefits for prospective employees

**Record keeper** – HR Manager keeps all records of all employees and preparing a good database which will enable retrieving desired information quickly. In any Organisation there would be a constant demand for information and records. An employee may ask for a particular month’s payslip. Or management wants leave record of a particular employee during certain period. Database of all the CVs of applicants present and past including the rejected ones is maintained for use in future requirements.

As can be seen, the roles would be many and only some are listed here. An advertisement released by IT Company for HR manager is given in Box 1.4 indicates role and responsibilities or the expectations from HR Manager.

#### **Box 1.4 Advertisement for HR Manager**

We are Hiring for: Hyderabad Branch Experience: 8+

As a HR manager you will be the one to ensure we have a happy and productive workplace where everyone works to realize our established mission and Vision. Promoting corporate values and shaping a positive culture is a vital aspect of a complete HR manager job specification.

Responsibilities: -

Developing and implementing HR strategies and initiatives aligned with the overall business strategy. - Planning, organizing and controlling the activities and actions of the HR department. - Bridging management and employee relations by addressing demands, grievances or other issues. - Manage the recruitment and selection process. - Ensure legal compliance throughout human resource management. - Oversee and manage performance appraisal system. - Maintaining and revising the company’s handbook policies and procedures. - Recommending new policies, approaches, and procedures. - Maintaining Records and Reports. Requirements: - Proven working experience as HR Manager which encompasses HR operations, Generalist role, Talent Acquisition, On - Boarding, Induction, Strategic Planning, Training & Development, compensation & Benefits, organizational development, etc. - People oriented and results driven. - Excellent active listening, negotiation and presentation skills. - Knowledge of labour law and HR practices. - Good leadership and management skills. - The ability to handle disciplinary issues appropriately.

Should be good in Microsoft office (Word, Excel, Power point, Access etc.) - Should be a strategic planner and a diplomatic thinker. The ability to stay calm in busy and stressful situations is essential - Should be confident and assertive. Should be well behaved and have a pleasant personality. - Bachelors/Master s Degree (preferably in HRM)

#### **To Do Activity**

From the above mentioned job advertisement assign each responsibility to a role.

Find out any new role for any of the responsibilities and describe?

**External Factors** - The discussion on the role of HR Manager would not be completed without considering the external environment. Broadly following are the external factors working.

**Social Factors** - like changes in the lifestyle. We will discuss on one of the fallouts of the social factors (work-life balance) a little later.

**Legal Factors** – Law of the land and all statutory rules of Governments.

**Technological Factors** – Apart from communication, many aspects of technology have bearing on HRM. Artificial Intelligence and Robotics are bringing many changes. For example, usage of Robots for underground drainage cleaning has started. With the innovations in the communication you can have virtual offices also.

**Economic Factors** – In a recession phase of an economy, many alternatives like outsourcing of services etc., need to be considered by HRM.

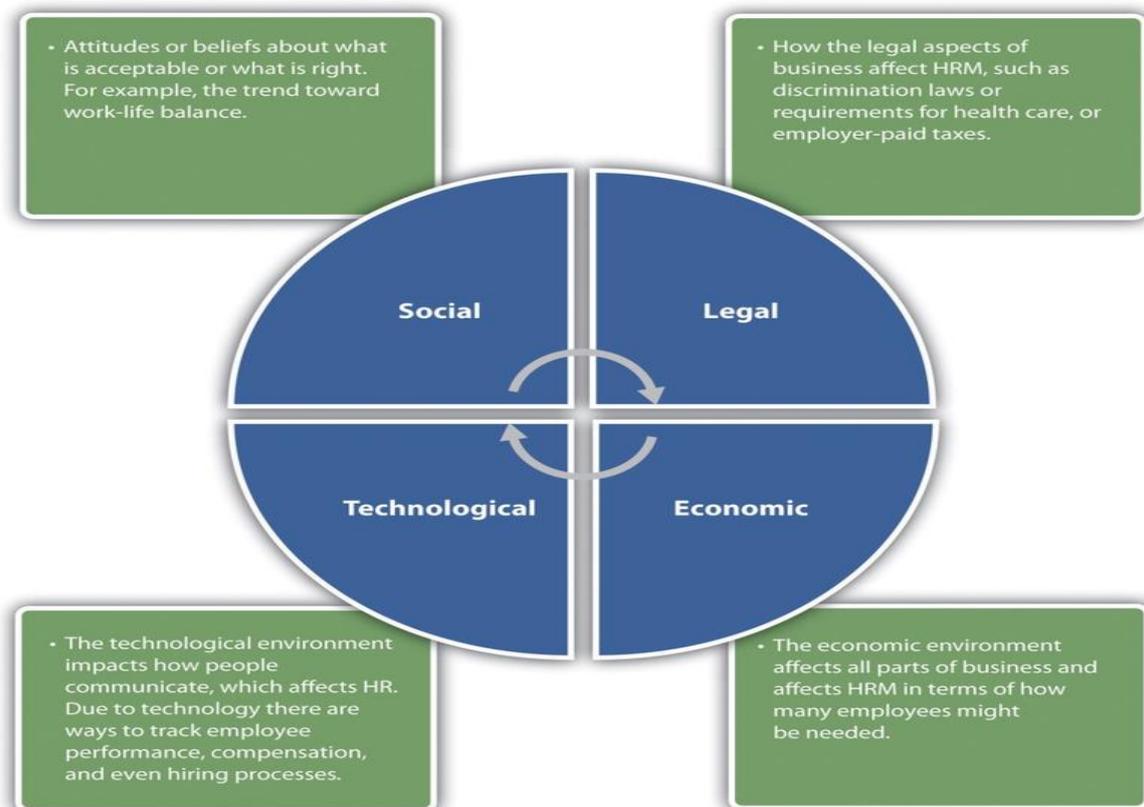


Figure 1.22 External factors affecting HRM<sup>5</sup>

### Challenges for HRM

The external environment throws many a challenge. Some of the important challenges faced by HRM are:

**Cost cutting** – Whatever be the state of economy, in the competitive environment, cost cutting is always insisted. The cost control should be without a compromise on quality. Employee costs including recruiting costs and maintenance costs are high and at times you may think of outsourcing a function of work as a solution. But that may bring different issues like losing control (and quality), sharing confidential information to outsiders etc., Finding a cost effective solution in these

<sup>5</sup> Source: Open Text books for Hong Kong (Chapter on Role of Human Resources – 1.2.11 Awareness of External factors) <http://www.opentextbooks.org.hk/ditatopic/32611>

constraints is a challenge. Training and Development involve costs. But lack of training may prove to be much more costly. For instance, some of your front line salesmen are arrogant and argumentative. Replacement costs are high and you are also not sure of new recruits. (Known devil is much better. Isn't it?). Imparting training to change their attitudes and behaviours may prove to be cheaper in the long run.

**Diverse and more educated workforce** – Diversity (of cultures, languages etc.), higher education (consequently aspirations will increase) and size of the workforce are some of the challenges.

**Ethics** – Some organisations do not follow ethical practices. Conflict between personal and work ethics poses challenges. Apart from the above a new challenge is coming up. Now the people (employees) are moving higher up in the Maslow's need hierarchy and aspiring for work-life balance.



**Work-life balance** is the balance between the time and energy spent on work and other aspects of life. More on work, family suffers and vice versa. Employees are aspiring for the proper balance and it is a challenge for HRM since practically it is not possible considering organisation's goals and time constraints of fast track projects. At the same time, it is also one of the goals of HRM to have a happy workforce which will help organisation. It is always not possible to adhere to 9 to 5 timings. In the service sector, breakdown calls can come at any time and downtime could be very costly for customer and you can't say NO in such cases. And in global working it is further complicated. Your closing time may be just the start of business hour for your customer. And if you are operating a call center for a different country, then you have to follow their clock, not yours.

Nevertheless, HRM needs to find solutions wherever possible. Offering flexible timings, WFH (Work From Home), following a strict no disturbance after work hours, revising the focus on the outcome rather than the number of hours, relook at workloads (does the organisation have sufficient numbers for a given quantum of work?), giving compulsory breaks during the day, forcing compulsory vacations more frequently, running highly subsidised canteens offering tasty and healthy food (so that employee's/spouse's time is saved), arranging a crèche nearby for the needy, offering restaurant coupons for whole family, corporate outings are some of the alternatives HRM to explore so that employees' stress will be relieved and they will have work-life balance.

Issues relating to work-life balance and the solutions thereof are all mostly related to white-collar jobs and generally for organisations operating in cities. HR Manager's role is necessary for blue-collar jobs as well and also in organisations operating in mofussil towns or tier II or III cities. To understand the role of HR Manager in such cases, solve the case study in Box 1.5<sup>6</sup>.

<sup>6</sup> Source: Based on discussion thread started on 3<sup>rd</sup> January 2018 in citehr.com (anonymous)  
<https://www.citehr.com/594249-case-noble-paper-unions-demands-evaluate-unions.html>

### **Box 1.5 Case Study: Noble Paper Industry**

Noble Paper industry is situated in a backward zone of Raigad district. It employs about six hundred employees. The firm was founded in 1988. Throughout the first six years from its foundation, it did neither make any profits and nor did it pay any statutory bonus. But to sustain with other neighbouring firms, this firm paid an ex-gratia payment once every year to its employees at a flat rate of Rs. 2,000 per employee. The firm began to pay statutory bonus since the payment of Bonus Act become applicable. Additionally, the firm decided to stop the practice of ex-gratia payment. Employees, through the trade union, started protesting.

After an extensive round of discussions when the union realised that the management was determined on not giving ex-gratia, it suddenly announced a strike. Officers were threatened and the employees behaved with them violently. Production had completely stopped. The firm suffered heavy losses. The Management approached Labour Court and requested to declare strike as illegal. The Court declared the strike as illegal since 14 days' notice was not given.

Some attempts were made by the local leaders to resolve the dispute, but the management was not agreeable now. The Management decided to remove the recognition that was accorded to the Union as per the provisions under the related law. As a result of this step, the doors of negotiations and compromise between Management and Union were permanently closed. Further, the deadlock has deteriorated as some of the office bearers of the Union have threatened the Management of terrible consequences, unless they fulfil the Union's demand instantly.

If you are appointed as HR Manager of Noble Paper Industry at this juncture, how are you going to solve this impasse? Notes: Read the provisions of Payment of Bonus Act (1965).

Better results would be obtained by discussing through a 'role play' in class.

Issues (which are not limited) include; Role of Union in asking for ex-gratia payment apart from bonus and calling for a flash strike, management's step of derecognising Union.

#### **To Do Activity**

Discuss on Work from home (telecommuting). Is it really helpful? You need to weigh different factors like customer requirements, effect on other employees who need to attend office, belongingness, effect on family of employee, savings in time and energy in commuting, and economies in office spaces. List of factors is only indicative. The debate needs to be comprehensive.

#### **To Do Activity**

Can you generate a similar debate on offering flexi hours to employees? Can you suggest any other measures other than the listed ones to mitigate the stress of employees and offer a work-life balance?

## 1.5 Strategic Human Resource Management

Suppose you have a Company which is in the business of say white goods. (Refrigerators, Washing Machines, Air Conditioners). Your Company is making one of them. And you have a lot of competition. You want to increase sales of your product. All the sales promotion schemes, say 'scratch card' (get a lucky prize when you scratch the card attached to the unit), 'Add On' (buy this, you will get say Microwave oven free) and whatnot. All are tried and exhausted. Still, the sales graph is almost flat.

You have to try something new. You want to be one up than your competitors. You need a strategy.

The white goods example is taken as it's a happening industry. Something new keeps coming up. If you take washing machines, first there are only bare washing machines, then driers attached, then one integrated automatic for washing and drying and so on. In Air Conditioners, started with bare units, then star rated air conditioners, then VRF (variable refrigerant models in which compressor will cut off after a certain temperature), Inverter models and goes on. And in refrigerators, with freezer space, then separate freezer compartment with separate door, then three doors with higher volume and latest ones with all features and of a mammoth capacity resembling a mini supermarket in your home.

Simultaneously there are different offerings. Warranty first one year, then three years, then five years for major parts. Free or with nominal service charges for other parts for one, two, three years and it goes on.

First set consists of Innovations (new offerings). Second set is of enhancements in the product or service. These have given the competitive advantages to one company. They only have, which others do not have. (Subsequently others had to incorporate, to be in the business). Competitive advantage will arise out of innovation, product enhancement or cost reduction. This means these organisations were able to offer something which others could not. They have some asset with them which others do not have.

Patric M. Wright and Gary C. Mc Mahan concluded that competitive advantage can only occur in situations of firm resource heterogeneity and firm resource immobility. Given resource heterogeneity and firm resource immobility and satisfaction of the requirements of value, rareness, imperfect imitability, and non-substitutability, a firm's resources can be a source of sustained competitive advantage.

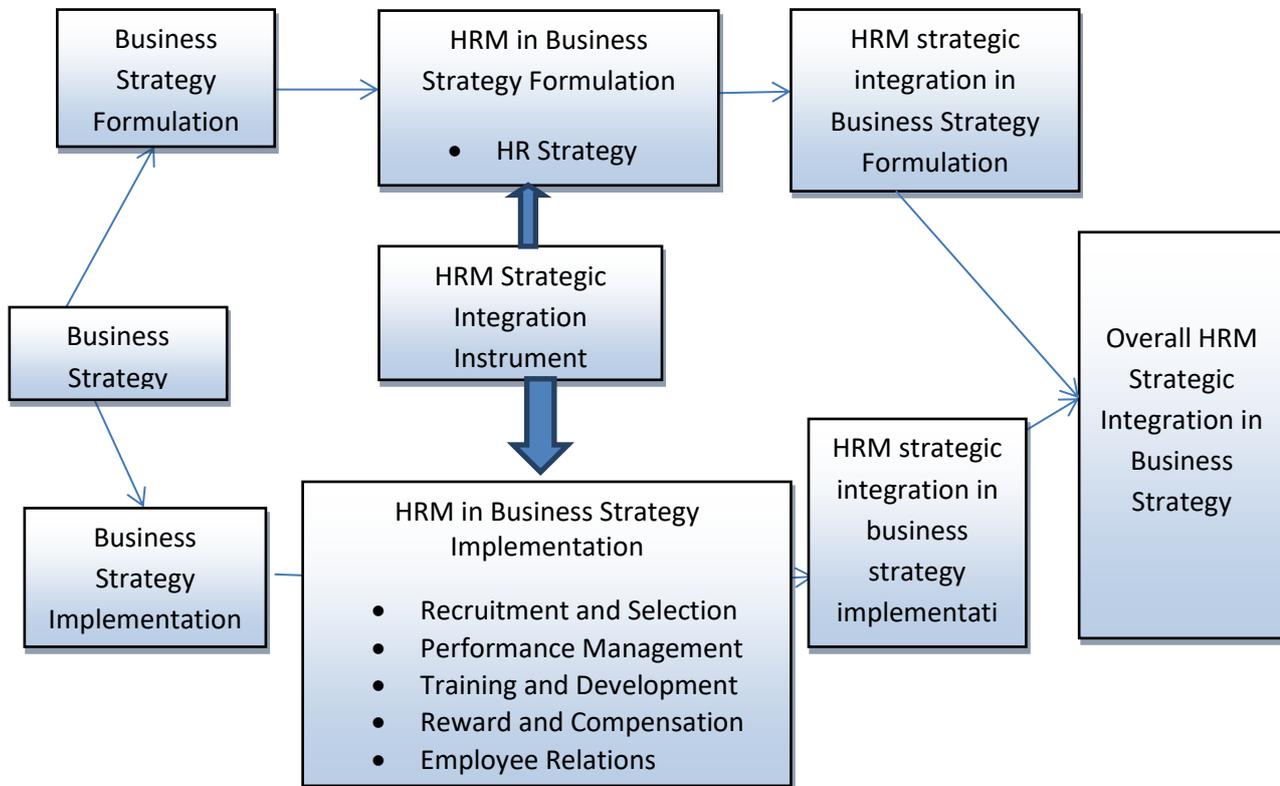
Heterogeneity refers to the variety characteristic of a resource. Immobility refers to the inability of competing firms to obtain resources from other sources. In other words, it means if an organisation has a resource which is varied and which cannot be obtained by competitors from the market, the first organisation has a competitive advantage. Human Resource is one important asset for an organisation. And it fits to the asset mentioned because all other kinds of assets will be available to others and cannot have characteristic of variety. If an organisation has committed and competent human resources then it has a competitive advantage. Strategic Human Resource Management is one of the strategies used to get competitive advantage using important asset of human resources.

That is your *game changer*.

**Strategic Human Resource Management (SHRM)** is a combination of Strategy and Human Resource Management (HRM).

To put it simply it is an organisation's strategy to achieve its objectives through its people. It stems out from the organisation's belief in its people and recognition that human resources are key assets. Strategic Human Resource Management is aligning HR strategies with business strategies. According to Prof Gary Dessler "Strategic Human Resource Management means formulating and executing HR

systems i.e., policies and activities that produce employee competencies and behaviours the organisation needs so as to achieve its strategic aims”.



**Figure 1.23 Strategic HRM – Integration of HRM with Organisation Strategy**

Source: Chanda & Shen (2009)

According to Storey (1995), “Strategic Human Resource Management is a distinctive approach to employment management which seeks to achieve competitive advantage through the strategic deployment of a highly committed and capable workforce, using an integrated array of cultural, structural and personnel techniques”.

It means that an organisation uses Human Resource Management with different techniques. These include:

- Personnel techniques, like hiring, promoting and rewarding of employees;
- Structural techniques, like organisational design; and
- Cultural techniques, like building and maintaining high-performance work cultures.

The goal is to obtain competitive advantage. In a global economy getting required materials, machinery and technology is not a problem. Any organisation in any nook and corner of the world can procure them. But the difference among organisations is the workforce. It is workforce quality, skill sets, hard work and commitments which make the difference. When two competing organisations with the same stature, equal in all aspects like possession of superior technologies, captive or committed availability of materials, same geographical advantages and same in all aspects, the cutting edge to the topper is provided not by technology but by the workforce. The skill sets, capacities and speed are provided by the workforce out of their experience, sincerity and commitment.

Now think in practical terms. If an organisation has high calibre employees who do not have a match and are committed to the organisation, then it will have competitive advantage and succeeds. ISRO (Indian Space Research Organisation) has scaled many heights in the field of space research. Right from inception, it has invested in people and the people were constantly raising the bar and achieved one target after another. And it is the people who made all expeditions with much lower costs when compared to its peers like NASA and European Space Agency and also after facing many hurdles during sanctions against it. It is also not uncommon in the private sector, companies trying to sign in key personnel of the competitors.

### Process of SHRM

In simple terms, it is:

- making plans indicating where the organisation wants to move or place itself in a period of time (for instance, ‘Our company should be number one in terms of market share within five years’ is an objective, quantifying in numbers in terms of volumes as per the highest market share and devising means to achieve the same is a plan).
- identifying people or start recruitment,
- developing HR systems based on employment policy and
- making HR strategies as per organisation’s strategies .

Various functions of SHRM are indicated in figure 1.24.



**Figure 1.24 Main Functions of SHRM**

**“You Can Get Capital and Erect Buildings, but it Takes People to Build a Business”**  
**Thomas J. Watson, Founder of IBM**

### Approaches to SHRM

There are five approaches to SHRM (Figure 1.25)

**The Resource Based Approach** – It is based on the premise that if an organisation can develop its human resources so that they can learn faster and implement the learning than competitors, then the competitive advantage would be achieved. Its aim is creating knowledge capital. In order to achieve the competitive advantage, organisation has to differentiate its products and services from what competitors are offering. The HR strategies will be so designed that the organisation will have

people developed to gain the competitive advantage. It needs revamping recruitment and training and development functions and also other related functions of compensation and welfare.

**Strategic Fit Approach-** Aim is achieving a congruent strategy of managing people. The HR strategies would be made in line with business strategy. In fact, it would be part of business strategy so that all business plans will have integral HR plans. And all other pieces (HR functions) will fall in line with the organisation's line of thinking.

INFOSYS	NISSAN
Chairman Emeritus Mr. Narayan Murthy has emphasised on human capital as Infosys's critical factors for growth.	Uses a philosophy called 'kaizen' to help its employees to always keep striving to make improvements to how they work.
'People Managers' were recruited to look after the needs of the employees.	This approach starts during the recruitment stage and new hires are encouraged to keep improving so that they can stand out.

**High Performance Management Approach**—It targets to get the highest performance in terms of productivity, quality in all deliverables including service to end users –say, on the whole, increase of net worth of the organisation. The practices include redefining many HR functions and processes. A well-known definition of a high-performance work system was given by the US Department of Labour (1993). The characteristics of a high performance work system listed are:

- careful and extensive systems for recruitment, selection and training;
- formal systems for sharing information with the individuals who work in the organisation;
- clear job design;
- high-level participation processes;
- monitoring of attitudes;
- performance appraisals;
- properly functioning grievance procedures;
- promotion and compensation schemes that provide for the recognition and financial rewarding of the high-performing members of the workforce.

**High Commitment Management Approach** – It aims at achieving mutual commitment. It involves making clear cut career path to the employees indicating performance bars (ladders of growth and review points), flexible job descriptions which give leeway for HR Manager in selection and to an employee in working other areas of competence, teamwork with a good communication channel connecting everyone to everyone, involving employees in every aspect of quality control and merit based pay systems including incentives.

**High Involvement Management Approach** – It aims to create a working atmosphere where employees are treated as partners or equal stakeholders. Employees' voices will be heard on the matters concerned to them. It would be continuous consultation and a regular dialogue between management, managers and teams. It would create mutual understanding on all aspects.

### Limitations and Barriers

There are limitations to SHRM like, difficulty of attaining and to have continued commitment by all stakeholders over a long period of time. Following are some of the barriers to adopting SHRM.

- Focus on short term performance in deciding compensation ignoring long term potential.

- Fears for training employees as organisations feel trained employees will look for better opportunities.
- Conflicts between departments.
- Fear of senior management that subordinates would become a threat to their positions.
- Limited availability of time and money.
- Presence of strong trade union.
- Employees 'fear of unknown'.
- Resistance to change.
- Lack of strategic perspective on HR, as HR is treated as a purely administrative function.
- Lack of vision and technical knowledge of HR department.

Even it has barriers and limitations still SHRM is practised by some organisations by taking necessary steps overcoming the limitations. One example is WIPRO (See Box 1.6). Some relevant aspects are presented and what you can observe is how company is treating employees as 'human capital' and measuring results in terms of Intellectual capital, Financial capital, Natural capital and Social & Relationship capital.

#### Box 1.6 SHRM practices in Wipro Ltd.

Western India Vegetable Products Ltd. was established in 1945, as a small producer of cooking oil and forayed into computer hardware and software after Azim Premji took over its reins in 1966 and became Wipro. At Wipro employees are treated as human capital. 'Our human capital value chain consists of people strategies which are based on current and future business requirements. Our policies, processes and systems flow from these strategies which encompass our employee lifecycle. The outcomes of these people interventions are reflected through our people result indicators, which directly or indirectly contribute to the intellectual, social, natural and financial capital of Wipro.'

**Learning and Development:** Social/Peer Learning – 55,000 plus employees are members of 'Topgear' – social learning and crowdsourcing platform. Through this platform 7,841 real-life project challenges were completed by the employees in FY 2019.

Digital Up-skilling- Enabled over 1,33,000 employees in foundational, intermediate and advanced digital skills as of FY 2019.

Mentoring networks – platforms launched where employees can find, connect and sustain meaningful mentoring relationships.

Employee well-being in all aspects is given paramount importance and apart from good compensation. Wipro has 24 occupational health centers, cafeterias run by vendors certified by Food Safety Standards Authority of India, 8 in house day care centers and 11 tie ups (for children 6months to 6 years) etc.,

**Results:** Intellectual capital – 305 patents filed in FY 2019. Till FY 2019, 558 patents granted.

Financial capital – 5.4% revenue increase in constant currency terms compared to FY 2018. Revenue share of Digital business reached 35% level.

Natural capital – 7,400 employees registered for carpooling in India.

Social & Relationship capital –12,500 Wipro care volunteers contributing 33,000 measures.

Source: WIPRO Limited Annual Report 2018-19



### Resource Based Approach

- Creating Knowledge capital
- Developing people to have competitive advantage



### Strategic Fit Approach

- HR strategy in line with Business strategy



### High Performance Management Approach

- Redefining HR strategies and functions to get highest performance in terms of productivity and quality



### High Commitment Management Approach

- Mutual commitment
- Clear cut career paths for employees
- Involving employees in every aspect



### High Involvement Management Approach

- Employees are equal stake holders
- Regular dialogue among management, managers and teams

**Figure 1.25 Approaches to SHRM**

#### To Do Activity

Take an example of a capital intensive industry - Airlines, Telecom, Automobiles etc., Suggest an approach of SHRM for that Industry. Since it is capital intensive whether SHRM is useful or not?

### To Do Activity

Find out SHRM practices in Indian Companies (non-IT and non-Pharma)

From SHRM come back to HRM and solve the case presented in Box 1.7.

#### Box 1.7 Case Study: Jay Engineering Works

In Jay Engineering Works after a three months strike the work had resumed. However on the very first day of resumption of work there was a problem on account of shortage of snacks in the first shift which resulted in a tool down. In the first shift on the day of resumption of work, Samosas were served as snacks for breakfast. The normal rule was that each workman should take only two pieces of snacks. However as the Samosas were tasty, the workmen started consuming more than two Samosas which resulted in shortage of Samosas.

Ashok, a workman who was a very reasonable person and who was considered as very close to the management, had come late to the canteen. When he found that the Samosas were not available, he raised a hue and cry and demanded from the Canteen Officer that Samosas should be served to him and that he would not accept any other snacks except Samosas. The Canteen Officer expressed his inability to serve Samosas and instead offered to serve biscuits. Ashok declined to accept the same and once again insisted that he should be served Samosas.

When the Canteen Officer told Ashok that it was not possible for him to serve Samosas, Ashok got upset and took his grievance to the Union Committee members. The Union Committee members felt that this was an opportunity for them to win over Ashok to their side. They therefore took up the case of Ashok with the Canteen Officer. They threatened the Canteen Officer that they resort to a tool down if the grievance of Ashok was not resolved.

The Canteen Officer expressed his inability to serve Samosas to Ashok, but offered to serve biscuits instead. Not satisfied with the solution given by the Canteen Officer, the Union Committee members gave a call for a tool down. The activities of Jay Engineering works came to a grinding halt.

As a Personnel Manager of Jay Engineering Works how would you handle this case? (You need to consider all aspects like Canteen Officer's role, Union's attitude, workers' behaviour, timings etc., and the final solution should see that matters are not precipitated further).

'JAI  
SAMOSA'  
WORKS



Source: Based on discussion thread in citehr started by Aashish (2014)<sup>7</sup>

<sup>7</sup> <https://www.citehr.com/481048-case-study-industrial-relations.html>

## Chapter Summary

Over the centuries HRM evolved, based on human relations between employer and employee and took many forms before the current form of treating humans as resources. The National Institute of Personnel Management (NIPM) of India has defined human resource/personnel management as “that part of management which is concerned with people at work and with their relationship with an enterprise. Its aim is to bring together and develop into an effective organisation of the men and women who make up an enterprise and having regard for the well-being of the individuals and of working groups, to enable them to make their best contribution to its success”. HRM is a process which develops and manages the human resources of an enterprise and integrates their knowledge and skills and directs towards the achievement of the organisational objectives. It includes planning for manning positions.

The process includes spotting and recruiting the human resources, managing the people in an organisation, developing, maintaining and utilising them, motivating and matching individual goals with the organisation goals. HRM has managerial and operative functions to perform. Managerial functions include Planning, Organising, Staffing, Directing and Control. The operative functions include Procurement, Development, Compensation, Maintenance and Integration of employees with many sub functions and activities in each of the functions. Dave Ulrich Model of HR Roles gives good insights on the role of a HR Manager.

In discharging these functions, a HR Manager has many roles to play in the form of an advisor, spokesperson, communicator, controller, conscious keeper, change agent, strategist, negotiator, compliance officer, motivator and record keeper. Many external factors work on the operating of his role. There are many challenges like cost cutting, ethics, dealing with diverse and more educated workforce and demands like work-life balance from employees. Strategic HRM is a combination of strategy and HRM and helps the organisations to gain competitive advantage and success.

SHRM process includes making plans in tune with those of the organisation, identifying key human resources and developing them enabling organisation’s objectives. There are various approaches like Resource based approach; Strategic fit approach, High performance management approach, High commitment management approach and High involvement management approach. It has limitations and barriers, but many organisations are moving towards strategic HRM.

## Questions

- “HRM is not simply hire and fire. It goes much beyond”. Give a supporting note explaining the scope and objectives of HRM.
- Define HRM. What are its features?
- How do you differentiate HRM from Personnel Management?
- Write a brief note on the operative functions of HRM.
- What are the responsibilities of a HR Manager?
- What are the challenges of HRM in dealing with changing lifestyles of employees in general?
- How external factors affect the functioning of HRM?
- Discuss on different approaches for Strategic HRM. Which one do you suggest for a medium size organisation operating in multi-location?

## MCQs

1. Directing is one of the important functions of HRM which comes under:  
a) Managerial function   b) Operative function   c) Technical function   d) Behavioural function
2. Staffing includes:  
a) Workload estimation   b) Termination   c) appointments and placement   d) All of these
3. Managerial functions in Personnel Management can be:  
a) Planning, Organising, Directing and Control  
b) Recruitment, Placement, Development and Motivation  
c) Compensation, Maintenance of employees' health and employees' welfare  
d) (a) and (b)
4. What are the roles played by HR manager?  
(i) Advisory Role   (ii) Functional Role   (iii) Service Role   (iv) Specialist Role  
a) (i), (ii), (iii)   b) (ii), (iii), (iv)   c) (i), (ii), (iv)   d) (i), (ii), (iii), (iv)
5. On the date of joining, employee is introduced to organisation and other employees. This process is called:  
a) Training   b) Orientation   c) Introduction   d) Fresher Welcome
6. Which of these activities are not included in the scope of HRM?  
a) Job analysis and design   b) Motivation and Communication  
c) Safety and health   d) Organisation structure and design
7. Organisations need to evolve HR policies as they ensure ----- and ----- in treating people.  
a) Constancy and similarity   b) Intention and safety   c) Consistency and Uniformity   d) None of the above
8. HRM functions are not confined to business establishments; they are applicable to non-business organisations as well. True/False
9. The term Procurement stands for:  
a) Recruitment and Selection   b) Pay and benefits   c) Training and Development   d) Health and Safety
10. Which is the managerial function out of the following functions of HR managers?  
a) Procurement   b) Development   c) Organising   d) Performance appraisal
11. HRM functions aim at:  
a) Ensuring that human resources possess adequate capital, tool, equipment and material to perform the job successfully.  
b) Helping organisation to deal with its employees in different stages of employment.  
c) Improving organisation's creditworthiness among financial institutions.  
d) None of the above.

12. In strategic HRM, HR strategies are generally aligned with:
- a) Business strategy b) Marketing strategy c) Finance strategy d) Economic strategy
13. Which of the following is closely associated with SHRM?
- a) Efficient utilisation of human resources      b) Attracting the best human resources  
c) Providing the best possible training      d) All of the above.
14. Creating an environment that facilitates continuous and two-way exchange of information between the superiors and subordinates is the core of:
- a) High involvement management model      b) High commitment management model  
c) High performance management model      d) None of these
15. HR Planning, Job analysis, Recruitment, Selection, Orientation, and Induction are few important functions which come under the heading of ----- of HRM.
- a) Integration function b) Development function c) Maintenance function d) Procurement function
16. What are the objectives of HRM?
- i) Societal objectives    ii) Organisational objectives    iii) Functional objectives  
iv) Personal objectives    v) Statistical objectives
- a) (i), (ii), (iii), (iv) b) (ii), (iii), (iv), (v) c) (i), (ii), (iv), (v) d) All of the above**

#### Exercise

You have seen how the HRM concept has evolved by undergoing many changes during different eras. Now the concept is moving from Human Resources Management to Human Capital Management. In this era, employees will be treated as capital. Prepare a paper discussing on different aspects – Functions of HRM, Roles of HR Manager, Management's perspectives, Employees attitudes and others. SHRM may help you. Proforma Balance Sheet of a Limited Stock Company (shareholders capital plus outside liabilities are balanced with assets) may also help you. These two suggestions are only to structure your thoughts and only suggestive. You are free to ignore these suggestions and start on your own.

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### Answers to MCQs

- 1) a    2) d    3) d    4) d    5) b    6) d    7) c    8) a    9) a    10) c  
11) b    12) a    13) d    14) a    15) d    16) a

## Chapter 2 Human Resource Planning

### Introduction

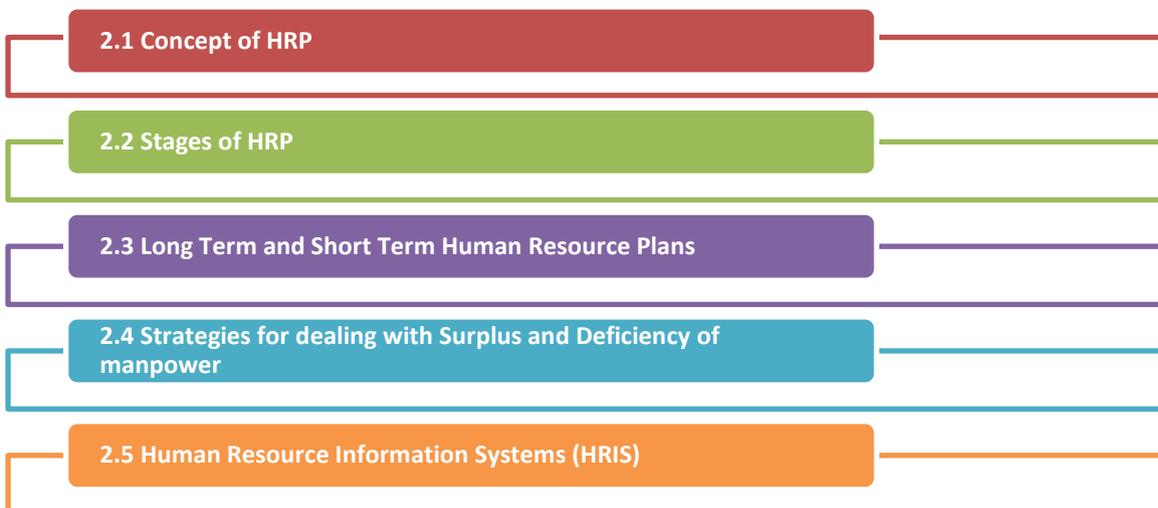
Strategic Human Resource Management aligns HR objectives with organisation's objectives to gain competitive advantage and make organizations successful. To attain this, Human Resource Planning (HRP) is very important. Even without pursuing SHRM, organisations need Human Resource Planning, since human resources are key, either looking at them as investments or treating them as cost centers. Human Resource Planning is of paramount importance for any organisation as it generates strategies and processes in both cases of excess and deficiency of workforce. The exercise of HRP goes beyond numbers and does a threadbare analysis of skills and abilities of an organisation.

In this chapter, the concept of Human Resource Planning (HRP) is discussed. Process of HRP and the stages involved in the process along with different techniques followed are detailed. Levels of HRP, Long and Short Term plans and various strategies which will be adopted for both cases of surplus and deficit of manpower are studied. In conclusion, an important tool of HRM, the Human Resource Information System and its use is introduced.

### Objectives

- To explain HRP, its need and importance for an organisation
- To familiarise Various stages of HRP and techniques used in forecasting of manpower demand and supply
- To provide insights on long term and short term human resource plans
- To explain Solutions for organizations in both cases - excess manpower (without resorting to retrenchment) and temporary shortages of workforce (without going for recruitment).
- To familiarize what is Human Resource Information System

### Chapter Structure



"By failing to prepare, you are preparing to fail"

**Benjamin Franklin**

### 2.1 Concept of Human Resource Planning

You are thinking of going to Europe for your next year vacation. You start collecting information – Which dates would be convenient for the whole family, When should I book tickets to get a cheaper fare, Which would be better Hotels or Service apartments, What would be the season there, What kind of attire I need, Where can I get Indian food, Mode of travel between places - flight/train/coach/sea or river cruise, Whether to take a package tour or customise it and so on.

You are planning. So does a HR Manager.



Indian Telephone Industries, a Public Sector Company, had a phenomenal rise from 1950s to 90's. Started with one plant with a few hundreds of employees, its manpower strength rose to 30,000 plus and the number of plants multiplied. But it had to face many problems when people started preferring mobiles to basic telephones. With huge strength of manpower and lack of demand for its products, more than 75% of the net worth got eroded. It has become problematic for the company to sail through in the first decade of this century. After diversification into other areas, it made a turnaround.

But for the turnaround, the Company could have got wounded up. It could be of the same story for many other companies. The common issue is workforce in terms of numbers, skills, and attitudes. Don't you think that Indian Telephone Industries case could have been better managed? There are some companies which exhibit continuous growth. Small ones become mammoths akin to rags to riches stories.

Think it over on how these companies manage their manpower. Is it continuous hiring alone? Answers for these questions lie in Human Resource Planning. It is also referred to as 'manpower planning' or 'personnel planning'. The goal is simple. HRM using Human Resource Planning (HRP), needs to ensure that right number of right kind of people, to be available at the right time to the organization so that they will contribute to the fulfillment of organisation's goals (Figure 2.1).

You got a big order and you have to establish a new production line itself. You need to get machinery. When? Let the first one come in next 2 months and the second one four months later, after we stabilise the production and quality. Which is better among A,B,C companies? Can we buy one and run with two shifts or buy two? In finding the answers, what you would be trying is to get the best utilisation of the assets – machines. Your other assets, human resources are also to be effectively utilised. And for that also you need analysis and plan.



**Figure 2.1 Core of HRP**

## Definitions

Sharon Pandey and Swapnalekha Basak (2015) have defined “HRP is the process by which the organisation ensures that it has right number and right kind of people, at the right place at the right time, capable of effectively completing those tasks that will help the organisation achieve its objectives.

According to Geisler (2005), “Manpower planning (HRP) is the process – including forecasting, developing, implementing and controlling, by which a firm ensures that it has the right number of people and right kind of people, at the right place, at the right time, doing things for which they are economically most suitable”.

Leap and Crino (1989) have defined HRP as “Human resource planning includes the estimation how many qualified people are necessary to carry out the assigned activities, how many people will be available, and what, if anything must be done to ensure that personnel supply equals personnel demand at the appropriate point in the future.”

All definitions are giving the same objective and defining HRP as a process. Leap and Crino definition is putting the process as about crystalising the numbers (here also it is right kind of people defining them as qualified and also right place, mentioning it as appropriate time) and actions for filling the gap. Geisler definition elaborates the components of the process – forecasting, developing, implementing and controlling. When we are referring right people, it means people with abilities, capacities, potential, skill, knowledge, values and commitment.



Figure 2.2 HRP Features

### HRP Features (Refer Figure 2.2)

- It is futuristic.
- It is a process including many sub processes or sub activities taking many aspects into consideration.
- It is scientific in the sense that it measures qualities and quantities in a scientific manner. At the same time, it may use gut feelings, grapevine etc., which are not scientific.
- It measures today's position and indicates action plans to move to tomorrow's position.

- It has different tenures- short term, medium term, long term.
- It operates at different levels – National level, Sectorial level, Industry level, Unit level, Department level.
- It is a perpetual process and not a one-shot or a limited timeline affair.
- It is flexible and adaptive to business dynamics.



### Not numbers alone

HRP looks at these, and goes beyond . It tries to dissect each number into: (refer Figure 2.3).

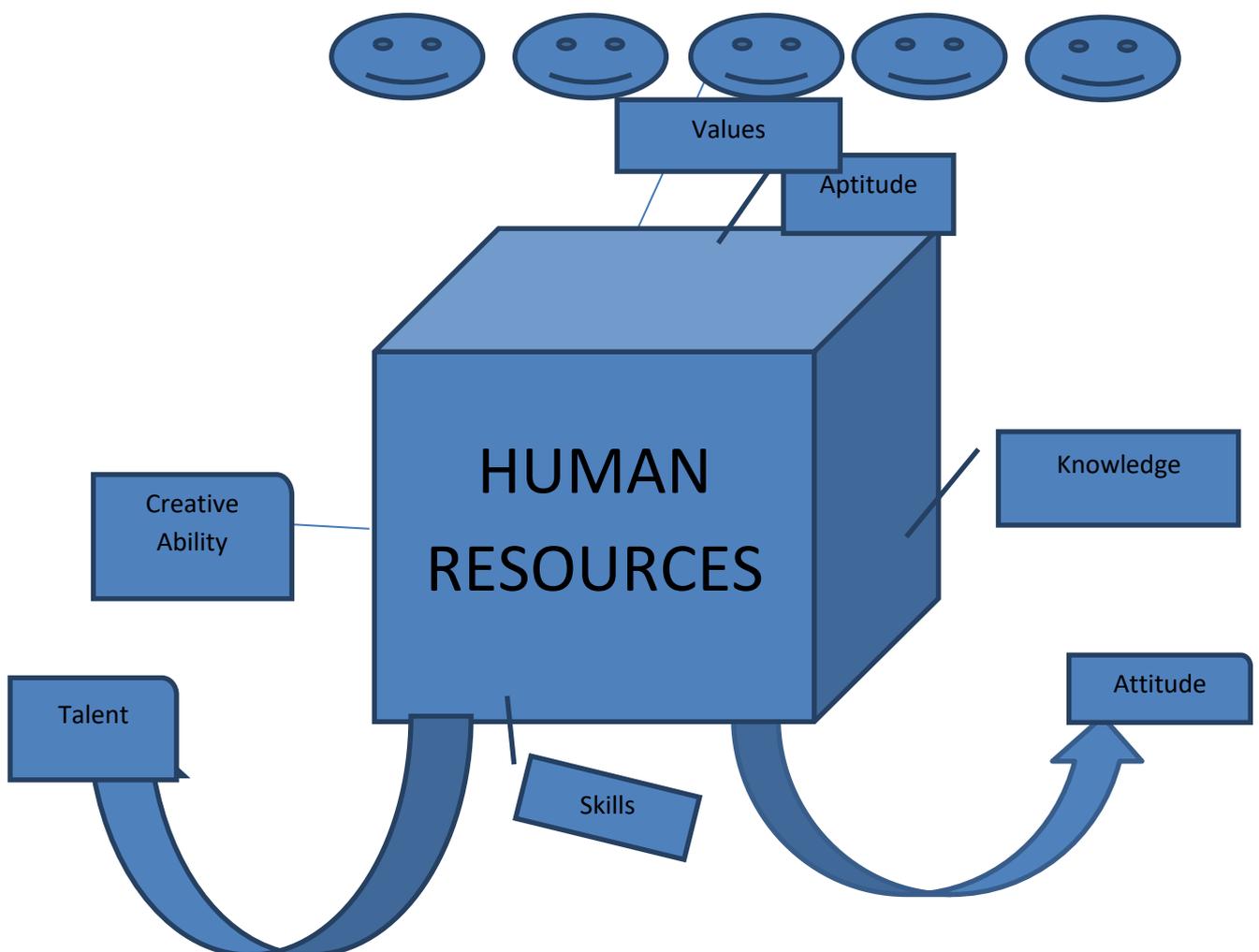


Figure 2.3 Anatomy of Human Resources

## What HRP does

What an organisation does in its business?

It converts raw materials or some intermediaries to give a finished product to customer. It mixes Maida and flours to make biscuits. Or process chemicals to make medicines. Or Services. Customer wants to construct a mall. Organisation gives full architectural drawings with design of all sub systems – Electrical, Plumbing, Air Conditioning, Fire Fighting, ---In both the cases it is basically value addition.

Business increases when the value addition increases. It can be in different terms say quantum, variety (diversification), additions (moving up value chain) etc.,

HRM through HRP tries to answer the questions:

- Where do we want to go? (Target)
- Where do we stand now?
- To reach the targets what skills are required and in what numbers?
- What is timing in a match with the time frame?
- What numbers and skills are required to tackle separations (resignations, retirements etc.,)?
- How to bridge the gap progressing on the desired time axis?

That is what HRP does in broader terms. It leads to many sub questions. Refer Figure 2.4.

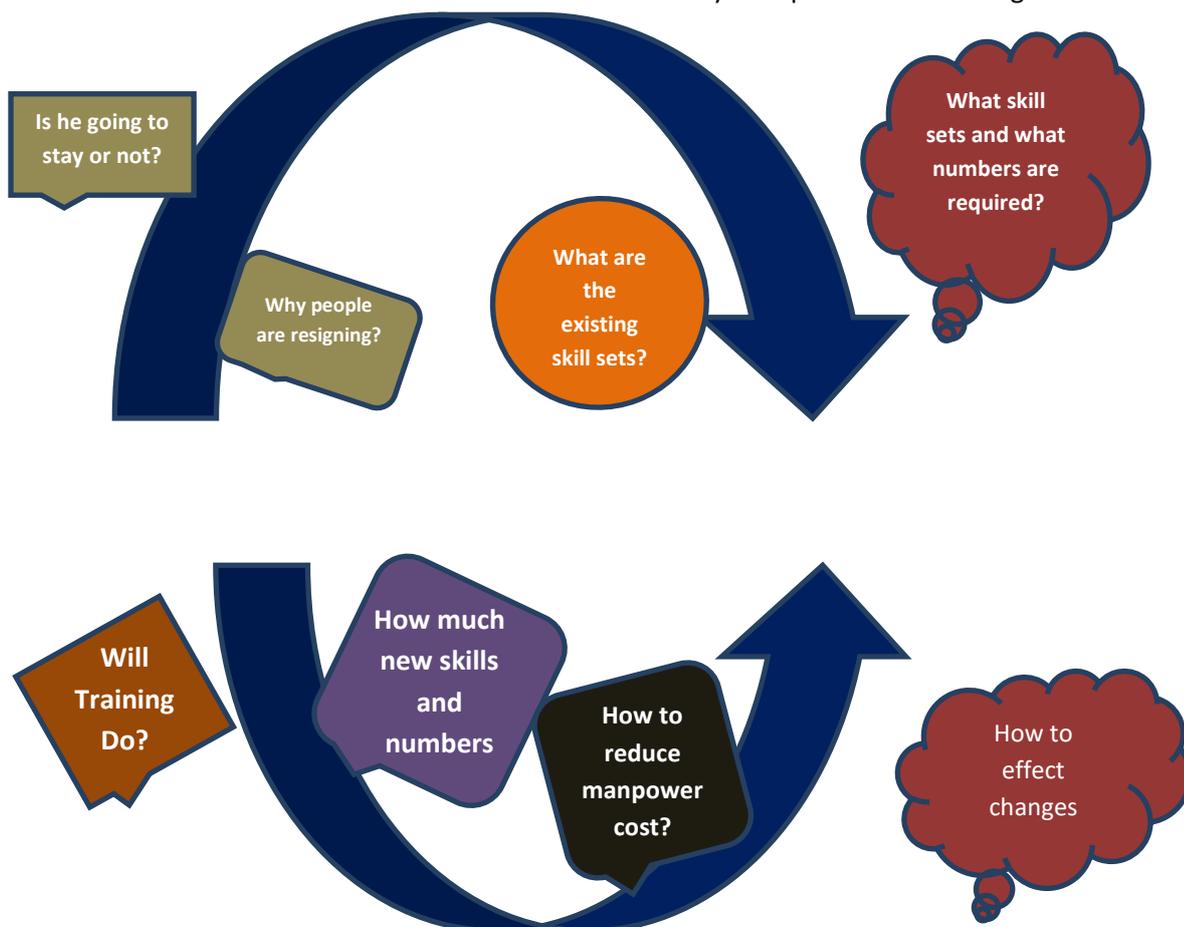


Figure 2.4 Questions answered by HRP

We can say that HRP is a mechanism of ensuring match between skill sets and roles as required by an organisation. The matching can be done through capacity building (training existing workforce) or talent acquisition.

Grapevine is an informal communication channel. Information flows in different directions linking almost everyone in an organisation. It passes opinions and rumours which do not move through formal channels.

### Need and Importance of HRP

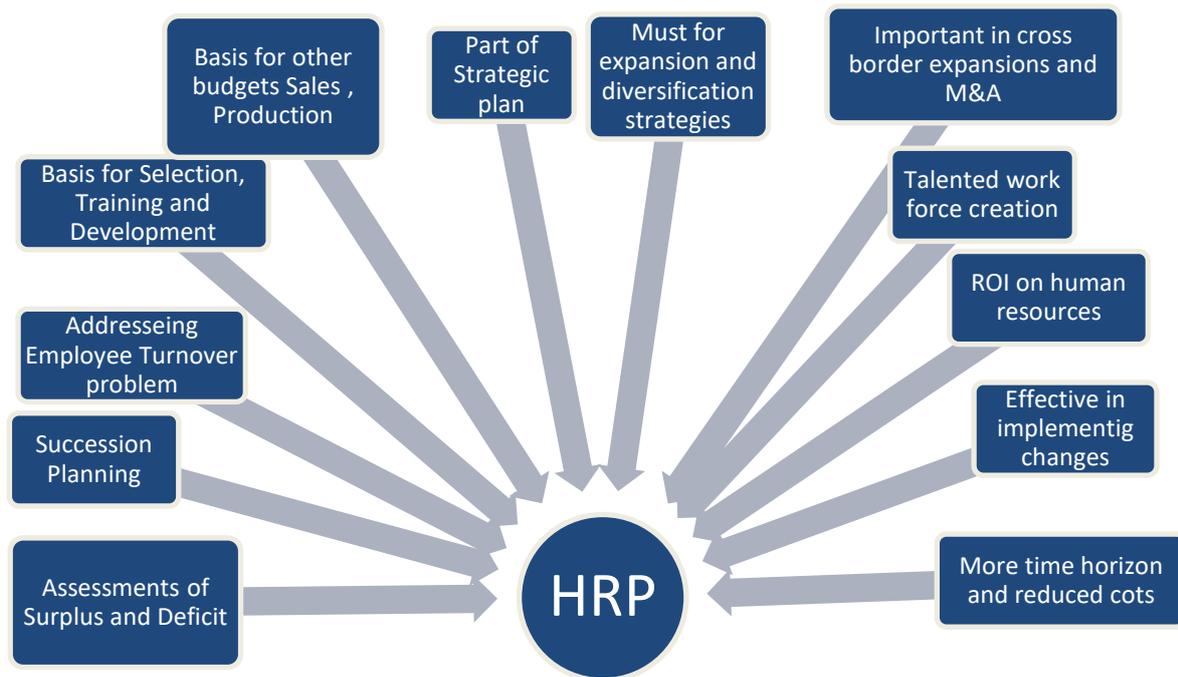
You are aware of, how people glue to the TV and listen with rapt attention when Indian Finance Minister presents the Budget for the next Financial Year in the Parliament. Preparation of three to six months goes into it. In fact, it is a perennial exercise, analysing the differences between the budget and actuals and making amends in the next budget. So would be the case for all big companies. But in some organisations budgets are not given much importance and prepared routinely. “This is also budget and part of the total budget. It is just increasing previous year figures by 10%. We know how it is done. What’s the big deal about it?”



The awareness of the need and importance of HRP may be missing. The following will indicate the importance and need. (Refer Figure 2.5)

1. Assessments of future requirements of manpower are always necessary. Lack of required numbers and skill sets may cost organisations big jobs. Or they may lose out at the pre-qualification stage itself in case of tenders.
2. It is necessary in the cases of other extreme also. Without the assessments, organisations may end up with a huge headcount without much business as happened in many organisations.
3. It is necessary for succession planning. Suppose some heads of divisions are getting retired in the next few months. If you do not notice and do not appoint successors the divisions may go rudderless. In fact, this happened many times in cases of Public Sector companies which continued headless for many months. This will affect the performance of the Organisation.
4. Every organisation will have employee turnover for one reason or another. It is a common tendency among junior employees or first-timers to hop from one job to another. HRP will take into account employee turnover and make organisations to plan accordingly for filling the vacancies.

5. It is the basis for all other functions of HRM like recruitment, selection, training and development.
6. It is part of regular budgets and interlinked. Without working out corresponding manpower figures and taking needy actions, other projections of production/sales would remain on paper only.
7. It is an integral part of strategic plan of the organisation right from the beginning. It gives inputs on the requirements of human resources for a given strategy, till the end for implementing the strategy through translating the strategy into processes and actions.



**Figure 2.5 Importance of HRP**

8. It is a must for diversifying and expansion strategies of an organisation. In diversification plans, HRP provides key inputs in terms of the capabilities of human resources in the target areas. In case of expansions, it gives inputs apart from numbers, the availability of resources at target locations and willingness of existing employees for a transfer to a new location and allied aspects.
9. In case of plans involving across the border expansions, HRP plays an important role as it involves filling positions with foreign manpower (dealing with different languages, cultures, habits) and/or assigning existing manpower to foreign locations (similar considerations).
10. In case of expansions through M&A (mergers and acquisitions) route, HRP's role will be much bigger since it arrives at synergies (one plus one greater than two). For instance, if two banks are getting merged, then loan portfolios of a sector say agriculture or personal loans of two banks (or branches in a location) can be put under one head. HRP gives key inputs with its database.
11. HRP is required in creating a talented workforce. Technology is bringing many changes faster. For instance in IT field, the platforms themselves are getting modified or changed frequently. With the changes, some technologies may get obsolete. Jobs are getting highly

skilled and moving towards higher IQ. HRP is essential in acquiring talent and developing existing resources to cope up with technological advances.

12. ROI (Return on Investment) factor brings out the significance of HRP. Organisations make investments in human resources in terms of compensation, training and development. For organisations to get ROI, effective utilisation of the resources is a must which is possible through HRP only.
13. Resistance to change is a common phenomenon. (Change of location, change to a new department, change to new technology, Change of work culture etc.,). HRP helps in effecting the changes in a smooth manner as it makes the plans and strategies ahead.
14. In talent acquisition, more choices can be exercised with HRP, as it makes planning ahead so that ample time would be available for the management in implementing such plans.
15. In terms of costs, HRP brings economies, as planned costs would be lower than the sudden/emergency costs.

As you have seen in telecom sector (5G is at sight), technology is changing at a much faster rate and in these times human resources are more adaptive when compared to other resources and HRP ensures that organisations make the best use of human resources. In cases of economic uncertainty, it's the people who are more flexible. For instance, when the world is hit by pandemic COVID 19, the mode of deliveries is changed like classroom teaching to online teaching, running virtual offices with employees working from home but connected through communication tools.

### Factors Affecting HRP

HRP is affected by many factors. Some of the important ones are as mentioned in Figure 2.6.

**Type and Strategy of Organisation** – If the Organisation is a production organisation then planning would be more difficult and so would be for organisations which offer high-end services. Strategies like geographical expansion would involve using different databases, and using external manpower agencies.

**Environmental Uncertainties** – Business and Political environments. Business environment uncertainties include whether conducive or restrictive, how it will be changing depending on the status of economy. Political environment uncertainties include policy changes contemplated if a different political party comes to power.

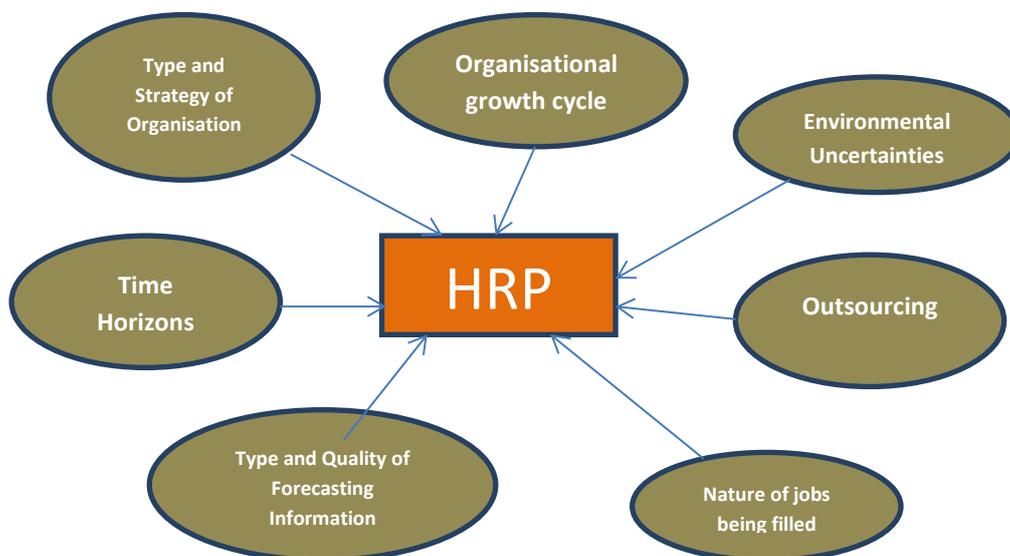


Figure 2.6 Factors affecting HRP

**Outsourcing** – Policy of the company on what activities or functions are outsourced. Whether to develop the human resources in those functions or outsource the activities and what would be the effects, in either case, is an uncertainty.

**Nature of jobs being filled** – The HRP will be different for different jobs. If the recruitment is for trainees/apprentices the planning will be simple and whereas, it is complex for high skilled jobs. The position or level also plays an important role.

**Type and quality of forecasting information** – Since the output from HRP depends on the inputs, the type and quality of information are important. And these forecasting inputs depend on the databases which are used to generate them.

**Time Horizon** – HRP process differs for short, medium and long term plans since the available time dictates the strategies. Organisations with stable business can go for long term plans but organisations operating in highly competitive environments can go for short term plans only.

There are other factors like:

Level of Technology (and its changes), State of the economy (which gives many indicators including unemployment level), Stage of Life Cycle of the products which the Organisation making, and Trade Unions (apart of economic benefits they may also oppose lateral recruitments and press for promotions to the insiders)

#### To Do Activity

There are many Indian EPC Companies (Engineering, Procurement & Construction) like Engineers India Ltd., Larsen & Toubro, Tata Projects, Gammon India, Punj Lloyd, Shriram EPC etc., Find out HRP activity in these companies and see how it differs with HRP in other companies.

#### To Do Activity

Collect information and try to analyse Indian Telephone Industries problems from 1995 to 2010 as far as HRM related ones. The obvious answer of excess manpower may not be the correct one.

You can find the importance attached by big companies to HRP in particular and HRM in general from a recent advertisement given by a famous pharmaceutical company operating from Hyderabad in Box 2.1. You can make a note of the Functions of HRP (and HRM).

### **Box 2.1 Advertisement for Manager HR from a Pharmaceutical Company**

## **Manager HR Facilitator**

#### Responsibilities

The incumbent will be responsible for meeting core HR deliverables such as staffing, induction, employee life cycle, talent management for one of the central function across CTOs. Incumbent will also partner with line managers to drive engagement, retention & grievance resolution thereby leading to higher productivity.

The incumbent will also be responsible for program management of various manpower efficiency and productivity related projects across various GMO functions units.

#### **Manpower planning & Talent Acquisition Support**

Manpower planning by following org design principles

Support business integrally on manpower planning and budgeting process.

Assess the workforce deployment and gaps; work proactively with recruitment team to fill the vacancies

Partnering with recruitment in maintaining manning levels to optimum level

#### **Employee Engagement & Retention**

Implementation of Employee engagement initiatives

Handling employee queries & grievances

Retention Drive connect programs for HIPOs

Program Management HR Projects

Support initiatives of manpower efficiency in various GMO functions using org design principles

Support management in taking decisions with respect to talent mobilisation and optimization

Support effective deployment of manpower in different functions as per manpower efficiency norms.

Track and prepare monthly MIS of the various manpower efficiency projects

#### **Capability Development**

Coordinate with business and implement developmental interventions

Coordinate with trainers to conduct relevant sessions, seminars & workshops for honing the technical managerial skills of business managers

#### **Performance Management & Productivity**

Drive all the stages of Performance Management

Explore various ideas on productivity by working closely with line managers

Enable managers at various stages of Goal setting Performance Appraisal & monitor progress

#### **HR Analytics & MIS**

Collation and preparation of periodic HR MIS, reports and analysis

MIS support to the Unit HR Lead in the areas of people metrics, reporting, and advanced and predictive analytics

Discover the underlying reasons for employee attrition and identify high value employees at risk of leaving

Create, maintain, and ensure quality assurance of key human resources data sets, reports, and metrics

#### **Organizational Initiatives & Compliance**

Support change management at BU Level

To ensure statutory & process compliance

Special Projects at CoE level

### Operating Network

Internal BU HR Head, Cluster HR Lead, Talent Acquisition Team, Organization Effectiveness team, Administration, L&D

External Partners, Consultants

### Education & Experience

MBA HR with 4 8 years of experience in HR domain.

### Key Personal Attributes

A strong communicator having high energy level with ability to influence & persuade others

Ability to manage conflicts well, driving the team towards a solution oriented approach

Excellent interpersonal skills. Ability to interact with employees at all work levels including Functional Heads.

Having strong written and verbal communication skills, such that information is provided clearly and persuasively

## 2.2 Stages of HRP

We will list down the objectives of HRP, before we move to the discussion on the stages and process of HRP (Figure 2.7).

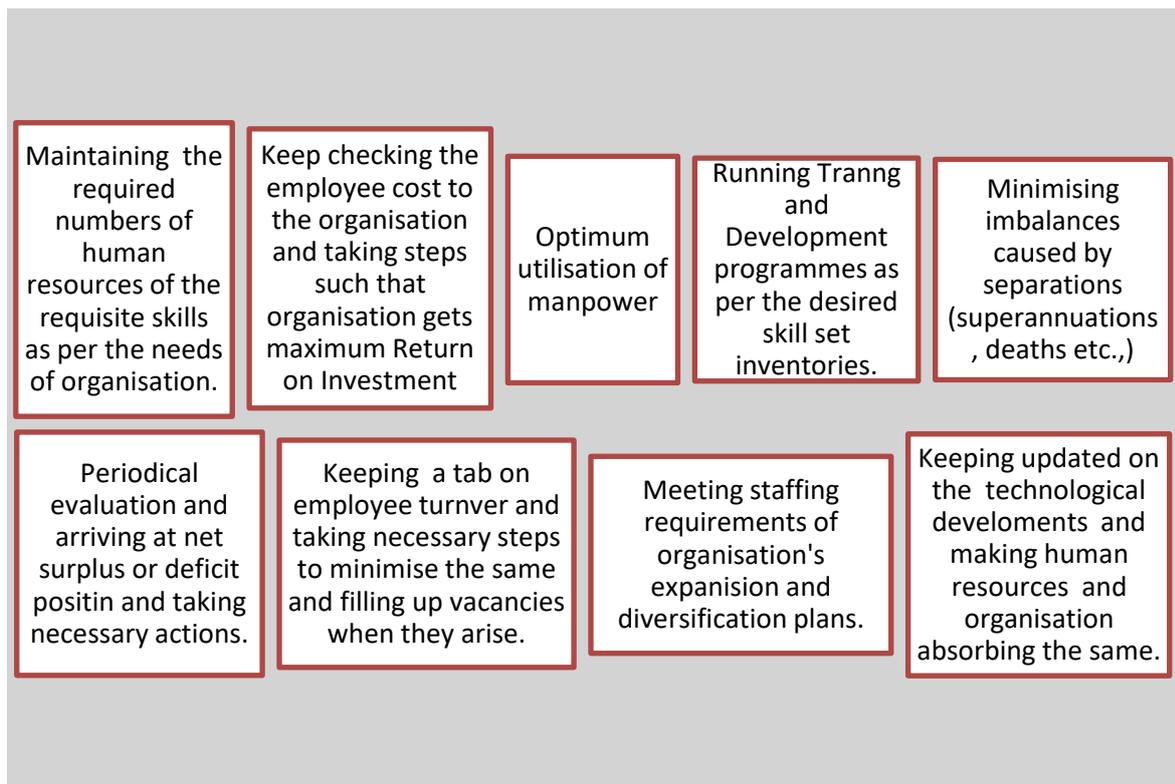


Figure 2.7 Objectives of HRP

HRP is part of HRM and is important to HRM in maintaining good industrial relations. HRP needs to ensure that large scale retrenchments do not happen. Keeping employees trained so that they will get the skill sets as per market is one way to do it. The process of HRP is as shown in Figure 2.8.

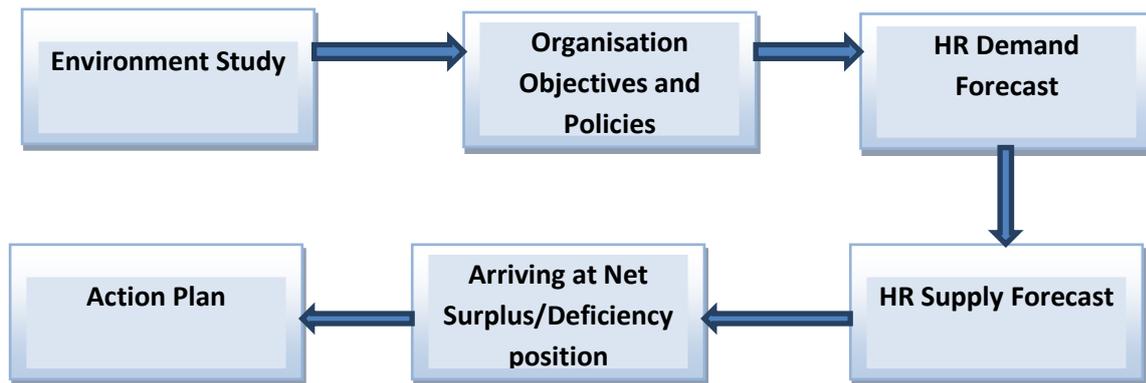


Figure 2.8 Process of HRP

### Environment Study

It is for studying the external factors as they have bearing on HRP. (Figure 2.9)

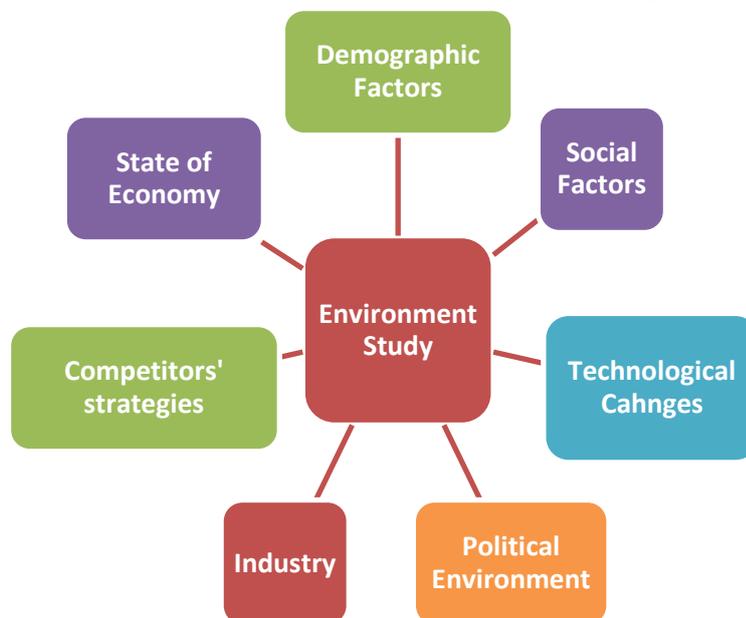


Figure 2.9 Environment Study

The study needs to be done mainly on:

Demographic factors - Gender ratio, Literacy/Education levels

Social factors – Working culture, Government regulations

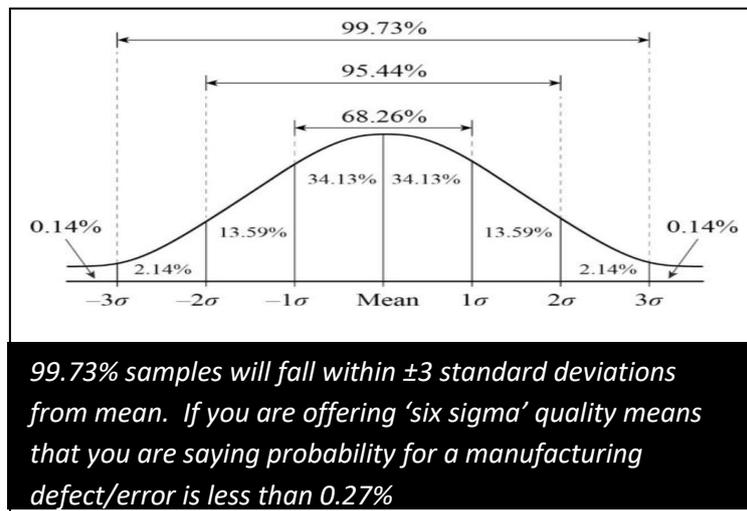
Technology – changes thereof in particular (For instance AI – Artificial Intelligence is making forays into various industries). Technology level will dictate the requirements of capital and labour.

Political – for any anticipated changes in the policies, Acts etc.,

Industry - trends of growth, saturation levels (supplies reaching or exceeding demand levels) for the products company producing etc.,

Competition – competitors’ strategies in aspects like:

- Compensation levels offered to their employees,
- Expenditure on R&D (you need to match resources – machinery/manpower),
- Quality control (if competitors are offering six sigma quality you will be forced to offer the same and you need to strengthen your quality control department),



- Distribution modes (for instance one e-com operator may start engaging their own manpower for speeding up deliveries instead of depending on couriers, then others need to either follow or putting equivalent strategies) etc.,

All these have a bearing on the HRP.

Economy –State of the economy in general, per capita incomes, Inflation, Recessionary tendencies, and employees expectations on salaries

#### **Organisational Objectives and Policies:**

HRP needs to be consonant with the Organisation’s objectives and Policies. Depending on the organisation’s objectives the HRP’s objectives will be formulated. In the study following will be considered: (Figure 2.10)

- Vacancy filling within or from outside (Policy)
- Whether Organisation is going for high value (but low in numbers) sales or high volume sales (The sophistication and consequent skill sets required will be different)
- Organisation’s concentration on training and development (Degree of importance and budget allocation differs from organisation to organisation)
- Policies of employees’ compensation, development, promotions
- Influence of Unions and Organisation’s policies in consultation with them (Unions may insist recruitment of sons/daughters of existing/retired employees)
- Expansion or downsizing and strategies in both cases
- Philosophy of the management (Innovative/passive/aggressive), support extended to HR division (in bringing changes/recruitment)
- Budgetary constraints

This study is important as it will give specific answers or specific objectives of HRP exercise. For instance, a heavy machinery company is working with objective of penetration in a particular market segment/territory (This strategy is different from the geographical spread strategy). Most important

consideration for heavy machinery buyers is the service set up. As such for HRP, it gives objectives of finding skilled manpower (also by training semi-skilled ones) in a particular territory of required numbers which may sometimes be challenging also.



**Figure 2.10 Organisation Policies and Objectives**

Organisation's expansion plans can be in different ways like establishing more production lines or units, mergers and acquisitions (M&A), and joint ventures etc., Different ways throw different challenges for HRP. For instance organisation may want to establish a production unit in a territory which will give advantages like zero taxes, free/cheap land, concessional power and water, proximity to raw materials or end customer/distribution points and others. (For instance, you can find some steel plants near iron ore mines and some near to seaports). But in the selected territory, it may be difficult to find manpower with required skills or the concessions offered may have riders like employing local people.

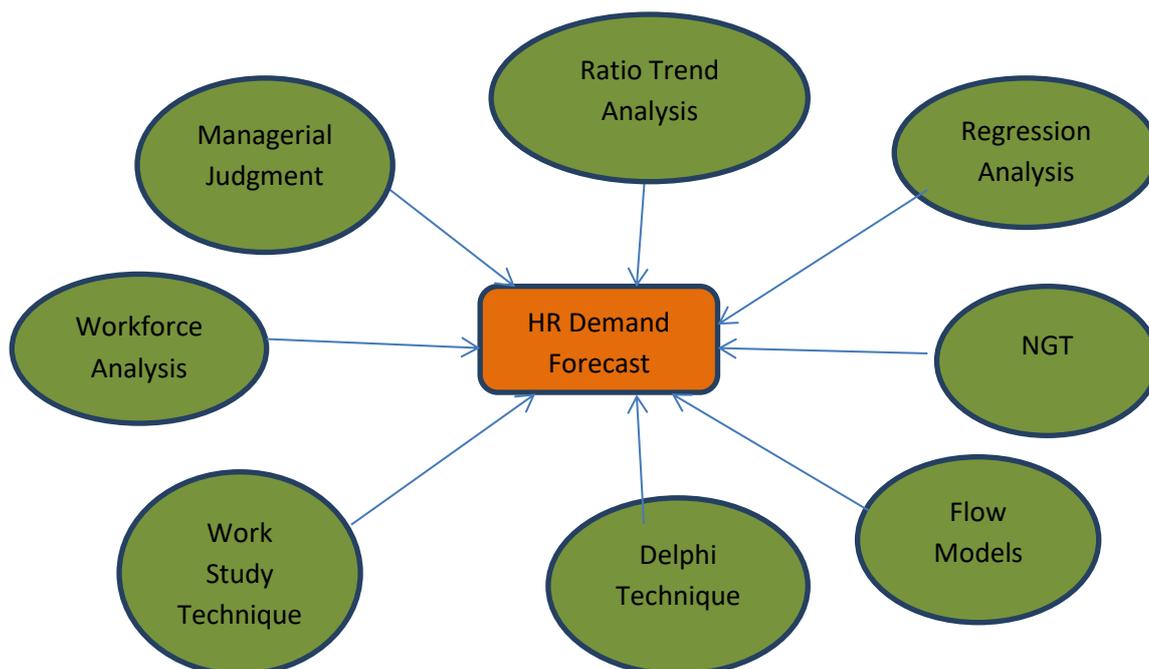
Suppose organisation chooses M&A route. Availability of manpower with required skills will be there but M&As create a new set of problems. Cultures of the two companies may be different. Personnel policies could be different. One organisation may have a Union other may not have or Unions in both companies may have different affiliations. Equating compensation levels may prove to be a daunting task. There could be resistance from employees (in both companies) who may have the fear of getting their promotion/development opportunities affected.



### HR Demand Forecast

The basis for HR demand forecast is annual budget. If the exercise is for more than one year then the corporate plan, giving turnover projections for the relevant period would be the base. The plan would be split into activities of each department. In case of manufacturing organisations, the sales projections will become production plans. For others, the activity-wise volumes will be calculated. Activities/production levels will be translated into skill wise man hours and to man days and finally to number of employees requirement.

Techniques for HR demand forecasting are shown in Figure 2.11.



**Figure 2.11 Techniques for HR Demand Forecasting**

**Managerial Judgement** – A conventional method in which line managers will make a forecast of manpower needs based on their experience and send to department heads. They will review and circulate to other departments for suggestions (there will be interconnected departments and also support function departments) and after collecting suggestions they will send to HR Department. Finalisation will be done by HR Department or a committee of Heads of Departments. This is a bottom-up approach and in reverse top-down approach may also be followed. In the top-down approach, top managers prepare forecasts and review with department heads and final ones will be sent to HR department.

**Ratio Trend Analysis** –Study will be made to the past ratio of sales/production to number of workers, and by refining it over number of years, the manpower requirement for projected sales will be calculated. Depending on the span of control (number of employees under direct control of a supervisor or manager), the supervisory/managerial positions will be calculated.

**Regression Analysis**- Regression is a statistical technique used to find relationship between two variables. One variable will be dependent and other one will be an independent one. Values of both variables in previous years will be collated.

If Y is dependent variable and X is independent variable then regression line equation will be in the form of:

$Y = a + bX$  where 'a' is a constant and 'b' is regression coefficient.

From this, value of Y can be predicted for a given value of X.

For manpower estimates, Y will be the strength of manpower and X is Sales/Production.

Regression Analysis can also be done for multiple of variables. The equation would be in the form:

$Y = b_1X_1 + b_2X_2 + \dots + b_tX_t$ .

With this, the Y(manpower requirement) value can be found as a function of other independent variables.

#### **NGT (Nominal Group Technique)**

It is like a group discussion and akin to Brain-storming. A group of members (generally heads of departments) will be nominated to form a group. Members of the group need to give priorities to the suggestions circulated by moderator (could be HR person/ a senior-most employee/any other). Then the discussion will be continued suggestion-wise to come up with the final priority list. A variant could be asking priorities in writing and process will continue in rounds dropping least preferred suggestion in each round. The system would be useful for arriving at a consensus on difficult or tricky propositions.

**Flow Models** - There are different flow models. These are all mathematical models.

In **Markov model**, non-overlapping categories (called states) to which individuals can be put are decided. The number of categories should not be too large but all individuals should be fit in one or another. States are either absorbing (losses or gains to the Company) or non-absorbing (change in position due to promotion). Then based on previous data annual movements (called flows) will be counted for several time periods. Gains are recruitments, and transfers, movement by position level. Losses will be resignations, retirements, deaths. Then the probability of transition is estimated based on previous data.

In **semi-Markov model**, apart from the category, the tenure of individual in a particular category is also taken into account.

In **vacancy model**, the probabilities of movements and the number of vacancies will be calculated.

There are both advantages and disadvantages in these techniques. All are extensively based on historical data and complex to compute.

**Delphi Technique** – It has some similarities to NGT. In this, questionnaires are sent to an expert group and their responses are sent to others and the process is repeated with added queries if required till a consensus is reached. It is more used to find the changing trends in job profiles and personnel profiles so that to ascertain qualitative information which is used for finding out skills and type of manpower needed. The manpower forecasts prepared based in the method will assimilate the changing technologies/techniques and demands of Quality Control.

(Technology is machine-driven and technique is skill-driven. Both may induce skill learning and fallout may be reduction of manpower. On the other hand, if higher degree of quality control is desired, it requires testing of more samples/close-knit supervision which may translate into additional manpower).

**Work Study Technique-** It can be used when a work/job/activity is measurable in terms of labour requirement (man-hours). Total production is converted into number of man-hours and consequently to number of manpower, giving allowances for leaves/absenteeism (Taylor’s principles of scientific management). This is for direct workers. To find out the required numbers of indirect workers/supervisors/managers, the ratio trend analysis can be combined.

**Example:**

Planned output (A)	26,000 units
Standard production time (B)	5 hours per unit
Production hours required C = A*B	1,30,000 hours
Per man production hours in a year (giving allowance for leaves, holidays, absenteeism etc.,) (D)	2000 hours
Required direct manpower = C/D	65 (numbers)

Note on (D) - 52 weeks of 48 hours each is 2496 hours. 496 hours or 62 man days is taken out considering 12 holidays, 30 privilege leaves and 20 sick leaves.

**Workforce Analysis** – In this, the existing manpower numbers and skills analysed and arriving at future levels taking the turnover (resignations) and retirement factors into consideration. Based on the demand, the future gaps (excess/deficiency) will be identified for further course of action.

There are other techniques like New Venture Analysis. It is basically estimation by analysts based on other organisations which operate similar activities.

**HR Supply Forecast**

Looks like a simple one. Isn’t it? We know the present strength and the same will continue if there are no fresh appointments. Answer may not be that simple. And the same strength estimate may be valid for tomorrow or may be for next month. Why?

We will come to know. There would be difference in the count. Some employees may retire after reaching superannuation. And there is a possibility for deaths. Some may resign. And some may be promoted and some may be trained. “First three are OK, but how the last one features in, since the count is not changed?”

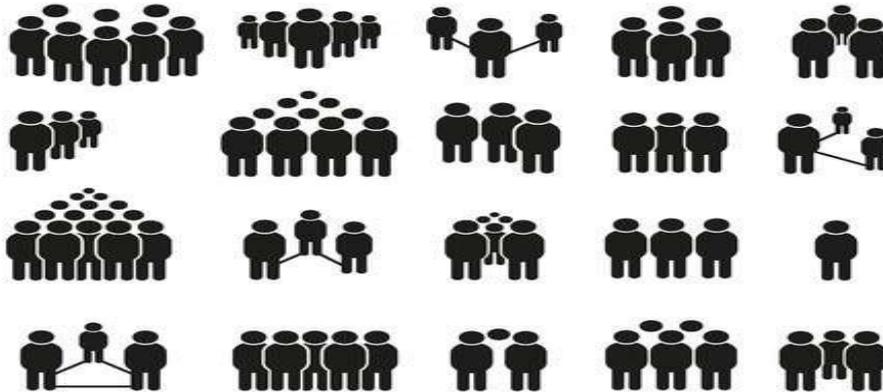
Remember the basic premise. When we are talking about the numbers, we are talking about the numbers with given skill sets for a particular job. In case of promotion, it leaves a gap for the job which the employee was doing as a junior. And the promotion might have been given, to fill a vacancy arising out of separation of someone. In the case of training, the skill set composition is changed. You have some skills extra in the CV of the organisation as a whole. (Skill inventory is up).

Supply forecasting gives the numbers which would be available from within the organisation and from outside. It is also a big exercise.

It involves analysis of:

- a) Existing resources
- b) Internal Supply

c) External Supply.



**Existing Resources** - In the analysis of existing resources, basically inventory of skills and abilities is prepared. The inventory both of workmen and managers needs to be categorised so that retrieval of information is easy. The categorisation can be:

- Age
- Qualifications
- Length of service
- Gender (some jobs may require only females and some may require only males)
- Marital status (to find out the feasibility in cases of requirement of location change- married employees may not accept location change and they have their own reasons like working spouse, children education at a crucial phase or admission/already studying in a preferred school/college etc.,)
- Training undergone and skill sets
- Language (for transfers to different location as for interaction with local people, knowledge of local language would be useful)
- Function
- Level in hierarchy (Trainees, clerical cadre, junior management, middle management, ---)
- Salary group
- Level of performance
- Memberships in professional associations
- Any special categories like customer preferences (for big projects customers insist particular employees) and so on.

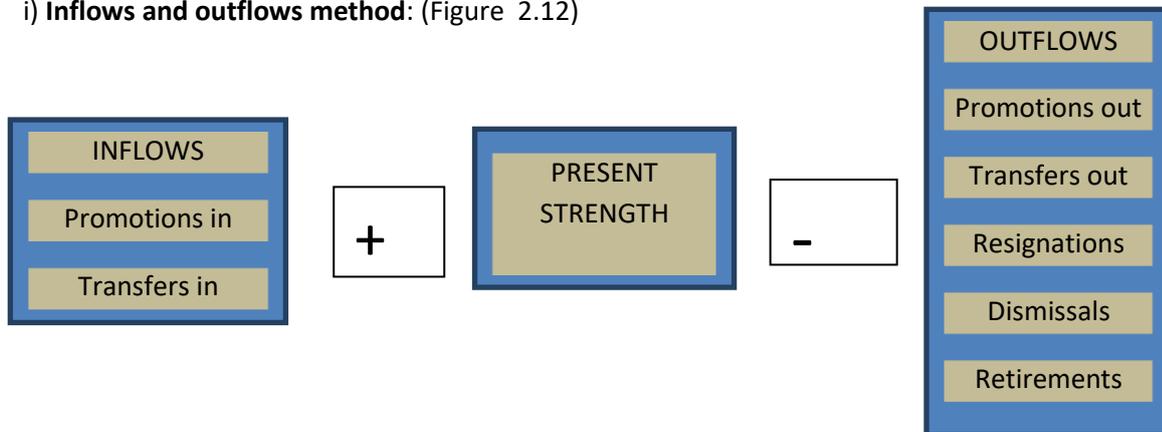
The categories mentioned are general ones and are only suggestive. Depending on the requirement, different categories can be made. They need to be used criss-cross. Otherwise, mere categorisation would not give any information. For instance number of married employees and singles per se will not convey anything. But if you say “in the design section, number of employees who are married --- and singles ---”, it conveys some information. (For big projects, the design staff may have to stay for longer periods at project sites which may be in different location. Similarly for short foreign assignments, deputing singles would cost less for the companies than the married employees).

Different categories will have different uses. For instance, the age distribution would be useful for imparting training. Though not true always, in general, people at young age would be better learners. Length of service (with the organisation) may indicate commitment and a lesser chance of resignation and hence could be a factor in placements of sensitive positions. Other categorisations on qualifications, skill sets, training undergone, performance level, salary group are self-explanatory.

Information will also be useful for decisions on promotions, training and development. Age distribution and mapping balance service (of every employee till superannuation) with skill sets etc., can be done.

**Internal Supply:** Internal supplies are done through the following methods.

i) **Inflows and outflows method:** (Figure 2.12)



**Figure 2.12 Inflows and outflows method of HR Supply Forecasting**

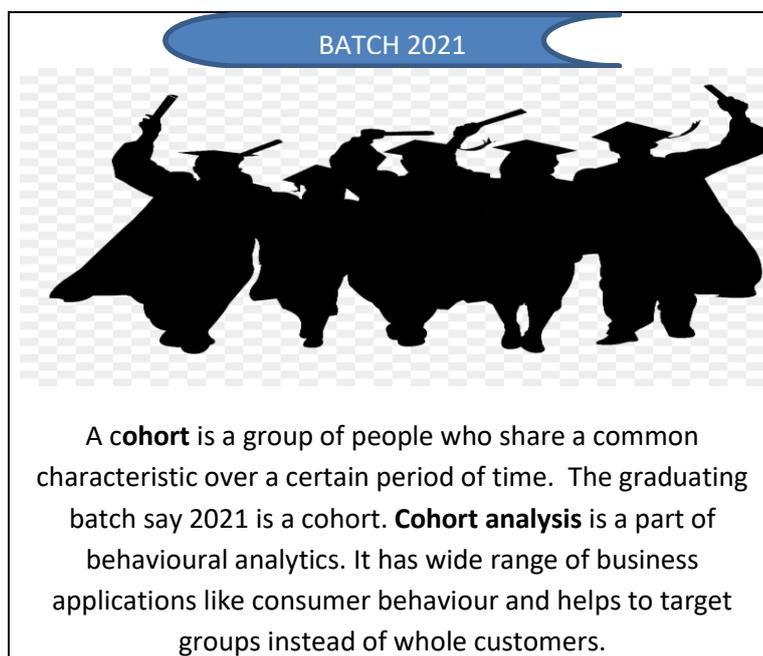
The present strength is added with inflows and outflows are subtracted to arrive at strength at a target time.

ii) **Employee Turnover Analysis:** Employee Turnover (employees leaving for various reasons) is calculated as:

$$\frac{\text{No. of employees leaving in a year}}{\text{Average no. of employees working during year}} * 100.$$

From the turnover rate, we can find the strength at the target time.

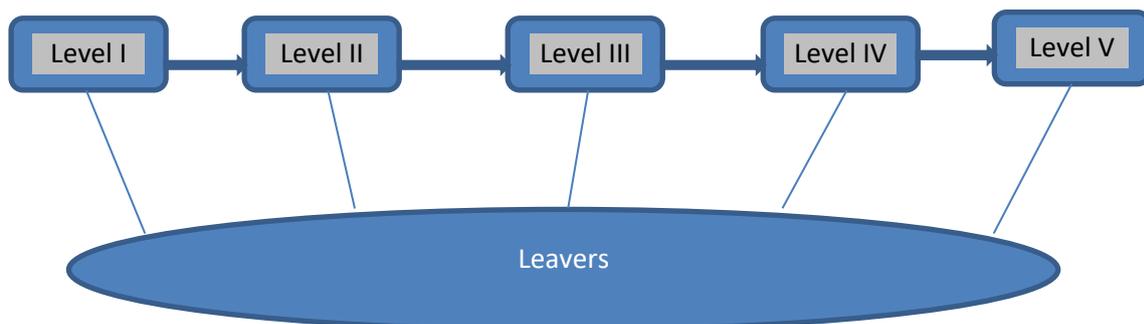
iii) **Cohort Method:** In this method instead of counting numbers leaving, numbers surviving is calculated. The method is almost reverse to the employee turnover. It is applicable for homogenous groups. For instance, a company recruits graduate trainees every year. Say 2010 batch of trainees is a cohort. At the end of each year numbers of that particular batch (cohort) who is still with the company is calculated as a percentage of the number of recruits. Generally in the initial years, the percentage will drop down and will be flattened over a longer period.



Method is useful for supply calculations. From the patterns of similar cohorts (say trainee recruit batches of 2017,2016, 2017, ---) if it is found about some 30% are remaining at the end of 6-7 years, it gives good information in the supply analysis. It becomes a good basis assumption for HR planner while making the plans. The sizes of the batches and refinements of the training programmes can be done. (If it is found that 85% are remaining at the end of year 1, then the training programme can be split into two parts in two years so that expenditure is not wasted). Cohort analysis can also be done by taking different bases (cohorts). Identification of each leaver to a cohort could be a bit cumbersome.

iv) **The Census Method:** Here also the survivor rates are computed. Age of the employee or length of service is taken as a base. For a particular batch (say length of service 5 years) the survivors at the end of the first year is calculated as a percentage of numbers at the beginning of the year. To arrive at the rate for the second year the survival rate of first year is multiplied with second year. And the process goes for year numbers 3,4,and so on. Since it is based on the assumption that people in the second year of employment follow the same rate of first year and yields a cumulative curve, method is not much useful.

v) **Markov Chain:** In every organisation, employees will be there in different grades and they move from one grade to the next one gradually. From the patterns, the wastage rates can be calculated.(Figure 2.13).



**Figure 2.13 Markov Chain**

There are other methods like Renewal Models. Remember all these methods are useful for particular class of employees say 'Fitter', 'Chemist' etc., Admixing different categories will spoil skill set inventory.

**External Supply:** External supplies will be there. Some organisations recruit based on the requirement. And some organisations recruit as a matter of policy looking at the long term. Supplies differ from industry to industry. Depending on Company policies these figures can be computed. Now once the demand and supply forecasts are made next step is arithmetical calculation to arrive at net surplus or net deficit. (Refer the flow chart of HRP process). Once this figure is arrived at, the action plan starts accordingly. We will discuss on how the process is useful for making medium and long term plans and how to deal with the result of the HR plan (surplus or deficit) in the next sections. Suppose an exercise resulted in Net Surplus. Then the solution could be Retrenchment. But would it be that easy? There could be legal issues (not confirming to statutory rules). Even after meeting statutory obligations, retrenchment exercise may still have other complications. You can find some of them in the case study presented in Box 2.2<sup>8</sup>.

<sup>8</sup> Emerald Toys I is modified version of the following case study.  
Fischer, A. K., & Murray, M. (2007). Can Ethics And Strategy Co-Exist?A Human Resource Management Case Study: *Journal of Business Case Studies (JBSC)*, 3(3), 43-48. <https://doi.org/10.19030/jbcs.v3i3.4855>

### Box 2.2 Case Study: Emerald Toys I

Emerald Toys is a company based at Jalandhar (Punjab), has about 1500 plus employees on its rolls. Started in 1987 with 23 employees, it rose to the present level and its stock is listed on National Stock Exchange (NSE). It has three major divisions - Creative Division (Head: Mr. Atul Srivastava), Manufacturing Division (Head: Mr. Asutosh Mukherjee), Logistics and Service Division (Head: Mr. Raghava Rao).

Of late Emerald Toys is facing financial problems since imported products are pushing its sales down. Though it has a name for quality products, still the company is not able to compete with imported cheaper ones. Many efforts were made to make up the lost ground but no positive result has come and the recession economy is not helping either. The Board after examining all aspects has decided to cut payroll.

To decide whom to layoff, CEO (Mr. Debasish Patnaik) called for a meeting with all division heads along with HR Head (Mrs. Surabhi Vaidynathan)

Debasish: All of you know the deep financial mess we are in. Our sales revenue is down and expenditure is going up. Our share price is plummeting down. We have decided to cut our employee expenditure by at least 20% within next one month in order to stay afloat. Though it is a tough decision and we have concern for our employees, still, it is inevitable. We hope this is a temporary cut and no more cuts will be required, but we can't promise that.

Considering the delicate nature of the task we had to put in a united front for layoffs and see that they are handled fairly. We will lay off the junior most employees and each division will cut 20% staff. I called this meeting to have an honest discussion and come to a satisfactory position for all divisions and the company as a whole. Give the feedback on problems you foresee and suggestions.

Asutosh (Manufacturing Head): I can't agree with one policy as a whole. We have to see the quality of remaining people. Honestly we need to evaluate all employees and decide who to terminate based on who is most valuable to the Company.

Surabhi (HR Head): I agree but a month's time is too short for a fair evaluation. Further productivity will be lost as everyone will be worried about their reviews and future and they will not be able to concentrate.

Raghava Rao (Logistics and Service Head): This policy hurts my division. Instead we should terminate highest paid ones to reach target. That way we will be dealing with lesser numbers and result in terminating less than 8%. Terminating 8% would be much better than sending 20% out.

Surabhi: But the highest paid are also oldest employees and could be retiring in next 5 years. Considering their commitments at their age like children higher education, marriages of daughters it may not be fair to terminate them. They are loyal to the company. But I do agree on the cost effectiveness of the plan.

Atul (Creative division Head): Against the notion that young are more creative, in my division the seniors are always coming with new ideas. May be the younger ones need more experience. If we follow this policy of terminating the senior most, creative division will lose most experienced and most creative ones. And it would be a disaster to the company, if they are picked up by our competitors.

Surabhi: I agree particularly losing valuable ones. It would be good to lay off juniors and less paid ones.

### Emerald Toys I (Continued)

Raghava Rao: But getting rid of junior's means for my department it would be all new hires. And remember most of them are females whom we have recruited, for correcting imbalances as per the fair employment policy.

Surabhi: Our quality will suffer either by losing highest paid but the best ones, or by losing large chunk of lower paid ones. It may not be good for our PR to make large numbers jobless, just to keep few seniors. May be it would be a good way for each department to handle with selective ones.

Debasish: Each division having a different policy is again a problem because someone will say favouritism is played. From a PR perspective it would be easier to choose one criteria and defend the same rather than using different criteria for different departments.

Atul: But it seems to be a practical way of containing the losses.

Debasish: There is a lot to be considered here. I am worried about the consistency of the plan and how media will react if division policies are adopted. And remember we need to file important decisions to stock exchange. It is a must that everything be handled in a single defensible manner.

Surabhi: Well.....

Debasish: If there are no more suggestions, I will adjourn this meeting. I am afraid I had to take the final decision. In couple of days we will meet again and I will come up with a decision and how to handle. All the inputs you have given will be taken into account in the decision making. Thank you all.

#### **If you are in Debasish's position what would be your decision?**

Role Play is one option for the debate.

All aspects are to be considered. Some are:

- Single companywide policy or multiple division wise policies;
- of single or multi division policies and choosing between terminating people close to their retirement but few in numbers or putting large numbers of new hires out of the job;
- Whether all alternatives for reducing expenditure are considered;
- Handling PR and others.

## 2.3 HRP Levels and Types

### Levels of HRP

So far, we are discussing HRP at organisation (Unit) level. But HRP is also done at different levels viz., HRP at various levels is done for different purposes by various institutions. Basically, all these make out demand and supply analysis.

HRP at:

**National level** – Central Governments take up the exercise of HRP for the entire country. It will help to make plans for health care facilities, educational facilities, industrial development, and agricultural development.

For instance, in a National level HRP exercise, if it is found that healthcare professionals are in shortage, then Government may consider opening more Medical/Nursing Institutes, bringing different systems of medication (Unani, Ayurveda etc.,) into the fold and similar actions.

**Sectorial Level** – Central and State Governments take up HRP for a sector like agriculture, industry etc., It helps the Governments for planning resource allocations to the needy sectors. Suppose in a sectorial study on agriculture it is found that unemployment in agricultural labour is increasing (usually be the case) then it needs a further analysis on various factors responsible for. Say shrinking crop area is one factor and it could be because of many reasons like low yields, bad monsoons. The low yield problems can be addressed through supplies of fertilisers in required quantities and at affordable prices, research on high yield variety seeds and others. Improvement of irrigation facilities is a permanent solution since we can't command monsoons. Or establishing rural based industries (Like Dairy) is one solution as the agricultural labour can be deployed in these. The solutions based on the deeper analysis will indicate the requirements of resources in that particular sector.

**Industrial level** – This is also done by Governments for an industry say automobiles/cement etc.,For example, in an Industry level HRP exercise if it is observed that diamond-cutting professionals are more in numbers, but demand is less, the causes would be probed. The lower demand for these professionals could be out of other constraints and those problems are to be analysed. (For Diamond cutting industry first, the raw diamonds need to be imported and end products, cut diamonds or diamond jewelry, will be sold and mainly be exported. Higher turnover and hence higher employment may be achieved through providing credit at cheaper terms for imports of raw diamonds earmarked for re-export after value addition and similar measures).

**Unit level** – for a single Company

**Department level-** In a Company for departments say sales, finance

**Job level** – for a particular job level, say automobile engineer/AC mechanic etc.,

The parameters and techniques would be different for the plans at different levels. We will be concentrating on study of HRP at Unit (organisation) level only.

#### **Why do we need HRP at a macro level?**

We have read the utility of the macro level HRP (National, Sectorial and Industry level). Macro level HRP is needed because of so many factors. Some of them are briefly listed here. You can see the paradox in some cases.

- Though unemployment on the rise, there could be shortage of specific skilled workforce.
- With the technological changes, situations like redundancies in some skills may arise, resulting in the necessity of redeployment, retraining and other techniques.
- Demographic changes like changes in workforce in terms of gender, literacy, educational and social backgrounds etc., do take place and they need to be captured.
- Due to developments in Research and Science, specialisations may be rising, which in turn may lead to imbalances in skill sets and trained manpower. For instance, the rise of specialties in medical field may lead to a shortage of general physicians.
- Developments in one field may lead to different situations. Construction of an irrigation project may result in land ousters. Similarly, establishment of an industry in the forest land may result in tribal people losing their livelihood.

#### **HRP TYPES**

Types of HEP are shown in Figure 2.15. HRP is done primarily for short term (one year) and long term (5 years and above). For other time periods, also say three years' time period plans can be

made and you can term them as Intermediate plans. These will be either shortened versions of long term or extended versions of short term plans.

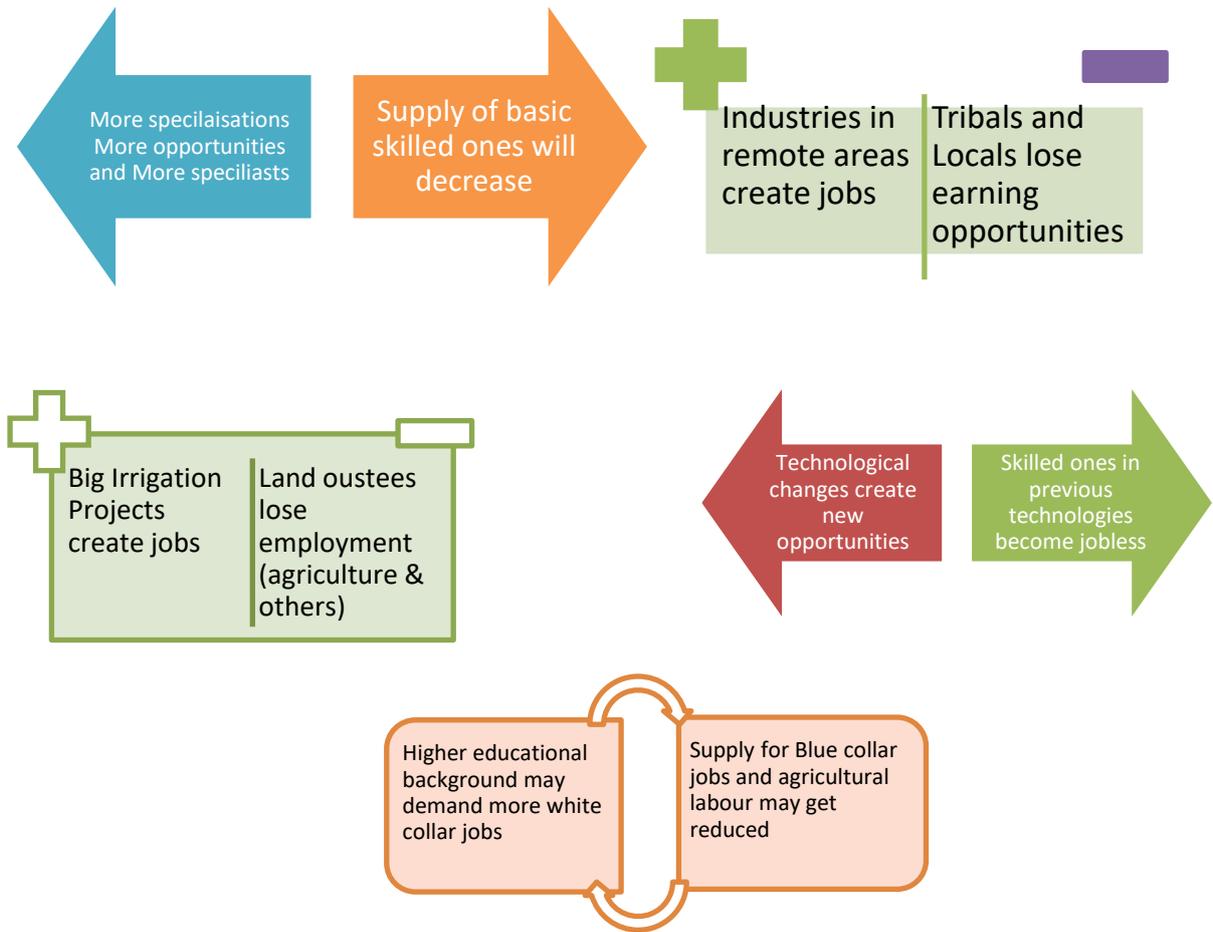


Figure 2.14 Why HRP at Macro Level?

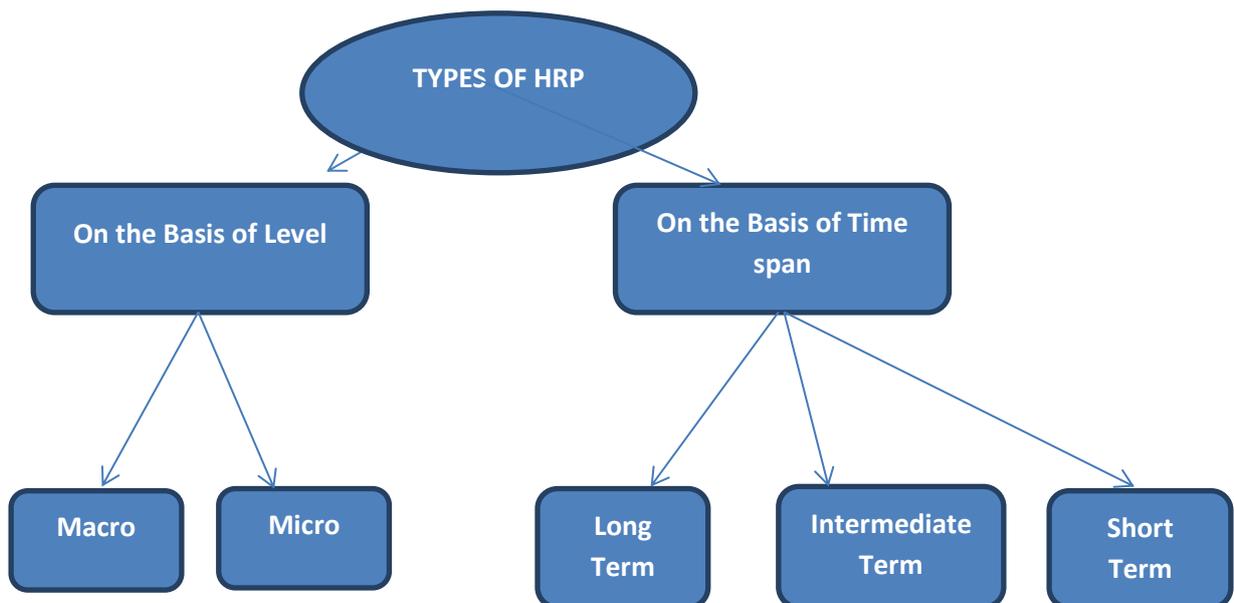
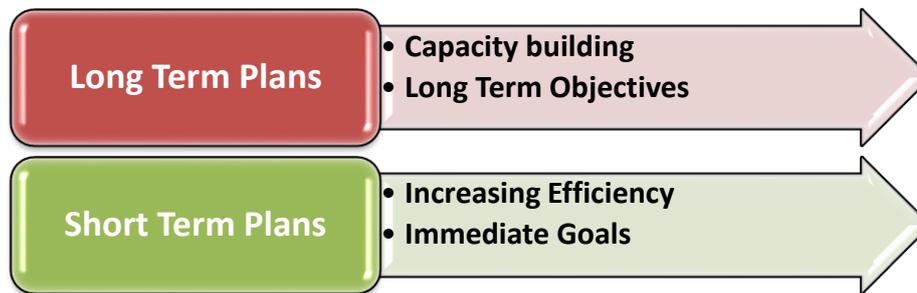


Figure 2.15 Types of HRP

Outlook difference between Long term and Short term plans is as shown in Figure 2.16.



**Figure 2.16 HRP Long Term & Short Term**

**Long Term Human Resource Planning:** The advantage of long term plans is that you have ample time even for making a plan and then implementing it. And you also have benefits of refining based on the changes of organisational objectives which might have been caused by changes in external environment (Government policies, shift in consumer preferences)

Long term plans focus on achievements for projected future. They include the overall goals of the organisation. They put focus on process through which strategic objectives are achieved. They aim for capacity building in terms of numbers and skills.

All the process listed in the previous section is for long term HRP. Starting from environment study, it involves understanding organisation objectives, making demand and supply forecasting and arriving at net requirements. In general, long term HR plans are made for net deficit of manpower because, in case of excess, you need to plan for reducing the manpower, which needs to be started immediately and then it becomes a short term or intermediary plan.

Apart from the process discussed in the previous section, the process of SHRM also will be applicable in case of long term plans because in SHRM, you are aligning HR process with the organisational objectives. Long Term Plans needs HRIS (HR Information System) or a good database which needs to be updated on a regular basis. In the Long term HRP, the planning would be of two types (Figure 2.17).

**Aggregate planning** is identifying the requirements of groups of employees (with specific skills) based on the demand analysis. It is usually done for lower level positions. It could also be for a new project where more number of employees required. It depends on the time horizon. For instance, a big project may have demands of different numbers at different stages. It may also depend on company's expansion plan.



**Figure 2.17 Types of Long Term HR Planning**

**Succession planning** is to ensure that key managerial positions are always filled and to see that retirements or resignations or deaths or serious illness do not create a void. It involves identifying and developing the employees so that they would be ready to take up the higher positions as and they become vacant. Since the selection would be from the existing staff, it would reduce the recruitment costs and the risks (in bringing an outsider for a key position who may not fit in the culture or fail to deliver).

Succession planning exercise would make managements realise potential key positions, filling of which is a difficult and costly affair. It also brings the employees in the ranks, who have potential to their attention. The exercise will also identify the weaknesses of the organisation.

It would give good career development to the identified employees and reduce employee turnover. The identified will be given necessary training, help in acquiring educational qualifications, skill development. Job rotation will be implemented and also assignment of new projects will be done. Performance will be evaluated continuously. The grooming plans are to be updated frequently and if required, replacements need to be planned.

But care needs to be taken since leftover employees may feel bad and may leave also. Ensuring career development plans for all other employees will address this problem. It may also bring “Crowned Prince Syndrome”. Managements, instead of a scientific selection, may pick up an employee who is visible to them and focus on him. Giving him all new and key assignments and promotions will create dejection among capable employees. Succession planning should also ensure contingencies. For instance, a groomed employee for a future position may resign. But if the process is on, it will ensure solutions to such contingencies. Some organisations do not concentrate on succession planning. But the organisations which do, will grow.

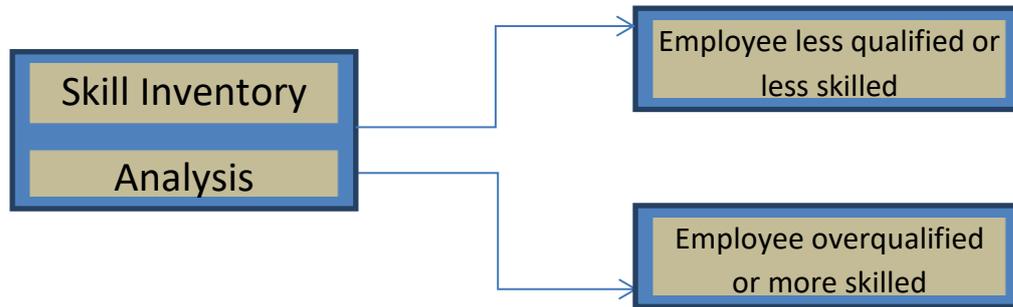
**Short Term Human Resource Planning:** Short term HRPs focus on immediate future or, say for a period of one year. Its focus will be on revenues and profitability. They involve processes to show results within a year. In the short term planning also, employee database and skill inventory are a must. Projection part will not be there since the net position is (surplus/deficit of manpower) is already known. We will be discussing the short term plans in case of manpower deficiency only as this situation requires planning more. Dealing with surplus manpower will be detailed in the next section.

Short term manpower plans are made for specific projects. There could be situations where it is not possible to fill a whole job with the existing manpower (complete competency matching not possible). And these plans are also useful to tackle an unexpected vacancy. Situations like death, resignation, transfer are sudden which leave no scope for any preparation. For the unexpected vacancy, temporary arrangements will be made by assigning responsibilities to another person till alternative arrangements are made. The task boils down to matching requirements with existing manpower. Short term manpower plans are for matching existing employees with present jobs and filling vacancies with the existing manpower.

Refer Figure 2.18. The skill inventory analysis will give two possibilities – first, an employee is less qualified (less skilled) and the second, the opposite, employee is overqualified (more skilled). Exact matches generally will not be there and if found, those numbers will be taken out from the purview



or tried for giving extra responsibilities. Short term manpower plans will be made with some action points.



**Figure 2.18 Skill Inventory Evaluation**

In cases of less skilled employees:

- Providing training and education to improve productivity.
- Counselling and suggesting ways to improve efficiency.
- Making another person assisting the less skilled employee.
- Changing job content (reducing it by removing some of the responsibilities).
- Changing the job – sometimes employee turns inefficient since he/she may not like the job.
- Demotion – Sometimes punitive/disciplinary actions will give desired results.

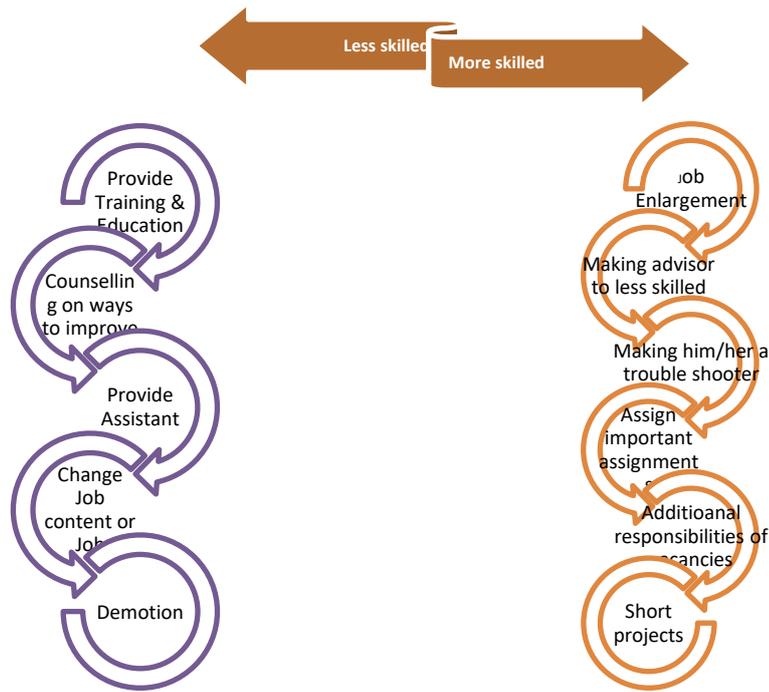
In case of more skilled employees:

- Job enlargement - Giving additional duties related to the same job.
- Making him/her as an advisor to the less skilled employees.
- Making him/her as a trouble shooter in cases of any problems.
- Assigning activities which are important but not managed well (like quality control).
- Assigning responsibilities of temporary vacancies
- Putting him/her in short projects

Remember the objectives of short term plans are managing with existing manpower and matching the skill sets to the requirements. Recruitment is to be suggested after running out of all alternatives. This is because:

- situation may be for a temporary say for a specific project
- recruitment also takes some time. Process takes time and it is highly unlikely for the incumbents to join the next day.
- Costs are involved.

However, when it is a must, recruitments also will be undertaken taking all difficulties into account. The unexpected vacancies are anyway to be filled in if it is not possible through job enlargement or other means. Contractual appointments (senior level, highly skilled jobs) can be made for project specific assignments. Engaging labour of other industries which are seasonal (like sugar cane crushing) or agricultural labourers (complete engagement will not be there in agriculture and is seasonal) can also be considered as these engagements will be temporary only. Outsourcing a part of the requirement or engaging manpower contractors are some other alternatives.



**Figure 2.19 Solutions after computing Skill Inventory**

**Tailpiece:** Before we wind up our discussion on long and short term plans of HRP, one aspect is to be remembered. Employee engagement and career development form part of core texture in HRP. See the boxes on Lupin (Box 2.3<sup>9</sup>) and Forbes Marshall (Box 2.4<sup>10</sup>) for understanding these core points.

<sup>9</sup> Company website: [www.lupin.com](http://www.lupin.com), Article by Tanuvi Joe (2018) in Express Pharma <https://www.expresspharma.in/pharma-life/lupin-learn-and-earn-programme-to-train-1000-graduates-by-2020/>

<sup>10</sup> Sources: Company website [www.forbesmarshall.com](http://www.forbesmarshall.com), Interview of Mr. Bobby Kuriakose, Director HR published in Corporate Citizen, Volume 6, Issue No.3 (June 2020) <https://www.forbesmarshall.com/NewsDetails/NewsID/194> 2012 Case studies on HR best practices by SHRM India <https://www.shrm.org/hr-today/trends-and-forecasting/research-and-surveys/Documents/SHRMIndiaBestworkplaces.pdf>

### Box 2.3 Lupin Ltd. HRP INITIATIVES



LUPIN Ltd. was founded in 1968 by Dr. Desh Bandhu Gupta. It is based in Mumbai and is recognised as one of the largest manufacturers of Tuberculosis Drugs.

It has a strategic tie-up with BITS (Pilani), Manipal University and Pune University through which its R&D wing employees can earn Doctorate Degree from these institutions while working in Lupin. These employees can pursue their industry specific research concurrently working.

Lupin also runs “Learn and Earn” programme. It has tie up with Yashwantarao Chavan Maharashtra Open University. Program is for 12<sup>th</sup> Science students with poor financial background and is offered at 5 facilities. It is a graduation programme and University confers Bachelor Degree in pharmaceutical chemistry. Lupin provides hostel facilities, coaching and support apart from giving stipend to the students. Programme started in 2011 and about 1000 graduates are trained.

#### To Do Activity

You have seen one example on career development and another one on good hr practices. Find out similar practices in other companies. Start can be made with IT and Pharma Companies but do not stop with these two sectors.

### Box 2.4 FORBES MARSHALL HRP INITIATIVES



**Forbes Marshall Pvt. Ltd.** makes steam engineering and control instrumentation products. It is a venture by J.N. Marshall and Danies Forbes. Started as a trading company in 1926, established a manufacturing plant in Pune, today it has a plant in U.K. (Subsidiary Codel International) and presently run by 4<sup>th</sup> generation. It has introduced flexi-time in 1992 (first in India). Manufacturing plants are open from 6am to 7 pm and R&D centers are open 24 hours. Except employees engaged in shifts (small in numbers), other employees can come and go any time and weekly they have to put in 48 hours. This has reduced absenteeism. Forbes Marshall adopted a competency based perspective to employee development. Its competency mapping covered all levels including shop floor employees. The model was validated by TUV a global certification body. It has won many awards including “Great Place to work in Asia”, “Great Place to work in India”

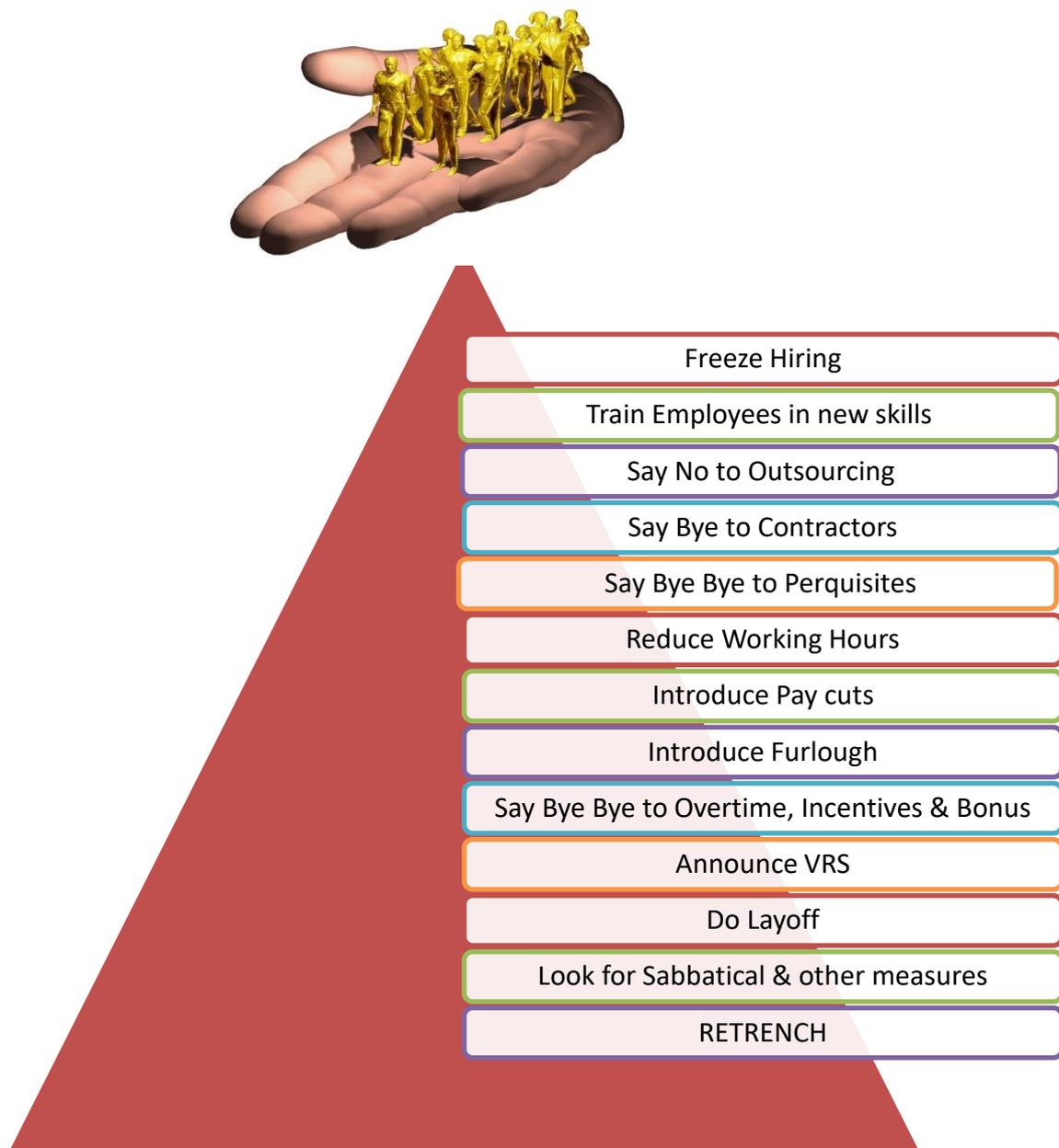
### 2.4 Strategies for dealing with Surplus and Deficiency of Manpower

In the previous sections, we have learnt the process of HRP and techniques to determine the net manpower position. In this section, we will discuss the next step of dealing with net position surplus or deficit.



Isn't It? Not necessarily. Before coming to this conclusion, we have to remember something. Retrenchment is not an easy process and there are labour laws which restrict and prescribing many conditions in the cases of retrenchment. Though, off late, there are relaxations for SEZs (Special Economic Zones) and other cases, still various provisions of different laws are to be followed. Social relationships established during the employment of the people among the organisation, concern for employees, empathy on situations of job losses etc., also prevent organisations to go for retrenchment. After all, employees are also stakeholders. Recruitment is also not easier too. At times the choices are also very limited. For example, environmental specialists dealing with a particular field would be few in numbers. It also happens that for some positions, not many people will show interest. Location of the job, climatic conditions, social life, availability of infrastructure and facilities are among few things people will consider while choosing a job.

## Dealing with Net Surplus of manpower:

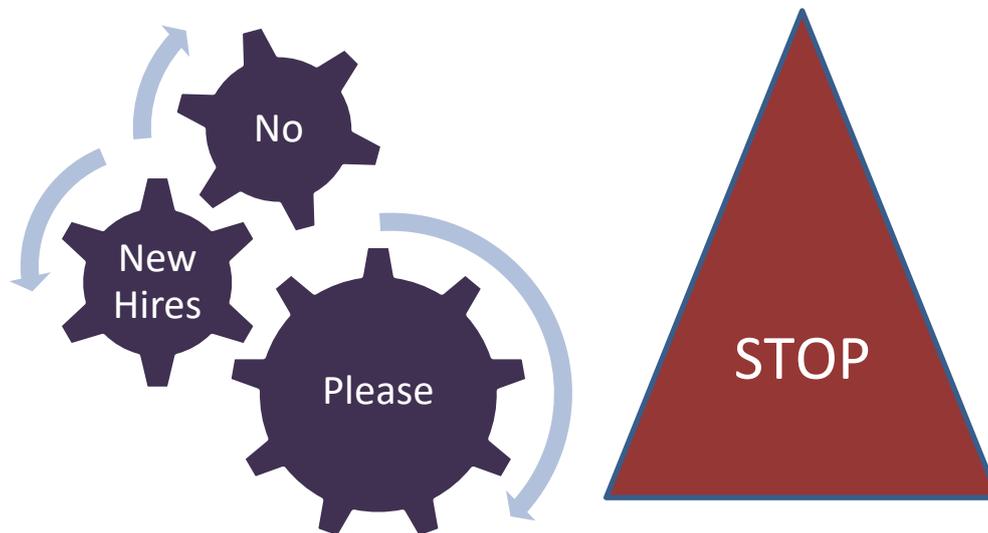


**Figure 2.20 Measures in Net Surplus Manpower Case**

- 1. Reduced Hiring or Freezing the Hiring:** In big organisations, various departments would have regular requirement of manpower. When organisation stops hiring and announces that the hiring is frozen or stopped, the departmental heads will start exploring alternatives. They need to see that the jobs are completed without adding headcount. For lower level jobs, skill requirements will not be many and there would be possibility of replacements without much difficulty. The total net position surplus means there are surpluses available somewhere. HR Department can identify the surpluses in other departments who can do the required jobs. Without adding costs, the departments which require manpower can have the excess manpower of other departments.

When the hiring is frozen, various alternatives will come out and people will start thinking ingeniously. Remember the Parkinson's Law? See the side box. An application of Parkinson's Law may come up. In organisations there would be unnoticed redundancies. It is

a common tendency to put more than the required manpower on a task and in the absence of one hand, the work will be completed with the existing ones. The process of the job may be contrasted by skipping or merging some sub activities without affecting the workmanship or output. Or the existing workforce may distribute the activities among themselves. Or slack time (the amount of time a task can be delayed without causing another task to be delayed) can be utilised.

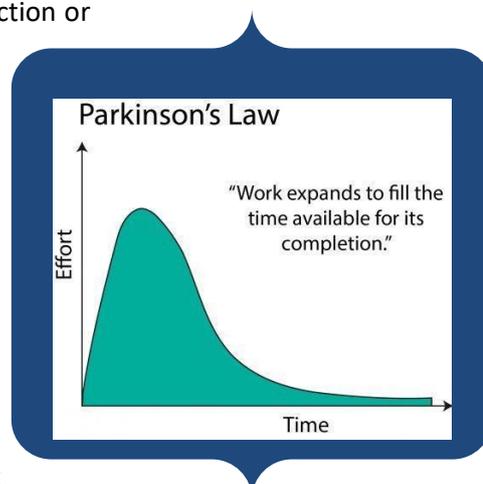


Freezing the hiring means organisation will not be filling the vacancies. In those cases, the alternatives will pop up automatically out of necessity.

2. **Training in New Skills:** As mentioned in the previous point, net surplus may not be common across all departments. Some departments may have a surplus and some still may have shortages. In this case, providing training to the surplus workers in new skills would help redeployment where the shortages are there. In organisations which operate in multi locations, this case generally happens. Basically, it would be a re-distribution after training.

Training costs will give returns. You will be retaining employees who are familiar with organisation's culture, people and machinery. The training will offer flexibility of redeployment whenever it is required. And skill inventory of the organisation goes up.

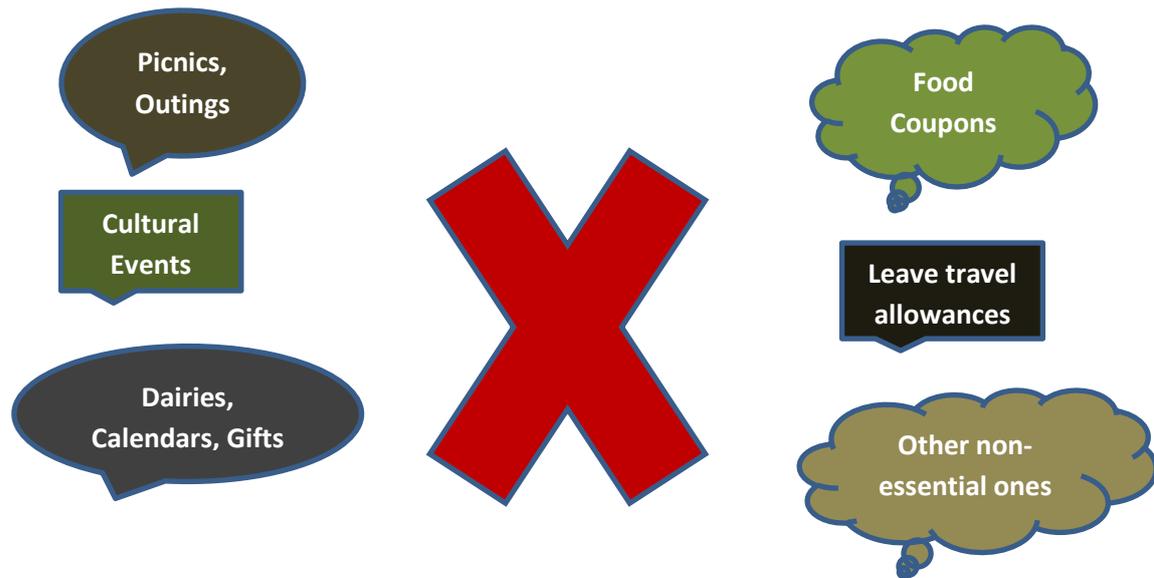
3. **Cut Outsourcing:** Some big organisations outsource support staff or clerical staff and put regular employees in their core function of production or development. In some cases, organisations outsource some of the functions. (Many ITES companies in India do the outsourced jobs of US and European Companies). In such cases, the outsourcing needs to be stopped and put all activities as in- house and get them done by the surplus workforce. Training may be required. This is an important measure since you can't retrench with one hand while outsourcing with the other hand.



4. **Remove Contractors:** Some organisations engage contractors/contracting agencies to get

some of their jobs done. It is very common for organisations engaged in construction/contracting works. As in the case of outsourcing agencies, the contractors are to be removed and the surplus manpower are to be engaged in those activities. In both cases, the added advantage for the organisation would be more control on all the activities.

5. **Cut Benefits, Perquisites** Aim is to cut the salary bill. When there is a surplus, organisation cannot afford paying for benefits and perquisites. For instance, if the organisation is paying medical insurance premiums for family members, then restrict it only to employees. Similarly, restaurant coupons. Also, cut expenditure on functions like annual day etc.,



6. **Shorten Work Weeks or Working Hours:** If it is 40 hours a week or a 5 day week, bring it down so that expenditure is reduced. In this system, though pay will be reduced, as the pay per hour or per day remains constant, employees may prefer it rather than pay cuts. Assurance will be there for employees to get their normal wages once the usual work weeks or working hours are back, say with a big order. Work from Home options also can be offered with reduced pay. For employees, it would offer savings in the form of reduced transport time, reduced conveyance expenditure apart from giving greater flexibility. Nowadays work-life balance concept is catching up with employees. As such, these schemes may find takers.
7. **Pay Cuts:** Though it doesn't find favour with anyone, people will realise the inevitability. People will realise that organisation can get new recruits at lower wages in a glut market. The pay cuts need to be across all levels of employees and will be better if the cuts are more for higher levels of management. That would convince employees and unions. Cut may be a small percentage so that it will reduce the resentment. For big organisations, even a small cut of 5% also makes a big difference in the salary bill.
8. **Furlough:** It is a temporary leave of absence. Introduce a compulsory furlough of a week or two weeks. Employees need to compulsorily take off without pay. In return for the reduction in pay (for this period) organisation would be giving free time to employees. Unpaid vacations give organisation a reduction in salary bill, and employees their jobs.

9. **Remove Overtime, Incentives and Bonus:** These are all extras to the salary bill which can be cut. As per the Payment of Bonus Act, organisations need to pay minimum bonus of 8.33%, but there are exemptions for non-payment and agreement with employees is one such.

Overtime is to be reviewed regularly, even in normal times also. There are many instances of fraudulent claims. Next shift employee takes sick off so that employee in the shift has to continue in the next shift and payment to be made at overtime rates (which are much higher than the normal pay rates and could be in the range of 150% to 200%). And in next instance, the first employee will reciprocate. With the result, organisation end up paying almost double the wages for the same work. Once overtime is cut, these frauds will disappear. And organisation can offer compensatory offs in lieu of overtime.

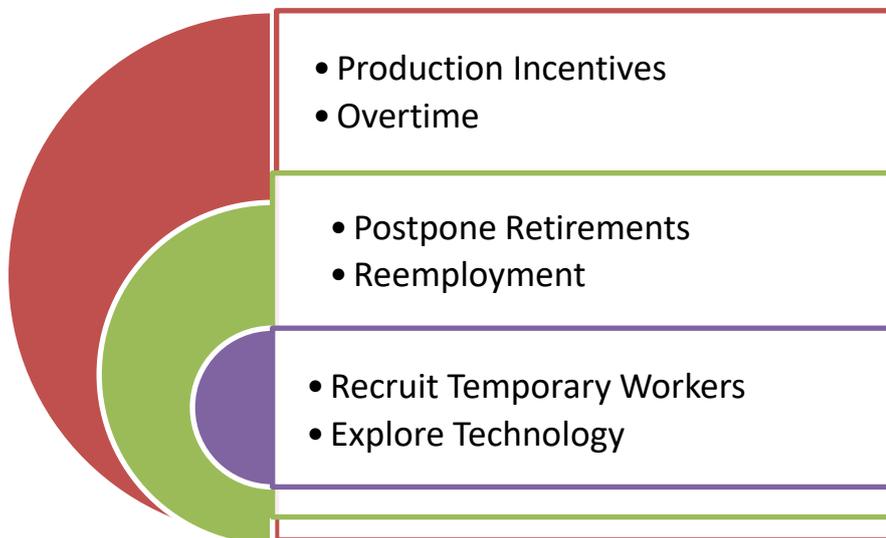
10. **Introduce Early or Voluntary Retirement Schemes (VRS):** People nearing retirement will be attracted. Most of these packages offer basic pay (without allowances like House Rent Allowance, Conveyance etc.,) for the balance service. It would be a win-win situation for both organisation and employees. For organisations payouts will be one-time and like a capital expenditure and savings in the form of allowances, perquisites, and bonus. For employees apart from getting a lump sum amount, they will get free time which they can use for any gainful employment. VRS can be offered selectively also like selective grade or selective division. VR Schemes are to be carefully prepared after studying skill inventory, employee data base otherwise, organisations may end up losing efficient employees and deadwood remaining.



11. **Lay off:** While retrenchment is permanent, layoffs are temporary. If the surplus is for a shorter period, layoff of employees can be tried. Statutory provisions of the Industrial Disputes Act, Factories Act would be applicable.
12. **Other measures:** A sabbatical (Leave for long term) can be planned. This would be useful for employees who would like to pursue higher studies or work abroad for short assignments. The job would be there for employee without pay. HR managers keep getting enquiries from their counterparts for filling up vacancies in their organisations and this can be utilised in suggesting some employees. Even otherwise also HR Managers can give counseling to target employees for any suitable careers outside and pursue them to resign.

**Dealing with Net deficit of Manpower:** We have learnt few methods in short term plans. Some more are given below. Some measures would just be the opposite of what we discussed in case of surplus manpower.

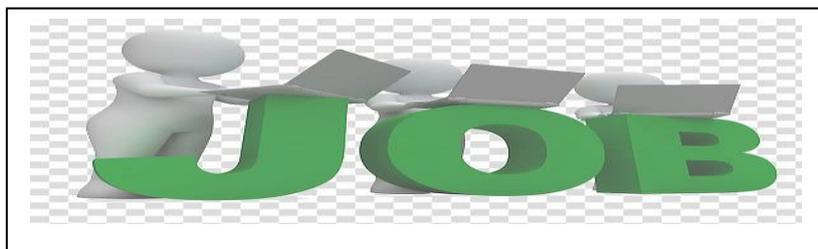
1. Introduce production and performance incentives. This will lead to higher production, higher productivity and optimum utilisation of manpower as incentives motivate employees to achieve higher production.
2. Introduce Overtime for short term targets or seasonal works.



**Figure 2.21 Measures in Net Deficit Manpower Case**

3. Postpone the retirements. Existing employees can be given an extension of services. This would be better than the recruitments since the existing personnel have proved their capabilities and adjusted to the culture of the organisation.
4. Reemployment. Employ already retired employees and also employees who have resigned earlier but showing interest to comeback.
5. Recruit temporary workers for seasonal demands.
6. Explore technology. Sometimes solutions may be provided by technology. There could be process changes. And also new machinery may reduce the need of manpower.

When exhausted all other measures go for recruitment.



Recruitment should fit into long term HR plan. It should be with the objective of retaining employee for longer period say 5,10 or 20 years. It should be with a view of talent acquisition and not for filling a vacancy which can be done using short term measures discussed. Give preference for employees who were laid off earlier (if any). Since people are required for the organisation the recruitment standards may have to be reduced as the skill sets can be improved through training.

In all the plans short term or long term, net surplus or net deficit, you must have observed one common element i.e., Training and Development. Many management do not understand the importance of training and there are also apprehensions among them. HR Managers should make the managements understand the value of training and make it a part and parcel of the organisations. Some organisations give incentives to employees if they acquire educational qualifications. Such policies are also to be continued or introduced if not existent.

**HRP Various Plans:** Having seen the process of HRP and different strategies/methods used in dealing with surplus and deficit manpower cases we can classify the plans in a different way. (Figure 2.22).HRP generates:

Transfers or alternative deployment plans – used when the position is overall net surplus but with net deficiencies in different departments/divisions/locations

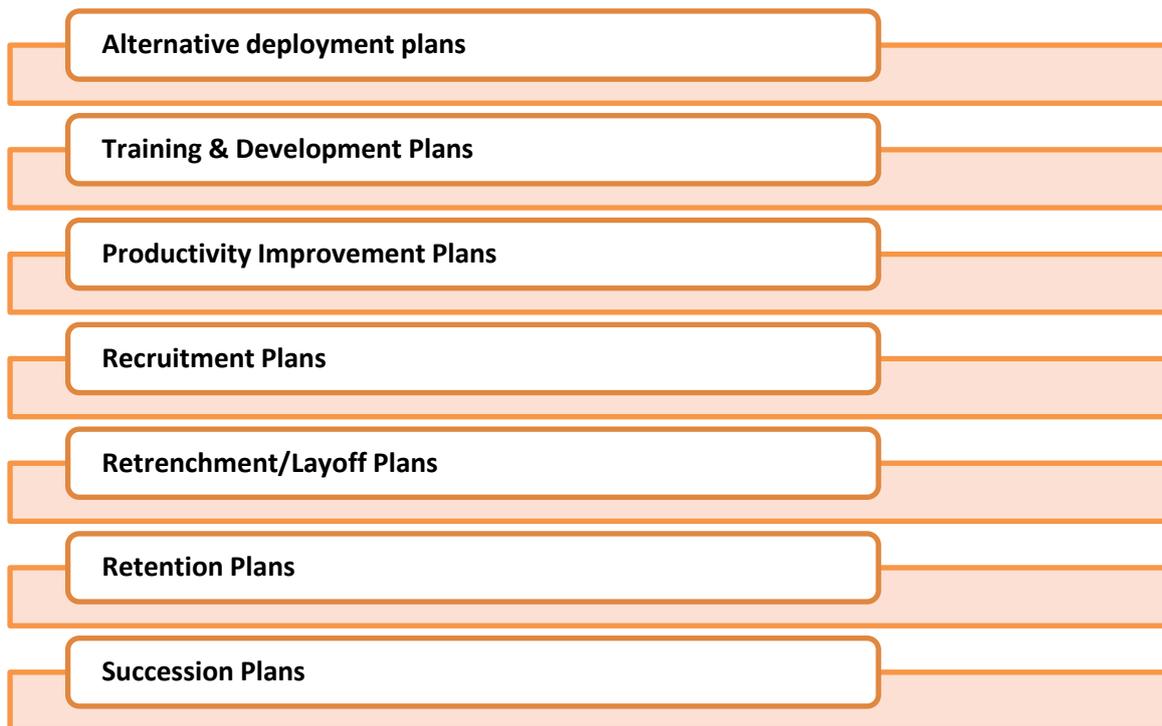
Training and Development plans – used in net deficiency situations and also overall

Efficiency/Productivity development plans – used in net surplus situations and taken up instead of retrenchment and also as a continuous exercise in all situations.

Recruitment plans – used in net deficiency cases and overall as a part of long term plans.

Retrenchment/Lay off plans – In net surplus cases after exhausting all other alternatives.

Retention plans –As a part of long term plans and otherwise as a key objective of HRM and Succession Plans (already discussed).



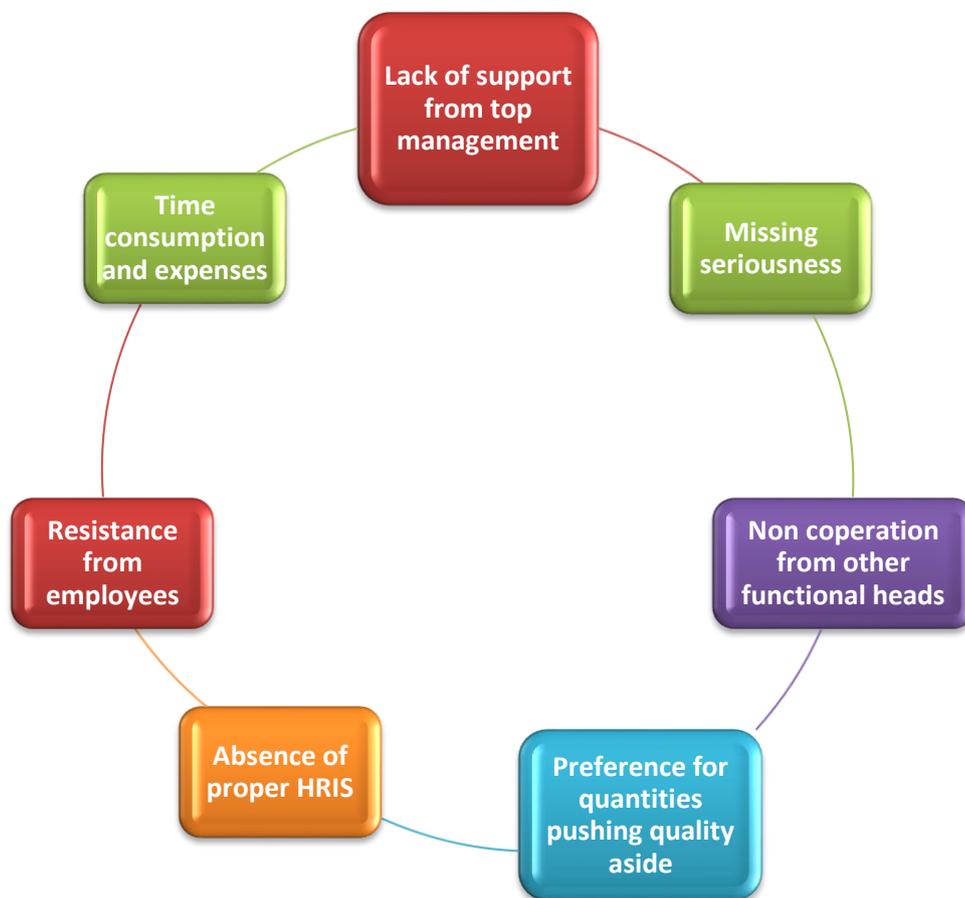
**Figure 2.22 Various Plans generated by HRP**

**Barriers for HRP**

Before we move to our next topic HRIS, let us find the barriers for HRP. (Figure 2.23)

1. Support from top management - HRP requires complete support from top management which is missing in many organisations.

2. Lack of seriousness – In some organisations, it starts with a big bang and the enthusiasm tapers down, with the result, the importance and seriousness will be missing.
3. Coordination with other functional heads – Not all functional heads would cooperate with HR department in the exercise. And sometimes the opposite also takes place. HR managers function in aloofness. Unless all concerned realise that it is a combined exercise useful to the organization, it would not be successful.
4. Emphasis on quantities – In many cases, the concentration would be on the numbers pushing the qualitative aspects like skill development to a corner.
5. Lack of Management Information System – HRIS (discussed in next section) is making entry but still at a slow pace. Not all managements will be interested in the investments.
6. Resistance from employees – The fear psychosis employees have that the exercise will lead to terminations in unskilled and other jobs is one of the main factors in their non-cooperation. They also feel that workload will be increased.
7. Expensive and time-consuming – The whole exercise takes time to complete. Management would be more concerned with day-to-day problems like supply of manpower and may not have the patience for long term plans.



**Figure 2.23 Barriers to HRP**

Dealing with surplus manpower situation is not an easy one to handle and if retrenchment is opted, it may become more difficult. You have seen some limitations for such exercise in the case study

Emerald Toys I. In Box 2.5<sup>11</sup>, case study Emerald Toys II is presented with different limitations. Background information is the same as in the previous case.

### Box 2.5 Case Study: Emerald Toys II

Debasish: As you know, the Company is suffering financially for a few years now. Although we have worked hard to reduce costs, still it is not giving much result. It is imperative that we have to reduce our salary expenses. Considering our present position and future strategies, we have too many people. To streamline operations, though it is unfortunate still we have to reduce our manpower.

Surabhi: An early retirement plan would be better than layoff. A small lump sum amount and extending health care till their natural retirement will find takers.

Asutosh: Let new employees go. Last hired first fired. My department needs experience. I can't lose all my older experienced people.

Surabhi: Legally that would be safest.

Atul: There is no way I am firing all my new hires. Do you know how hard it is to find new creative talent? My two new hires are potentially most innovative people. If we have to compete in the market we need to have creativity. Instead, layoff the least productive employees.

Surabhi: Our supervisors do not do proper performance appraisal. To fire people based on supervisor appraisals will give legal complications too.

Raghava Rao: Why don't we just cut the highest paid across the board. We could fire less numbers and save most money. Firing anyone is hard. Fewer the better.

Asutosh: No Thanks. I would lose my most experienced people. Recouping knowledge base would take years. If you lose all experienced people at once, production levels and quality will come down.

Atul: I agree. I would lose my most talented people. In today's market talent comes with a premium. If I lose my top earners, I lose my top talent. It will cost more money to replace them than to keep them.

Asutosh: There is a new trend I have seen companies using in which they offer employees a lump sum payment to quit. It's an innovative way to weed out employees who are not happy with the company. Unhappy workers are generally least productive and less motivated. I would rather lose employees who don't want to be here than ones who do.

Surabhi: This is a recent practice. You are right. It is always better to have voluntary separations than forced separations. However without a scientific survey we may find ourselves losing more people than we can afford. We would be paying people to leave and at the same time spending more money on recruiting, selecting and training. I want to look at some models and learn before considering it as an option.

<sup>11</sup> Emerald Toys II is a modified version of following case study. Fischer, A. K., & Henderson, M. (2015). Workforce Reduction: Strategic, Legal And Employee Concerns. *Journal of Business Case Studies (JBSC)*, 11(2), 49-56. <https://doi.org/10.19030/jbcs.v11i2.9174>

Debasish: There are multiple ways to reduce our salary costs, but we need to be careful to protect both employees and company. This is going to be hard on everyone. As such all of us should be on same page. I don't think that we can simply decide on a single company wide separation criterion. With a company this diverse and with as many cuts as we need to make, we are probably going to implement a minimum two-tier plan. Further we may need a specific plan for each division.

Raghava Rao: what exactly you mean by two-tier plan?

Debasish: Any one separation criterion alone will not achieve our target. So we need to choose our most favourable criterion for tier I or first round cuts, re-evaluate our position, then use our second most favourable criterion for any tier II cuts. Am I right Atul? You have more experience in this.

Atul: You are correct. We have followed same way in my previous company after merger. Our first step was to implement a company-wide early retirement incentive plan. When the open window for that program is closed, we determined how many more cuts needed to be made in each division. HR worked with division heads to determine best way to make cuts in respective divisions, given their strategy.

Debasish: Thanks Atul. I want every division head to work with HR and submit a staffing reduction proposal to me. Outline the major concerns and goals for your department. Remember while we would like to make these cuts voluntary basis, productivity and overall interests of the company should not be compromised.

Time line this week max. Surabhi to coordinate. Thank you all.

### QUESTIONS & ACTIVITIES

1. Create a two-tier separation plan for each of the three divisions of Emerald Toys, which will support the division's strategy.

Example:	Name of Division
Tier I – Go etc.,)	Type of separation (early retirement, Last in First
	How does this support division's strategy?
Tier II -	Type of separation
	How does this support division's strategy?

2. Create a two-tier separation plan for the Company as a whole.

3. Should Emerald Toys use a different plan for each division or a company-wide strategy? And why?

4. What are the additional steps Emerald Toys may want to take, to ensure that the downsizing goes smoothly and morale doesn't plummet (Implementation issues and other aspects).

## 2.5 Human Resource Information System (HRIS)

A cheque is presented at a branch of a bank. Man at the bank looks at it. It is a cheque drawn on some branch of a different bank. He picks up IFSC Code from the cheque, feeds some numbers in the computer, finds the balance of the drawer of the cheque and passes it. Whole operation takes a few seconds.

A man comes to Hisar (Rajasthan) Railway Station reservation counter and the booking clerk reserves a ticket as per his request for a journey from Tirunelveli (Tamilnadu) to Chaibasa (Jharkhand) for a train on a particular date. Computers at all three places are updated immediately in fraction of a second.

In both the cases, real time relational databases are used.

When the world is moving along with IT, don't you think that HRM should follow the suit? HR in a multi-location organisation or a single location one, don't you feel that, they should be in a position to find when and what was the training program an employee attended, without checking his file?

They should. And they should use HRIS. HRIS (HR Information System) is a Relational Data Base Management System (RDBMS) designed for HR function.



IT field has developed many solutions for every organisation and it has become an integral part of every organisation for organising, storing, retrieving and analysing data. HRIS is one such customised database solution for automating HR function. It helps HR in automating its processes of payroll, recruitment, training, HRP, job analysis etc., It is a tool for HRM.

Its application in recruitment can be easily understood when you look at the fact that some job advertisements get a huge response in tens, hundreds (SBI Probationary Officer job call gets applications in lakhs) and processing of applications is a big exercise. HRIS helps organisation to store data of its employees which can be used for performance evaluation, training, payroll, leave administration and many more processes.

It's actually not a new one and was getting used in different forms. Started with defense industry personnel payroll post world war II, (Kavanagh M. J., Gueutal, and Tannenbaum S. I., *Human Resource Information Systems*. 1990: Boston: PWS-Kent) developed along with statutory requirements of various information, got a boost in recognising its importance in around 1990s and rose along with various applications in the 21<sup>st</sup> century.

We can take HRIS as a software tool (package) which enables HR personnel to record, organize, analyse, store and retrieve information of employees and needed to manage employees. According to Tannenbaum (1990) "HRIS, one which is used to acquire, store, manipulate, analyse, retrieve and distribute information about an organisation's human resources".



HRIS is part of MIS (Management Information System) of an organisation.

**Objectives of HRIS:** HRIS should:

1. Enable collection and storage of employee information with zero or least paperwork.
2. Enable non-duplication of collection or filling in of the employee information.
3. Enable integration of all sub functions/activities of HRM like recruitment, compensation, training, performance appraisal etc.,
4. Facilitate secured storage and faster retrieval of analysed information of employees.
5. Facilitate multi-user operation for entry, updating and retrieval.
6. Have built-in security codes so that users can retrieve or see what is allowed only.
7. Increase the efficiency of HR department.

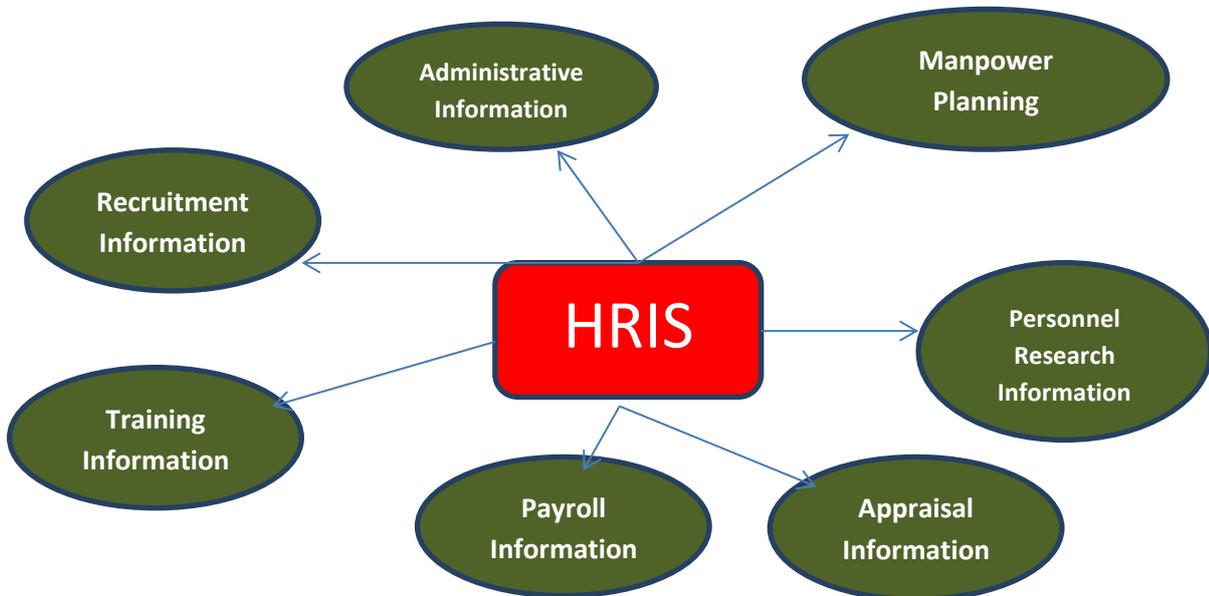
**Requirements of HRIS** Apart from what is contained in the objectives, the features/requirements of HRIS are:

- a. The software should be economical, allow for upgrades and new requirements of reports.
- b. It should also have a provision for increase in employee strength.
- c. Ideally, it should also have features of generating statutory forms like PF challans.
- d. The reports generated need to be apt, concise and to be useful for decision making.
- e. Data security should be a key feature in it taking into account the threat from hackers.
- f. Not all reports need all data. For instance, an employee's Date of Birth or Date of Joining and other minute details need not feature in all the reports (except where they are required). One should remember the fact that bulky reports need more storage space and require high-end (higher capacity) servers which are costly.
- g. Editing of primary entries should be permitted with inbuilt security features. Ideal databases will not permit editing at the same level and give such rights to the next higher level. And for the next level, again modification rights will be at next higher level or at system administrator level. This is to prevent wrongful modifications of data.

*Organisations use paper extensively without realising that it causes deforestation unless paper is recycled. They also use forms with repetitive information. Once an employee number is entered, system should facilitate retrieval of information like an IFSC Code in banking which is the identity of a Bank's branch and all related information can be fetched from that.*

- h. Access to reports should be on 'need to know basis'. In other words, system should give access of reports or entries to entitled users and should not be open for all. This is to prevent leakage of confidential information. (Employees' data may contain confidential, sensitive information which should not be revealed to everyone without their consent).

**Sub systems of HRIS** Let us find what HRIS gives or the framework of HRIS. Following sub systems will be inbuilt in HRIS. (Figure 2.24). Depending on the package there will be slight variations. Sub systems are modules in the package.



**Figure 2.24 Sub systems of HRIS**

**Recruitment Information:** Requisitions of staff requirements from various departments will become indents and stored with automatic numbering with appropriate coding. It will prompt the channel of advertisement – online, offline, through employment portals and references to others. All the applications received will be sorted and a consolidated list will be generated for scrutiny. Follow up actions like conducting screening tests, call letters or messages to shortlisted candidates for interview, interview process and the screening, intimations for final listed applicants, on boarding formalities through automated outputs. With the on boarding activity, the indent will be closed.

Indents can also be closed through transferring employees from other departments to the requisite department. And they also can be closed by a rejection if there is a hiring freeze or if management feels no more additions are required for the department.



If a screening test is to be conducted, then the module (sub system) will have provisions for the administration of such screening test – online or offline, question paper preparation by experts, arrangements for conducting test, time slots, supervision, evaluation, results etc., At all stages, the intimations to all concerned will be generated and mechanism ensuring delivery of these intimations will be incorporated. (In mails you can put return receipts, in what's app messages the tick marks, in letters delivery receipts from courier or postal department---).

All the applications will be stored in the database with appropriate tags – rejected, can be considered for future requirements (cases in which that the applicants qualified in all stages but down in the priority list), can be considered for different positions (sometimes when you are interviewing or screening CVs you may find that the applicant has different skills or abilities) etc., For future indents, this database will be tapped first so that process can be completed faster.

In some organisations which maintain websites, usually there will be a general call/provision for applications so that organisations will consider when a vacancy comes. Even without this organisations (with web site or without) get unsolicited applications. Module will store all such applications and will put to use for appropriate indents.

#### **Administration Information**

- Leave records of employees
- Employees' attendance (will be passed on to the payroll module)
- Retirement Dates
- Muster roles (For organisations that fall under the Factories Act, it is a must)
- Employee lists (Labour department insists)
- Information of maintenance vendors with fees, periodical payments, service reports, contract renewal dates etc., (In some organisations HR department deals with general administration also in which case all maintenance vendors information will be maintained otherwise it will be for HR department's maintenance vendors).
- All the statutory compliance records categorised into official formats

**Manpower Planning Information:** All the information as per the stages of HRP like Demand and Supply analysis etc., will be worked out in this module. In case of net deficiency, the periodical indents (depending on the time frame) can be generated from this module. Since the activity spreads over a longer period (one year to five years) periodical report generation will be there indicating the progress. Periodicity can be weekly, monthly or quarterly depending on the requirements of the organisation. Reports would also indicate pending activities and will act as remainders. These can be put in automatic mode so that they will be generated on the preset dates without any prompt.

The auto mode can be put for other modules also. For instance, a PF challan or information/statement required for PF payment can be made automatic to be generated on 3<sup>rd</sup> of every month so that it can be passed onto the Finance department as PF of previous month needs to be paid before 7<sup>th</sup>. Many of the information of statutory requirements like monthly/quarterly reports can be put in the auto mode by fixing appropriate dates.

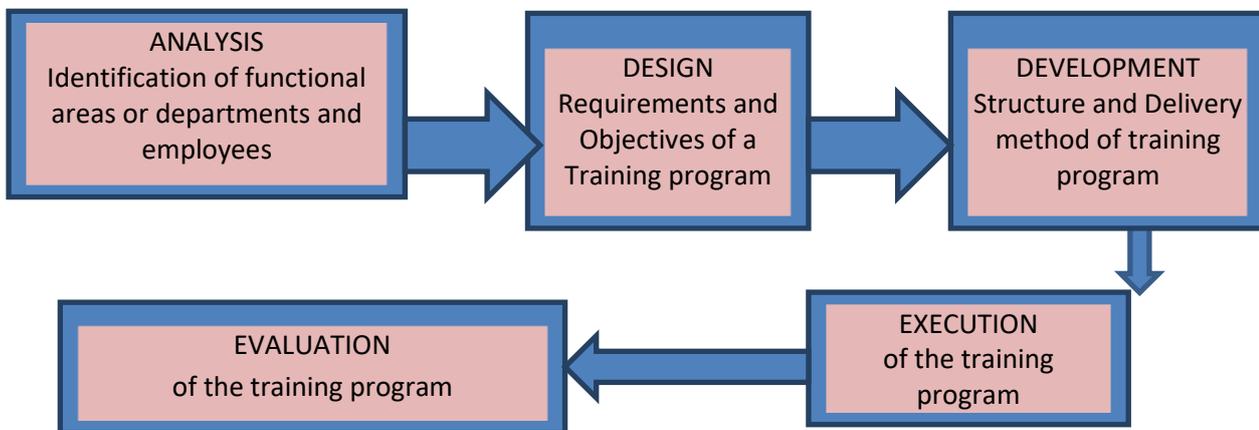
**Personnel Research Information:** Skills and abilities of personnel under different categorisation will be stored here. It will have connection with training module to enable updating. This module will act as input to other modules like Planning. The reports will be with cross classifications like one employee various skills, one skill of different employees etc.,

**Appraisal Information:** In this module, the personnel appraisals will be stored and updated periodically. This is a key one and reports are used for promotions, career development and planning. The system needs to ensure confidentiality. Usefulness of this module is more in

organisations where 360° appraisals (appraisals by subordinates, peers and supervisors and self-evaluations) are implemented.

**Payroll Information:** All the employee emoluments including overtime allowances, incentives, bonuses etc., will be stored in this module. Periodic updating with increments, special incentives etc., will be done here. Monthly payroll will be generated from this module which takes attendance input from Administration module. Module will have provision for different frequencies of payrolls. (In countries like USA weekly or biweekly – two weeks payroll systems exist).

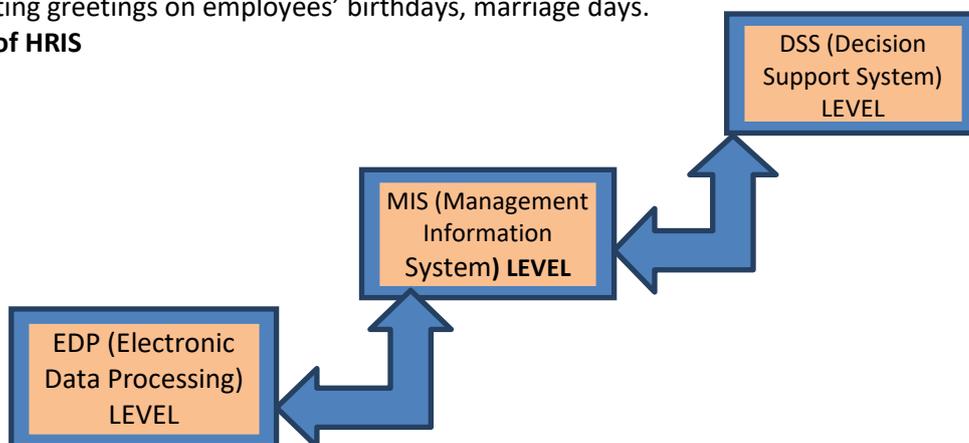
**Training Information:** All training and development programmes information will be stored in this module. Apart from training-wise employees’ lists, feedback on the trainers also will be stored. Module generates various reports like further needs of skills and abilities, how many employees are trained in a particular skill and how many are left out etc., If after training tests are conducted to evaluate the efficiency of a training program, the test information also will be stored. This module can be used for scheduling the programmes also. The training module can be used effectively if the process shown in Figure 2.25 is followed.



**Figure 2.25 Training Module of HRIS**

At every stage, the data and reports generated from the module are useful. Based on the database and information stored in other modules, identification of areas/employees for training is done. From this the objectives of training and based on these objectives program design takes place (as discussed earlier, methods like on the job/drawing board/lectures/simulation etc.,). Once the training program is conducted the evaluation takes place. At every stage module generates responses, feedback, suggestions and other inputs. Though looking very simple, it involves a lot of work and inputs from many people and HRIS would be very useful. Above mentioned is a broad framework and additions can be made or system can be tailor-made. For instance, it can be used for generating greetings on employees’ birthdays, marriage days.

**Levels of HRIS**



**Figure 2.26 Levels of HRIS**

There are different packages of HRIS and organisations choose as per the requirement and the level of usage.

**Electronic Data Processing (EDP) Level** – This is the basic level and packages are used for data storage. The aim is to store information in digital form instead of /or along with physical form of data. Reports will be confined to retrieval of data and few statements of analysis.

**Management Information System (MIS) Level** – This level is the actual purpose and usage one. All the framework and types of reports discussed will be part of this level.

**Decision Support System (DSS) Level** – This is advanced level and is useful for senior management. Here simulation exercises will be generated and system generates scenarios based on “what if” analysis and with different criteria. It would help the decision making process with the kind of analytical reports it generates. For instance, you can use for succession planning using simulation and what if for different choices of employees.

### **Implementation of HRIS**

It involves many steps starting from the selection of package and agency. Readymade packages can be purchased but one needs to be customised according to the needs of the organisation. Teams are to be formed for installation and testing and generally it would be module-wise. The agency will be involved till handholding is completed in all respects. And it will continue to maintain.

One thing to be remembered is that the implementation takes time and the time frame could be three to six months minimum and can be longer also.

### **Chapter Summary**

HRP is the process by which the organisation ensures that it has right number and right kind of people, at the right place and at right time, capable of effectively completing those tasks that will help the organisation achieve its objectives. HRP is very important for every organisation to utilise human resources effectively and is useful in many aspects like succession planning.

Sharon Pandey and Swapnalekha Basak have defined “HRP is the process by which the organisation ensures that it has right number and right kind of people, at the right place at the right time, capable of effectively completing those tasks that will help the organisation achieve its objectives.

According to Geisler, “Manpower planning (HRP) is the process – including forecasting, developing, implementing and controlling, by which a firm ensures that it has the right number of people and right kind of people, at the right place, at the right time, doing things for which they are economically most suitable”.

HRP exercise involves scanning of environment, detailed study of organisation objectives and Demand and Supply forecasts of manpower. Through various techniques like Managerial Judgment, Ratio trend analysis, NGT, Regression Analysis, Delphi Technique, Work Study Technique, Workforce Analysis, Flow Models etc., the demand forecasts are made. Supply forecasts are made by studying existing resources, internal and external supplies of manpower. Inflows and Outflows method, Employee turnover method, Cohort Analysis, Census Method and Markov Chain are some of the methods used for estimating Internal Supplies.

From these, the net position (Surplus/Deficiency) is arrived at. HRP is done for both Short Term (for a year) and Long term (5 years and above). It is also done at National, Sectorial, Industrial and Unit levels and in a Unit at Department and Job levels. HRP suggests ways to tackle short term manpower deficiencies without increasing permanent employees’ strength to the extent possible. Introduction

of Overtime, Production Incentives, Postponement of retirements, reemployment of workers who were laid off earlier, recruiting temporary workers and using technology are some of the techniques.

And in cases of net surplus, it gives many solutions for reducing payroll expenditure without affecting morale of employees. Hiring freeze, cutting outsourcing and sub- contracting, banning overtime, incentives, bonus and perquisites, reducing working hours, introducing furloughs, pay cuts, voluntary retirement schemes, lay off and introducing sabbatical leaves etc., are some of the measures before resorting to retrenchment. It also suggests a planned way for tackling net deficiency position. For HRP and HRM function a major useful tool is Human Resource Information System(HRIS). It is a software package and with various modules, data storage and data mining are done with employees' data and gives many useful reports for decision making.

### Model Questions

1. Define Human Resource Planning and explain its need and importance for an organisation.
2. What are the factors which affect HRP?
3. Explain HRP process.
4. Describe any two techniques each, used in Demand and Supply forecasting in HRP.
5. In a short term HRP exercise for an organisation it was found that organisation has net deficiency of manpower. What measures you can suggest for the organisation?
6. What are the objectives of HRP?
7. What measures you can suggest for an organisation which has net surplus of manpower?
8. What are the barriers to HRP?
9. What Is HRIS? Explain its framework.
10. How you can automate recruitment process of your organisation?

### MCQs

1. To calculate the need of manpower on the basis of the average loss of manpower due to leave, retirement, death, transfer, discharge etc., is known as:  
a) Work load analysis    b) Work force analysis    c) Job analysis    d) Forecasting
2. Skills inventory, Replacement charts, Markov analysis, Regression analysis etc., - all are types of:  
a) Redundancy plan    b) Training plan    c) Retention plan    d) Forecasting methods
3. To calculate the number of persons required for various jobs with reference to planned output is:  
a) Work load analysis    b) Work force analysis    c) Job analysis    d) Forecasting
4. Following is/are the option(s) while planning for surplus:  
a) Reassign the jobs    b) Redesign the jobs    c) Reduce work hours    d) All of the above
5. A process that is used for identifying and developing internal people with the potential to fill key positions in the company is called:  
a) Highly talented personnel creation    b) Investing in human resources  
c) Succession planning    d) None of the above
6. Which of these factors not included in environmental scanning?  
a) Political and legislative issues    b) Economic factors  
c) Technological changes    d) None of the above
7. ----- is the process of estimating the quantity and quality of people required to meet future needs of the organisation.  
a) Demand forecasting    b) Supply forecasting  
c) Environmental forecasting    d) None of the above
8. Which of the below given options are forecasting techniques?  
I – Ratio Trend Analysis    II – Delphi Technique    III – Staffing projections  
a) I & II    b) II & III    c) I & III    d) I, II & III



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#### Answers to MCQs

1. (b) 2. (d) 3. (a) 4. (d) 5. (c) 6. (d) 7. (a) 8. (a) 9. (c) 10. (c)  
11.(c) 12. (d) 13. (a) 14.( c) 15. True

## Chapter 3 Job Analysis

### Introduction

Intricacies of a job is a puzzling question in many minds, be it employers or employees or social science researchers or Governments. The shift from agriculture to industrialization brought many varieties of jobs, and along with them many concerns. Be it pay or working conditions or fatigue or mental stress associated with jobs, research on various aspects of a job has become an ongoing process for centuries.

The starting point is the understanding of a job. But this is not easy because perceptions differ among stakeholders and onlookers. The variety of jobs complicates issue further. Studying a job after splitting into activities, functions, responsibilities, outcomes, feelings at a micro level, could bring all stake holders to one page. And that is what Job Analysis does.

A research on, say chemicals, split substance to micron level, observe reactions, experiment with mixtures and so on. Job Analysis also does a similar thing. A Job is split into activities, further to minute tasks; observe relationships, conditions and so on. It presents a vivid picture. Different approaches. Many Models. Intriguing theories. Models based on sociology and backed by psychology.

This chapter unveils some of them.

### Objectives

- To explain the concept of Job Analysis
- To familiarize need and Importance of Job Analysis
- To provide insights on methods of conducting Job Analysis and what is competency-based job analysis
- To explain Job related aspects like Job Design, Job Description, Job Specification, Job Rotation, Job Enlargement, Job re-engineering, Job Enrichment and Job Evaluation and what is Job Characteristics Theory.

### Chapter Structure



“Choose a Job You Love, and you never will have to work a day in your life” Confucius

“Find out what you like doing best, and get someone pay you for it” Katherine Whitehorn

### 3.1 Job Analysis



What is a Job? It means work. What work? When we go to offices, sometimes we hear words “Ask the customer care man. It is his duty”.

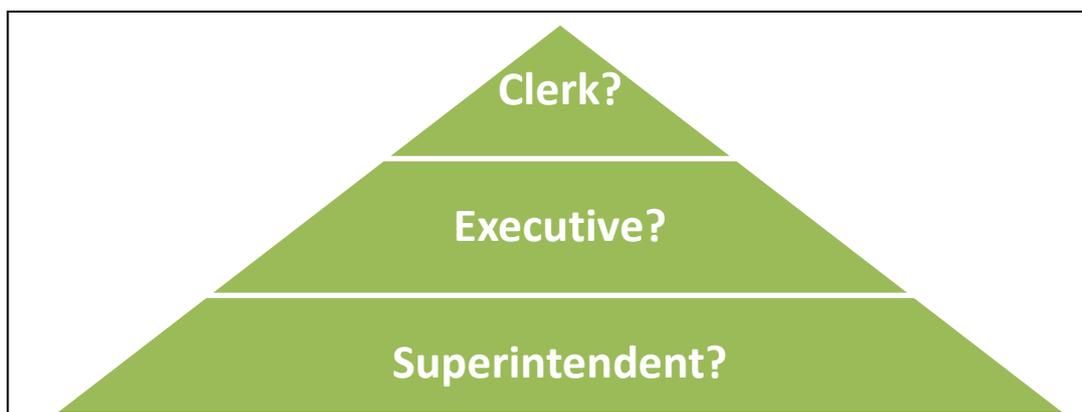
What duties are connected to a job? Sometimes we also hear “It is his responsibility”. What responsibilities are there in a job? Sometimes we are asked to fill in a form, what is your occupation. Business or Service or --- What is occupation? It is work done by a person to earn money. Actually, it is consideration, but to simplify we refer it as money.

One can do a business. One can do a job. One can be a doctor. One can be an advocate.



Job is one kind of an occupation. In case of occupations other than jobs, they convey some idea about it. A business. What business? Seeds business. I get some vague idea that this involves activity of selling seeds to farmers.

Doctor or Advocate. Actually, these are professions. In the case of professionals, it is easy to get an idea on what they are doing. If someone is a doctor, I know what he does. May be in general terms only. A pediatrician. Doctor for children. Cardiologist. Doctor for heart. A Criminal Lawyer. He takes up cases of crime.



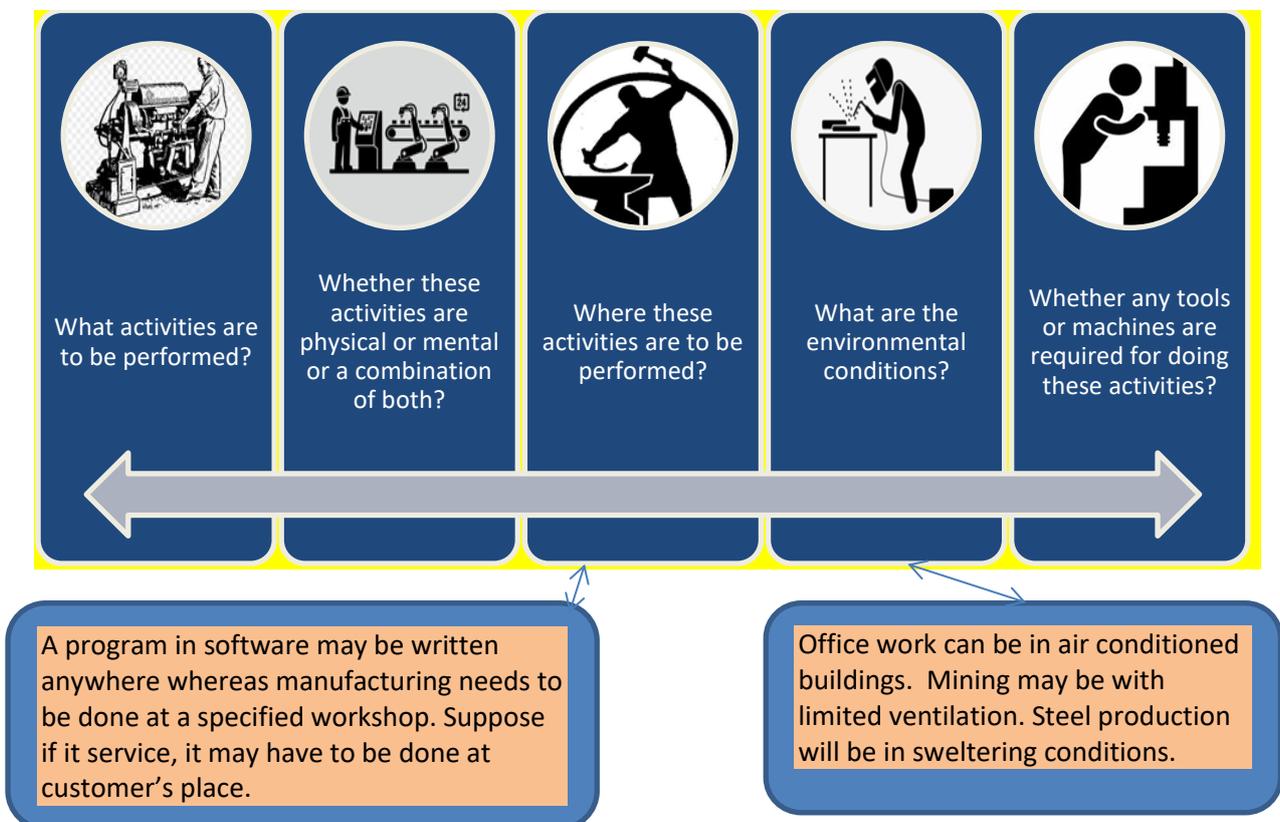
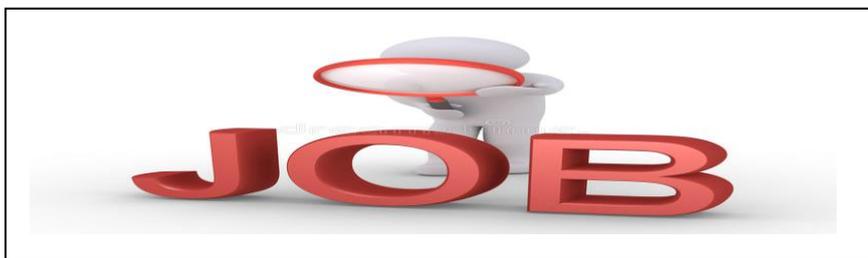
Do we get information from a Job title? In some cases, some vague idea. Sales Manager. He does sales. Accountant. He keeps the books of accounts.

Clerk means? Superintendent means? No idea is coming. Isn't it? May be from the type of organisation, we may get some idea. Or we may not. "Executive" job will be there in many organisations.

But why we need this? It may not be a bother for all others. But for HR Manager it is needed. Remember HRP? In an organisation there will be many activities. One needs to divide these activities into bunches or jobs so that one gets number of jobs. It is not an easy task. There will be activities which are to be done in sequence. There will be activities which support the main activity. And other considerations. We need to know what a job is or what all the activities are in the job, in the first place.

This is **JOB ANALYSIS**.

Job Analysis is to collect all information about a job. The information to be collected would give answers to many questions. Some typical questions are shown in Figure s 3.1, 3.2 and 3.3.



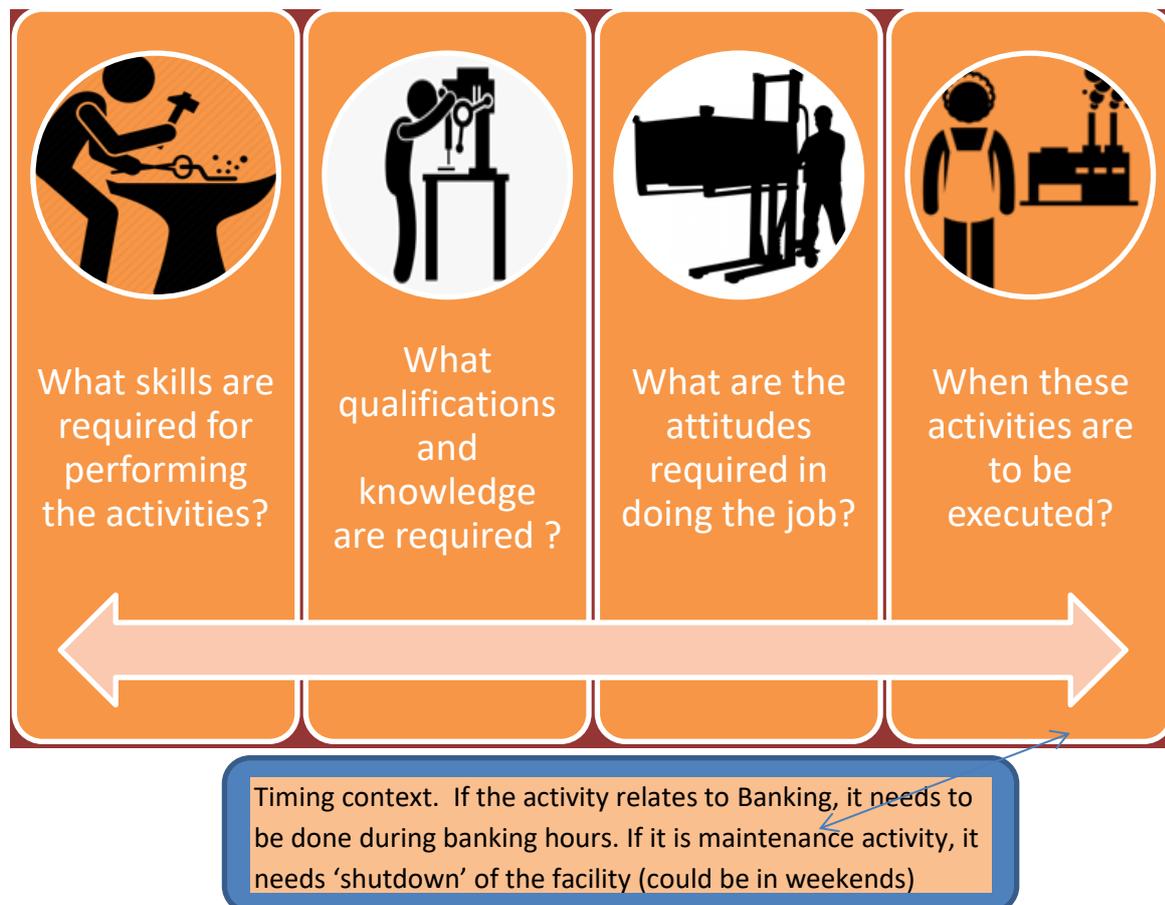
**Figure 3.1 Questions which are part of Job Analysis (Set I)**

Before or while analysing an activity, one pertinent question will be there i.e., whether a particular activity is required or not. This is important because number of activities and the time taken for completion of each activity will decide the number of jobs. It is also needed to check the efficiency of the system or process. A job is a bunch of activities in a 'process', and there could still be a better or efficient way for the 'process'. Scrutiny may expose activities which are not necessary.

Even in most professional organisations, redundancies exist unless timely reviews take place. Some activities become superfluous because of the changes in the systems or processes or technological developments. For instance, with the use of punching devices (time in and out recording machines with fingerprint or even voice based) the activities of 'Time Office' in factories are reduced. You can find many forms/applications in Government offices, Banks etc., which would contain duplicate or unnecessary details. And the person's (who checks these) time will not yield any productive output to the organisation. (If you write your AADHAR number, it contains most of the important information which need not be filled in again). Similar ones one can find in making GRNs (Goods Receipt Notes) for entry of goods in organisations.

At the same time, there is also a constant endeavor in simplifying the activities. You must have observed some of the courier/e-commerce companies are not taking signature on paper. Instead, the same is taken on the tablet of the courier. And some companies are just clicking the location (from Google maps or otherwise). In both the cases, the use of physical paper is dispensed with and also the activity of the courier is simplified. The activity at the back office (of the job of checking the receipts) is also simplified since the receipt is obtained and updated in the online Data Base.

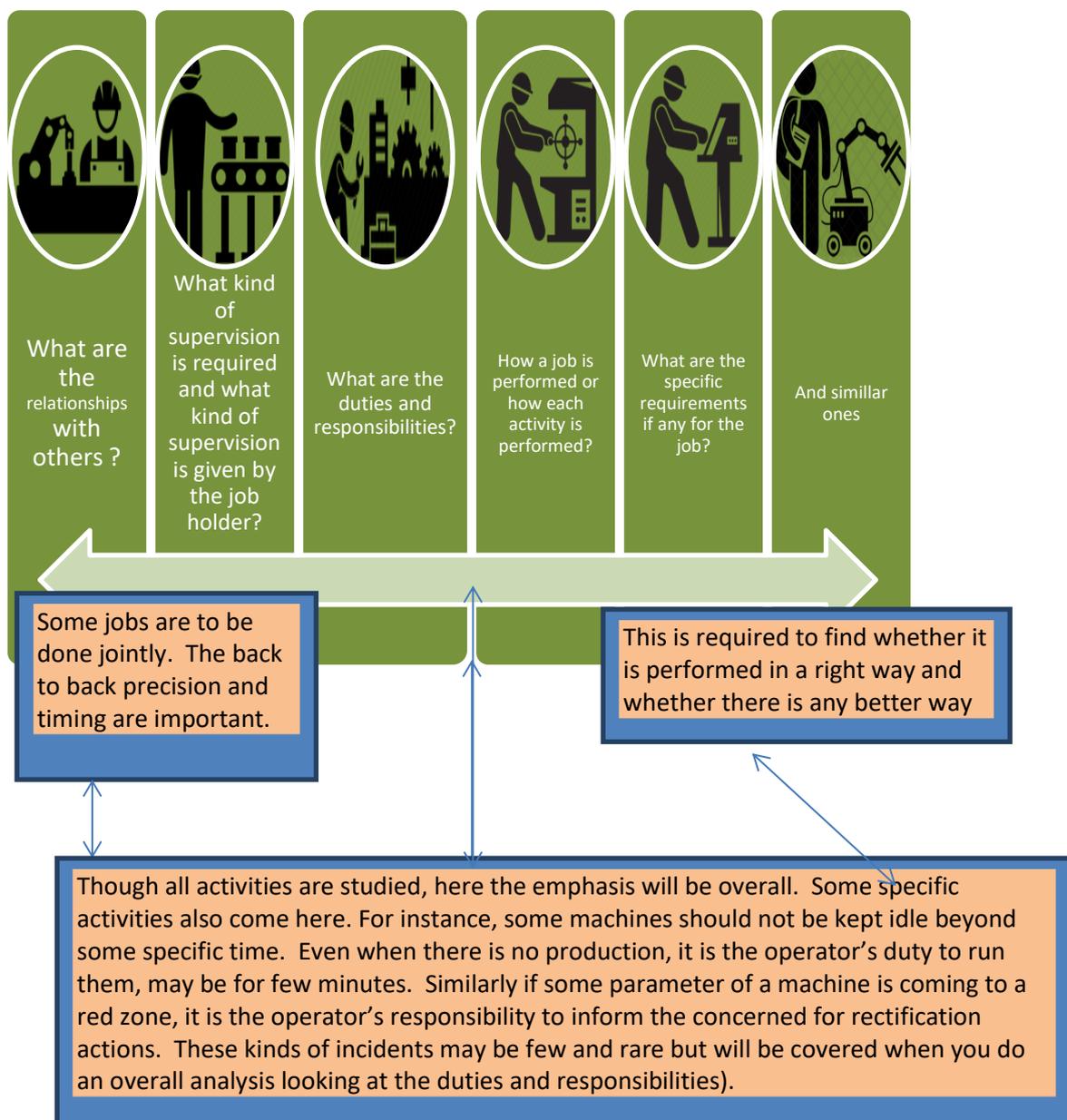
With the use of Wi-Fi debit/credit cards, the activity of billing counter is shortened.



**Figure 3.2 Questions which are part of Job Analysis (Set II)**

The 'when' question leads to the examination of 'sequence' of activities as well. Some activities are sequential, but timing may depend on something or on someone else's action. For instance, a person operating a reactor in a pharmaceutical company may have to wait for the reaction/setting of a mixture of some chemicals before adding one more chemical. In the SAP or ERP unless a 'job' or 'activity' code is created, other persons (users/other departments) cannot punch anything like a Purchase Order, Indents for materials, Requirements of manpower etc.,

This can also lead to further analysis. In the reactor operator example, further questions can be generated. Is the person sitting idle? Can he/she take up some other activities meanwhile? Or his/her presence at the reactor is essential? It may be required for the person to watch the reaction constantly so that any abnormality can be identified and taken care of. With regard to attitude, apart from what we have discussed earlier, discipline is one key attitude for some jobs. For instance, following SOP (Standard Operating Procedure) is most important in chemical industries as any deviation by the worker may lead to a disaster. At the same time, an absolute rule-bound attitude, without flexibility may just simply lead to time delays if the activity pertains to office work.



**Figure 3.3. Questions which are part of Job Analysis (Set III)**

Basically, job analysis is anatomy of a job. It is collecting complete information systematically, studying and analysing a job. One key point to be remembered is that, it is the study of job and not the incumbent (individual who is doing the job) as the job analysis should be objective and should not be changed with a change in job holder. This is to avoid bias which may set in without realising. For instance, an efficient and sincere worker may be performing an activity for years well, but the same, still may not be the right way of doing it.



**Figure 3.4 Important Terms in Job Analysis**

To understand job analysis better let us try to capture the important terms (Figure 3.4 lists some).

Gary Dessler (Human Resource Management 9<sup>th</sup> edition pp. 214-216) defined:

**Task** – A distinct, identifiable work activity composed of motions.

**Duty** – A larger work segment composed of several tasks that are performed by an individual.

**Job Responsibilities** – Obligations to perform certain tasks and duties.

**Job** – A job is a group of common tasks, duties and responsibilities.

One can also put a **Task** as a distinguishable part of work which is an element of a **job** and a **Duty** as an obligation of an employee to do. Duty consists of many tasks.

Pravin Durai (Human Resource Management pp.68-70) defined:

**Task** – An act which is performed as a part of a job. It is a distinct unit of work and yet forms an element of a job.

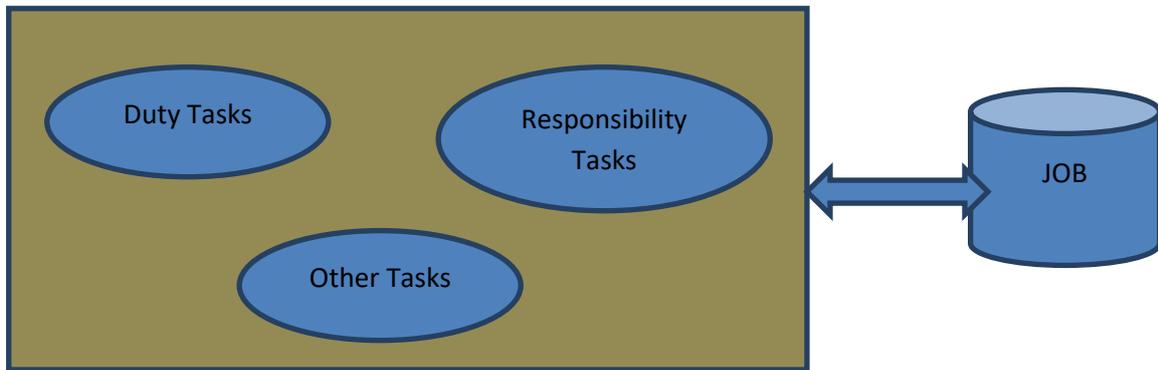
**Duty** – It is an obligation for a worker to do a job as a part of a legal or moral reason.

(Here Job is to be read as a task, because a job consists of many duties).

**Job** – It means a role performed by a person in an organisation. A job comprises several related tasks required to be performed as part of it.

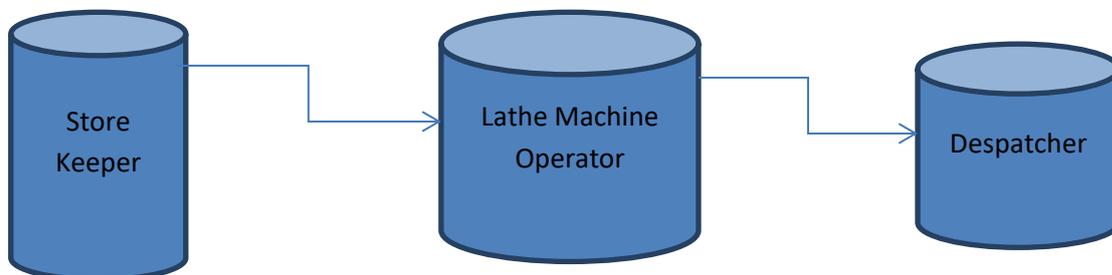
**Position** – It is a place of an employee in the organisation structure and is commonly known by the relevant job title.

**Occupation** – It is something that engages the time, thought and attention of an employee. It refers to the common categories of jobs.



**Figure 3.5 JOB**

Remember a Job involves many activities and a work in an organisation involves many jobs. For instance, raw materials are issued by storekeeper, converted by Lathe machine operator into finished goods, which are sent to customer by despatcher.



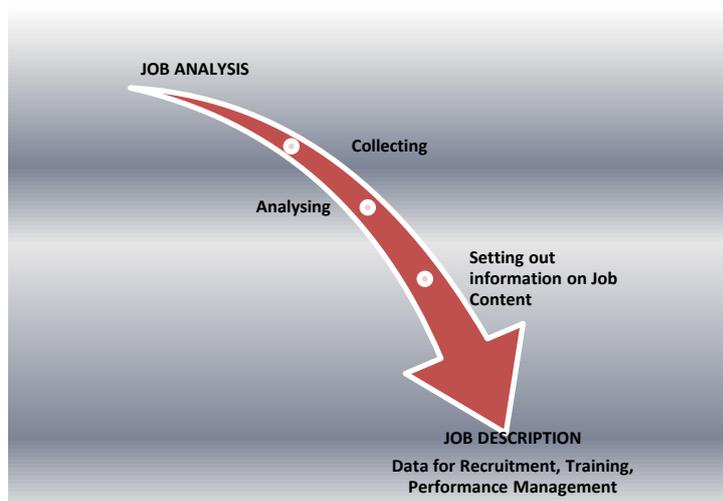
Now let us study some definitions of Job Analysis.

### **Definitions**

Harry L. Wylie defined “Job Analysis deals with the anatomy of the job ....This is the complete study of the job embodying every known and determinable factor, including the duties and responsibilities involved in its performance; the conditions under which performance is carried on; the nature of the task; the qualifications required in the worker; and the conditions of employment such as pay, hours, opportunities and privileges”

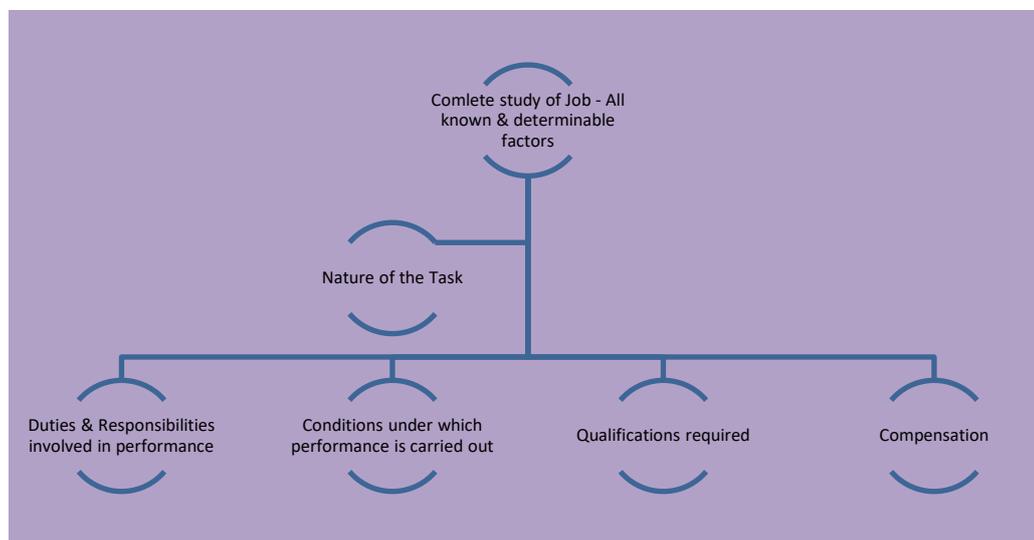
Michael Armstrong defined “Job analysis is the process of collecting, analysing, and setting out information about the content of jobs in order to provide the basis for a job description and data for the recruitment, training, job evaluation and performance management”.

Edwin B Flippo defined it as “Job analysis is the process of studying and collecting information relating to the operations and responsibilities of a specific job” . All the definitions are describing Job analysis as a process. It is a process of collecting information on the job. While Flippo’s definition describes the process, Armstrong’s definition gives the purpose of the process apart from the description. Refer Figure s 3.6 and 3.7 for understanding the process and the broad groups of factors of study.



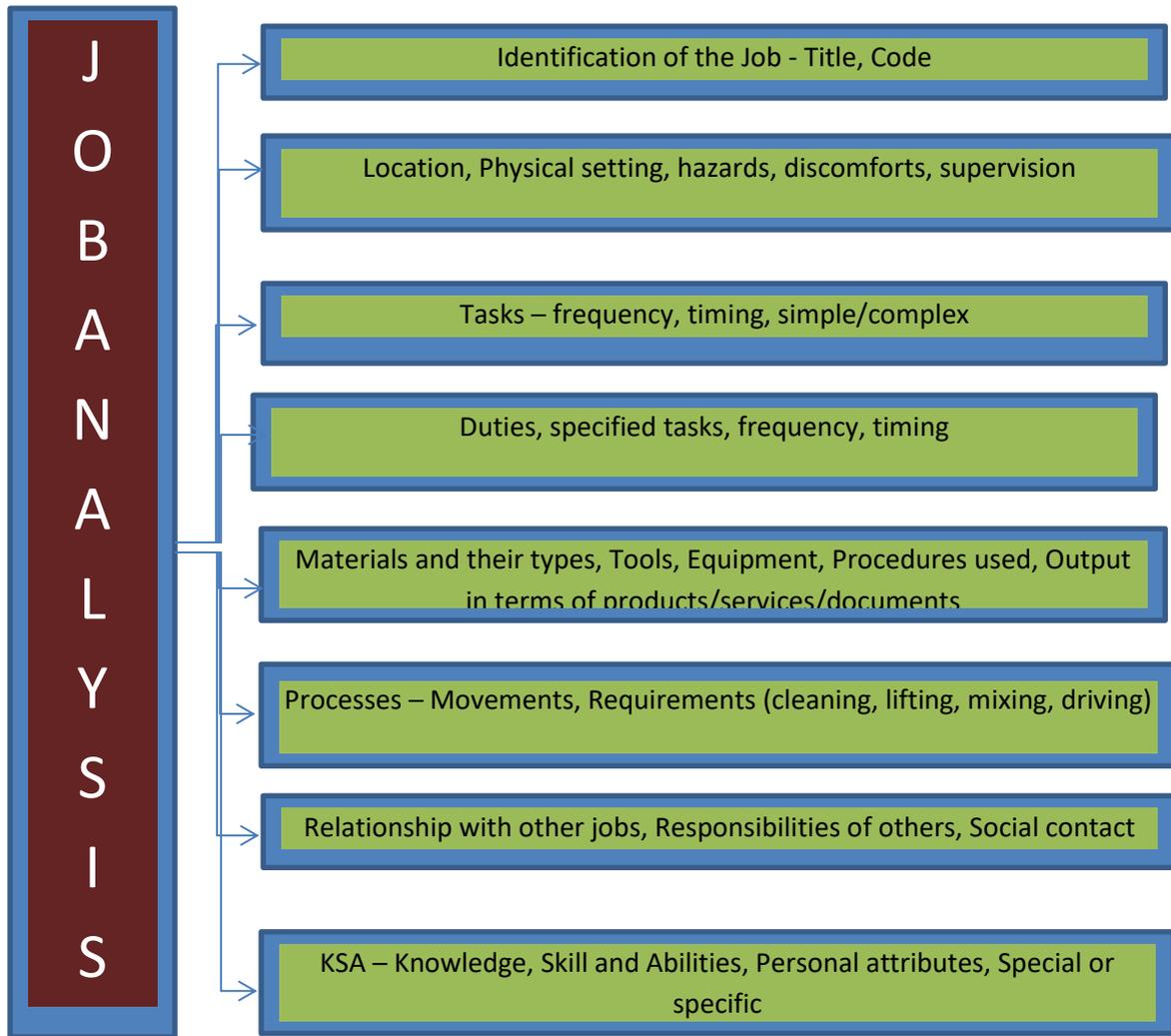
**Figure 3.6 Job Analysis Process**

Wylie’s definition elaborates the data requirements in the Job analysis. It gives a larger contour. It is also providing a base for comparison so that parity can be established among different jobs in the long run since compensation or conditions of employment are also brought in.



**Figure 3.7 Job Analysis – Broad Groups of Factors of Study**

The definitions combined with sets of questions given in the Figure s 3.1, 3.2 and 3.3 give the understanding of the concept of Job analysis. Remember the questions given are only broad ones and indicative. They are not exhaustive. Similar questions or new questions are to be developed to make the job analysis to micro level. Different goals and benefits of Job analysis are discussed in the next section. Having discussed, we can put Job analysis as a collection and analysis of basic information shown in Figure 3.8. Depending on the objective of job analysis exercise, the list keeps expanding.



**Figure 3.8 Job Analysis – Information Categories**

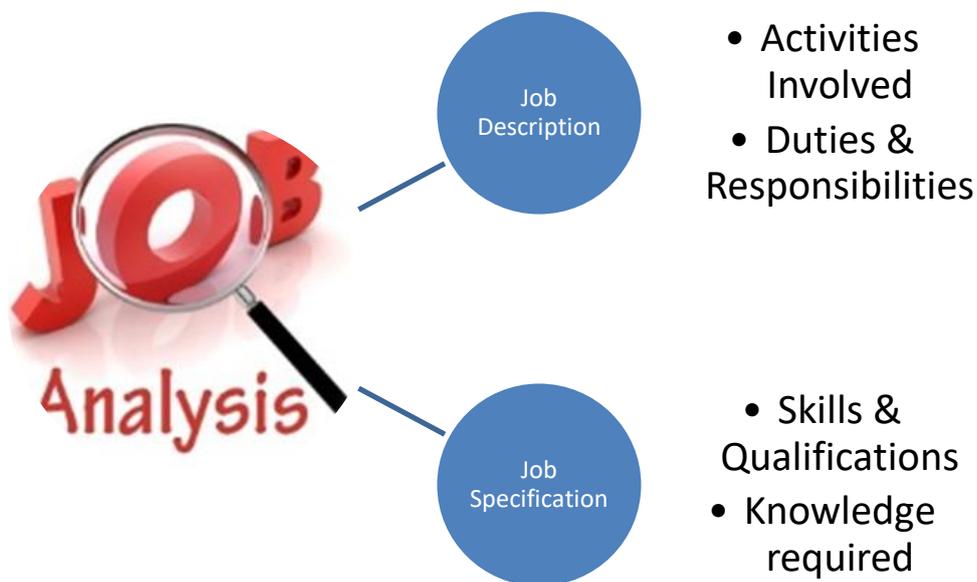
**To Do Activity**

Based on your observation prepare Job Analysis Sheets for the jobs of Teller in a Bank and Enquiry Counter in a Railway Station. You need to consider all factors including working conditions, nature of duties, fatigue, relationship with other jobs (activities) etc.,

### 3.2 Importance and Benefits of Job Analysis

Why do we need Job analysis? It answers the basic question, whether the job is necessary for the organisation. Apart from this, it is very important because of the following benefits.

1. Based on the job analysis, job description and job specifications are prepared. (Figure 3.9). Job description is the document which gives what all activities involved in the job and the duties and responsibilities. Job specification is the document which gives what skills, qualifications and knowledge levels are required for an employee to do the job. This is the basis for recruitment. Organisation will have a complete picture of the job and with the help of this, it can look for a person who has required skills and knowledge to match the requirements.



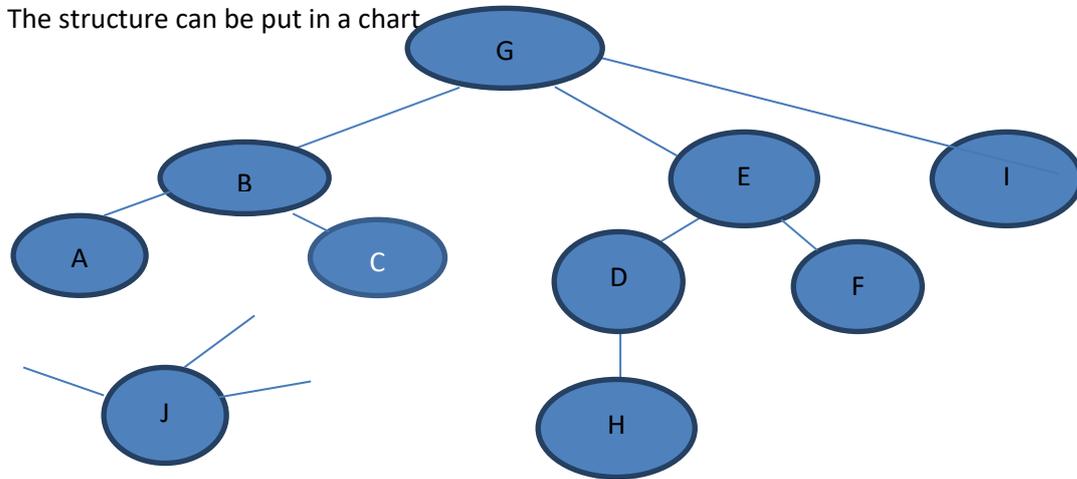
**Figure 3.9 Outputs of Job Analysis**

2. The objective of HRP is fitting right person. Job analysis helps in fulfilling this objective since it gives exact specifications for the employee. It is analogous to giving specifications for buying a machine. For instance, if you are buying a reprographic machine, you would be specifying parameters like compatibility for various modes of inputs say wired/wireless LAN, USB, speed etc., Right person means right fit and job analysis helps in this, which will avoid over qualification and under qualification.
3. Job analysis will help HRP exercise in deciding correct number of jobs required according to the organisation's objectives and operational plans. Total quantum of work, when classified into various jobs and work expected per job together, will give the total number of jobs category-wise which will be the basis for HRP.
4. Job analysis helps in designing correct structure for the organisation. Each job sheet will give relationship with other jobs, to whom the employee has to report to (supervision) and who has to report to the employee. All the job sheets together will give the structure. See the example in box 3.1.

### Box 3.1 Example of a Department Structure

Suppose we have 10 jobs A,B,C,D,E,F,G,H,I and J. A and C need to report to B. D and F are to report to E. B and E are to report G. D has an assistant H. I will report to G. J supports all.

The structure can be put in a chart



This will help in making changes in the structure. Depending on the need and keeping the objectives in mind one can redesign and in the process eliminate wastages also. For instance, in the example given, further analysis of existing structure can be made. In the process, brainstorming can be done like –

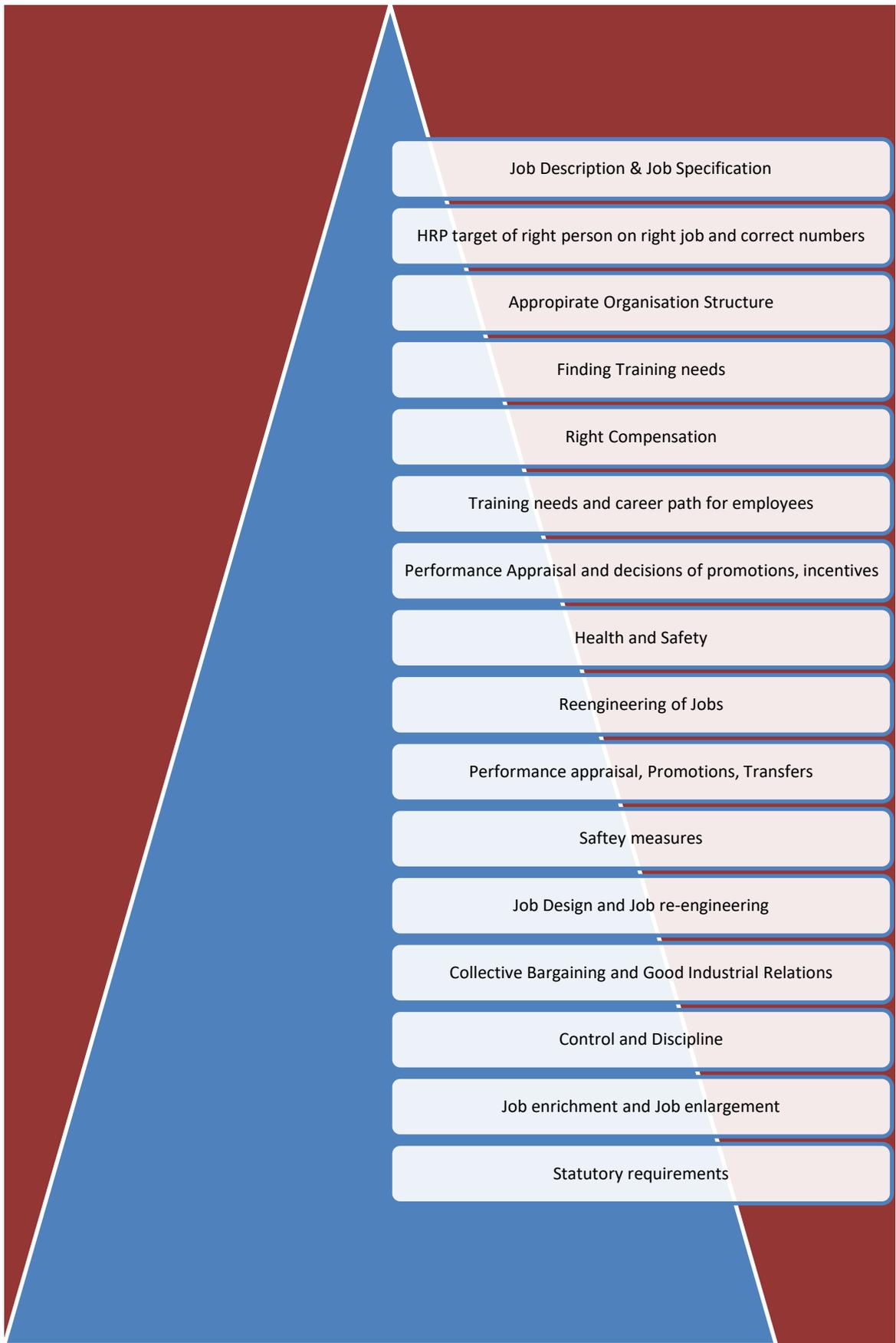
- Whether B and E positions can be clubbed if they are similar and utilise one of them for some other work.
- Why job H - whether it should continue to be there in that position or can be changed.
- Whether these many subsections are necessary or not.
- This is a line organisation (Pyramid structure-Bottom more and top small). Should it be continued or any changes can be made.
- And similar ones.

#### 5. Job analysis helps compensation decisions.

In general, compensation is decided based on qualifications, skills, experience etc., and it also depends on the market and could be industry-specific. Job analysis helps making job evaluation. It is deciding how much a job worth. From the job analysis sheets, all details of KSAs- Knowledge, Skills and Abilities are known and based on the market conditions one can compute how a much job worth.

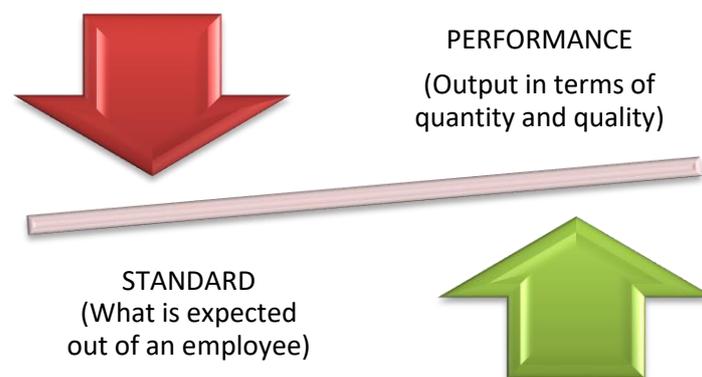


6. From the sheets of job analysis, comparisons can be made. It will give similarities and differences among jobs. For jobs which have equal (equal means similar kind of duties and responsibilities, working conditions, skills, knowledge requirement etc., in other words equivalent ones) job content the pay can be equal. For different job contents, the differences and their market rates will decide the compensation. Job evaluation would be of help in these cases. (We will discuss the Job evaluation in another` section). The entire exercise will give a rationale for the compensation structure of the organisation. Job contents also can be changed if required while fixing compensation.
7. Job analysis helps in finding the training needs of the organisation. Analysis will set the standards. For instance, if the industry standard is x number of units production per day and an employee is making less number of units; it means the employee needs further training. May be he is facing problem in making adjustments in the machine for various parameters. Similarly, if it is a service organisation if an employee is not able to take standard number of calls, he could be slow in diagnosing the problem. From these instances and analysis, organisation will come to know the training needs. Job analysis also helps in finding the training and development needs in attitude.
8. Job analysis helps employees in their career path. When standards of the jobs are shared with the employees they will find the requirements. For improvement in skills, the training programmes will help. For acquiring new skills or to gain knowledge they will start finding avenues. Organisation can encourage them by introducing incentives for acquiring additional qualifications, getting external training etc., Employees can also find promotional opportunities.



**Figure 3.10 Benefits of Job Analysis**

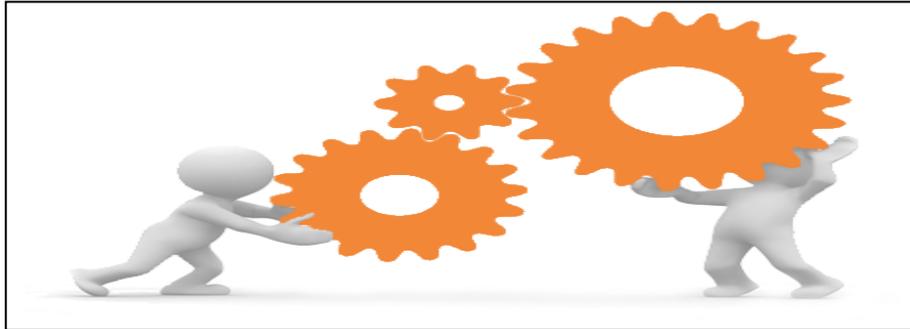
9. Job analysis plays a key role in performance appraisal. Job analysis will set the standards of performance of the jobs and these will be benchmarks for evaluation of the employees' performance. Standards will indicate what is expected out of employees. Periodical reviews of performance help in taking necessary actions. Performance appraisal done, based on job analysis taking all factors like fatigue, health, safety etc., would yield good results. Employees will treat appraisal exercise as an objective one, if it is backed by job analysis and good counseling will make the exercise fruitful in moving forward towards development.



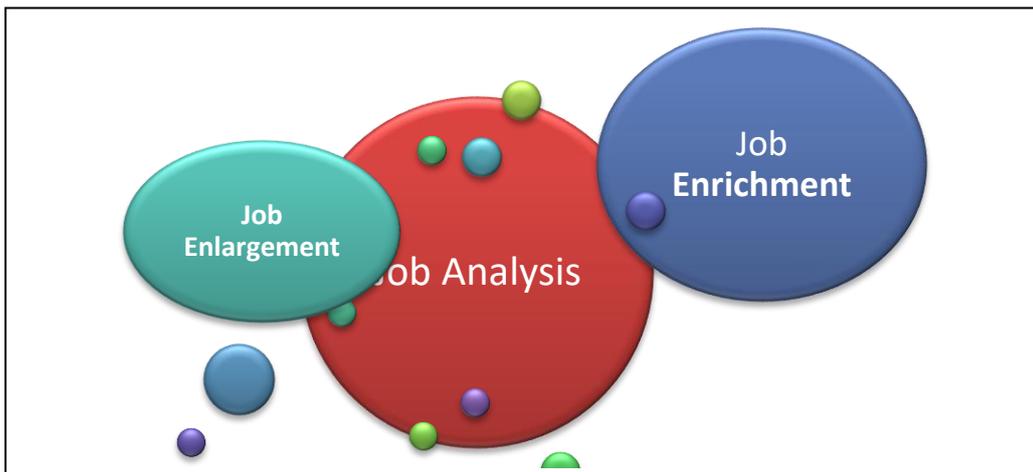
**Figure 3.11 Performance Appraisal**

10. Job analysis helps in the decisions of promotions, transfers etc., The performance appraisal will indicate the performance and potential of the employee and they can be considered for promotions. Similarly, if the employee has got potential but lagging in performing the current job, a transfer to some other division may help. For a multi-location organisation, it would be helpful in transfers of employees to different branches.
11. Job analysis will identify hazardous factors and unhealthy conditions like fumes, heat, dust, noise etc., Based on this, organisation can take corrective actions to minimise these to the extent possible. It will also help in setting a safety code. Wearing safety shoes and helmets is a must where construction activities take place. Similarly wearing gloves is a must in chemical labs. Procedures and processes can be changed based on job analysis to prevent accidents while working on the machines. Measures like giving protective gear, changing the workshop layout etc., can be taken for minimising employee's exposure to dust, heat and noise.
12. Job analysis helps redesign or re-engineering of the jobs. Once it is analysed and split into number of activities, analysis can be made on all the activities. They can be eliminated if not required or simplified.

For the existing jobs, the match can be made in two ways. One way is preparing the man for the job by imparting training in all aspects in order to increase his efficiency. The person's capabilities and attitudes are considered. It can also be done by adjusting the efficiency levels. It is called human engineering. Another way is to make the job suitable for the person. This can be done using industrial engineering which is basically concerned with work and motion studies, simplifying the work procedures and processes with a thorough analysis of activities.



13. Job analysis helps in good industrial relations. When it is done scientifically it will have the support of every person including labour unions. Since what is expected out of an individual is specified in clear terms with the backing of job analysis, the possibilities of disputes will come down.
14. It will help Job enlargement and Job enrichment exercises. Job enlargement is horizontal expansion of the job wherein additional duties and tasks are added. Job enrichment is increasing scope, responsibilities and challenges of a job. Job enlargement is used for giving additional pay or increments or in the cases of deficiency of manpower. Job enrichment is a tool of motivation and can be effectively used in promotions.



15. It helps in meeting the legal requirements. The job description is the document which justifies legally the organisation's recruitment practices, disciplinary proceedings, promotions etc., This will become part of the conditions of employment which is to be submitted to the statutory authorities under the Industrial Employment (Standing Orders) Act 1946 for some establishments. For probing industrial accidents, job description and SOP (Standard Operating Procedure) are key documents which will be verified.
16. It will help collective bargaining and makes the exercise meaningful since the document will act as a standard for wage fixation, increments etc.,
17. Job analysis helps control function and induces discipline. Job analysis done scientifically without any bias will produce a clear document which specifies all duties and responsibilities and frequency of activities. Employees will understand clearly any deviation would be an act of indiscipline.

Benefits of Job Analysis, in brief, are listed in Figure 3.10

### 3.3 Job Analysis Process

Job Analysis process is as shown in Figure 3.12.

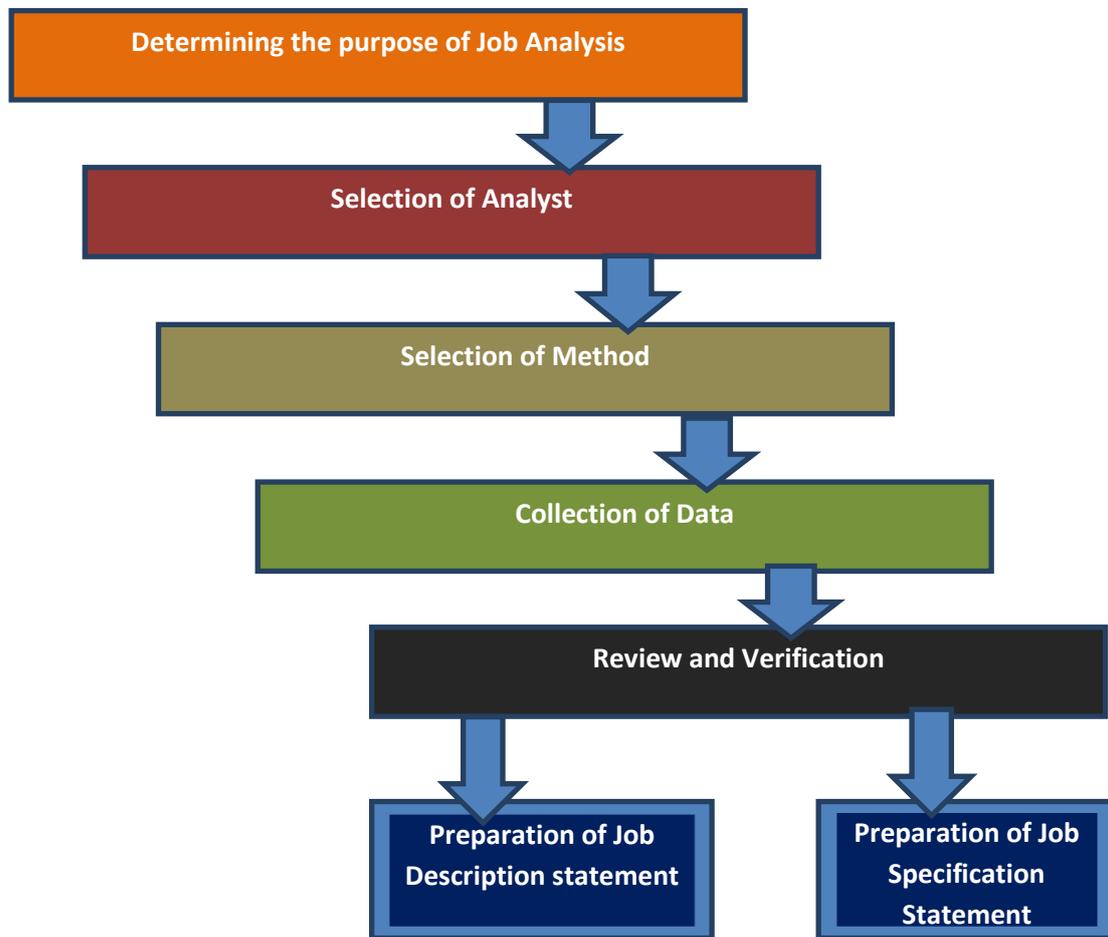


Figure 3.12 Job Analysis Process

**Identifying the purpose of job analysis** - Job analysis can be done for different purposes. While the complete job analysis is done when designing a job, it can be done for different purposes like recruitment, wage determination, and safety standards. Purpose will determine the focus on which aspects are to be covered and accordingly the information is collected. The techniques also mostly depend on the purpose. If it is for recruitment the focus will be on skill sets, knowledge levels, educational qualifications etc., but the focus differs when the purpose is for wage determination or safety code wherein, aspects like working conditions, hazards etc. will be concentrated.

**Selection of Analyst** - Analyst can be drawn from outside consultants or from within the organisation like HR professionals, senior line managers. If the analyst is from within the organisation training also may be required in conducting job analysis.

**Selection of Method** - In the first place the representative jobs will be selected since there will be many similar jobs and the exercise will be repetitive and time-consuming if all the jobs are taken. Then one or a combination of methods like Questionnaire method, and interview method will be selected. Various methods will be discussed in the next section.

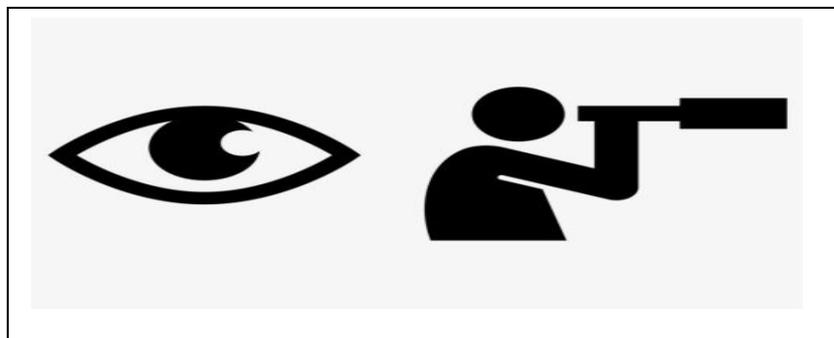
**Collection of Data** - All the relevant data on the job will be collected and documented. Duties, responsibilities, KSAs, behavioral aspects and other aspects will be covered in the data collection. Data will be categorised and the statement is prepared.

**Review and verification** - Analyst will cross check the correctness of the data and review. The employees concerned and their supervisors will generally be consulted for the review and further information will be collected in case of any discrepancies found in the review and verification.

**Preparation of Job Description and Job Specification statements** - The two essential documents will be prepared. (Both of these will be detailed in the following sections).

**Methods of Collection of Data** – The core activity of Job Analysis is collection of Data on the job. It is done through the following methods.

**1. Observation Method:** Job analyst observes an employee and records all activities. It is done for some days so that all activities are monitored and recorded. All the duties and responsibilities, including the missed ones, processes of performing works, skills involved, abilities (both physical and mental) are keenly observed and recorded.



It is the easiest one and a lot of vital information can be collected by this method. Since it is done at the work spot, the working conditions and hazards including the aspects which organisation is ignorant, can be recorded. However, different perceptions, different ways of interpretation, likes and dislikes of the job analyst are some of the problems of this method. Some of them can be corrected through proper training of job analyst. This method is also difficult to conduct in cases where different tasks are given daily and cases in which high mental work is involved. It may not be possible to go through the complete job cycle. Yet, it would give best results if combined with any other method as the other data is supplemented by the firsthand information collected in the Observation method.

**2. Interview Method:** In this method, employees are asked to relate their work, duties and responsibilities, problems, styles, skills and other information generally based on a prepared questionnaire and leaving it wide open for recording feedback and new information from employees. Job analyst will understand how an employee perceives his job and its importance, the correct ways of doing an activity in his view, actual working conditions, practical problems in performing the job and other aspects. When interviewing is done for more employees of the same category, the most general picture will emerge and eliminates bias.



This method can be used for all levels and all categories of jobs. Sensitive information can be obtained which cannot be through structured questionnaires. It will be recorded views of employees and an experienced job analyst can elicit more information by asking hypothetical situations or what-if questions. Bias of the job analyst and the way of interpretation are some of the demerits in this method which can be corrected through training to job analyst and interviewing more employees in the same category.

**3. Questionnaire Method:** In this method, a comprehensive questionnaire is prepared and got them filled up by employees and their supervisors/managers. The questionnaires can be structured or can be open ended or, a combination of both. Various techniques are used in this method and based on that, there are different models. Figure 3.13 gives a list of some models.

**a) Positional Analysis Questionnaire (PAQ) Model** – It is a structured questionnaire which measures job characteristics and relate them to human characteristics. It has 195 job elements which map total human behaviour. Items fall into five categories viz Information input (where and how worker gets information), Mental processes, Work output (including physical activities and tools), Relationships with others and job context (physical and social). Over the years, PAQ questionnaires are developed for hundreds of jobs and proved to be a good tool. (See Box 3.2).

**b) Common Metric Questionnaire (CMQ) Model** – It is used both for exempt and non-exempt jobs. (In US, Fair Labour Standards Act defines jobs as exempt and non-exempt and provides minimum wages and overtime pay for non-exempt jobs. It is analogous to fixation of minimum wages for various categories of employees and casual labour in India). It contains five categories of questions i.e., Background (work requirements), Contacts with people (supervision, internal and external contacts), Decision making (skill, knowledge, language and business decision making), Physical and Mechanical activities (machines and tools) and Work setting (environmental conditions and other job characteristics). This Model also has good database covering more than 900 occupations and of various positions.

*What is the highest level of decision you are authorised to make **without** clearing it through your supervisor?*

*What work decisions **require** clearance from your supervisor? Please give examples.*

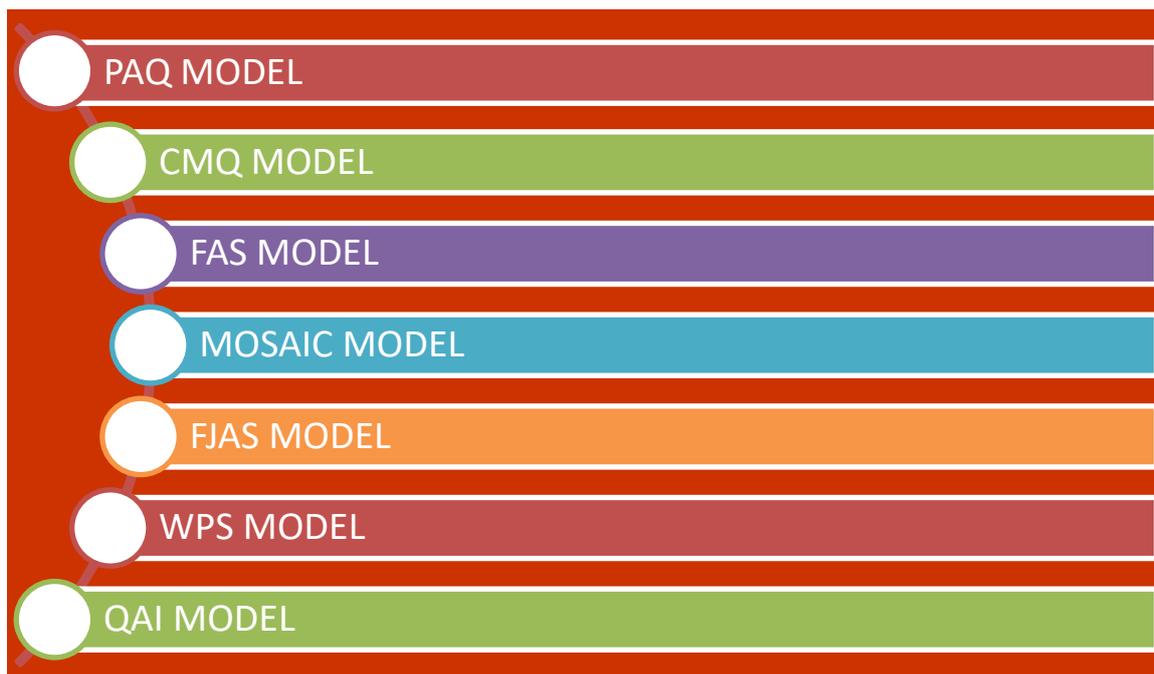
*What are the most difficult/important decisions you make? Describe the impact of these decisions on your immediate organisational unit, department, other employees, contractors, customers, vendors and other members of public.*

**Box 3.2 Typical Questions from PAQ (Positional Analysis Questionnaire)**

**Source:** <http://compensationconsulting.com/wp-content/uploads/2017/05/Sample-PAQ.pdf>

**c) Functional Job Analysis (FAS) Model** – It is a mapping of employee personality with job requirements and activities and developed at different levels. It is with behavioral statements and illustrative tasks covering what workers do in the jobs in seven categories: Things, Data, People, Worker instructions, Reasoning, Maths and Language including time spent.

**d) Multipurpose Occupational Systems Analysis Inventory -Closed Ended Questionnaire (MOSAIC) Model** – It has descriptions covering job tasks and competencies. Tasks are rated on importance and competencies are placed on different scales.



**Figure 3.13 Models of Questionnaires used in Job Analysis**

**e) Fleishman Job Analysis Survey (FJAS) Model** - It uses 52 abilities (physical, sensory, motor etc.,) and measures levels of functioning requirements of the job. In other words, it measures degree of each ability required for effective functioning of the job.

**f) Work Profiling System (WPS) Model** – It is used for managerial, technical and service occupations. It collects data on ability and personality attributes in areas like Sensory, Verbal, Numerical skills, team role etc.,

**g) Occupational Analysis Inventory (OAI) Model** – It has 617 work elements covering categories of Information received, mental activities, Work behaviour, Goals and Work context. Participants need to rate these elements into different scales like applicability, and part of the responsibilities. The data collected is analysed by the Job analyst. This method is faster and can be targeted to select groups. They ensure anonymity and as such free and frank responses will be generated.

It has demerits also. Employees may not understand some of the questions and understanding may also differ from person to person. It cannot be ascertained whether employee has given a serious thought to the questionnaire, or honestly answered. Aspects like emotions cannot be captured and preparation of questionnaires is costly.

**4. Diary Maintenance Method:** In this method employees will be asked to record their daily activities in the diary or logbook. Employees need to record all tasks including insignificant ones and time taken. Main advantage of this method is the availability of record of all activities including minute ones. However, demerits include no history of relationship with supervisor and others, equipment and tools, and working conditions. It is also a more time-consuming one. It requires complete commitment from the employee for recording all details.

**5. Task Inventory Method:** In this method, all the tasks involved in a job are identified and they will be detailed with descriptions of each task. It is a combination method and usually, data required for all the tasks is collected from other methods like questionnaire. Responses collected from

employees and supervisors are analysed and the KSA required are identified for ideal performance of a job. It requires participation of many employees and cannot be used as a single method.

**6. Critical Incident Method:** In this method, information on critical incidents is collected from employees and their supervisors. The incidents can be good or bad. The incidents and behaviours are analysed in detail. Information collected will indicate critical aspects of a job. Based on the behaviour, the performance also can be rated.

Demanding customers in showrooms is an example. Similarly, a complaint on service to the designated toll-free numbers is another example. (You must have noticed that most of the service calls particularly from Banks, are recorded). Method gives behavioural aspects of an employee. However it is time-consuming and requires high-end skills of the job analyst. Further, it will not give a complete picture of a job. But since critical aspects are identified, it is useful in preparation of job specification statement.

**7. Technical Conference Method:** In this method, a conference is organised with supervisors, senior employees who have good knowledge. Brainstorming sessions are conducted with the help of a structured questionnaire for gathering relevant information on various tasks associated with the job. Analyst will interact with all extensively, raising key questions to elicit information on methods, difficulties and practical aspects of the tasks. It is time-consuming and conferences may be inconclusive but is useful in finding the need of each task. With this, analyst can deduce further to include or exclude particular tasks in a job.

**8. Job Performance Method:** In this method, Job analyst will perform the job and in the process, he gets the feel and have the first-hand experience of the job. He understands and records complete process (job Cycle), time taken for each activity, work environment, machines and tools used, required supervision, KSAs, difficulties, physical hazards, requirements of mental abilities, sensor and motor reactions (like immediate switching of power to machine if it shows some red or danger indicators), social demands, interactions required, emotional pressures and other information. It is not useful for jobs which are highly technical (needs specialised and extensive training) and jobs with hazards.



The job analysis and data collection exercise are on continuous expanding mode and many other methods are getting generated. Some of them in brief are:

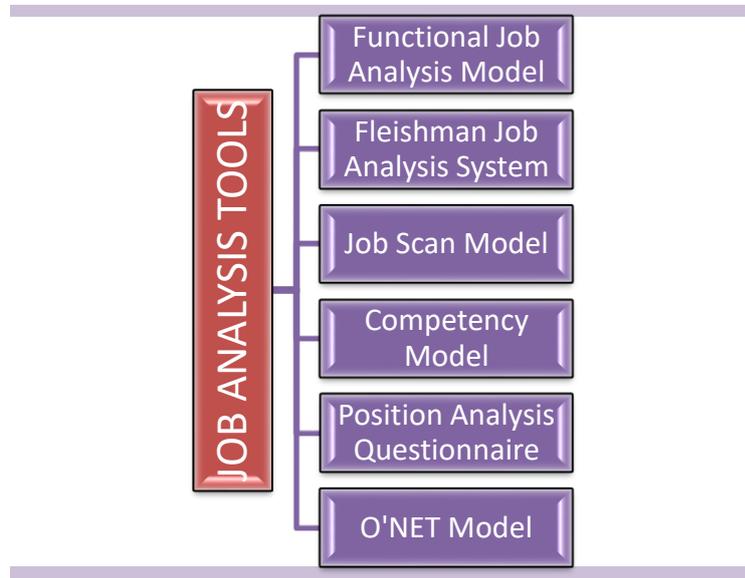
**Work Methods Analysis** – uses time and motion studies and can be useful for preparation of manual, Standard Operating Procedures (SOPs).

**Job Element Method** – Similar to critical incident method and concentrates on behavioural aspects of a job.

**Checklists** – Job elements (not the tasks) are studied in depth on purpose, responsibilities, relationships, authority required etc.,

**Job Analysis Tools:** For Job analysis, job analysts and HR professionals use tools. All the models listed in the questionnaire method are these tools. Some of them are well researched. With the usage over many years, many additions and modifications are made in the questions posed and the scales to measure. As such, they are handy. Some commonly used tools are listed in Figure 3.14.

In these tools, Functional Job Analysis, Fleishman Job Analysis System and Position Analysis Questionnaire are featuring in, which we have discussed.



**Figure 3.14 Job Analysis Tools**

Other tools in brief are:

**O\* NET Model-** It is useful for collecting primary data on KSAs for a large number of jobs.

**Competency Model** – It measures the competencies in terms of KSAs and behaviours at entry point and at various levels

**Job Scan** – It defines personality dynamics in total rather than individual competencies.

An example of questions on abilities from O\*NET Model is given in Box 3.3.

You can understand the usefulness of these tools from the question framing. To indicate the level of activity, examples of the tasks are given which are self-explanatory. And there will be buffers (questions which are almost similar but different in words or connected abilities etc.),so that respondents can't give conflicting or different answers. Generally, Job analysis is done by a combination of methods. Various tools and different methods are used depending on the job to get the near-perfect Job analysis.

### To Do Activity

For the Job of a Sales Person in a Departmental Store, prepare a plan for Job Analysis –Selection of method(s), how to go about, questions if questionnaire is a method, what to observe if method is observation and other requirements for other methods, collection of Data. Then prepare JA Sheet.

### BOX 3.3 EXAMPLE OF A JOB ANALYSIS QUESTIONNAIRE

#### ARM HAND STEADINESS

The ability to keep your hand and arm steady while moving your arm or while holding your arm and hand in one position. You have to answer two questions relating to this ability.

##### A. How important is ARM HAND STEADINESS to the performance of your current job?



Not Important      Somewhat Important      Important      Very Important      Extremely Important

Mark your answer by putting X on the appropriate number.

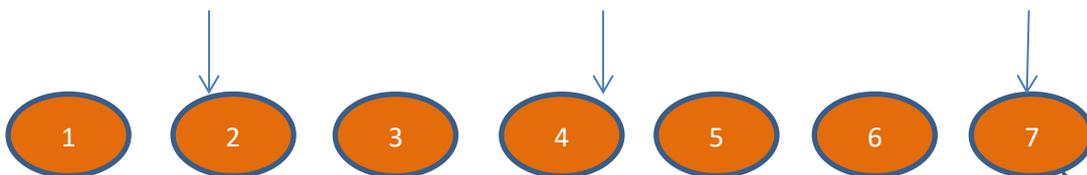
If you rate ability as NOT IMPORTANT to the performance of your job, mark X in 1 then skip over Question B and proceed to the next ability.

##### B. What level of ARM-HAND STEADINESS is needed to perform your current job?

Light a Candle

Thread a Needle

Cut faces in a diamond



Mark your answer by putting X on the appropriate number.

Source: O\*NET Resource Center (<https://www.onetcenter.org/questionnaires.html>) Generic Questionnaires - Individual files - Abilities

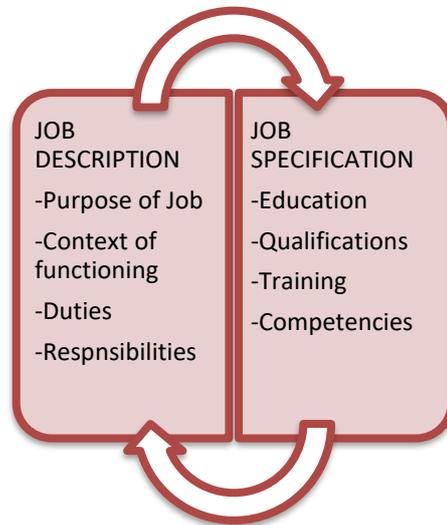
**Note:** Reference document may be studied. It gives good exposure to Job analysis questionnaires.

#### 3.4 Job Description and Job Specification

Once we are done with the Job analysis, next step is preparing Job description and Job specification statements. What do these documents tell us? You must have seen dietary charts. One part gives you what is ideal – this much fiber, these vitamins etc., Second part gives you list of foods say milk contains this much – and this much –, green vegetables contain this much –and this much—and so on. Some give you an ideal combination for a meal or otherwise also, you can prepare a combination.

Outputs of Job analysis are similar. The job description tells us what the entire job contains, tasks, duties, responsibilities and all say a,b,c,d,e,and f. Job specification tells us to do these a to f, we need

parameters of x,y,z (qualifications, skills, ---) in the incumbent. Or it is like saying to perform a to f, we need minimum of x in one parameter (say 155 cm height at least- why height? It could be because machine controls should be at arms-reach), minimum of y (say educational qualification of graduation in business management) and minimum of z (say experience of 2 years). It is that simple. Rather the job analysis converts 'what all you want' into two documents. (Figure 3.15).



**Figure 3.15 Job Description and Job Specification**

### Job Description

Michael Armstrong defined Job description as “a statement that specifies the purpose of a job, also mentions where the job fits in the organisation structure, the context within which the job holder functions, and the principal accountability of job holders, or the main tasks to be carried out by them”. It is a statement containing list of requirements of the job, duties and responsibilities. It contains all relevant facts of a job and the result of the job analysis. In other words, it is a description in brief of job content or a job summary. It tells what is to be done, where it is to be done and how it is to be done for each and a bunch of the tasks pooled for a particular job. It is for the whole job and contains work, tasks, and working conditions. Job description contains broad categories of information shown in Figure 3.16.



**Figure 3.16 General Contents of Job Description Sheet**

## Identification

**Job Title** – It should indicate the function and the position in the organisation. “Junior Sales Manager’ or ‘Senior Accounts Officer’ titles convey these but not a title ‘Executive’ doesn’t. If a title like ‘Executive’ is used, then it should have a prefix or suffix like ‘HR Executive’, ‘Executive – Sales’ or Alternative Title (if any)

**Job Code or Job number** – In some organizations, department-wise codes will be there and in general, the job number will be there.

**Department/Division** – HR, Maintenance

**Plant** – If there are more plants, exact requirement in which plant needs to be indicated. For example. the required job in NTPC may be for Talcher (Orissa), one among 24 coal-based power plants spread throughout India. Or in the same location, there may be more than one plant say Unit I, Unit II etc.,

**Location - Place of the Job.** Giving precise location, say AMUL Corporate office at Anand (Gujarat), brings clarity on the location. An organisation may have more offices and plants in the same City.

**Job Type** – Whether job is Regular (full time) or Part-time or Casual (for the project or work) or Temporary (for some period of time) or seasonal (for the season) is to be mentioned. It gives clarity to everyone in the organisation and also for applicants when advertised.



## Job Summary

Summary- in two or three sentences, needs to be given. This will provide further information if the job title is not adequate to indicate the gist of the job.

- ✓ Role in brief
- ✓ Objectives of the position
- ✓ Results expected from the employee
- ✓ Degree of freedom and authority available to the employee.

(It is a capsule of job content)

## Job Duties

**Duties** -This part gives all activities day to day and periodical along with mention of their use and importance. List to be exhaustive and also to mention approximate percentage of timing required for major activities.

**KSA** - Along with the duties, the skills required, level of competencies and knowledge requirement need to be given. Technical requirements will be part of this. The use of machines and tools is to be mentioned.

Reporting authority – To whom, the incumbent needs to report, is to be mentioned. This part helps HR department to seek if there are any special requirements apart from the mentioned, from the boss, and in general, the boss will be part of the recruitment process at some stage.

**Relation to other Jobs**

This will indicate the location of the job in the organisation chart. It gives the workflow to and from the job. In other words, inputs for the job (from whom) and the outputs of the job (whom to be supplied to) will be given indirectly or directly. Relationships differ from job to job and also depend on the organisation structure. Some examples are shown in Figure 3.17.



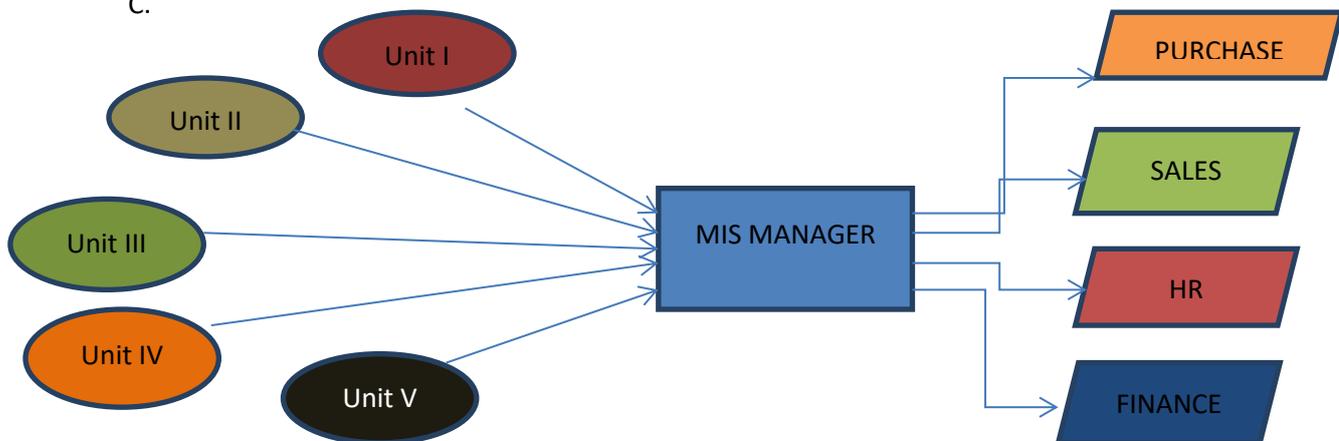
(Call Center Executive receives a complaint/query and passes it on to concerned department depending on the nature of query)



Assistant Manager performs tasks given to him and reports to Manager



In Assembly line, worker A's output will be input to Worker B, whose output will be input to Worker C.



MIS Manager collects information from all units and prepares department-specific statements

**Figure 3.17 Relationships among jobs**

### Supervision

This section gives the number of people the employee has to supervise, their job titles and the nature of supervision in various categories like close-knit, general etc., It should give a complete picture of the number of employees and their nature of duties under control. Section also provides the supervision required for the job from the bosses.

### Working Conditions

This part gives the environmental conditions like cold, dust, heat, noise, odour, and moisture.

**Special conditions** – if any, such are to be indicated in this section.

An example is given in the box .

#### Box 3.4 Job Description of Accounting Assistant Job

##### Job description Accounting Assistant

**Category:** Clerical    **Group:** ----                      **Location:** Corporate Office

**Title:** Accounting Assistant

**Objective:** To assist financial affairs of the Organisation

##### Organisational Relationships:

1. Reports to: Manager (Finance)
2. Directs: does not typically supervise any employees.
3. Others: works closely with Manager (Finance), Manager (Administration) and employees in these two departments in particular and other employees in general.

**General Statement of Duties:** Duties include maintaining financial records in Generally Accepted Accounting Principles, Processing accounts payables for payment, benefits processing and other employee related tasks.

Filling in as Utilities clerk when needed.

##### Examples of work:

Maintaining general accounting and financial records

Processing requisitions, payments, receipts and other necessary accounting activities which include accounts receivables and accounts payables

Preparation of bank reconciliation statements

Preparation of payroll

### Uses of Job Description

1. Useful in preparation of job specifications that are used in planning, recruitment and training.
2. Useful in designing standards of performance.
3. For Orientation and induction of new employees, this would be useful.
4. Useful in job evaluation, transfers and promotions, job grading and classification, and determination of wages
5. It also finds its use in investigating accidents, studies of health and fatigue.

It should be remembered that Job description talks about the job and not the person.

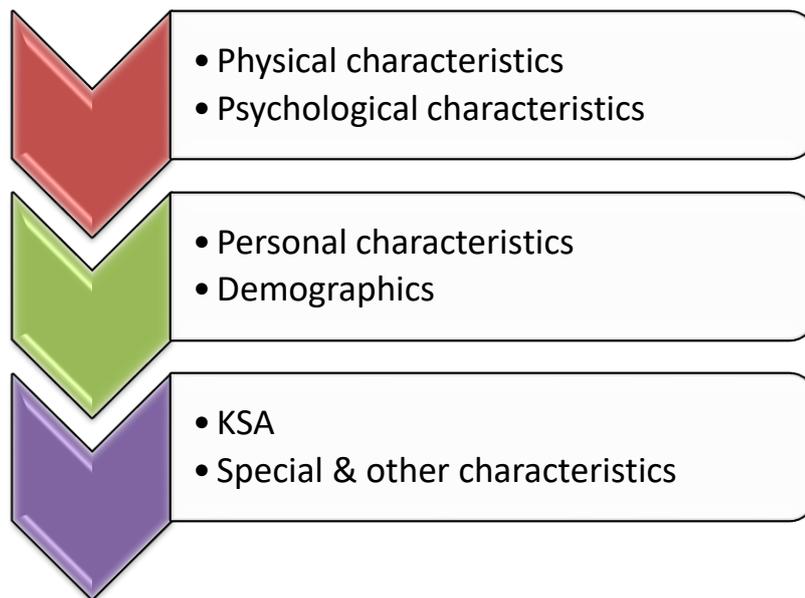
### Job Specification

This statement is the second output of Job analysis. This is the document which indicates the minimum acceptable qualities expected in the person to complete the job as indicated in the job description statement.

As per Michael Armstrong 'Job specification sets out the education, qualifications, training, personal attributes and competencies a job holder requires to perform her or his job satisfactorily'. And as per Edwin B Fippo 'A job specification is a statement of minimum acceptable human qualities necessary to perform a job properly'.

In job description what is required is indicated and in Job specification who is required will be indicated. In this, we talk about the person to do a job. This contains qualifications and characteristics required for the incumbent to do the tasks contained in the job. It is a translation of the job description statement into human qualities, qualifications and traits. General contents are indicated in Figure 3.18.

**Physical Characteristics** – Height, Weight, Vision, Colour discrimination, Health, Strength and others. Height could be a factor if one has to work on a machine placed at a height or is of more height. Vision and Colour discrimination are compulsory for Drivers. Physical strength is required if job involves lifting weights. Sensory characteristics (like smell, taste) are also indicated if required particularly.



**Figure 3.18 General Contents of Job Specification Sheet**

**Personal Characteristics** – Appearance, Pleasing manners, Leadership, Drive, Adaptability, Aggressiveness (particularly for sales jobs), skills in dealing with others .

**Demographics** – Gender, Age range

**KSA** – Educational qualifications, training requirements, Skills and competencies (Computer skills, communication skills, statistical skills etc.), Abilities

**Special and Other Characteristics-** If job requires extensive travel or working in shifts or odd hours (For instance, in IT-enabled services job holder in India may have to work as per customer country timings), languages (for jobs dealing with public in general, speaking in local language would become a must) and other general and special conditions.



It is necessary to indicate the duties and responsibilities here also, since job advertisements will be prepared on the job specification statement. The applicants should know what is expected out of them if they are selected for the job. Further in big organisations recruitment is done by HR department which will not be knowing the specific requirements or any special traits requirements of a job. The job specifications statement vetted by the immediate supervisor or Head of department would help them in recruiting the required person. Apart from all others, it should indicate the role and responsibilities in clear terms.

Example of a job specification is given in box 3.5.

#### **Box 3.5 Job Specification for Marketing Manager - Telecom Company.**

Job specification for Marketing Manager (Telecom Company)

**Education:** Engineer and MBA from reputed Institutes.

**Work Experience:** Must have prior experience in Marketing and Sales preferably in Telecom or FMCG

**Skills & Knowledge:**

1. Must be a good communicator and must be able to lead a team.
2. Prior experience in handling ATL-BTL activities and managing promotional events.
3. Must be able to handle social media like Facebook, Twitter and help build online brand.
4. Experience in handling PR and media.
5. Strong analytical and problem solving skills.
6. Must understand business, come up with innovative products and launch them.

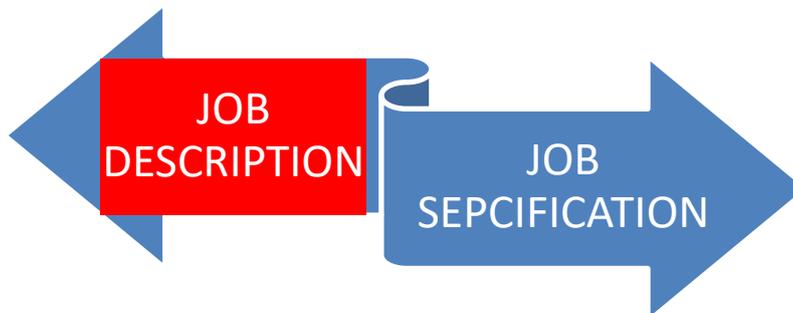
**Personality Traits & Characteristics:**

1. Must be presentable and good orator.
2. Should be calm in complex situations and show leadership skills in handling multiple teams.
3. Should be emotionally strong and should give timely deliverables.

Job specification is useful for HR department in screening resumes. It gives the recruiters the threshold limits in selecting a person for a job. Recruiters will get framework for the job specification and accordingly, they plan the selection methodology. For instance, if stress-bearing is one of the main characteristics, then they may conduct a stress interview or in the interview, they may ask the applicants to relate critical incidents they have faced and how they have managed. Apart from recruitment, job specification statements are useful in performance appraisal.

Job specification statements need to be updated from time to time as changes in technology are bringing changes in many aspects. For instance, earlier cheques were to be deposited in the particular branch of the bank where organisation has an account. Now the requirement is dispensed with and cheques can be dropped at the nearest ATM or any branch of the Bank. Or some banks are extending services of cheque collection by their personnel from customers. If an organisation has a job for banking transactions, these developments have a bearing on the job content. Even cheques system is gradually paving way to RTGS/NEFT. Organisation can allot other duties to the employee.

Examples given for Job description and Job specification are only briefs mentioning the gist of the content. Big organisations which recruit large workforce regularly use these extensively by getting them prepared methodically.



The distinguishing aspects between job description and job specification are listed in table 3.1.

**Table 3.1 Comparison between Job Description and Job Specification**

	<i>JOB DESCRIPTION</i>	<i>JOB SPECIFICATION</i>
<i>About</i>	The Job	The job holder
<i>Statement of</i>	Major requirements of a particular job	Minimum qualifying requirements of the person to do the job
<i>Origin</i>	Job Analysis	Job Description
<i>Contents</i>	Job title, Location, Duties and responsibilities, span of control, Reporting to etc.,	Educational qualifications, KSA (Knowledge, Skills and abilities), Experience, Personal and emotional characteristics etc.,
<i>For</i>	Creation of roles without any overlapping and fitting into organisation structure	Selecting right man for the right job and for applicants/employees to know what is expected out of them.

Source: Surabhi S (2018), Difference between Job Description and Job Specification<sup>12</sup>

<sup>12</sup> <https://keydifferences.com/difference-between-job-description-and-job-specification.html>

Above mentioned is only a broad comparison to distinguish both from each other and not an exhaustive one. Before we proceed to next section on other aspects of job, solve the case study “Chaya’s Dilemma” as presented in Box 3.6<sup>13</sup>

### Box 3.6 Case Study: Chaya’s Dilemma

Ms. Chaya is recently appointed as HR Executive in a big FPO (Farmer Produce Organisation) which is involved in food value chain (produces packaged foods apart from trading of raw agricultural produce). Chaya has done her BBA in Rural Management. She is given her first assignment of recruiting a Stores Executive and is given following Job Description.

Job Description - Executive - Stores

Designation: Executive  
Department: Stores  
Education: BA/B.Com  
Experience: 09 Years  
Team Strength: 01 Store Assistant - (Graduate Level)

Roles & Responsibilities:-

- 1) Preparing GRN.
- 2) Daily Stock updating.
- 3) Daily Sales Report Updating.
- 4) Preparation of reconciliation statements vendor-wise, customer-wise.
- 5) Preparing Sales Invoice.
- 6) Vehicle arrangement for dispatching finished material.
- 7) Issue material to different departments
- 8) Checking & verifying transporter's bills.
- 9) Maintaining consumable items.
- 10) Maintaining Records of - RM, WIP, FG, Consumables

Since being new, the General Manager and others assured her all help and would involve in the Selection process at a later stage. Chaya has gone through the job description and felt uneasy as she feels it is not prepared correctly but could not crystallise her thoughts.

Help Chaya in her first assignment. You need to:

- A. Evaluate whether her feeling (that job description is not proper) is correct or not.
- B. Analyse first part whether qualifications and experience are appropriate or not.
- C. Evaluate all line items of Role and Responsibilities. You need to check whether these are tasks for Stores Man or not in the first place.
- D. Are there any responsibilities left out? What KSAs can you suggest?
- E. Based on your revision prepare a proper job description so that Chaya can get it approved by her General Manager and Department Head.

You can make reasonable assumptions about the Company. As a background study, generally companies of this type will divide the work into different departments. And all your answers need to be backed by a thorough analysis and justification for your suggestions.

<sup>13</sup> Source: Based on discussion thread started by Prashanth B Ingawale, 3<sup>rd</sup> March 2013 in citehr.com

<https://www.citehr.com/453205-kra-kpi-competecy-mapping-pdf-download.html>

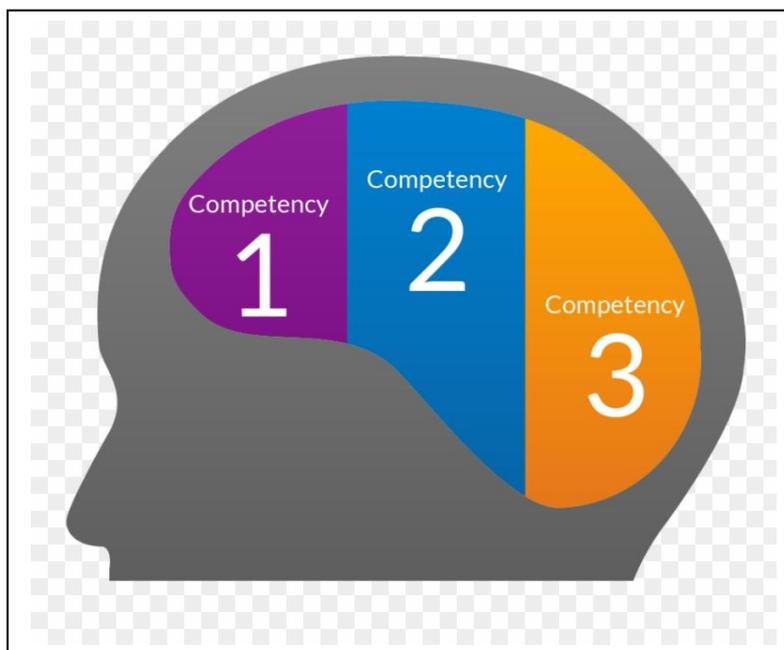
### 3.5 Other Aspects of Job

Let us start with a discussion: whether job analysis gives what we need?

Yes. It is designed to recruit and fit the person going by the right man for right job objective. Right. What will happen when organisation needs downsizing? All the jobs are like watertight compartments and the employees are right fits for these jobs and became specialists in those jobs. Can and will they do other tasks, in a situation where number of jobs is reduced and employees are asked to take up more or different tasks, is a question. Willingness may be there, but what about capabilities?

While conducting interviews, sometimes recruiters face a situation. The applicant is not fit for the current position but he has KSA, in fact excellent ones, for some other set of activities. What to do in that situation? There is an answer. There is a school of thought that Job Analysis needs to be with a competency approach.

**Competency-based Job Analysis:** In this view, jobs need not be structured. They can be designed taking job holders' demands into consideration.



The premise is that in changing environment of the businesses:

- i. The hour of the need is high performance where the change of roles should be automatic and seamless, and employees should exercise self-control;
- ii. Job descriptions and job specifications based on the framework of listed duties may not yield the flexibility, the organisation needs and
- iii. It is desirable to recruit persons who have convertible KSA so that when need arises, the roles can be molded as per the demand.

Competencies are typically defined as a combination of knowledge, skills, abilities and other individual characteristics (often called KSAOs; including but not limited to motives, personality traits, self-concepts, attitudes, beliefs, values and interests) that can be reliably measured and that can be shown to differentiate performance (Mirable, 1997; Schippmann, et al. 2000; Spencer, McClelland, & Spencer, 1994).

Or we can say that competencies are demonstrable and measurable characteristics of a person that enable him or her to do a job effectively. The measurement yardsticks will be different. For instance 'negotiation skills', a desired characteristic needs to be measured with a suitable parameter.

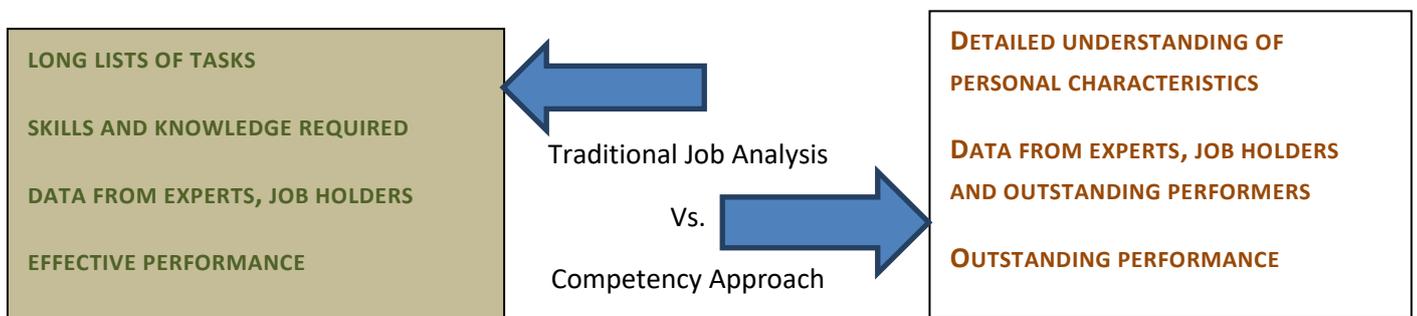
Competency-based Job analysis measures KSAOs instead of confining to KSAs. The competency based job analysis can be done with the same approach of a particular job taking KSAOs, but generally it is done taking organisation's objectives into consideration and developing competencies applicable to the entire organisation or for a department total or for a family of jobs. This fits into the model of SHRM.

**Process & Focus:** Traditional Job analysis focuses on activities or what employee does on the duties and responsibilities. Competence based job analysis focuses on what employee does to meet the objectives or total job as a whole. Here the focus is on employee, whereas in traditional job analysis the focus is on job.

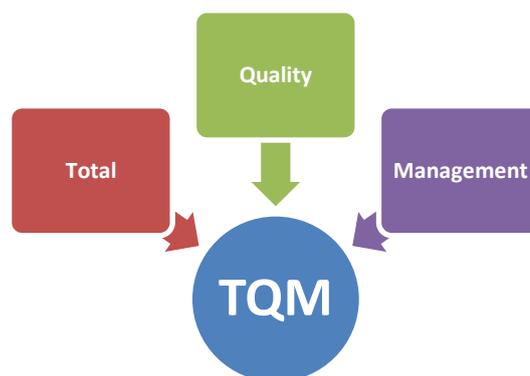
Identification will be made for core competencies (characteristics that everyone should have in the organisation irrespective of function or department) and specific competencies which are position-specific. For instance, 'risk taking' is a personality trait and could become a competency in certain businesses. In general competencies which are considered include positive approach, delivering results, solution providing, systematic thinking and analysis, leadership etc.,

The system will make employees to work with self-motivation and becoming team members and switch freely from one job to another, giving their expertise where it is needed. For performance appraisals, the barometers will be total job or group of projects rather than the individual tasks.

This is useful for organisations which are project-based (Example Information Technology). Once started, it can give good results because many competencies get ignored which would help to the organisation. It will also encourage employees to come up with good suggestions since they would be 'out of the box'.



There are criticisms also on this approach. One is that this system focuses on behaviours rather than the results. Another one is that competency itself is loosely interpreted or can be ill-defined and the approach is not practical.



**Job Analysis and Total Quality Management (TQM):** There is a view that Job analysis is inconsistent with TQM since TQM expects every employee to do everything, whereas job analysis confines an employee with specific duties and responsibilities.

Michael Armstrong put the essential features of TQM as:

- ✓ Creation of a common company theme.
- ✓ Creation of customer-centric mentality (Customer is King).
- ✓ Improvement in the job to become part of the job.
- ✓ Every function to be studied and reassessed.
- ✓ Improvement to become a continuous process.
- ✓ Improvement in system of communication.
- ✓ Reduction of bureaucracy.

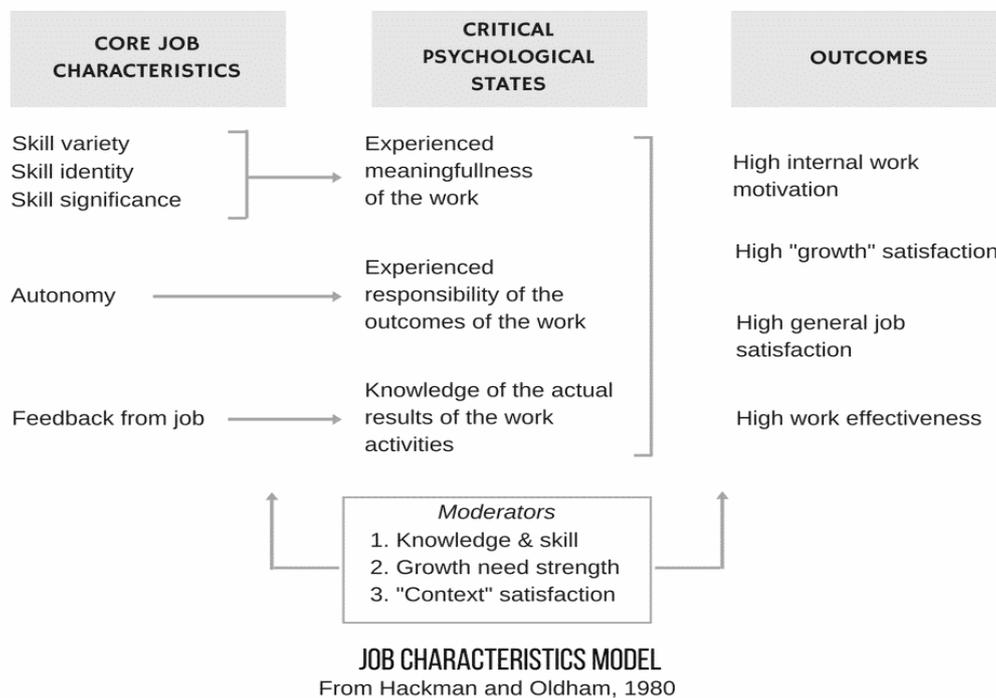
These principles give a wider perspective to every employee. But many eminent authors feel that job analysis is important with or without TQM since it specifies the tasks to be performed by an employee. They contend that, what needs to be done is to make job descriptions open, so that job analysis gets TQM oriented. We have seen the concerns raised against the utility of job analysis, basically since it is generating precise job descriptions, and it is creating watertight compartments and there is no scope for any flexibility. All this because we have seen its use in recruitment as it is giving job description and job specification to help finding right candidate to fill the position. But the use of job analysis is not confined to recruitment. It is only one of its uses. Job analysis is used for job design. Job design takes stock of existing jobs and generates ways for improvements to them, and in the process, some of the concerns are addressed. Job design gives scope for employee satisfaction and has its use in cases of reduction in manpower. We will study the job design and as a precursor, we will learn an important study called Job Characteristics Theory which is based on perspectives of employees on the jobs they hold.

### **Job Characteristics Theory**

What is the difference between an artisan and a worker? Or why artisans have satisfaction with their work, but most workers do not have? Is it because artisans feel proud looking at the output, a piece of work, or an item, whereas workers do not have that kind of output? Is it because artisans can work in the way they like, but workers do not have that choice? Is it because artisans get appreciation and workers do not? Compared to some workers, why some other workers are satisfied with their work?

The Job Characteristics Theory development might or might not have started with these questions in mind, but the theory provides plausible answers to some of these questions. Hackman and Oldham developed the job characteristics theory (JCT) and published it in the book 'Organisation Behaviour and Human Performance'. The study was on how job output and job satisfaction are affected by particular job characteristics. Refer Figure 3.19.

Jobs have repetitive and mechanical tasks which make it boring for workers. The study was for finding factors which make worker satisfied with the job and the organisation gets good output. As per the theory, job design has an effect on motivation and job satisfaction. It has offered a framework for finding how some job characteristics have an impact on the output and job satisfaction for workers. In other words, it establishes a relationship between job characteristic and the responses of the workers.



**Figure 3.19 The Job Characteristics Model Hackman and Oldham**

To understand the model, we need to know about the components – the five core job characteristics (dimensions), five work-related outcomes and the three psychological states. Definitions are given by Hackman and Oldham

To understand the model we need to know about the components – the five core job characteristics (dimensions), five work related outcomes and the three psychological states. Definitions are given by Hackman and Oldham.

### The Five Core Characteristics

**1. Skill Variety** –“the degree to which a job requires a variety of different of activities in carrying out the work, involving the use of number of different skills and talents of a person”

This part of the model measures number of skills and talents that the job requires from the worker. If the number is less, it is a monotonous job, basically repetitive and if the number is more, it means it demands from the worker a variety of talents in his work. Model says that the workers feel that their work is meaningful when it involves more skills and talents and abilities when compared to the routine tasks.

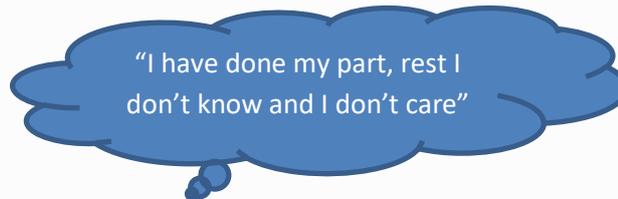
In organisations, you may hear:



**2. Task Identity** – “the degree to which the job requires completion of a whole, identifiable piece of work; that is, doing a job from beginning to end with visible outcome”.

In other words, it measures whether the job involves giving output of a unit as a whole or some bits and pieces. Employees find their job meaningful if they are involved in the entire process rather than just part of it, or in other words, if they can see outcome at the end of the day or at the end of a work cycle. Being assigned a whole makes them more involved. Further, in the jobs involving only part activity or process, worker may not know the outcome or completion. It also gives more responsibility and attachment when job involves wholesome work.

You may hear:

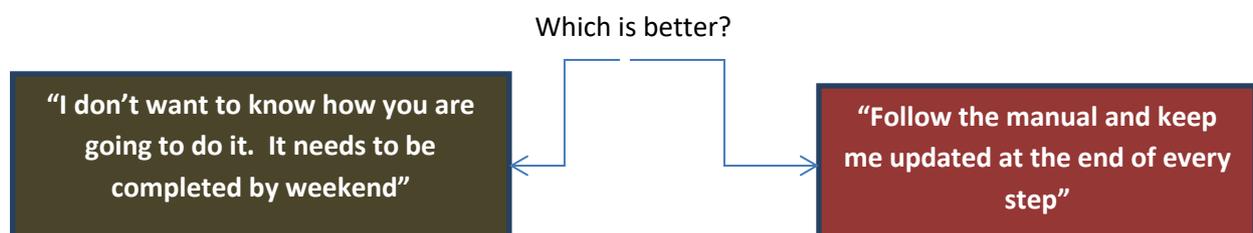


**3. Task significance**—“the degree to which the job has a substantial impact on the lives of other people, whether those people are in the immediate organisation or in the world at large”.

Employee feels that his job has more meaning if it helps the well-being of others in either way - physical, psychological or emotional. This feeling motivates them. For them, meaningfulness comes from recognition. In fact they will be eager to know whether what they are doing matters to others or not.

**4. Autonomy**—“the degree to which the job provides substantial freedom, independence, and discretion to the individual in scheduling the work and in determining the procedure to be used in carrying out”.

Managers, supervisors, Heads will have a high level of autonomy in their work. But for other employees, job will become meaningful and have more sense of responsibility if job offers them freedom to do with their efforts or in their way rather than following a prescribed way or following instructions from supervisors.



Feeling of 'I am the boss' gives more attachment and hence more satisfaction.

**5. Feedback**—“the degree to which carrying out the work activities required by the job provides the individual with direct and clear information about the effectiveness of his or her performance”

We all want feedback in fact positive feedback and so do workers feel. Positive feedback keeps them motivated.

“Good Job” is the word they would like to listen to quite often.

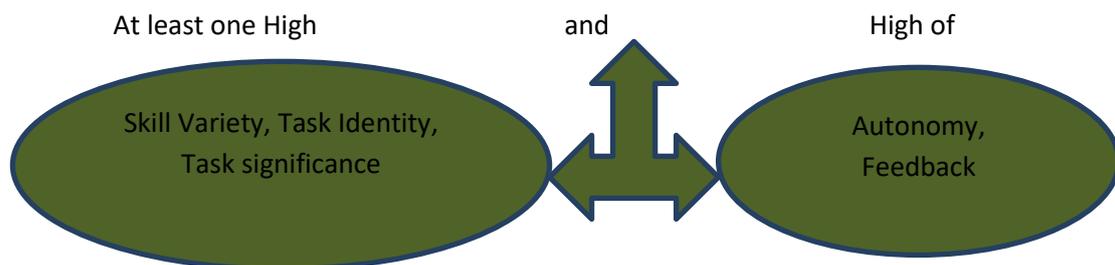
The Model brings an index called MPS or “Motivating Potential Score”. The index is nothing but a combination of these characteristics and Model defines this index as the motivating potential of the job. This index will indicate the possibility of a job affecting behaviours of the worker. Index is computed as:

$$\text{MPS} = (\text{Skill Variety} + \text{Task Identity} + \text{Task significance})/3 * \text{Autonomy} * \text{Feedback}.$$

Examine it **mathematically** and you will find:

- i) All characteristics high means a high score (higher motivation) and all low yields less score (Less motivation).
- ii) At least one high in the first three needs to be there since first part is an average of the three. In other words, Skill variety or Task Identity or Task significance should be high to motivate a worker.
- iii) Even in cases where all these first three are low, still higher motivation can be attained with high score of at least one or the other, since they are multiplying factors in this formula. Greater autonomy and constant feedback yield higher motivation even for jobs which are monotonous or repetitive or insignificant or only a small part of the process.
- iv) In cases of high of first three but low of other two, the index will be low for a job. Which means lack of autonomy and absence of positive feedback will not give good motivation.

Desirable:



Now, look at the second part of the Model. This gives the psychological states of worker. Hackman and Oldham mentioned that motivation would be high in the workers who experience three psychological states. You can see in the Figure these are result of the presence of the characteristics in a job.

**Psychological State I: Meaningfulness of the work**

Workers should feel that the work they are doing is meaningful and in other words, the work has significance or some value with respect to the system or set of values of individual. From the Figure, it can be seen that this state is a result of first three core job characteristics - skill variety, task identity and task significance.

**Psychological State II: Responsibility for the outcome of the work**

Worker needs to feel the responsibility for the outcome of the work or in other words, he should feel that he is personally accountable for the results. And as per the Model, this is the result of autonomy given to him. Given the autonomy, worker will make the changes in the process or schedule or system which he feels appropriate and beneficial to the organisation.

### **Psychological State III: Knowledge of the actual outcomes or results.**

As per the model, knowing the results of the work will help effectiveness and this will come out of the feedback. Having knowledge of the outcomes will make worker make corrections when mistakes happen and connects worker to the customer emotionally.

The last part of the model gives work-related outcomes of high internal work motivation, high growth satisfaction, high job satisfaction and high work effectiveness. These are the results of the three psychological states.

**Moderators:** Theory recognises that not all the responses from workers would be the same and natural. There will be some people who will not respond positively. This area was addressed by suggesting moderators, which are traits or characteristics of individuals which bridge the gap between the job characteristics and psychological states.

**Knowledge and Skill**, relevant to the job the individual has, will act as moderator and the absence will prevent happening of psychological states. Individuals who have this moderator will experience the psychological states and consequently the happening of outcomes.

**'Growth needs strength'** is defined as the degree to which people have a need for personal growth and development. In other words, it is hunger for growth and people who have this will be more enthusiastic in grabbing the opportunities.

**"Context" satisfaction** refers to the job or work context. This is felt by external factors like job security, good pay, good working environment etc., Theory recognises the internal job characteristics alone would not be sufficient for motivation and this moderator will help to bring the required motivation.

Higher levels of moderators will bring a higher chance of experiencing the psychological states mentioned and higher chances of desired outcomes.

This theory/model is very useful in job design and has become very popular because it addressed and provided solutions for the core issue of making workers motivated and achieving optimum production levels.

**Job Design:** Job design is the next step of job analysis. We have already seen one application of job analysis wherein job description and job specifications are rolled out, which are useful more for recruitment. But job analysis has wider applications.



When the total amount of work is analysed, it gives number of activities, their interrelationships and the processes. When some of these tasks are joined together, it becomes one job. Job design puts the tasks, defining what tasks, number of tasks and the order of tasks, into one job. And all other principles are followed like defining responsibility, and to whom the job holder report to.

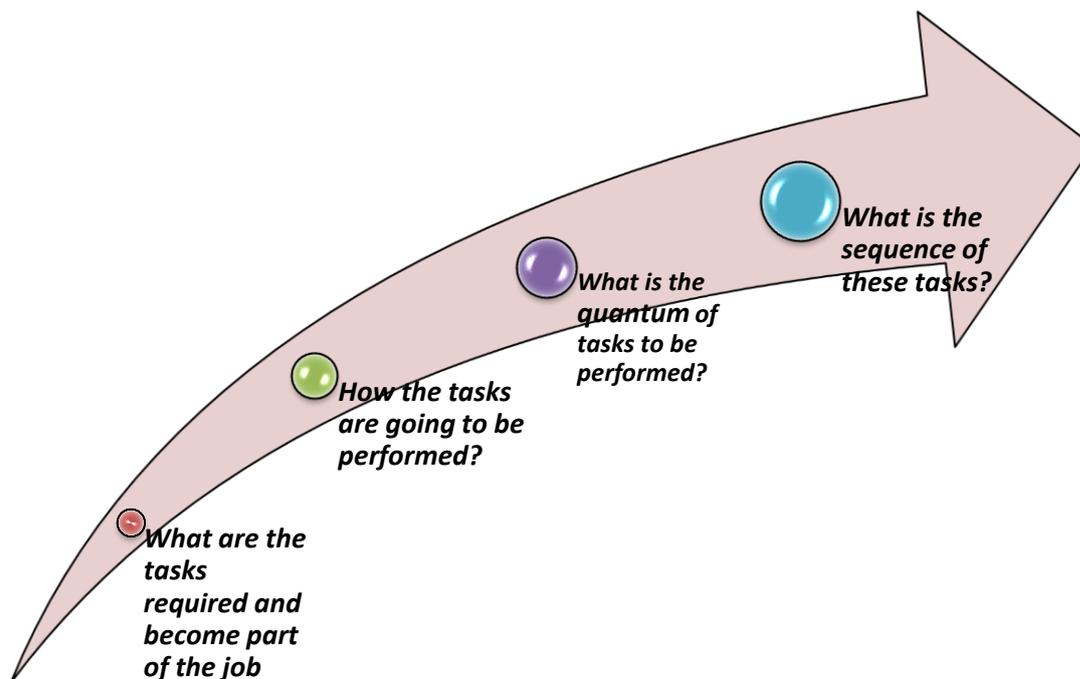
Apart from the objective of putting right man on the right job, job design tries to make job interesting and make worker involved in the job rather than working mechanically. Job design is

more useful for existing jobs and manpower. L.E. Davis has defined “Job Design is the specification of the contents, methods, and relationships of jobs in order to satisfy technological and organisational requirements as well as the social and personal requirements of the job holder”.

You must have observed the paradox. While discussing Job Analysis, it was always emphasised that job should be analysed and nowhere the job holder should come into the picture. But here in Job Design, the requirements of job holder are also taken into consideration. This is because Job analysis is done to understand what a job is. Job design is taken up mostly to utilise the existing manpower, so that productivity is increased and also considering the job holders’ concerns.

It may start with an experimentation approach so that depending on the feedback or outcomes, refining can be done. Further, it is a constant activity because there would be a need for a number of reasons. For one of the approaches (Job Engineering), lateral thinking and deeper study of various job description statements are required.

### Steps



**Figure 3.20 Steps in the Job Design**

In these steps, all considerations like workload (should not be an overload), variety of tasks (avoiding repetition to the extent possible), processes and sequence dependent on the operation flow required etc., will be taken into account. One of the aims is that the job should not create stress. Job Design is a continuously evolving process and gives benefits of good feedback, training, less fatigue apart from other factors based on Job characteristic model.

One important tool for Job Design is Multimethod Job Design Questionnaire (MJDQ). It gathers information useful for Job design. The approach is on work and not on worker, but uses various theories of making jobs suitable to people. The items are sorted into four categories:

- ✓ Motivational - since people want to have a meaning for their job/activities.
- ✓ Mechanistic – dealing with productivity improvement.

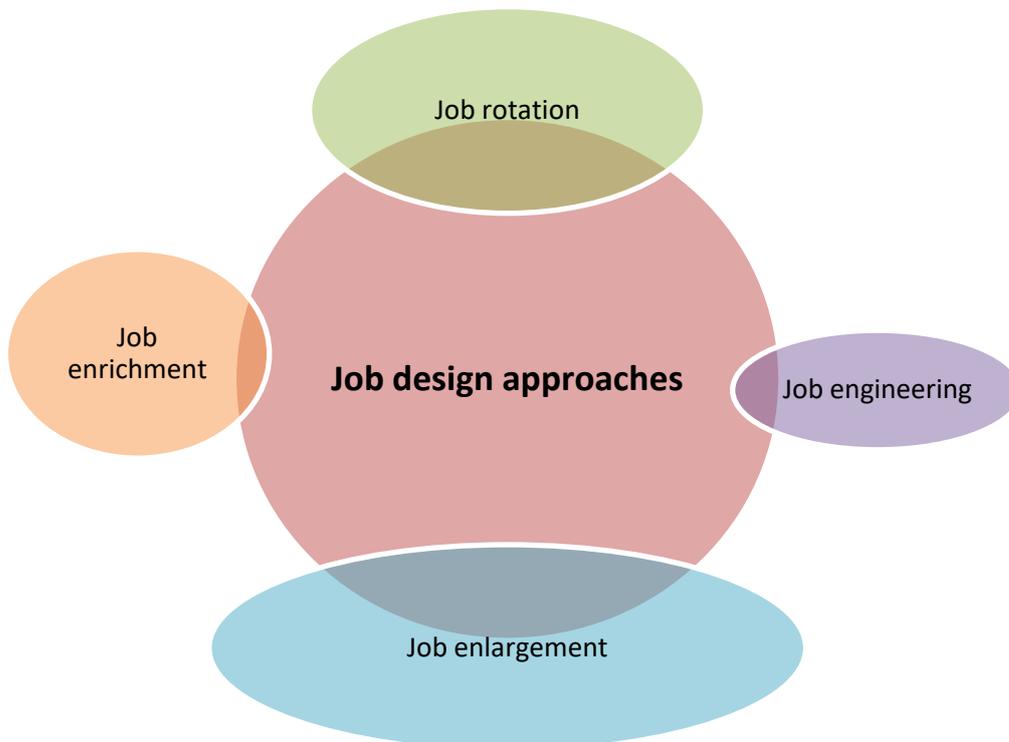
- ✓ Biological - taking physical features into account.
- ✓ Perpetual/Motor – Peoples' perception

(Motor reactions are automatic ones. Flashlight comes. Eyes will blink. A vehicle comes across. You apply the brake. Central nervous system interacts with the rest of the body quickly to produce purposeful movements).

The tool helps easier data collection and offers high correlation across a job and greater reliability. Apart from the initial objectives of increasing efficiency and employee morale, there are other objectives like cost reduction, proper health and safety measures.

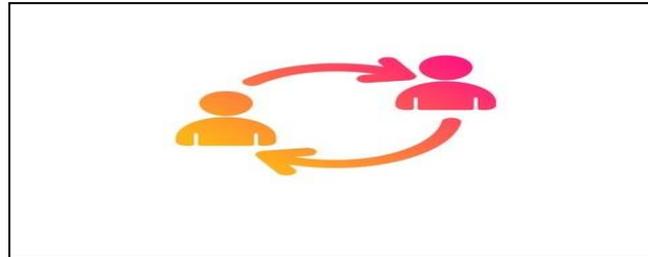
Job Design also takes 'Ergonomics' into account. As per Pravin Durai (**Human Resource Management pg. 88**), "Ergonomics means designing a job according to the worker's strength and ability in order to avoid strain injuries caused by repetitive operations". This is for determining workload (both in physical and mental terms). Other aspects like avoiding too much variety of tasks or too few varieties of tasks are considered.

Approaches to Job Design: There are different approaches to job design. These approaches have two dimensions. Dimension on Y-axis is 'impact' which measures degree the approach is linked to external factors like organisational design, performance appraisal, working conditions etc., Dimension on X- axis is 'complexity' which measures the degree the approach requires involvement of individuals with high and different competencies and decision-making competency. Different approaches are suggested based on the combination of various levels of both these dimensions. (Refer Figure 3.21).



**Figure 3.21 Job Design Approaches**

1. Job Rotation – It is shifting employees from one job to another so that it brings enthusiasm and eliminating boredom. Employees with varied skills need to be there or training to be given in the new skills. You can observe in Banks, there will be constant rotation in different counters. (The actual objective is that the employees should be competent to handle different desks, as one can't close any section/desk due to leave of absence of an individual employee).



Though it appears to be good, it has its demerits. Disruption of work (since new incumbents take time to adjust to new task), Increase in training costs are some of them. It also disturbs some employees who got enough motivation and bring improvements in the activities of the job which they are associated with it.

**2. Job Engineering** – It is engineering the job through mostly with time and motion studies, and concentrates on the tasks, workflows, workplace layouts, use of machinery etc., Aims include making employees to complete tasks easily and quickly without much physical or mental work, shortening the work cycles, making jobs simpler paving the way for recruitment of low skilled (and hence low paid) workers and reduced supervision.

While the effects on cost savings can be seen immediately, this approach has limitations also. It may create boring jobs. However, this approach can be successfully implemented by taking employees suggestions and involving them in the process, and incorporating social context

**3. Job Enlargement** - It is adding number of different tasks to the same job so that it becomes interesting since a variety of tasks will be involved in the job. This approach aims at increasing motivation since with this, the employee will:

- have variety of tasks, thus killing boredom.
- be completing a full work or a significant part of the work and hence have more satisfaction of completing a whole or major part of a product/project/service.
- be utilising their abilities more and could be to their potential and have higher satisfaction level.
- be controlling the job, through spacing their activities at their own pace.
- have higher chances of feedback, unlike employees who do very small and repetitive jobs.

Approach has its demerits also. Too much stretching can be counter-productive, resulting in frustration for the employee and lesser output to the organisation. However optimum level of enlargement brings good motivation as the goals will be in the reach of employee though require extra efforts.

**4. Job Enrichment** –Coined by Herzberg, it is simply adding motivators to the job so that it becomes more exciting and challenging and involves planning, controlling and higher decision making. Main aim is increasing autonomy for the employees. It involves encouraging goal setting by employees themselves, making them doing whole job, letting them know the significance of the job, giving constant feedback and constant encouragement. Herzberg listed eight characteristics of job enrichment

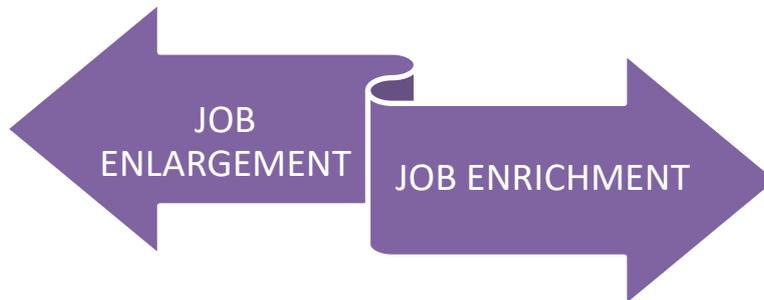
- Direct feedback (immediate and continuous result sharing)
- Client relationship (services to outside customers encourage employees to give their best)
- Scheduling own work (Rule book laid schedules have negative impact)
- New Learning

- Unique experience (creating opportunities to have such unique experiences)
- Control over resources
- Direct communication authority (with the users of his output including customers)
- Personal accountability

In other words, it's promoting workers to supervisors or managers roles. This approach needs to consider other factors, some of which are negative. It may create a snowball effect (giving one authority means snatching the same from someone else, and may also result in reduction of jobs). It is a relative term in the sense that a job analyst may consider a job as of little responsibility, but employee may find it challenging. It may become static after some time and may see a drop in outputs and productivity because employees need a learning cycle time to adjust to the higher responsibilities. And any 'change' is generally resisted.

There are other approaches like:

- ➔ Socio-Technical System (making organisation focussing valued services to customers and in the process developing people with various competencies);
- ➔ Self-Managing Teams – Tasks/Projects are given to teams of people who have autonomy of distributing work among themselves. System works only when responsibilities are clearly defined. Suitable for Research/Software Companies,
- ➔ Multiskilling (encouraging employees with multi-skills to work on various projects with multifarious skills) etc.,



Both these techniques of Job Design, Job Enlargement and Job Enrichment differ in design, objectives, process etc., Let us have a comparison between these two approaches.

**Table 3.2 Comparison between Job Enlargement and Job Enrichment<sup>14</sup>**

Basis of Comparison	Job Enlargement	Job Enrichment
<b>Addition</b>	Of more variety of tasks of similar nature	Of more responsibilities
<b>Objective</b>	To decrease monotony in doing same task many times	To make the job challenging and interesting
<b>Concept</b>	Quantitatively expanding the scope of the job	Qualitatively increasing range of activities performed in the job
<b>Requirement of additional skills</b>	No	Yes
<b>Expansion</b>	Horizontal	Vertical
<b>Outcome</b>	May or may not be positive	Positive
<b>Supervision</b>	More	Comparatively less

<sup>14</sup> Source: Surabhi S (2018) Difference between Job Enlargement and Job Enrichment <https://keydifferences.com/difference-between-job-enlargement-and-job-enrichment.html>

There is one more important concept related to Job, which we will touch upon briefly.

**Job Evaluation:** It is finding the worth of a job.

Kimball and Kimball defined it as "Job Evaluation is an effort to determine the relative value of every job in a plant to determine what the fair basic wage for such a job should be".

Job evaluation is a process of analysing all jobs systematically and finding their respective worth for an organisation. It aims to find the basis for a job's salary, removing disparities in wages and bringing judicious differentials in wages for different jobs.

Job evaluation is done through two broad methods- Non-Analytical System (Ranking and Grading) and Analytics System (Point Rating and Factor Comparison). As the names suggest, in ranking and grading jobs are weighed each other say which is easy and which is tough and at the end of the comparison, you will have all jobs ranked. Similarly, in Analytical systems, factors of comparison including working conditions, mental abilities, degree of skills etc., are put against each job and points depending on weightage allotted.

Job Evaluation should not be confused with Job analysis. Job analysis is a study of all aspects of a job, whereas job evaluation is a study finding relative worth of job vis-à-vis other jobs. Job analysis tries to find methods and techniques for doing a job and job evaluation, on the other hand, attempts to find fair wage for a job. Job analysis is a comprehensive study and job evaluation is a comparative study.

#### To Do Activity

Design a Job for a differently abled person (Blind). You can consider any establishment like Bank, Office, Production Unit, Utilities, Transport etc., If you are proposing any aids to the person, they should be economical.

#### Chapter Summary

**Job Analysis** is anatomy of a job. It is collection of all information about the job Activities involved, Duties, Responsibilities, KSAs required, working conditions, relationship with other jobs, supervision required and supervision given by the job holder to others etc.,

**Task** – A distinct, identifiable work activity composed of motions.

**Duty** – A larger work segment composed of several tasks that are performed by an individual.

**Job Responsibilities** – Obligations to perform certain tasks and duties.

**Job** – A job is grouping of common tasks, duties and responsibilities.

**Position** – It is a place of an employee in the organisation structure and is commonly known by the relevant job title.

Job Analysis is useful in many spheres like HRP, wages administration, designing safety code, Training and Development, Organisational structure, Performance Evaluation, Industrial relations and many other areas.

There are many methods of information collection for job analysis i.e., Observation method, Interview method, Questionnaire method, Dairy maintenance method, Task inventory method, critical incident method, and Technical conference method. Usually Job analysis is done by a combination of methods and one of which is usually questionnaire method.

**Questionnaire method** uses many tools like PAQ, CMQ, FAS, MOSAIC, FJAS, WPS, OAI , O\*NET etc., Most of them are well researched with constant modifications and are very useful. Job Analysis gives two output statements Job Description and Job Specification.

**Job description** gives the total summary of the job

**Job specification** gives the requirements in terms of KSA, and experience. To address changing needs, one can use competency based job analysis in which KSAOs are analysed.

Job analysis can be made TQM compatible.

**Job Characteristics Model** gives valuable inputs for motivation of employees and is useful in Job Design.

**Job Design** takes into account of existing manpower and uses different approaches to fulfil Organisation's objectives with limited resources.

**Job Rotation** involves shifting of employees from one job to another so that monotony and boredom are minimised.

**Job Engineering** involving industrial engineering and more of making a job convenient to individual.

**Job Enlargement** involves increasing the number of tasks to a job so that it would become interesting since employees needs to perform variety of tasks.

**Job Enrichment** is adding more responsibilities to a job. It involves giving more autonomy to employee and making them their own goals and explaining the significance of the tasks. It is making them to do a whole hob instead of piecemeal activities.

All four approaches of Job Design are widely used, different ones for different classes of employees.

**Job Evaluation** is finding worth of a job. It is a comparative study.

### Model Questions

1. What is Job analysis and what kind of information it collects?
2. Why job analysis is important for an organisation and what benefits will accrue from it?
3. Describe the process of job analysis
4. What are different methods of data collection in job analysis?
5. Describe any three tools of job analysis.
6. What is job description and what are its contents?
7. What is job specification and what are its contents?
8. Explain how a job description differs from job specification.
9. What is competency approach of job analysis?
10. Explain what is job design and its approaches.
11. What is the difference between job enlargement and job enrichment?
12. Explain in brief what the job characteristics model is.
13. What are moderators in job characteristics model?
14. What is job evaluation and how it is different from job analysis?

## MCQs

- The procedure in which relevant information relating to a job and its requirements is systematically discovered and noted is:  
a) Job analysis      b) Job specification      c) Job classification      d) Job evaluation
- The factual statement of the duties and responsibilities for a specific job is known as:  
a) Job analysis      b) Job description      c) Job specification      d) Job evaluation
- is a statement of the KSA and other characteristics needed to perform a job effectively.  
a) Job analysis      b) Job evaluation      c) Job specification      d) Job design
- Job enlargement, Job enrichment, Job rotation and Job simplifications are various techniques used in the exercise of:  
a) Job analysis      b) Job evaluation      c) Job specification      d) Job design
- Vertical enhancement of a job is known as:  
a) Job enrichment      b) Job analysis      c) Job enlargement      d) Job rotation
- Under which method, employees are put on different jobs turn by turn through which they learn all sorts of jobs of various departments?  
a) Job enrichment      b) Job rotation      c) Job enlargement      d) Questionnaire method
- Which among the following are parts of Job description?  
I: Duties performed      II: Job summary      III: Job identification  
IV: Supervision given      V: Delegation of authority  
a) II, III, IV and V      b) III, IV, V and I      c) I, II, III and IV      d) I, II, III and V
- Which of the following details is mentioned in Job specification?  
a) Materials and forms used      b) Location      c) Hazards      d) Physical skills
- Arrange the following steps in Job analysis process chronologically  
P: Gather information      Q: Job specification      R: Strategic choices  
S: Process Information      T: Job description  
a) RPSTQ      b) PQRST      c) QRTSP      d) TSRQP
- Which of the following is not a method of collecting job data:  
a) Checklists      b) Case study      c) Interviews      d) All of the above
- The written statement of the findings of Job analysis is called:  
a) Job rotation      b) Job enrichment      c) Job specification      d) Job evaluation
- Increasing the number and variety of tasks is called:  
a) Job rotation      b) Job enrichment      c) Job specification      d) Job enlargement
- Which of the following term is used to identify, 'what the job holder does', 'how it is done' and 'why it is done'?  
a) Job description      b) Job specification      c) Job evaluation      d) Job design
- Systematic and orderly process of determining worth of a job in relation of other jobs is:  
a) Job analysis      b) Job evaluation      c) Job design      d) Job specification
- The method that depends mainly on the ability and experience of the supervisors for gathering relevant information about the job is called as:  
a) Task inventory analysis method      b) Dairy maintenance method  
c) Technical conference method      d) Critical incident method
- Which of the following is not part of Job design?  
a) Job enrichment      b) Job rotation      c) Job re-engineering      d) Job outsourcing
- Job analysis normally occurs as part of the process to match applicants to vacancies – True/False.
- Job analysis is followed by Job design – True/False

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### Answers to MCQs:

1. (a) 2. (b) 3 (c) 4. (d) 5. (a) 6. (b) 7.(c) 8. (d) 9. (a) 10. (b)  
11. (c) 12. (d) 13. (a) 14. (b) 15. (c) 16. (d) 17. False 18. False

## Chapter 4 Recruitment

### Introduction

It is the employees who build an organisation, not the capital nor the machinery. As such, it is an essential function of HRM to see that organisation has all its positions filled. To get the positions filled organisation has to attract human resources to work with it. This attracting is Recruitment. Supply and Demand functions operate the human resources market. There could be so many unemployed people, but in case of specific requirements the list may shrink. In the competitive world, there would be so many firms operating and vying with each other for specific resources. To gain competitive advantage, organisations need human resources. There would be separations in form of the retirements and resignations. At all times, it is imperative for an organisation to keep attracting people. To create that magnetic field having organisation at the center in a systematic manner is recruitment.

Recruitment is not an easy function as perceived. That's because you want a particular person, and not everyone and anyone. There are so many factors working around. This Chapter makes a study on recruitment – the concept, the factors, the sources, the metrics and the alternatives.

### Objectives

- To explain the process of recruitment
- To familiarise recruitment differentiated with selection
- To provide insights on the factors which affect recruitment
- To familiarise various sources of recruitment- Internal and External
- To explain alternatives available to recruitment

### Chapter Structure



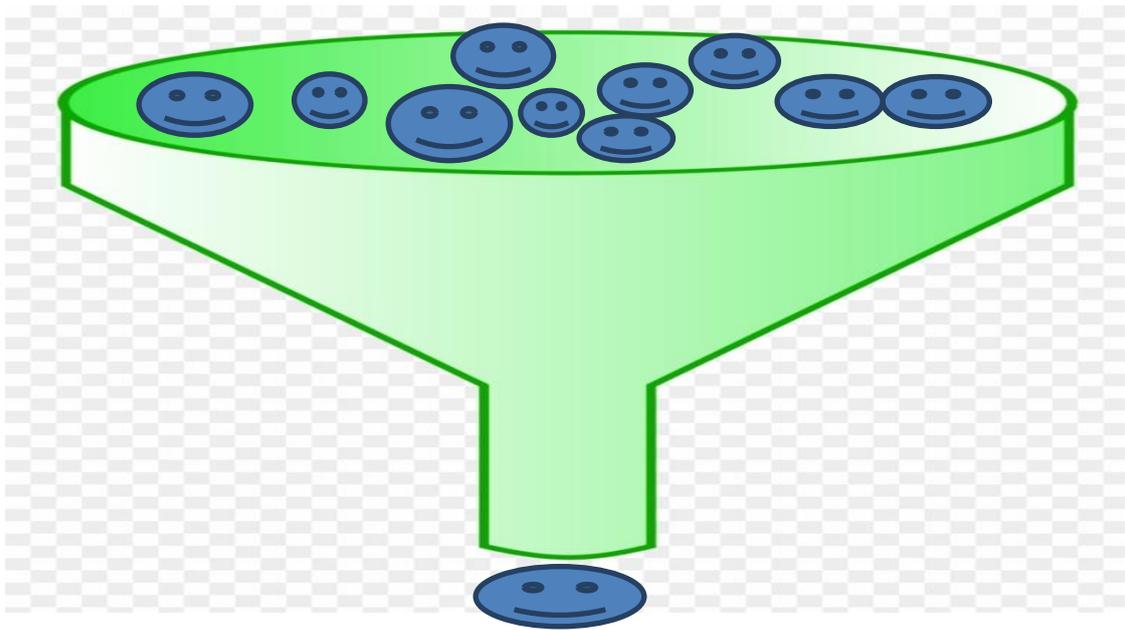
### 4.1 Concept of Recruitment

It's Marketing. Sounds strange, isn't it?

But indeed, recruitment is marketing. Before discussing that, in the first instance, let us have clarity on the difference between Recruitment and Selection. Both are not the same.

Recruitment is the process of generating a pool of candidates. We have job specification sheet with us. Recruitment is looking for people who are matching with the job specification.

Selection is picking up from this pool, who will be the best match and deciding who is not.



**Figure 4.1 Selection Funnel**

In Figure 4.1, filling up top-part of the funnel with the people is recruitment. What is done inside the funnel filter is selection. And the result is in the bottom part. One out of many.

Now coming back, recruitment is treated as marketing. Products are marketed. Services are marketed. But what about recruitment?



In recruitment, you are marketing your company. You are trying to attract employees to the position being filled in. Advertisements by big organisations (Indian Railways, SBI, TCS, Infosys etc.,) may get responses in thousands. But small and other organisations which may be big but maintain low profile need a good marketing campaign for their recruitments. You may be thinking that in a country like India, with high unemployment, pooling applicants is an easy job. It could be true from some positions. But for some positions, it is not that easy. Remember you have to look for candidates as per your job specification sheet and sometimes it may be very exhausting.

**“Recruitment IS Marketing. If you are a recruiter nowadays and you don’t see yourself as a marketer you’re in the wrong profession. If you’re not marketing, you’re not in it to win it”**

**Matthew Jeffrey, Global Head of Sourcing & Employment Brand at SAP**

**Definitions:** Let us have a look at definitions of recruitment by some famous authors.

**“Recruitment is the process of searching for prospective employees and stimulating them to apply for jobs in the organisation”.**  
**-Edwin Flippo**



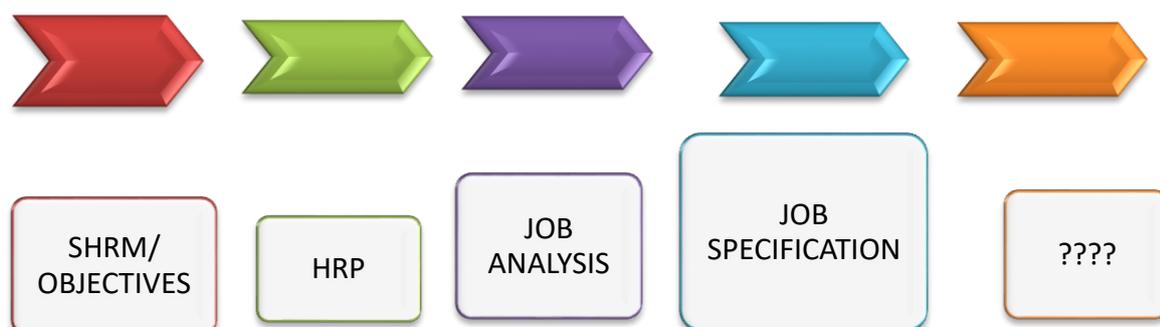
**Figure 4.2 Recruitment Meaning**

“Recruitment 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 force”. **-Dale Yoder**

“Recruitment means attracting candidates, which is primarily a matter of identifying, evaluating and using most appropriate source of applicants”. **-Michael Armstrong**

All the definitions are clear that recruitment means pooling of candidates. All of them also mention the recruitment is attracting the candidates or making them apply for jobs in the organisation. The meaning of recruitment is shown in Figure 4.2. While Flippo’s definition gives the crux of recruitment, Armstrong’s definition talks about identification of most appropriate source of applicants. On the sources, we will dwell at length in the coming sections. Close look at Dale Yoder’s definition yields that recruitment is a process of applying effective measures for attracting adequate manpower to facilitate selection. Thus it is effectively distinguishing the difference between recruitment and selection.

Now, let’s have a recap of the previous chapters thorough Figure 4.3.



**Figure 4.3 SHRM to Job Specification. What Next?**

With or without SHRM, objectives of organisation will be there and so would be HRM. With or without HRIS, the HRP will be there, or even without it, the requirement of some numbers gets established. This prompts Job Analysis, and the consequent Job specification statement would be made available. The next step is recruitment, the penultimate stage of putting right person on the job.

We can settle that recruitment is a process of attracting talent. Its significance can be seen from the flow presented in Figure 4.3. This is the activity which moves organisation into action front, since all the stages before, are mostly on drawing board. (There would be 'n' number of theoretical discussions, plans with permutations and combinations on paper or on whiteboard). It is the recruitment activity of HRM, which identifies potential future employees and stimulates them to come forward towards organisation so that this contact will effectively lead into a contract (of employment). It is the act of bringing together personnel who have required Knowledge, Skill and Abilities (KSA) and organisations which have need (or vacancies) for such KSA. It is this activity which will establish the first contact between organisation and potential employees.

**Purpose and Importance of Recruitment Policy:** General purpose of recruitment is making a pool of talented individuals available, who have required KSA to enable selection for the existing as well as potential vacancies. It is based on Job specifications for the requirements. Sometimes the job specifications may be open-ended. This is the case where large numbers are required. For instance, in campus recruitments, the final allotments to different divisions may depend on the KSAs and aptitudes of the candidates. At times, there would be special recruitment drives. For instance, local Governments may insist for a certain percentage of local employees in the total workforce of the organisation be employed, a quid pro quo for extending some concessions in taxes, land, power, and water. In these cases, it may result in locating suitable vacancies in the organisation as per the candidates' KSAs.

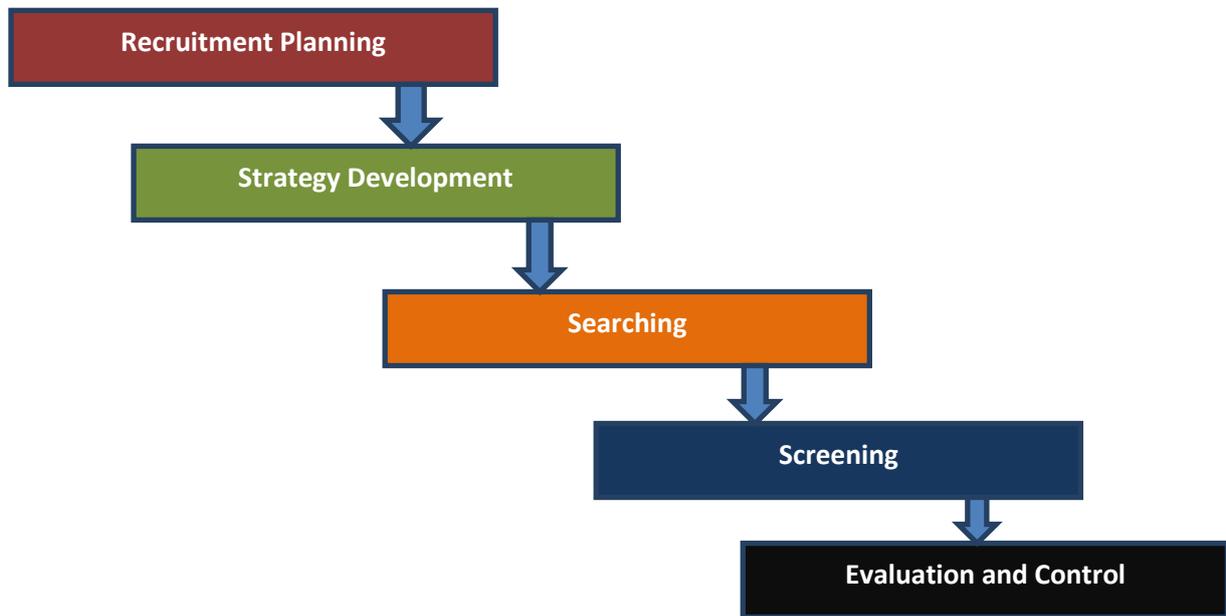
A good recruitment policy well documented would help the organisations in many ways:

- ✓ It becomes an integral part of HRP both for short term and long term plans i.e., for present and future manpower needs of an organisation.
- ✓ It helps organisation to meet its legal, social and ethical responsibilities.
- ✓ It helps in getting almost immediate replacements of vacancies caused by employee turnover.
- ✓ It identifies various channels and different sources for attracting right talent.
- ✓ It is a potential tool for increasing competitive advantage of an organisation.
- ✓ It helps organisation's composition of workforce with different talents and culturally diverse.
- ✓ It helps in reducing costs of (recruiting and selection) as databases of potential employees are maintained.
- ✓ It increases the image of the organisation.

**Recruitment Process:** Recruitment is for attracting maximum number of candidates since the numbers will be getting reduced in various stages of selection. The recruitment process is as shown in Figure 4.4.

**Recruitment Planning** – This stage is as per HRP. When the planning exercise gives net deficiency of manpower recruitment takes place. From the plans, the numbers and types of requirements will be known. The timing also will be indicated. If the required position is relatively a senior one, the experienced personnel (unlike fresh graduates) would require joining time to enable them to serve notice period in their existing organisations. (See box 4.1 for more information on 'Notice Period'). If they are presently employed in some other location, they need time to shift. Recruitment planning is to be made accordingly and may have to start in advance. The time period required for the entire selection process also needs to be taken into account as the same would be having

various stages and be requiring involvement of different people from different departments/outside.



**Figure 4.4 Recruitment Process**

Planning includes succession planning. Since the retirement dates of existing employees are known, recruitment plans are to be made accordingly to see that work is not hampered and the incumbent would be in place and takes charge immediately. Apart from this, there would be anticipated needs, in which organisations make plans based on the movements of personnel. It is more in seasonal industries. There would be unexpected needs arising out of resignations, deaths, accidents, illness etc., HR department needs to act swiftly in these cases.

**Box 4.1 NOTICE PERIOD**

**For all employees, there will be a notice period which they have to serve after resignation. They just cannot walk out immediately, and this notice period will enable organisation to make alternative arrangements to see that work commitments are not disturbed. Converse i.e., when an organisation asks an employee to leave, also will be applicable to enable employee to find alternative employment.**

**Time period varies with the category. It would be more for experienced employees. Usually, it would be one or two months and for higher positions, it can be more.**

Planning will also take the ‘yield ratio’ into account. ‘Yield Ratio’ is the ratio between input and output. For instance, a company received 200 applications and after screening at various stages, finally two people joined. In this case, the yield ratio is 1:100. It differs among organisations and estimates would be made based on previous experience. In other words, if organisation’s requirement is some five posts and yield ratio is 20:1, then recruitment first stage needs to generate hundred applications.

**Strategy** – Next step is to decide the strategy for recruitment. It includes the decisions on sources of recruitment, form and mode of recruitment notice/advertisement and on method of screening. For the sources of recruitment, we will have a detailed study in the following sections.

Strategy needs to use technology. For instance, if recruitment is for teachers, one can specify candidates to attach a sample video of their teaching along with the resume. With the advent of technology, it is not difficult for applicants to attach videos. It helps recruitment process since the screening can also be based on video lectures instead of confining to resume screening.



Strategy can also take other aspects like which levels recruitment to look for. Organisations can take with employees with precise KSA or can recruit with lesser abilities or experience and can train them subsequently. Organisation may have to pay more for experienced or skilled employees or may take less experienced ones by paying less. In this case, organisation needs to spend on training. Strategy needs to consider cost-benefit analysis and design the recruitment plan.

**Searching** – This step includes sourcing. Typically a requisition from user department will initiate the process of recruitment. If it is part of HRP, the timings indicated will prompt the start of recruitment process. In the searching stage, HR department needs to do the marketing of the company to prospective candidates. Care needs to be taken for not ‘overselling’ (indicating non-existent virtues).

Communicating precise job specification is essential so that only candidates with desired KSAs will apply. Otherwise, more time will be spent in screening stage (to reject applications not meeting the required criteria).

**Screening:** Purpose of screening is removing applications which are not meeting the required criteria and evaluation of candidate’s background and qualifications. It would save the time and energy of organisation to be spent in selection.

Screening includes background checks, sending another structured format and asking candidates to fill in (in this precise questions can be asked on their experiences, highlights of performance, critical incidents etc., to enable comparison and structuring interviews), telephonic interviews. Background checks need to be done with the consent of candidate. Most of the organisations would do background checking for only selected candidates. Telephonic interviews which will be of preliminary, nature help the screening process.

Checking the resumes for the following aspects would help:

- Grammatical mistakes – Apart from lack of good communication skills, these also indicate the lack of seriousness of the candidate.
- Tenure in the jobs – Longer tenure in each job indicates the candidate’s commitment. On the other hand, if the tenures are less, candidate is a job-hopper, and it is a waste of time to consider (the process has to be started again within a short span of time if candidate leaves). Examination needs to be judicious. Short stay of a candidate in a job could be because of many reasons. What is to be examined is whether it is really out of habit to categorise him/her as a job-hopper.

- Gaps in career – If the gaps are long, they need to be probed.
- Not employed presently – If the candidate is idle for a longer time, it needs to be checked. If the organisation where he was working previously has terminated as a part of downsizing exercise, the gap can be understood. But if he/she has resigned and remaining idle, reasons for the same need to be checked. Further, it would be easier for credential checking with the present organisation rather than previous ones.
- References – can be checked to get a pen picture of a candidate. The screening needs to be done keeping in mind the number of candidates to be considered for selection process. If number of candidates getting filtered are less, organisation may consider relaxation of certain criteria after checking with user departments or out of the experience.

### Pen Picture

**An account of positives and negatives of a person or strengths and weaknesses**

**Evaluation and Control** –The cost-benefit analysis needs to be done on the recruitment process regularly and accordingly, the process needs to be controlled. This aspect we will detail in subsequent sections. The ‘Yield ratio’ which was indicated earlier, plays an important role, not only for the cost-benefit analysis, but also as a remainder for further analysis on the complete process to plug any pitfalls and also to find ways for improvement of the process. Control also should be exercised to see that recruitments are for actual requirements and that too after exploring all other alternatives. It is also to be seen that user departments give their requirements in advance to enable HR department to club such indents and conduct process in minimum number of times. Otherwise, it would become a totally wasteful exercise of taking one at a time and costs the organisations a fortune in terms of money, time and energies.

This is the process of recruitment. In the next section, we will discuss the factors which affect recruitment.

## 4.2 Factors Affecting Recruitment

There are many factors affecting recruitment. Some are internal and some are external. These factors play an important role in the success of a recruitment program.

**Internal Factors:** Figure 4.5 lists the Internal Factors which affect recruitment.

**Size of the Organisation:** People prefer to work in large organisations as they feel that large organisations can withstand economic pressures and assure job security when compared to small organisations. As such large organisations will not have any problems in recruitment but small organisations may face difficulties. They may not be able to attract applicants in large numbers.

There is another view. Some employees may prefer to work in small organisations as they feel they will get their due recognition in small companies rather than big ones. Promotional avenues are another aspect. Large organisations will have multiple layers of management levels and people may feel that it would be easy to reach to the top in a smaller organisation.

Recruitment process also differs with the size of the organisation. The process may be a simple one for a small organisation involving one or two people, but it may be an elaborate one for big organisations involving many people and many tiers of selection process. Some people may prefer the former. As a whole, the size of the organisation matters as we find large organisations attract more people and reach can touch wider geographical areas.

**Image of the Organisation**-Organisations with good PR (Public Relations) will attract more applicants. Employees would like to be associated with companies which provide public services, discharge their social responsibility, involved in philanthropic activities etc., as their own image in their circles also will go up. Good image of an organisation helps increasing its standing in the market so that it can attract the best resources.



**Figure 4.5 Factors Affecting Recruitment (Internal)**

**Image of the job:** Actually, its nature of a Job. It is not an internal factor but a general one but included here so that it may help HR professionals to give appropriate job titles. Image of the job plays some role. For instance, recruitment for a “PRO (Public Relations Officer)” may attract more applicants, whereas “Officer Accounts Receivable” may get fewer number of applications. Jobs with a positive image in terms of pay, perquisites, promotional opportunities etc., will attract more applicants.

**Growth rate of Organisation:** Organisations with high growth will have more jobs, whereas organisations with less growth rate may go for recruitment only in cases of retirements and replacements. Consequently, the recruiters of small or nil growth organisations find it difficult to fill vacancies as they approach the market once in a while. HR departments of high growth organisations will be tapping the market constantly and they may get more applicants for vacancies within no time. They will also have advantage of huge databases (which may include applicants who were not considered earlier for various reasons and it’s easy to establish contact again).

**Pay Structure:** It is a demand and supply equation. Higher pay will always attract best talent but dent organisation’s pockets. Lower pay may not get any applications at all. So organisations need to strike a balance between the two extremes. The pay needs to be in the appropriate range of what same KSAs get paid in the market.

**Working Conditions** –It has many aspects associated with. Good physical conditions including ergonomics, will attract more applicants. Work stations having ample ventilation and space, air conditioning, Tea/Coffee dispenser, discussion rooms with paintings – all these would naturally attract when compared to dungeon type structures.

Internal support from other divisions, particularly from HR Department and ease of doing the things are preferred. (If you have to fill a Form with 10 to 15 rows for a simple casual leave, you would rather prefer to work in an organisation where a simple SMS serves the purpose). Image of taking care of the well-being of employees plays a key role. Professional organisations are preferred when compared to organisations where internal politics and groupism prevail.

Though all these are internal ones, prospective employees would be making inquiries and will be coming to know. Apart from this, over the years, these aspects will create an image good or bad.

**Costs:** Recruitments incur costs. Job agencies will charge for their services. Apart from direct costs, overhead costs will be there. This apart, time and energy of all personnel involved in the process is another factor. Planned and multiple job recruitments at a time would reduce the costs.

**Recruiting policy of the organisation:** Some organisations have the policy of recruiting from internal recruitments (promoting the existing employees). Some organisations have a policy of recruiting part-time and temporary workers. All these policies have their own merits and demerits but nevertheless have an impact on recruitments.

**HRP and HRIS:** Organisations with a definite HR plan would be going for periodical recruitments. Databases of HRIS would also help in reducing the time of recruitment.

**Age of organisation:** People generally prefer to work in established companies than startups.

**Location:** Availability of public transport to the location of organisation is one factor. Not all people will have their own vehicles and even they have, they may still prefer to use public transport for various reasons. Compared to small towns and villages, big cities will attract applicants from other parts of the country as they will have educational facilities (for self and children), chances for spouse also getting a job, recreational avenues and other attractions. Offices located in clusters will attract more job applicants. Organisations in remote locations may have to spend to create some minimum basic facilities like canteen/food courts, Wi-Fi zones etc.,

**External Factors:** External factors which affect recruitment are listed in Figure 4.6.

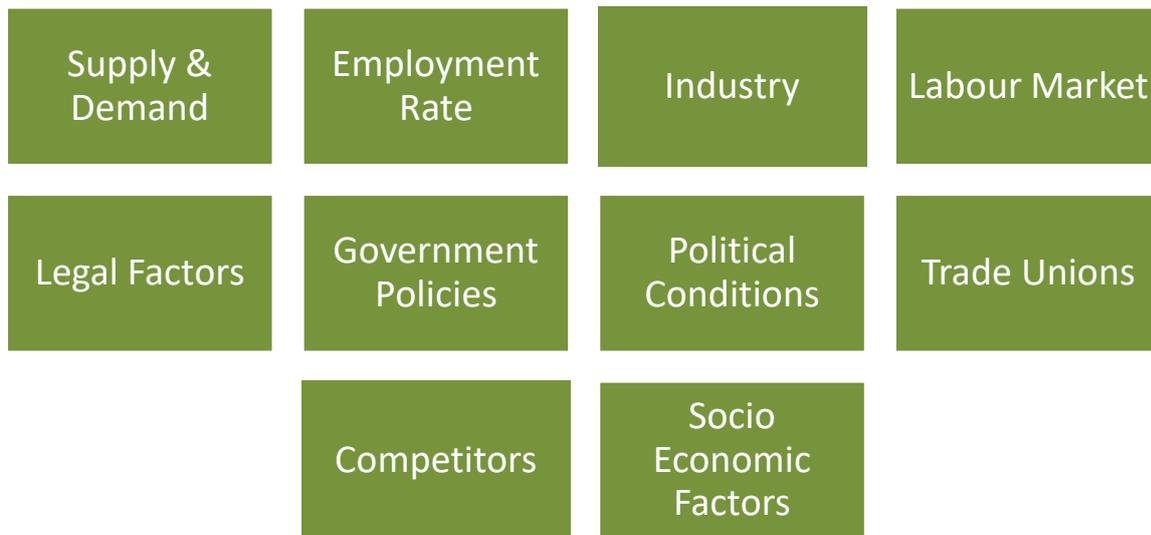
**Supply and Demand:** Related to specific skills, supply and demand is a key external factor. Position varies from skill to skill. Recruitment efforts and pay packages would be dependent on this factor. It is easier to recruit an engineer when compared to a top-notch financial analyst. Similarly, software professionals with particular skill sets may be in demand for a certain time. The type of industry and the state of the economy have a direct bearing on demand and supply.

**Industry:** The trends of the industry/sector in which the organisation is operating will have a bearing on recruitment. For instance, during boom time, it used to be difficult for airline companies to recruit pilots and many airlines had to recruit them from foreign countries. And the same companies had to retrench many pilots when the scene got reversed. Similar features were faced by telecom and software companies predominantly with the changes in the technologies.

**Labour Market:** This is one of the factors for low-key jobs. It would be area-specific. Here also one can find a paradox i.e., some skills have more demand and some skills with less demand. Inflows of the migrant workers tilt the balance.

**Socio-Economic Factors:** Factors like changing education level and general preferences etc., are the social economic factors which have an impact on recruitment.

**Legal Factors:** In India, there are many acts of Central and State Governments and these will impose many a condition in terms of wages, working conditions, health etc., Factories Act, Industrial Disputes Act, Contract Labour (Regulation and Abolition Act), Mines Act, Minimum Wages Act, Inter State Migrant Workmen Act etc., deal with one or other aspects of wages, working conditions etc., As per the Apprentices Act 1961 every employer has to provide training to apprentices. As per Employment Exchange (Compulsory notification of vacancies) Act 1959, employers have to notify vacancies to local employment exchanges. Though some of the statutes are losing their relevance, all these have a bearing on recruitment.



**Figure 4.6 Factors Affecting Recruitment (External)**

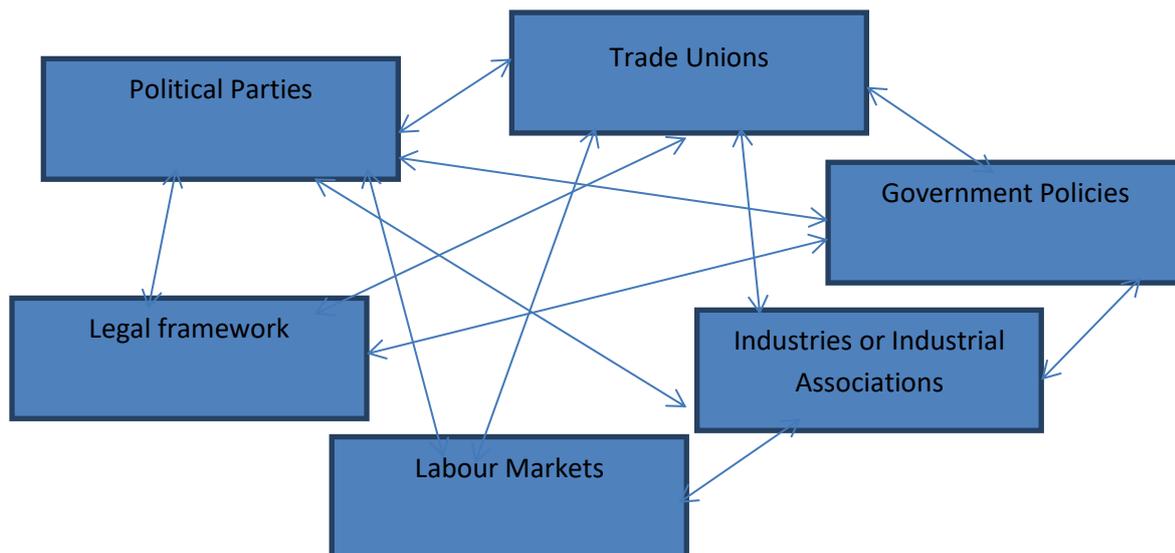
**Employment Rate:** If the unemployment is more, recruitment would be easier. This has a direct relation with general economy.

**Government Policies:** In Government and Public Sector enterprises, reservations are there for Scheduled Castes, Scheduled Tribes, and Backward Castes. There were attempts to increase these percentages based on political compulsions, but the same was capped by Supreme Court and other Courts. Though it did not materialise, there were also attempts made to extend the same to the private sector.

**Political Conditions:** ‘Sons of the soil’ slogan is one of the favourites of many political parties.

**Trade Unions:** Dominant trade unions are one of the factors of considerable importance. They usually come with demands of internal recruitment only (barring outsiders so that existing employees promotion chances will improve), Compensatory recruitments (providing jobs to the kith and kin of deceased employees), and Hereditary recruitments (reserving jobs to sons or daughters of existing employees).

**Competitors:** Recruitment policies of the competitors influence organisation’s policies. Many a time, it could result in matching compensation and other benefits offered by competitors. Some of the external factors are interlinked. Figure 4.7 depicts some of the inter linkages.

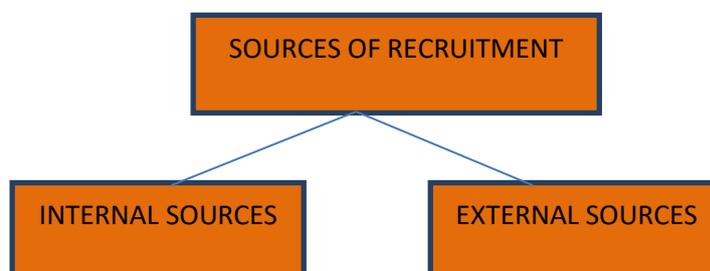


**Figure 4.7 Inter linkages among external factors which affect recruitment**

Trade Unions will have affiliations to Political parties. They have constant relationship with labour. Again Political parties have relations with labour/labour leaders. These parties, whether they are in power or not, still may influence the Government policies. The legal framework can be influenced by the Government, different political parties, and trade unions. Industrial associations will have relations with political parties. They have also relations with Governments as Governments require their help in increasing trade and commerce. Similarly, industrial associations also have relations with labour leaders and trade unions. Apart from the external factors per se, the inter linkages among them also will affect recruitment.

### 4.3 Sources of Recruitment

As shown in Figure 4.8, organisations will have Internal and External sources for recruitment.



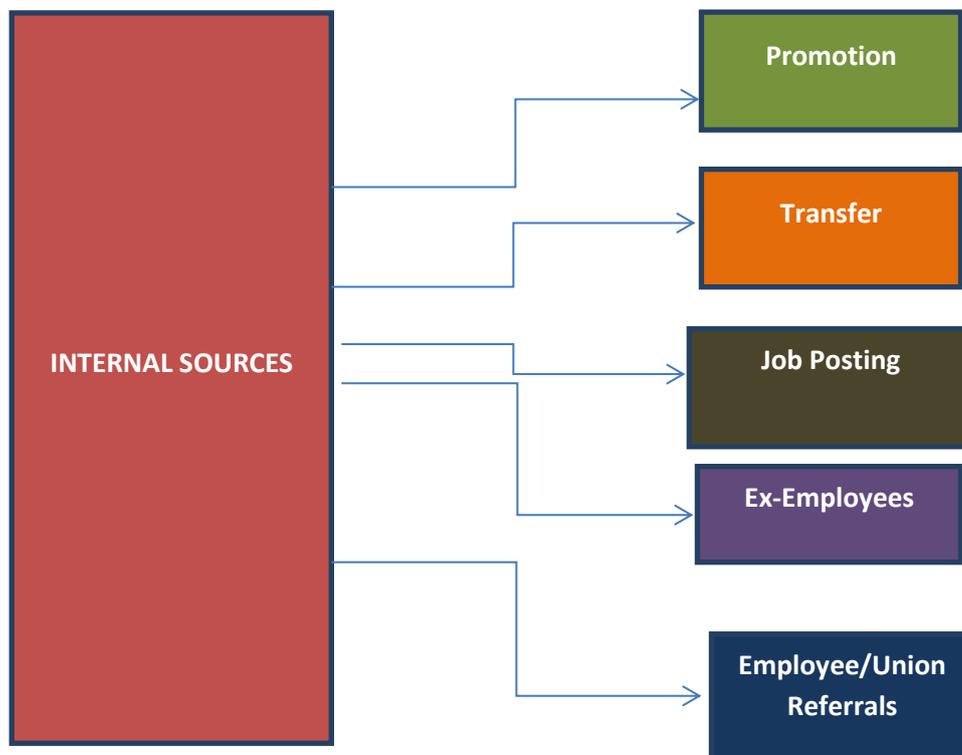
**Figure 4.8 Sources of Recruitment**

**Internal Sources:** Present and ex-employees are the sources of this type. Recruitment can be done in the methods shown in Figure 4.9.

**Promotion:** Suitable employees out of the existing ones can be promoted to fill the vacancy. Promotions place employees in a higher position with higher responsibilities and with higher pay. Promotions are not exactly a source of recruitment since the positions vacated by the promoted employees need to be filled in. But in some cases the resulting vacancies may not be required to be filled in. And in some cases, recruitment may be easy for the resultant vacancies than the original (experienced) ones.

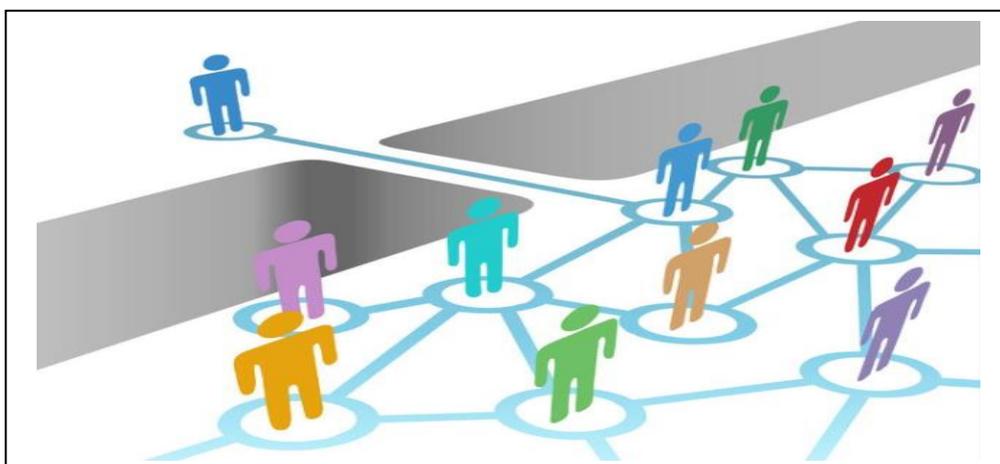
Promotions will motivate and in general, increase the morale of the employees. Some organisations have policies of promoting existing employees based on seniority or merit. But there is always a conflict between these two criteria. Both criteria have merits and demerits and choice is a difficult

one for the management, as either way, it may create dissent in some employees. Demotion is a reverse type and also a source but generally not used.



**Figure 4.9 Internal Sources of Recruitment**

**Transfers:** Generally used when organisations expand and open branches in new locations. Selected employees will move to fill up the vacancies which will be requiring the same KSA. No pay increase will be there, barring reimbursement of shifting expenses. Organisations, effect transfers out of policy also. (Some organisations have policy of not keeping same employee in the same position for more than three years as they fear that employees may misuse the position, or establish connections with vendors or customers or may become potential competitors).



Like promotions, transfer is also not a source because resultant vacancies are to be filled in unless they become redundant. Useful for organisations when establishing branches at new locations as they will have a known person managing at new location. Not all employees will agree to change of location and may demand suitable compensation. If it is coupled with promotion they may agree. Used when it is difficult to fill a vacancy at other locations but easy to recruit for a local position.

**Job Posting:** In this system, the vacancies are notified to all the existing employees first. Gary Dessler defines 'Job Posting and Bidding' as "a system in which the employer provides notices of job openings within the organisation and employees respond by applying for specific openings". It would be useful in big organisations which operate with many verticals and/or many divisions operating in multi-locations. (System as presented in the case study 'But Neelam is Paid More than Me' in Chapter 1). It would be a good choice to explore before resorting to external sources. All other procedure can be the same as is done through external sources. (In some organisations, internal candidates are also treated at par with external candidates and selection process would be the same). It would be a good option for big organisations where individual talent might not have been noticed or put to the test.

There are some problems associated with this system. Putting a condition that applications are to be 'through proper channel' (to be routed through employee's supervisor/Manager) is needed since immediate boss should know so that he will prepare for replacements or work reallocation etc., in case. But not all bosses would encourage their subordinates and may put spokes in the wheels.

**Appointment of Ex-employees:** Sometimes ex-employees may be available and willing to join. These could be ones who were earlier laid off or retrenched. Or sometimes employees who moved out to a new location (mostly foreign countries) and returned might become available. There could be resigned employees also. All these will be good sources for recruitment.

**Employee Referrals:** Existing employees may suggest suitable candidates (friends, relatives, and known people) for a vacancy. In general, they refer only suitable candidates since their credibility would be at stake, but cases of recommending non-suitable ones cannot be ruled out. It may reduce attrition as friends may like to work together. At times using this source may sour relations between employer and employee. This source is used by NBFCs (Non-Banking Finance Companies) as trust is the most crucial characteristic for them in recruitment.

Referrals from trade unions also fall in this category. Using this source, managements can appease the trade unions. But it is like a double-edged sword as relations can also become bitter. It may also create problems if there are more unions because of rivalry among them.

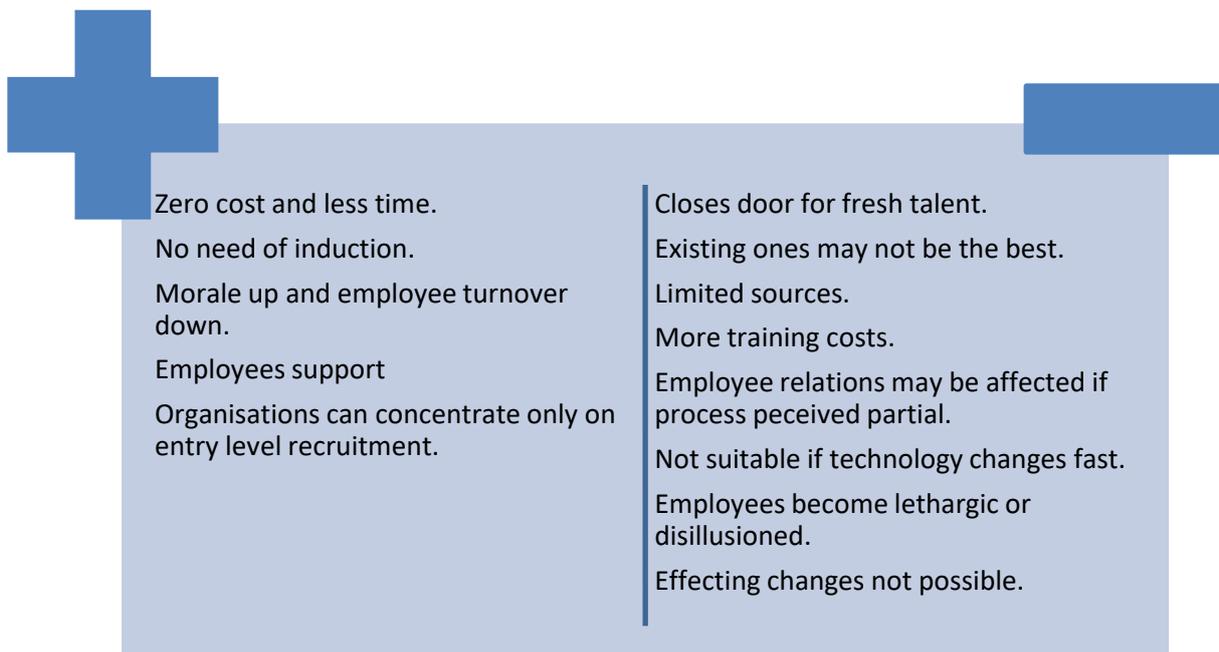
#### **Merits of Internal Sources**

- Zero recruitment cost practically. No selection process is required.
- Immediate availability and no need for induction and orientation.
- Increases morale and loyalty and reduces turnover.
- Employees will welcome as opportunities of career development will be present and also usher change and break the monotony from an existing job.
- If the system is followed, organisations can concentrate only on 'entry level' recruitment which is easy and wider choice would be available.

#### **Demerits of Internal Sources**

- ✓ Existing employees may be good but may not be the best in the market.
- ✓ Closes door for fresh and diversified talent who have more exposure.
- ✓ Sources will be limited.
- ✓ Can affect employer-employee relations if the process is perceived as partial.

- ✓ Existing employees may not be really suitable for new skills and some of them may be of advanced age, in which case recruitment process needs to start again on their retirement. Even otherwise, organisations need to spend on training and development.
- ✓ Not suitable for industries or sectors where technology advancements are the order of the day and by restricting to internal sources organisations may become outdated in such cases.
- ✓ In the case of promotions based on seniority, employees may become lethargic and it also kills competition among employees. Also, talented employees may get disillusioned. If merit with or without seniority is considered, the process always will have some dissent and also may cause internal politics or infighting for promotions.
- ✓ Since mindsets would not change much, same culture and same functioning (good or bad) will continue and effecting change in any aspect will become a herculean task.



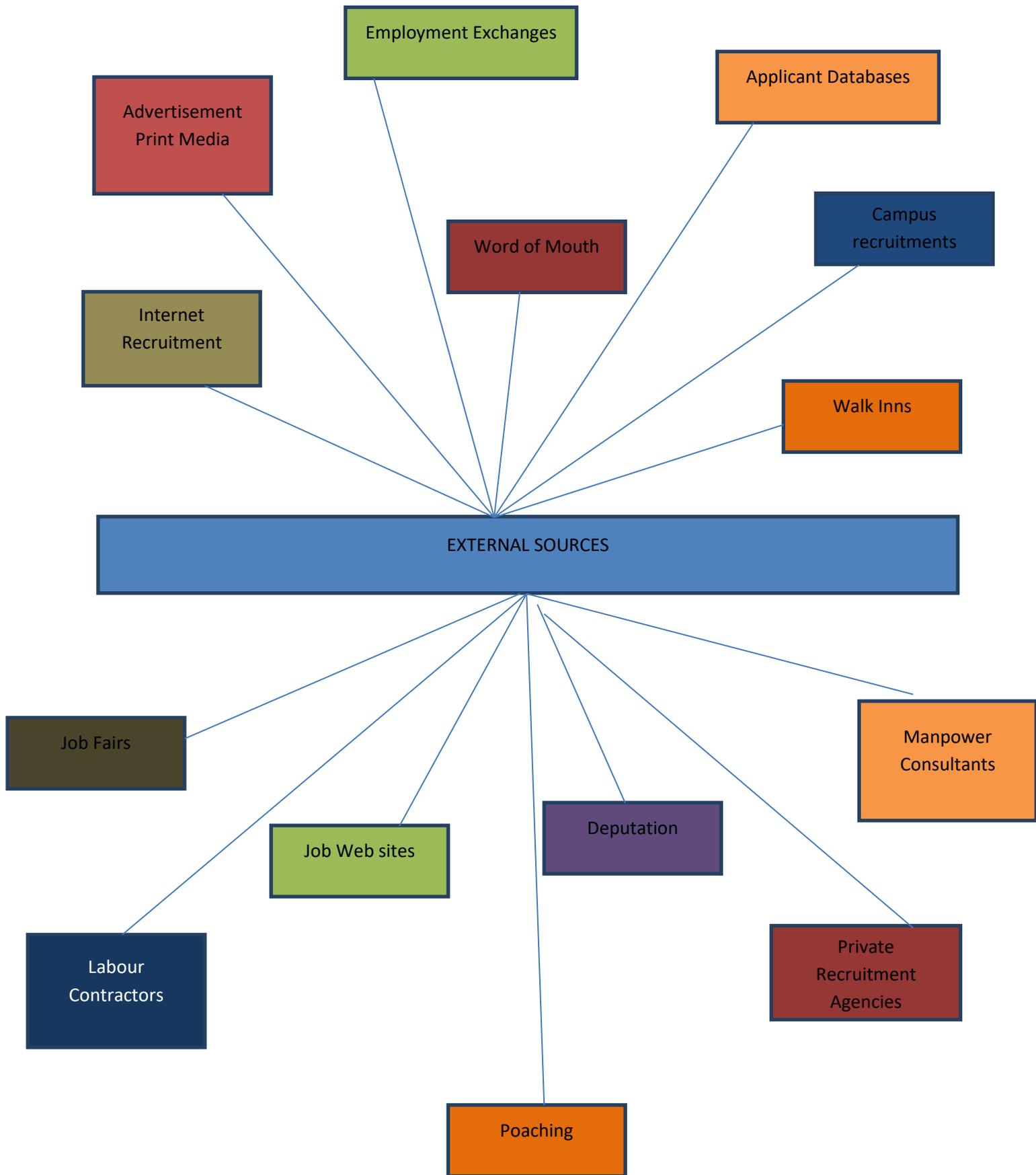
**Figure 4.10 Merits and Demerits of Internal sources of Recruitment**

**External Sources:** External Sources of recruitment are shown in Figure 4.11

**Advertisement in Print Media**-Though internet is widely used, still advertisements in print media evoke reasonable good response. Even in 'net and mobile app age' still people have more belief and trust in what is printed or to say which comes in 'black and white'. One should make a note that:

- India tops the world in number of printed daily newspapers of 7,871 (as of 2015).
- Even with net penetration of about 35%, the print readership is 425 million readers (as of first quarter of 2019) which is almost a third of Indian population.





**Figure 4.11 External Sources of Recruitment**

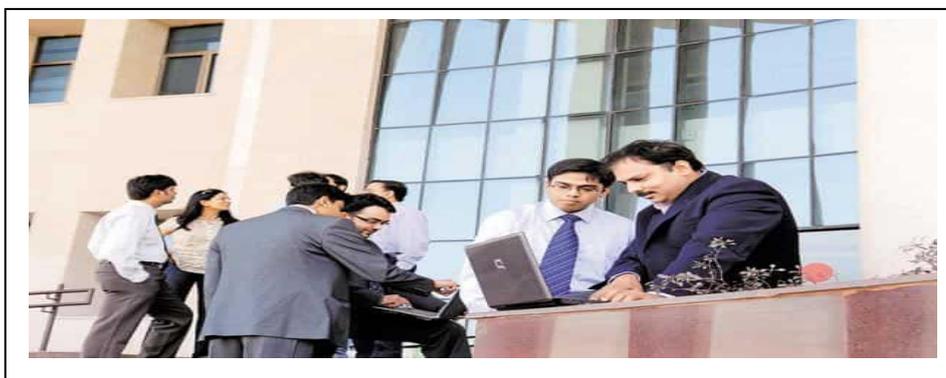
All the Government and Public Sector Units advertise in print media. Advertisements can be released in newspapers as well as trade, industry and professional journals. The advertisements need to contain full job specification and if required, parts of job description, so that it evokes response from candidates of target segment only. Otherwise, the scrutiny process will become time-consuming in taking out unwanted applications. If you are willing to consider wider choices by giving relaxation in some KSA, you need to specify the same. For instance, you may require an accounting professional and qualification as CA (Inter). To widen your choice, you may put CA (Inter) or CMA (Inter) as desired qualification and if you want to enlarge the base, you may add “outstanding people with M.Com qualification may also be considered”.

Cost-effectiveness of this mode depends on the readership of newspaper in numbers and profiles. If advertisement is given in one newspaper, then it can't reach readers of other newspapers. One way to reduce costs is by giving small advertisement in different newspapers mentioning the reference to web source for full ad and/or more details. Because of peoples' preference for printed word, this is one of the best external sources for recruitment.

**Employment Exchanges** – There is a statutory provision that industrial undertakings which employ 25 and more workers, should notify vacancies to the employment exchanges. There are more than 900 employment exchanges in all important places. When you notify vacancies, employment exchange will match qualifications among the members registered with them and send the list. Not an effective source, since most of the employment exchanges in India do not function properly and saddled with outdated data. If local employment exchange has more registrations and found to be an effective source can be tried as notification doesn't create obligation on the part of the Company.

**Database of earlier applicants** – It is not strictly an external source since organisation has data. There could be instances some applicants did not make it into the selected list (bottom ones in the preferences or order of priority) but have required KSA (Different from candidates who were rejected). There would be some cases where applicants were sent back to HR department with remarks “can be considered for a --- (different) position. Generally, there will be some direct applications also (uncalled for but with requests of considering for a suitable position). All these applications from the database can be looked into and matching applicants can be tapped. HRIS would be most useful for data mining.

**Campus Recruitments:** Quite a common source. Usually, HR department and any subject specialist or experienced employee would visit the Colleges, Universities, Professional Institutes and call for applications.



Generally, it will be through a visit only and sometimes it can be communicating to Head of Institution or Head of Departments to suggest suitable candidates. Most useful when search is for highly academically qualified people. Mostly all these would be fresh graduates without experience and this source will be helpful to recruit entry-level positions (trainees).

Campuses (Institutions/Colleges) need to be selected and dates will be fixed in consultation with the placement coordinators of the Institute. Generally, the season will be in the first quarter of the year. Team from the organisation will visit the Institution and make a presentation and students who are interested will submit applications immediately. The presentation needs to be good enough to attract and should include highlights of the organisation, career graph, emoluments and perquisites etc.,. Written tests may be conducted if allowed by the Institute. (Premier institutions will not allow conducting written tests, as their curriculum, standards and level of teaching etc., obviate separate testing). Team needs to conduct interviews and issue spot appointment letters. (As such, these recruitments include selection also).

All the IT majors like Infosys, WIPRO, TCS, HCL Technologies etc., and major companies like Larsen & Toubro, Tata Steel, Banks like Citi Bank, Giant Public Sector Undertakings like SAIL, MMTC, NTPC etc., take campus recruits every year.

**Internet recruiting** – Advertisements are put on the net instead of or along with advertisements in print media. Compared to print media, advertisements on internet are less costly. It has gained prominence as more and more companies are using internet advertising for recruitments. It can generate more responses as it is easy for candidates to apply.

There is computer software available that can do the screening and this software need inputs in electronic form only. One major advantage in this system is creation of databases which can be used for future needs. Resumes can be called for and structured applications also can be put on net and applicants have to fill in so that scrutiny would be easier.

Many companies have their websites and other companies use the services of job sites like Nukri.com, Timesjobs.com, Monsterindia.com and Shine.com. These are all employment exchanges on the internet.

**Word of Mouth:** HR professionals can use this mode also. Letting it known that there is a certain vacancy to few people would sometimes help as grapevine is very fast. Though this is official communication, grapevine (Ref Chapter 2) can be used for its speed and spread. People can always check with the source. It would be interesting to note this mode sometimes acts much faster.

HR professionals can also use their networks (networks of batch mates, friends, and professionals working in the same industry or area) for communication. And LinkedIn, a social network, is making inroads which can be used. Organisations generally, put employment notices on their notice boards.

**Walk-ins:** Like unsolicited applications, there would be occasions wherein people trying to approach organisations in person in search of a job. People associated with the organisation (customers, auditors, bankers' et al.) may also refer candidates for suitable employment. HR Department can add them after checking their CV or a preliminary interview. If there is no recruitment exercise is taken up at the time of such walk-ins, HR department can take their resumes and add to the data based and treated on par with unsolicited applications.

**Job Web Sites:** As mentioned in the Internet recruiting, database services of the job sites can also be utilised. These sites have offer packages like time based, job- based etc., for a fee. One can access their data bases of candidates (registered with them) for a fixed time period or a refined search say for a particular job profile or candidate profile. Care to be taken to see that the databases are updated and latest ones as sometimes it may so happen that candidates have given their profiles in response to an ad quite a long time back and presently may not be available.

**Private Recruitment Agencies:** Using private recruitment agencies is basically outsourcing recruitment activity. But their services can be used for some part of the recruitment. They can be

engaged for collection of applications and with or without preliminary screening. There are many agencies available.

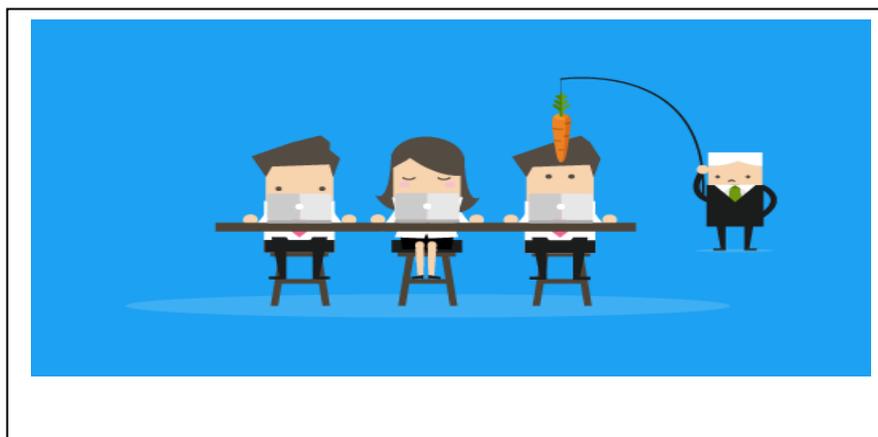
**Manpower Consultants:** Same as private recruitment agencies, manpower consultants, are also a source. Manpower consultants may not operate on the same scale as recruitment agencies and may take limited activity of providing details of willing employees. These can be a good source for specific skill requirements. Most of the consultants are either individuals or very small firms. But some people register with them or approach them because of their personalised attention. These consultants can be used for 'poaching'.

**Job Fairs:** Job fairs are conducted by Government agencies or private bodies. Generally, conducting bodies approach different companies beforehand and HR Departments can find the events and can participate. These fairs attract a lot of people as they are free and they may find a job by carrying just their resume. These job fairs would be useful and are like campus recruitments. Or like several walk-ins assembling at the same place.

**Labour Contractors:** Labour contractors generally will tap manpower from villages. They will supply manpower to organisations for a fee. It is useful for recruitment of unskilled manpower. The system is generally used in seasonal industries. Inter-state migrant labourers generally follow a contractor and move to a different place in search of employment. System is not new and is used in agricultural operations, as farmers need manpower in the season for various activities.

**Deputation:** Recruitment through inviting other organisations employees for working on a shorter period. Government Departments and Public sector enterprises use this method, particularly in starting stage. At times it may become permanent employment also depends on the choice of other organisation and employee concerned.

**Poaching:** Not recommended since it is unethical. It is attracting employees of rival organisations with good offers. Directly or indirectly (through consultants) organisations establish contact with target employees and extend offers. Operation is secretive. Though not ethical, still resorted to by some organisations and there are some specialist consultants who work on these kinds of missions. IT and Media sectors are some examples.



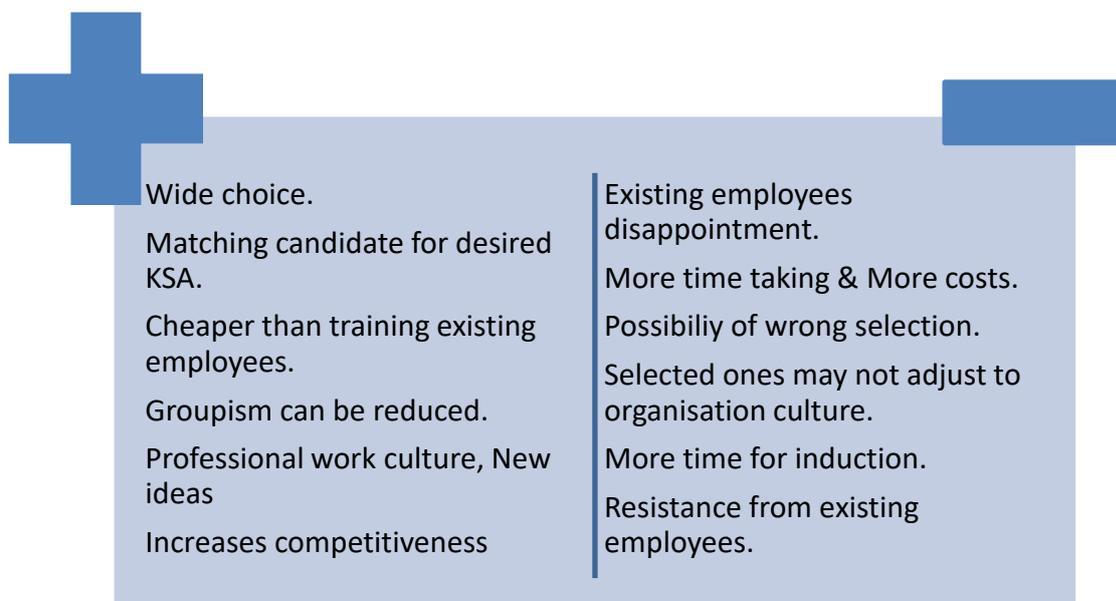
Organisations are also adopting countermeasures, like concluding agreements (among rival organisations agreeing not to recruit other organisation's employees), incorporating strict clauses in employment contracts (some organisations prohibit employees joining a company of the same sector after resignation for a specific period of time. Employees may also insist for not hiring their former colleagues), and Cash incentives for staying in.

### Merits of External Sources

- Wider choice
- Personnel with desired KSA can be recruited
- Cheaper when compared with costs of training existing employees
- Best choice if organisation is suffering from 'groupism'
- Fresh talent can be sourced who can bring professional work cultures and effects change in many aspects apart from new ideas and innovation
- Increase competitiveness among employees

### Demerits of External Sources

- Dissatisfaction among existing employees.
- More time taking and more costly.
- Possibility of selecting wrong or less skilled candidates.
- Selected candidates may not adjust to the culture of the organisation.
- Induction will take a longer time.
- New incumbents may face resistance from existing employees.



**Figure 4.12 Merits and Demerits of External sources of Recruitment**

Before evaluating which source or a combination of sources to be used, one should be clear on the jobs/positions to be filled i.e., whether the job is permanent or temporary, say for a particular project or specific tenure; contractual or regular appointment and other aspects. Having understood the sources of recruitment, try to find solutions for the situation presented in case study XL Edu needs! (Box 4.2)<sup>15</sup>

<sup>15</sup> Murray, L. M., & Fischer, A. K. (2010). Strategic Recruiting: A Human Resource Management Case Study. *Journal of Business Case Studies (JBSCS)*, 6(6). <https://doi.org/10.19030/jbcs.v6i6.263>.

### Box 4.2 XL Eduneeds I

XL Eduneeds Ltd. is a major supplier of educational materials in India. The Company focuses on learning tools and systems used in technology, science and business classrooms. In addition it develops and provides books, manuals, videos, software and hardware used in the fields of technology education, instrumental development and business applications.

The Company has three main divisions. Its headquarters and creative division are located in Bengaluru. Main manufacturing plant is in Ambattur Industrial area (Chennai) and Transportation, Services and Maintenance (TSM) division at Hyderabad. TSM division's objective is cost reduction. Manufacturing division's objective is quality enhancement and that of Creative division is innovation. XL Edu is known for providing cutting edge teaching materials with high quality and its maintenance services are very reasonably priced.

XL Edu was started by a group of entrepreneurs led by Mr. J. Kishan and all of them prefer to be in the background and doesn't meddle with day to day affairs of the Company. They have recruited Mr. VLN Rao as CEO and Mr. JVN Rao as COO. Both have rich experience and came from a multi-billion dollar PSU.

The Human Resource Department is located in Headquarters. The Vice President for Human Resources is Nagesh Kumar. The Department has four sections:

Staffing Head: YPS Rao (YP in short)

Compensation and Benefits Head: Veeranna K (Veeru in short)

Labour Management Relations Head: Y Hanumantha Rao (Hans in short)

Training, Development and Performance appraisal Head: C Chandrasekhar (Chandra in short)

There are also human resource specialists attached to each division.

Manufacturing Division: President is Mr. N Phaneendra Bose (called as Bose by all). Bose is generally thought of as a good, easy-going man to work for. HR associate for manufacturing division is Ms. Nishaa.

Creative Development Division: President is Ms. Serena who recently joined. She was previously a software developer for a large computer game producer in USA. HR associate for creative division is Ms. Shefali.

TSM Division: President is Mr. D Hariharanath (Close associates call him 'Mama'). He has rich experience. HR associate is Ms. Kannagi.

Situation: Recruiting

As the Company grew, XL Edu relied predominantly on referrals from employees and ad hoc recruiting. Now, the rate of growth and with acquisitions has outpaced the ability of XL Edu to rely on these methods. The HR department has been given the task of developing recruiting plans for employees who will stay with company for long and productive. The task is further complicated by the differing skills, abilities and output required by each division. Nagesh and his staff have met to discuss the needs of each division in its recruiting efforts.

(XL EDUNEEDS I Continued)

Nagesh: “Welcome to Bengaluru, the garden city of India. We have a big task ahead of us. By the end of this week I would like to have a preliminary recruiting plan for each division to take to the executive committee meeting scheduled for mid of next week. Our agenda for today’s session is to talk about requirements of each division and brainstorm how we might target the requirements. I want to emphasize that we will not be abandoning our system of hiring referrals from our employees and maybe we need to systemize it and encourage. Let’s go ahead and get started. Nishaa can you tell us about our manufacturing needs?”

Nishaa: ‘Thanks Nagesh. Our recruiting requirements are pretty basic. We have about 160 positions which are divided into ten teams, each team taking up specific product. When we hire for these positions we don’t look for experience much rather look for ability to work in a group. We rely on present employee referrals to fill any empty position. The referring employee will ensure that the new employee is successful. Peer pressure will work much better than anything. I am starting to see some issues in recruiting supervisors.

One of the reasons we don’t see much turnover in our division is because of Bose. He really sets the tone in the division and our staff like working with him. Our pay or benefits are not high when compared to competitors but our culture at the plant makes all difference and we fill vacancies easily’.

‘Thanks Nishaa’ Nagesh said. ‘Your current situation seems well in hand, however, please consider what it would mean if we were to increase our production by 25-40%. Could you handle the staffing requirements by referrals?’

Nishaa looked doubtful. ‘Ok. Start thinking about how you might recruit applicants for new positions both line and supervisory. Shefali, your turn’.

Shefali: ‘Our situation in Creative differs significantly with Manufacturing. We strive for innovation, and we need to hire for a combination of creativity and programming skills. We look for evidence of these in previous projects, types of experience, education and training. I have got three big issues, making the right hire, developing right environment and office space.’

‘My biggest concern is making the right hire- these folks aren’t only high salaries, they are also expensive to source and recruit. I need to somehow make sure they have the skills and abilities we need and make sure that they fit into our working environment.’

‘I also have to make sure that I can keep those creative and programming juices flowing. They are not typical 9 to 5ers – they tend to work crazy hours and are demons for sugar, caffeine and games. My final concern is office space. As you know our division is located in Brigades Road, one of the most expensive office spaces in India. I would like to explore some telecommuting options as well as job and office sharing arrangements’.

‘Finally I would like to explore the possibility of using contract employees. This could be a way for us to provide a realistic job preview for prospective employee and for us to get to know them before we hire them permanently’.

Nagesh: “Thanks Shefali. You are up Kannagi’.

(XL Eduneeds I Continued)

Kannagi: 'Nagesh, Our focus in TSM is cost efficiency. We have enough people for maintenance work and we hire people with warehousing and logistics experience and also need people who can work with automation as we have automated as much as possible. When we hire a supervisor from a distribution center (Wal-Mart or Amazon) and the new supervisor brings his best people along with him. If we have to be ready for a 25-40%, we need new recruits as we are operating to capacity'.

Nagesh put his pen down and stood 'Let's take a break of 15 minutes and when we reassemble we will start brainstorming'.

**Questions:**

(Better to form teams to represent each division).

1. Provide a summary of HR concerns and challenges of each division.
2. Outline a recruiting plan for each division. What activities would be most important and Why?
3. Do you agree with XL Edu's policy of employee referrals? Do you think that XL Edu can sustain and grow with the existing policy?
4. If you feel it is not enough, list out the external recruiting activities for each division.
5. For manufacturing division – How would you develop a referral programme for the division? Do you feel that referral programme is enough for the division's activity?
6. For Creative division – Evaluate Shefali's plan of contract staff listing advantages and disadvantages. Can you suggest any other plans for her, taking her concerns into account?
7. For TSM division – Any alternatives for them looking beyond other distribution centers?
8. For which positions a realistic job analysis or job preview is important and Why?
9. Do you suggest a division specific recruitment activity or can you suggest any common recruitment activity for company as a whole? You need to justify your answer.
10. Nishaa stated that she had some problems in recruiting supervisors. What could be those problems?
11. Employee referral programme is working well as far as Nishaa is concerned. But why Shefali and Kannagi feel that it doesn't work well for their divisions?

#### 4.4 Recruitment Metrics

You have a HR Department. You have a recruitment strategy and a process in place. And recruitments are taking place. But are you doing it effectively? Or is there any requirement of modification in any of the steps? How do you know whether your recruitment is done economically? Recruitment Metrics answer all these questions.



We can take Metric as a measure in business (in Mathematics, it is a function). A Business Metric is a quantifiable measure businesses use to track and monitor to assess the success or failure of a business process. Recruitment Metrics are tools which measure the performance of various steps in the recruitment process against the goals set.

These will audit/track the process of recruitment and they help to evaluate the same. When the goal is putting right people at the right job, since putting right human resources increases the ROI (Return on Investment) of the Company, we need to know whether right people are getting recruited.

Some of the recruitment metrics (Figure 4.13) are discussed here. It may be noted most of the metrics measure total process, including selection. As these metrics are based on time, cost etc., we can always segregate the selection part and arrive at the recruitment part. More than that, the concept is important and hence the metrics are presented.

**Time to Fill Vacancy and Time to Hire:** These are the easiest to measure and important ones. Time to Hire is the time gap between the time of requisition (or indent) of a vacancy and the time of acceptance of an offer by a candidate. Time to fill a vacancy is the time gap between the indent and the time of joining of the candidate (filling the position). Difference between these two, as you can observe, is the time gap between the acceptance of job offer of a candidate and his actual joining in the job. This is the time a candidate takes to assume the position. (See Box 4.3 on Joining Time).

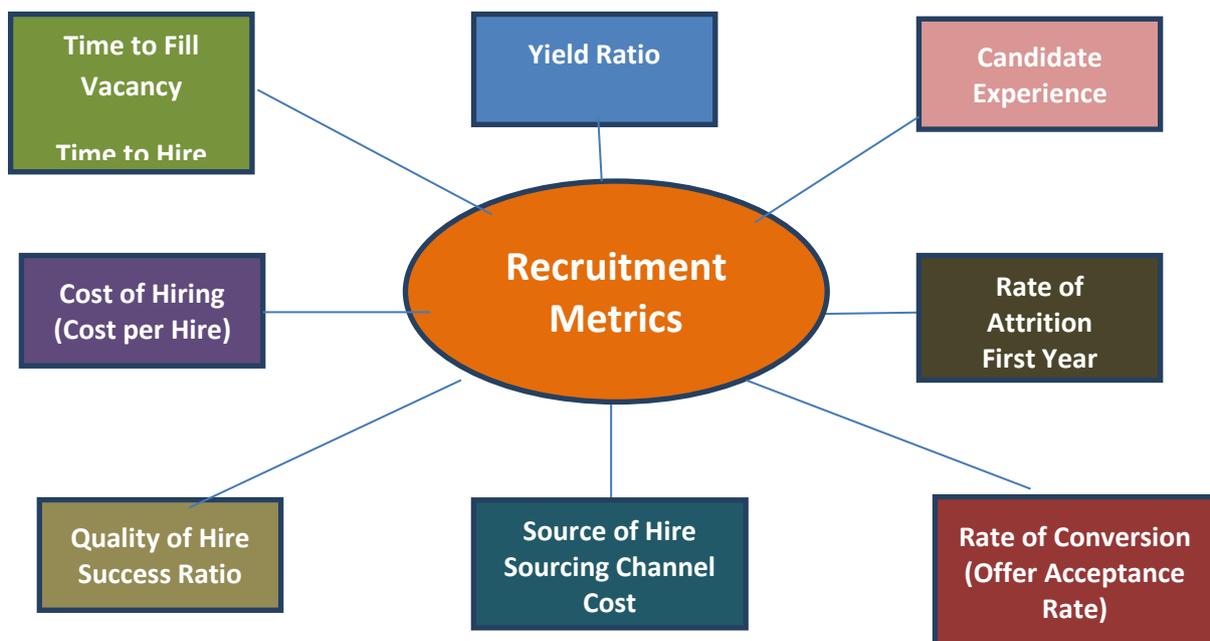


Figure 4.13 Recruitment Metrics



The user departments are more concerned with the metric time to fill. They might have got an order or project with deadlines to meet. And this will give a true picture in planning for the replacement of an employee who has resigned. Ideally, the time to fill should be less than the notice period of the resigned employee. And in some cases, it must be less than the notice period. These metrics are very useful for every organisation to plug the loopholes and to cut bureaucracy.

Cost of Hiring or Cost per Hire: Both or same except, in cost of hiring aggregate expenditure and in cost of hire the average expenditure, is considered. Cost per hire indicates the average expenditure of the full process from indenting to onboarding of an employee. It is an essential metric in budgeting. For smaller organisation it would be burdensome if the cost per hire is high. For computing this metric, total costs (direct expenses and overheads) are considered. (See Table 4.1)

Table 4.1 Direct Expenses and Overheads in Recruitment and Selection

DIRECT EXPENSES	OVERHEADS
<b>Advertising Costs</b>	Recruiter time cost (Average hourly salary* No. of hours spent)
<b>Fees to recruitment agency</b>	Interview panel time cost (Average hourly total salary of all members * No. of hours spent)
<b>Expenses of written tests/Interviews</b>	New candidate on-boarding time (Average hourly salary * No. of hours spent )
<b>Training costs</b>	Lost productivity
<b>All other direct expenses</b>	All other overheads

$$\text{Cost per hire} = \frac{\text{Total Recruitment Cost (Direct Expenses+Overheads)}}{\text{Total number of Hires}}$$

Above mentioned are only indicative, but the principle is to include direct and indirect costs (overheads). Training costs are to be included if there is a need for training. Similarly, cost of onboarding time i.e., the time candidate takes full charge of the job activities. Also, if the productivity is low during this time than expected, it needs to be added. Expenses of Tests and Interviews include the reimbursement of travel and hotel expenses to the candidates.

You can see that the cost per hire is high if there are less number of candidates recruited and hence the burden on small organisations. Also, you can make an inference that if the first metric (Time to fill) is low, this metric of cost of hire also will be low. In the cost of hiring metric, the denominator will not be there and it calculates the total cost of recruitment.

**Quality of Hire:** It is a performance rating of recruitment process and depends on the performance of candidates recruited. It is the performance of candidates recruited in their first year. Quality of Hire indicates success if candidates are good performers and indicates failure if candidates recruited are low performers. A performance of 'satisfactory' is treated as good for this metric.

In a highly competitive environment, organisations cannot afford a failure metric of quality of hire, as it may result in losing big orders or getting a bad name for the organisation. It directly indicates the performance of HR department since they are finally responsible. Though different personnel like interview panels are involved, since the selection of all these personnel is done by them, the HR department is responsible. They get praise and brickbats for quality of hire success and failure, respectively.

In the performance of candidates, you can add the factors like culture fit.

**Success Ratio:** This is a consequential metric of quality of hire metric. It is the quality of hire divided by the number of candidates recruited. In other words, it is the number of candidates with good and satisfactory out of the total number of candidates recruited.

$$\text{Success Ratio} = \frac{\text{Number of candidates considered satisfactory}}{\text{Total number of candidates recruited}}$$

If more candidates recruited show satisfactory performance (satisfactory include good rating), the success ratio will be high. If the ratio is low, it means, recruitment process needs improvement.



Organisations expect good ROI (Return on Investment) from their investment in human resources and as such, the success ratio should be high and fine-tuning needs to be done as and when ratio falls. And hence this metric is an important one.

**Source of Hire:** This metric tracks the origin of applications. All sources like advertisements in print media, Internet advertisements, Job portals, recruiting agency if engaged etc., are analysed. Since we are evaluating the recruitment process, the number of applications generated from a particular source can be a parameter. Or, to make it more effective, you can take the number of matching applications (after screening) as a parameter. This is because, generating data on all job seekers irrespective of what profile is needed will not help and rather, it will increase load on screening and wastes time and energy.

This metric enables evaluation of the sources and one can take a decision on cutting unnecessary channels. For instance, if a particular job portal has only bulky and outdated lists, and not able to generate applications, one can avoid tapping the same.

**Sourcing Channel Cost:** Closely associated with the previous one, this metric evaluates the costs of each source. Expenditure on advertisement divided by the number of applications generated will give this metric sourcing channel cost.

$$\text{Sourcing Channel cost} = \frac{\text{Expenditure of advertisement}}{\text{Number of successful application generated}}$$

This metric gives precise information to enable decision-making. Organisation can retain the most cost-effective channels.

Source of Hire measures effectiveness and Sourcing channel cost measures efficiency. Both are required since source should be cost-effective.

**Rate of Conversion or Offer Acceptance Rate:** It is the ratio between number of candidates who have accepted offers to the number of applicants who were given offers. A low ratio indicates one or a combination of following:

- Offer is not competitive
- Image of the organisation is not attractive enough.
- Candidate has a more competitive offer (Your competitors are trying simultaneously)

$$\text{Offer Acceptance Rate} = \frac{\text{Number of offers accepted}}{\text{Number of offers made}}$$

To avoid a low ratio, discussion of compensation part needs to be in the process. If the rate is low for certain positions, review needs to be made on the pay package and made as per market. If the rate is low for all positions, the problem could be of the image of the company, or there is a flaw in the process. Review of pay package includes exploring alternatives like perks, Flexi hours etc.,

**Rate of Attrition and First Year Attrition:** Both of the metrics measure the same, but the rate of attrition is general, whereas first year rate of attrition is more specific.

High rate of attrition in an organisation is the result of the working of many factors but is an indicator of a poor recruitment policy or process. High attrition rate costs heavily for any organisation. And it requires a thorough review of various factors like working conditions, image of organisation and job descriptions.

First year attrition measures how many candidates left in the first year of recruitment out of the total number of candidates recruited. When you recruit a candidate, you need to provide him some time to perform (you are accepting for a lesser production or output) and may have to give training. All this would go waste if they leave within a year. And as discussed earlier, your competitor may gain at your cost.

The first year attrition could be because of mismatch between candidate's expectations and actuals. And it could be because of poor job description or false promises or other reasons. Since their analysis would help organisation, this metric is an important one.

**Candidate experience:** it is a qualitative metric and a difficult one to compute. It can be measured by feedback from candidates. If computed, it gives valuable feedback to the organisation directly on its recruitment process. As indicated earlier, time to hire could be one factor. It also provides feedback on the perceptions of the candidates in terms of nepotism, bias etc.,

The experience rating by candidates differs. Some candidates may be thoroughly satisfied if recruitment process goes into more rounds as it gives them a special feeling ("I am selected after so many rounds and out of so many candidates"). But some may feel the experience good if it is done at a faster rate.



Yield Ratio: This metric gives the ratios at different stages of the process or we can calculate process as a whole.

$$\text{Yield Ratio} = \frac{\text{No of applicants who successfully completed the stage}}{\text{Total number of applicants who entered the stage}}$$

Let us take an example. Suppose you have got 1000 applications in response to your advertisement. Out of which, you have screened 150 applicants and conducted a written test. From the test, some 50 applicants are passed to first interview stage and from these 20 applicants are sent for final interview. And finally, 5 applicants were selected.

Yield ratios are::

3:20 is screening (150/1000)

1:3 is written test (50/150)

2:5 first interview (20/50)

1:4 final interview (5/20)

Or total yield 1:200 (5/1000).

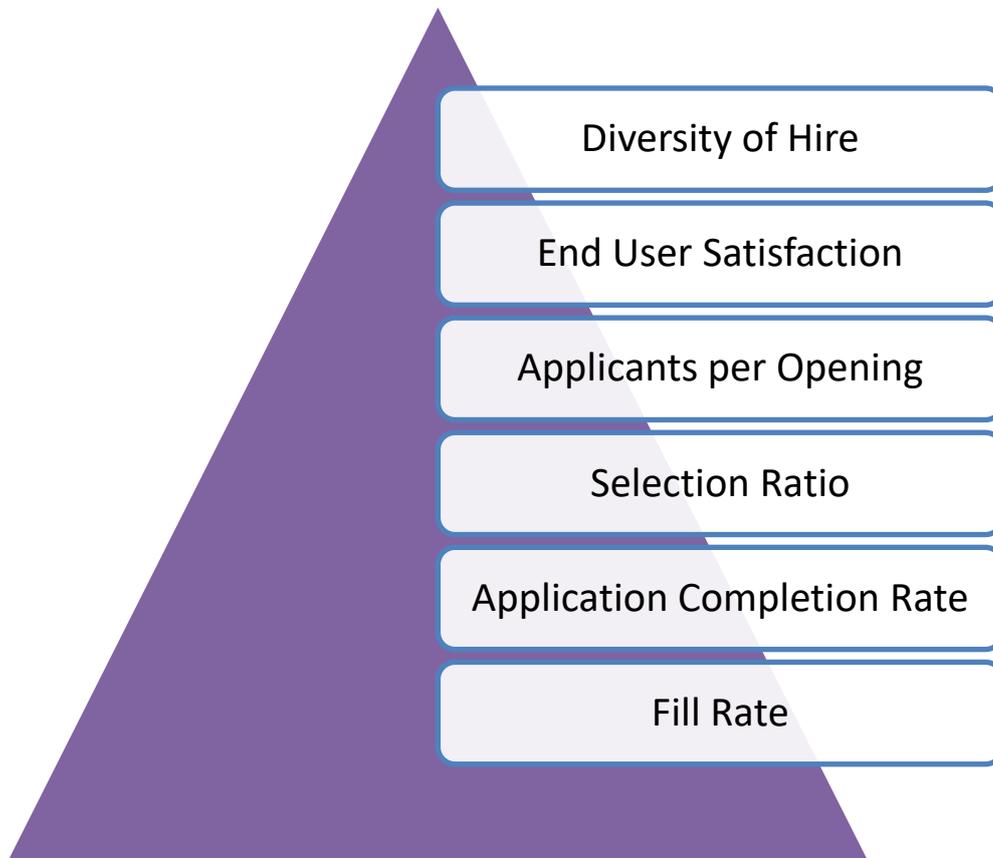
You can use this metric to modify your process. For instance, in the above example, 150 are selected for written test and out of which 50 are selected for first interview. If you find their marks in the test and their marks in degree exams are correlated or in a similar pattern, you can do thorough screening (by adding this parameter) and avoid conducting written test. (Written test conducting is a costly affair).

We can use this metric across the channels (sources) and pick the better ones. It needs a classification of list of applications per channel (if there is more than one source) and see that every application is falling into one category only. Out of these, when you calculate the total yield i.e., number of candidates selected out of the number of applicants generated, you will get the yield ratio of that particular channel or source. This will help in selecting or dropping out a channel for your next recruitment. Above mentioned are important metrics. There are other metrics which are also used. Some of them are given in Figure 4.14.

**Diversity of Hires:** The recruitment process should be unbiased. This metric measures whether there exists a bias or preference. One can find out whether recruitments are yielding candidates from a particular religion or caste or region. Gender bias also can be found out.

**End-User Satisfaction:** End users can be Department Heads or Managers or Supervisors. Since the main objective is to recruit candidates suitable to their expectations, this metric is useful to see whether the recruitment is in line with the requirements or not.

**Applicants per Opening:** It may indicate a job's popularity (like Probationary Officers in SBI). High number may also indicate a loose job specification which may have to be tightened.



**Figure 4.14 Other Recruitment Metrics**

**Selection Ratio:** It is the ratio between number of selected candidates to the total number of candidates. We have already seen this in the example for yield ratio. If this ratio is one means, you have selected the sole applicant. It may indicate the inefficiency of recruitment (purpose of recruitment is to generate as many number of applications as possible) or bias (system has seen that reach is only to the wanted candidate). If this is approaching to zero it may mean high unemployment rate, abundant supply, popularity of job etc.,

**Application Completion Rate:** This metric tells how many applicants completed application out of the number of applicants started the process of application. This is applicable to big organisations which have large online application forms online. They require manually punch in the entire CV details as per the format, instead of uploading their CV, before applying for a job. There would be some drop outs (leaving their applications unfinished).

$$\text{Application Completion Rate} = \frac{\text{No.of submitted applications}}{\text{Total No.of applications started}}$$

A low ratio may indicate technical glitches or non-friendly user interface or lengthy application with repetitive blocks or seeking too personal information, which candidates are uncomfortable to reveal or other reasons. Low ratios are to be examined for analysis.

**Fill Rate:** It is the percentage of jobs filled out of the total number of vacancies. A high fill rate is a good sign indicating good running of your system and a low fill rate could indicate bottlenecks in the process or a tight supply position or other reasons.

$$\text{Fill Rate} = \frac{\text{Total positions filled}}{\text{Total number of vacancies}} * 100$$

Solve the case study presented in Box 4.4. It is more on Recruitment, but you may consider the recruitment metrics also in the backdrop.

#### **Box 4.4 Case Study: XL Eduneeds II**

(Background information is same as presented in XL Eduneeds I case study)

Situation: Recruitment of Sales Force

Nagesh (VP – HR) sat down at his desk after an executive committee meeting at which B. Gokari was introduced as the firm’s new and first Vice President of Sales and Marketing. After the meeting, Gokari had walked back to his office and told Nagesh that he was looking forward to working with him and his staff in building the sales force and he would like to get started on a staffing plan quickly. They arranged for a meeting for the following week. Nagesh thought for a few minutes and then asked YP (section head of staffing), to explore how the human resource needs of a sales force differs from their current human resource.

‘OK. Let’s get started. XL Eduneeds is bringing the sales function in-house. As you know we have worked with number of manufacturer’s representative firms to move our product and that worked well. But we have reached a point where it makes more fiscal sense to field our own sales force. I am meeting with the new VP of Sales and Marketing Mr. Gokari and his team next week to discuss staffing. YP, what can you tell us about staffing a sales force?’

YP: ‘Before we discuss the recruiting methods and avenues, I would like to briefly touch upon the various types of sales people, their tasks and challenges, as these will have a bearing on recruitment and compensation’.

‘First of all, we can classify sales people as being inside sales or outside sales. Inside sales force people are less expensive in terms of both salary and sales expenses (no travel). These people work out of an office and sell to non-retail customers. While some of them are order-takers who passively accept orders, I would expect our force will be order-getters who would actively call on customers through telephone or other non- face to face methods’.

‘On the other hand, outside sales forces, or field sales people, call on customers and potential customers at their places of business, typically face to face. Field sales positions, while more expensive because of higher compensation and higher costs due to travel and entertainment expenses, are most appropriate in building and maintaining long term relationships with new and existing customers’.

‘The Job analysis is critical here – two elements of our company and our products in particular are relevant. First our markets are varied and complex –sometimes an individual lecturer or teacher can make the decision, sometimes the school/college board must approve any purchase. Most of the time, our sales people will be calling on multiple people in each school or college. Second, we have a broad product line, and many products are technically complex, requiring some significant expertise on the part of our sales people. There is one another element that will affect both recruiting and compensation: the degree of autonomy afforded to the sales force. The more autonomy, the more experience we need to look for and more compensation would be required to be paid’.

‘Now about recruiting. There are multiple avenues to recruit sales people, some we have used and some will be new. I have created a table detailing these sources and advantages and disadvantages. (Next page)

**Table**

XL Eduneeds II Continued

Source	Advantages	Disadvantages
Internal	<ul style="list-style-type: none"> <li>• Candidates are known quantity with established performance records.</li> <li>• Candidates have shorter learning curve in regards to company and its products.</li> <li>• Internal hire can boost employee morale.</li> </ul>	<ul style="list-style-type: none"> <li>• Internal hires seldom have extensive sales experience.</li> <li>• Can cause conflict with other departments as recruiting, hiring and training burden simply shifts to cannibalized division.</li> </ul>
Referrals	<ul style="list-style-type: none"> <li>• Candidates often knowledgeable about job demands and industry.</li> <li>• Candidates may bring along customers.</li> </ul>	<ul style="list-style-type: none"> <li>• Can be difficult for new hires to unlearn previous employer's practices.</li> <li>• Ethical considerations (money invested in sourcing and training; trade secrets)</li> </ul>
Advertisements	<ul style="list-style-type: none"> <li>• Broad reach.</li> <li>• Can be targeted to sales professionals through trade publications.</li> <li>• Commonly used for less demanding sales jobs those don't require special qualifications.</li> </ul>	<ul style="list-style-type: none"> <li>• Too many unqualified applications cause increased costs in screening.</li> </ul>
Educational Institutions	<ul style="list-style-type: none"> <li>• College grads often more socially adopt.</li> <li>• Same track record (grades, activities) to predict performance.</li> <li>• Candidates from institutions with sales management curricula are productive sooner by 50% and turnover less 35%.</li> </ul>	<ul style="list-style-type: none"> <li>• Often hires have little experience and need more training.</li> <li>• College educated hires may be more likely to job-hop.</li> </ul>
Internet	<ul style="list-style-type: none"> <li>• Indicate candidate's comfort level with technology.</li> <li>• Increases screening efficiency of processing applications.</li> </ul>	<ul style="list-style-type: none"> <li>• Uniqueness of sales positions and necessity for personal interviews make recruiting problematic – best used as a screening tool.</li> </ul>
Professional sales recruiting agencies	<ul style="list-style-type: none"> <li>• Locates and screen qualified sales professionals.</li> <li>• Reduces time and effort to build sales force.</li> </ul>	<ul style="list-style-type: none"> <li>• Requires detailed description of desired KSA.</li> <li>• Agency must be carefully chosen and monitored to ensure qualified candidates referred.</li> <li>• Costs.</li> </ul>

‘One area I would like to address in detail, though, is the use of headhunters. We have rarely used them, but they are an option to consider as we begin to build a sales force, particularly those recruiters which specialise in recruiting for sales positions. Like other channels these have advantages and disadvantages. They have expertise but are costly since they would be paid only if they successfully place a candidate in the Company’.

‘Once we zero down our recruitment mode then we can talk about selection process we need to adopt. We also need to know the numbers’.

Nagesh: Thanks YP. It will take some time to absorb and decide. We will meet tomorrow to decide on the recruiting mode. For the numbers, I will ask Gokari to have a preliminary meeting with his team to discuss on their plans so that we can fine tune’.

**Discussion Points:**

Better to form groups to have a detailed debate.

- Sales force classification
- Appropriate Recruiting resources for each sales force initially.
- Changes in these sources in subsequent years with reasons.
- Head hunters option suggested by YPS Rao.
- The advantages and disadvantages source wise – How far they are true and resemble practical situation?
- Any other resources apart from what was mentioned in the table.

Finally you need to come with a plan (combination or a single source, correct classification of sales force etc..) which may be fine-tuned after the next meeting with XL Edu’s sales team. At this stage plan needs to be based on the information given.

XL Eduneeds II is a modified version of following case study:

Murray, L. M., & Fischer, A. K. (2011). Staffing a New Sales Force: A Human Resource Management Case Study. *Journal of Business Case Studies (JBSC)*, 7(4), 1-8.  
<https://doi.org/10.19030/jbcs.v7i4.4681>

**4.5 Alternatives to Recruitment**

Recruitment is a costly process in terms of direct expenses as well as overheads. It is time taking process also. The size of the organisation is one factor as small firms may not afford a full-fledged recruitment process in terms of costs. Organisation may also not have the required expertise in-house. And at times, the time available to fill in or make alternative arrangements (could be a sudden replacement or a time-bound big order). As such, it may not be suitable for short demands of work. To meet short-term work demands, organisations resort to temporary alternatives to recruitment. *businessjargons.com* defined ‘Alternatives to recruitment’ as the temporary ways of hiring people for the job position with a view to saving cost incurred in recruiting process and meet the short term demand for increased work volume. Some of the alternatives are shown in Figure 4.13.



**Figure 4.15 Alternatives to Recruitment**

**Overtime:** When there is extra demand for a product due to temporary market fluctuations, companies ask employees to work overtime. It benefits employees in terms of extra pay for additional hours and employers in terms of savings in recruitment costs.



But the system has many disadvantages. Because of fatigue employees' productivity will be reduced. The rate of production in the extra hours would not be the same as that of normal hours. It may lead to absenteeism and accidents. Employees may slow down their work in regular working hours to earn overtime. Over a period of time, this will become a routine and removal will be resented by employees. Statutory provisions specify overtime wages at 150% of normal wages and restrict the number of hours of such engagement.

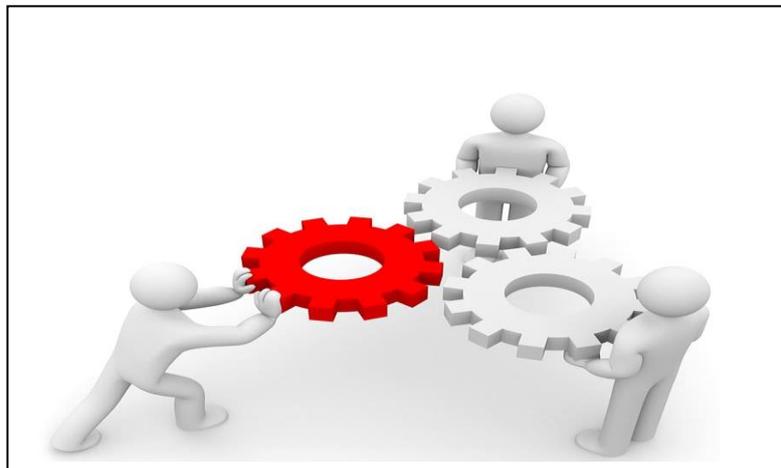
**Temporary employees:** Employees are hired for a short period of time or a specific project. Generally, they are sourced from agencies which are specialised. It is used for unskilled and semi-

skilled workers, but nowadays, skilled workers are also available for temporary employment. In seasonal industries, this method is used.

It is advantageous to organisation as recruitment costs will be saved and the wage rates will be lower. Organisation will not have to make statutory payments like PF, ESI contribution etc., Organisation will not have absenteeism. However, temporary employees will not have loyalty to the organisation. Their inexperience may cost in terms of quality and productivity.

**Subcontracting:** To meet the high temporary demand organisation can get a portion of work done by another firm. Instead of expanding capacities, organisations can use this method of getting some portions or parts of work by other agencies. If increased demand continues, then organisation can go for expanding capacities.

It is usual practice in Construction and IT industries. In some cases, organisations sub-contract some work to a specialist contractor in that field. It is advantageous to the organisation since capital expenditure and investments can be saved. But without a strict quality control scheme will not work as organisation will not have control over the process or materials.



**Outsourcing:** When organisation does not have expertise, it may go for outsourcing some functions to a specialist agency. It is beneficial to small organisations as they will not have resources to engage experts or specialists. Functions like Payroll, recruitment, training etc., are usually outsourced. At times it works out cheaper, particularly in cases like payroll. It works in a mutually beneficial way as specialised agency will spread its overheads over large number of clients. It would be cost reduction for organisations which engage them, and for other agencies it would be more number of customers. Outsourcing is also used when organisations need unbiased functioning.

**Employee Leasing:** It is hiring some specialised workforce of another firm temporarily to carry a project or portion of work. Here the workers work for the leasing firm. It is popular in USA and Europe and not in India. All these alternatives would help an organisation to meet temporary demands at reduced costs and get specialised functions done at considerably lesser prices.

**Strategies for Improvement:** Basically recruitment is attracting more number of people to the organisations. Following strategies would help the process.

1. Keeping the recruitment process (including selection) short and fast is essential. It should be started with timelines. Planning is the key element.
2. Based on the job evaluation and market conditions, the compensation range needs to be decided before start of the process. Similarly, organisation needs to give facts in terms of working conditions, career opportunities etc., When organisations try to pick up the best, employees also have right to choose the best opportunity. If false promises are made and

larger than life image is projected, compared with reality, employees will get disillusioned fast and leave. It would be waste of time and energy for organisation since the recruitment process needs to start again. The investments in terms of training and knowledge imparted to the employee will become waste. And it may turn out to be very costly, in cases of sensitive posts as leaving employees will carry organisations strategies and plans along with them.

3. Maintaining PR (Public Relations) is a crucial aspect of the branding of the organisation. Organisation's image would help attracting best talents. Like in the marketing of products, finding a USP (Unique Selling Proposition) needs to be done if possible. Look at these taglines in job posts.

**'Average age of our employees is less than 30' (if your organisation has more number of younger employees), 'We don't train them, we just grind them' (if your organisation's strength is training)**

These are all out of USPs of the organisations. With or without job posts or advertisements, image of the organisation will reach out through word of mouth. Your employees are your brand ambassadors. They themselves will market the image. Outsiders will believe the insiders words only rather than advertisements and PR exercises.

4. Communication with the candidates needs to be prompt and appropriate. Since most applications are on email only, an auto-generated or a separate acknowledgement on the application is the first thing to be done since candidates would spend considerable time and energy in deciding and applying. Rejections are also to be communicated with a well-drafted message saying that you are still interested but may be at a future date or a future project. This gives them satisfaction. Further in your next recruitment, you will be referring to the previous rejects as a starting point.
5. Recruitment is not a one-time affair or an activity to be taken up only when required. Rather it is a continuous process because it is making candidates attracted. There would be passive candidates i.e., who are not active job seekers as they do need one at a particular time. But in general, they will be observing the market or organisations in a casual manner. And your desired employee could be on this list. Keeping in touch with job agencies and manpower consultants or active in social networks is expected from HR Department.
6. The starting point of recruitment should be checking with the databases particularly not selected or not considered or not matching and even rejects also. This would expedite the process.
7. Advertisements or Job posts – A job post is different from job description or job specification, but it contains both. It is advertisement. It would be ideal to use both print media and internet media. If print media is costly, a brief job post can be put giving web reference of detailed job advertisement as is done by some of the organisations.

Job Posts can be made creatively. Some Job posts specify what organisation can offer and what they expect in a creative tabular form. And some job posts will start with catchy phrases like **'if you have hunger in your belly, then we have -----** '.Some job posts use their employees as references. And some promote their company's strengths and detail career opportunities. Couple of examples are given in Boxes 4.7 (Godrej Consumer Products) and 4.8 (IBM). Using these strategies will improve recruitment process. Solve the case study in Box 4.5<sup>16</sup> using points discussed in this section.

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<sup>16</sup> Murray, L. M., & Fischer, A. K. (2011). Staffing A New Sales Force: A Human Resource Management Case Study. *Journal of Business Case Studies (JBSC)*, 7(4), 1-8.  
<https://doi.org/10.19030/jbcs.v7i4.4681>

### Box 4.5 XL Eduneeds III

Background information is the same as presented in XL Eduneeds I. This situation is consequent to the discussion presented in XL Eduneeds II (Preliminary meeting planned with VP Sales and Marketing and his team).

Gokari: 'Nagesh Thanks for quick action. You are YPS Rao Head of staffing, I heard about you. Meet my team. This is Ms. Abhinivesha Head of field sales and this is Ms. Yogita Head of Tele sales. Abhinivesha, you start first with your requirements'.

Abhinivesha: 'Thanks Gokari. Nagesh, I heard terrific things about the HR division and I am looking forward working with you and your team in this project. For the field sales force we anticipate building each State. We have made agreements with current manufacturer representative firms to help us in each territory during the transition. As part of these agreements, we have had to agree not to recruit their people.'

'We are planning to field five states, each with a State Manager. At this point all the sales people will be generalists, handling all aspects of sale process and selling full line of products. The States are Andhra Pradesh, Telangana, Tamil Nadu, Karnataka and Kerala.

As Bengaluru is in Karnataka, that will be rolled out first. With the exception of Karnataka, Telangana and Tamil Nadu, where we have offices, we will not be providing physical office space for State Managers or for sales people, rather they will be provided with equipment. This will help us in keeping overheads low.'

'Each State will be comprised of a State Manager, eight to ten sales representatives, and one or two key account managers who will work closely with largest clients. Initially our sales people will be spending considerable amount of time in building relationships with customers both existing and prospective and slowly converting relationships into sales'.

'Finally I would like to have Karnataka Unit to start first by hiring experienced sales people so that I can train them on our products'.

Gokari: 'Thanks Abhinivesha, Yogita your turn now.

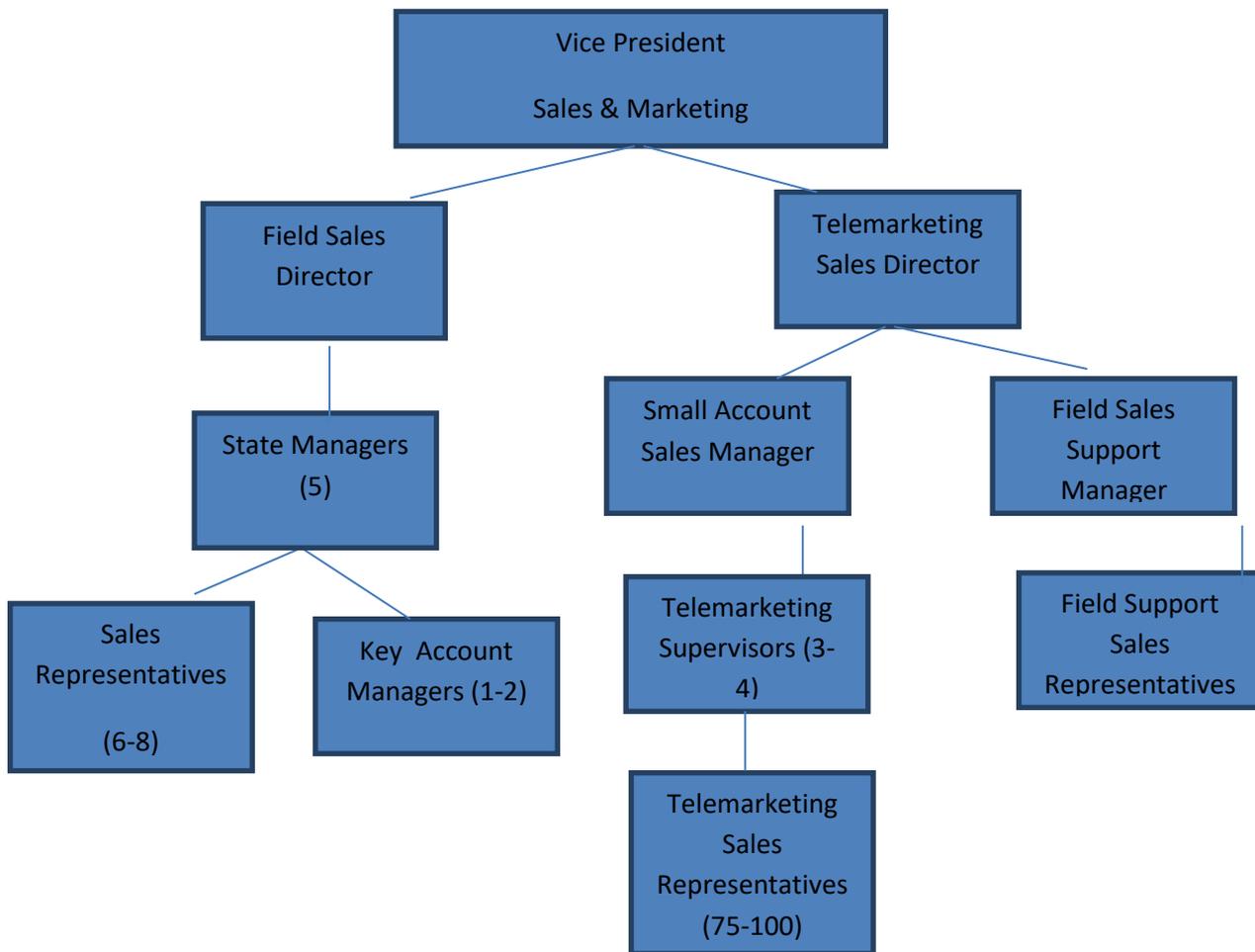
Yogita: 'Thanks. We will be actually constructing two inside sales forces. One will focus on account management of small account and second one will focus on supporting the field sales force by prospecting and qualifying leads, customer service and other promotional support'.

'Finding people who combine aggressiveness of a sales person with the customer focused empathy is going to be difficult. In addition we will be integrating web sales as another inside channel as we have to find new customers'.

'Motivating the inside sales force is another challenge. Not only they typically make less than field sales people, the role is often considered of lower status. One way to keep them motivated in the long run is to use these roles as springboards into field sales. We also need to focus on extensive training, bonuses for higher sales, recognition programme and more opportunities for professional development and more interaction with field sales people and customers'.

'We plan to house inside sales force here in Bengaluru. Ultimately I expect we will hire about 30-40 reps to work with field sales force people and about 75-100 reps to handle inside sales. The inside sales reps will be attending all inbound calls and also will be calling customers through telephone and web. We will require one supervisor for every 25-30 reps. We will also slowly build these two teams and will have both experienced and inexperienced ones'. After the meeting Nagesh and YPS Rao back to their offices and began to think about staffing the new sales forces. They need to give preliminary plans to Gokari and his team next week.

The sales force organisational chart is in the figure.



Sales Force Organisational Chart proposed for XL Eduneeds

**Box 4.5 Case Study XL Eduneeds III**

**POINTS FOR DISCUSSION:**

Now with the numbers and other requirements are known, is there any change in the recruitment plan devised in Eduneeds II?

What kind of job descriptions you can suggest for each of the position and what recruitment resources you would be using position-wise?

Can you consider any alternatives to recruitment?

You have to come up with total recruitment strategy with details for the presentation of Nagesh to VP Sales and Marketing and his team.

:

Box 4.6 Example I of a Job Post (Godrej Consumer Products Ltd.)

## Why Godrej?

**10 reasons to join us.**

1. We are a “good” Company.

2. We are our Values.

3. We make the world Greener.

4. We help prevent Malaria.

5. We embrace and celebrate

**Diversity**

6. We are selfish about your

**happiness**

7. We have BOLD ambitions.

8. We challenge the status quo.

9. We bet on  *Potential*

Above mentioned is only abridged version. For full post visit <https://godrejcp.com/people/why-godrej>

### To Do Activity

Find out other kinds of job posts mentioned and compare

Prepare a job post for position of project sales of a software company

### Box 4.7 Example II of a Job Post (IBM)

**IBM Talent Acquisition Optimization**

**Talent Acquisition Manager** Location: Krakow, PL

**CULTURE**  
Take your career to the next level working with amazing people around the world

**INNOVATION**  
Use the power of IBM and Watson to innovate and reinvent the future

**BE REMARKABLE**  
Work for a company who gives you a platform to do amazing things

**What are we looking for?**

- Significant recruiting experience with a proven track record in delivery
- Exposure to P&L Ownership, Change Management and Service Improvement
- The ability to consult with our clients, advising on better processes/systems
- Experience managing people, and a deep understanding of the RPO and Consulting environment
- A passion for building and motivating world class, high-performing teams

[Apply now...](#)

t&e talent & engagement

#### To Do Activity

What kind of Recruitment strategies you will adopt to fill positions like Tele Callers or Internet Marketers. Objective is to engage home makers (house wives) and retired people so that costs are minimized.

#### New Trends in Recruitment

Some of you might have used Internet banking or did shopping on e-com companies like Amazon. There would be on-line help in these using chat. You type a question and you will get an answer, and the process goes on. You might not have realised that you are chatting with a Robot and not a physical person.

Yes, it is true. In most cases, its Robots only chat up to the point they can do with the help of pre-fed information and they prompt human intervention when a new question pops up. They are called 'bots'.

A 'bot' (short form of Robot, also called 'Internet Bot') is an automated program that runs through internet. It is a computer programme that operates as an agent for a user or other programme, or stimulates a human activity. They are typically used to automate certain tasks. There are good bots and bad bots.

In the on-line help, 'Chatbots' are used. It is made possible through the use of Artificial Intelligence (AI). And AI has entered the recruitment arena also.

### **Artificial Intelligence in Recruitment**

You open 'Google' and type few words to get relevant information. Within a flash of a second, you will find lakhs of pages of information somehow related to what you have typed. Its AI's ability to analyse big data and quickly estimate available options, makes the automation of processes possible. When 'Google' can search massive data and fetch relevant ones, similar software (a bot) can search some keywords out of so many profiles available, and fetch relevant CVs of candidates. Or, out of the applications, a bot can screen the applications of relevance.

One thing to be remembered is AI is still far from human cognitive abilities. At the same time, many machines can learn, think and take decisions. Preferably AI can be used for automation of processes that don't require a high level of creativity. And screening process or piling relevant CVs (available on net) can be automated using bots. AI automates these low-level tasks. It provides detailed information and reduces operational costs.

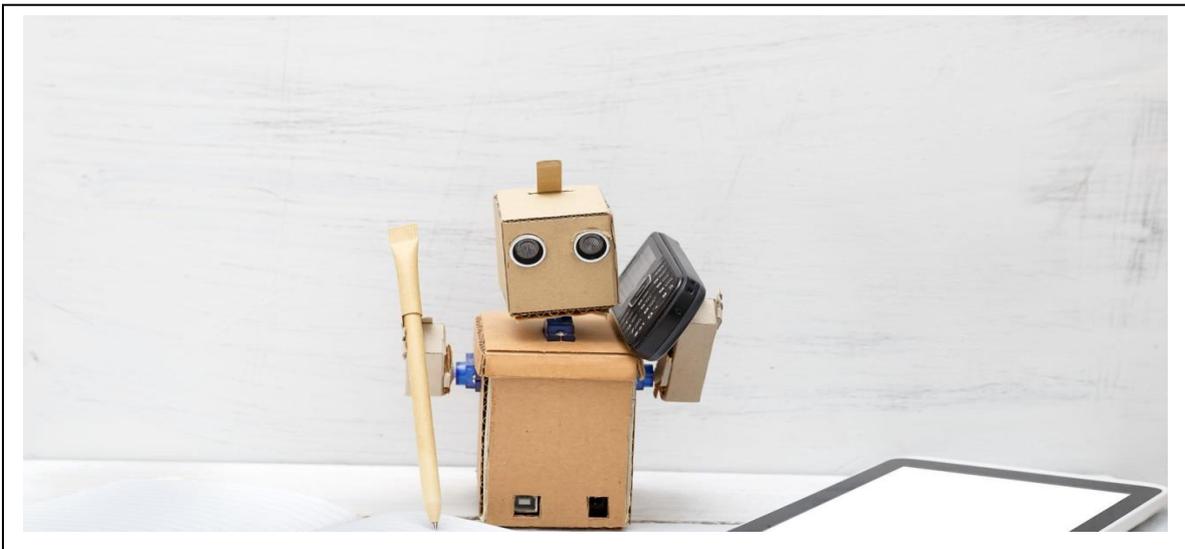


Image source: Ethan Lee article 'The Impact of AI on Recruitment'  
<https://www.digitalhrtech.com/impact-ai-recruitment/>

And the utility doesn't stop there. AI has ability to post targeted advertisements (ads) that will be seen by 'right' people, through the knowledge of the history of their online activity. E-com companies extensively use browsing history of individuals to target them for sales (of items of individuals' interest). AI allows you to set a target and search candidates who match. You can see what your candidate has googled and what websites they have visited. Candidates who are searching for similar positions can see ads of your company at the very moment they start applying for a job. Chatbots can help candidates in filling resumes and can even talk to them on their queries.

There are many applications. Advanced Chatbots like MYA, not only talk to candidates but also analyse their responses using Language Processors. There are pros and cons of use of AI in recruitment. Applicants criticise the process of picking based on a few 'key words' instead of basing on quality of experience or personality traits. But for recruiters to go through each and every CV takes lot of time. The pros include saving of time, removal of bias (an important one) and finding candidates (as explained in previous paragraph). The cons include search filters may miss aspects (like candidates' job-hopping nature), human qualities of contextual understanding, empathy and quality of experience, to name a few. For instance, containing oil spill in sea involves a lot of quick and able decisions and candidate has to work against time looking at the consequences of not containing the spill. Similarly, extinguishing a fire from oil or gas well is a difficult task as water cannot douse such fires. But a keyword search may not be able to find such experiences, or even it finds it can't give due weightage to the experience.

Like any technology, AI also should be used judiciously.

### **Robotic Process Automation (RPA)**

It's an AI application. RPA is a technology which uses bots to replicate human actions for time-consuming administrative work. You can treat it as a back office. Basically, RPA software configures bots for data collection, generating auto-responses and communication with other systems. Depending on the requirement, automation may use a single bot for a simple task or more bots to do multiple tasks. RPA can be used to supplement other systems/actions done by humans. RPA software solution can help recruitment process in automating tasks like:

- Sending auto-replies to candidates
- Collecting, organising and storing candidates' information
- Candidate sourcing and screening
- Answering simple questions of candidates
- Asking candidates to send resumes
- Asking candidates pre-screening questions
- Making candidates fill in standard format of the organisation and sending queries on any missing information and see that formats are completed.
- Scheduling of interviews
- Sending job posts through email to targeted candidates

Organisations need to decide which parts of the recruitment are to be automated depending on the volume and utility. To have a positive impact on candidate's human interaction is also a must and as such, organisations need to strike right balance between automation and manual operations. And when used, it should be seen that it is properly integrated and see that 'spam' mail generation etc., are to be avoided.

### **Virtual Reality (VR) and Augmented Reality (AR)**

Virtual Reality (VR) is a simulated reality generated by computers and can be viewed with special VR glasses. The user sees and hears a life-like experience and usually, it is interactive. Augmented Reality (AR) users see the real world, but computer adds virtual elements to it. These technologies help recruiters to identify perfect fit by looking at candidates' decision-making skills and testing their capabilities.



Image source: Paul Osborne 'Emerging VR & AR in recruitment – The Simulation process'

<https://www.hrtechnologist.com/articles/recruitment-onboarding/emerging-vr-ar-in-recruitment-the-simulation-process/>

VR based simulated environment of a workplace will give a better idea of the working environment, they will be part of. In campus recruitments and job fairs, it would be more useful. A booth can be set up there, which can interact with candidates in many ways, which a brochure or a video can't do.

Using VR, gamification can be done which, can replace old application process. It is a simulation tool. It would be of interest to younger generations. Instead of filling a form, you would be asked to play a game. Playing a game requires lot of effort and the decision making points will make candidate's abilities in decision-making. And it would be more interactive and hence interesting and candidate will have fun. Jaguar (part of Tata Motors), to hire electronic and software engineers, used a game that tested potential hires with a code-breaking game.

Using AR, you can provide training and specially, safety training. Imagine, as a matter of routine, you are in the conference hall attending a meeting. And suddenly fire breaks out, just outside and what would you do? Teaching what you ought to do in such circumstances is training. And using AR is the best possible way because you can't make fires, just to teach.

To sum it up, the technology, in particular, AI is creeping into all our day-to-day activities and recruitment is no exception. But one should not ignore 'GIGO' (Garbage In, Garbage Out) before adopting.

'You reap as you sow'

### Chapter Summary

**Recruitment** is searching and attracting suitable candidates to make them to apply for suitable positions in the organisation. It is part of Human Resource Planning and helps organisation to meet it's objectives through keeping positions filled. It will give feed of suitable candidates to the Selection process.

Dale Yoder defined "Recruitment 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 force".

Edwin Flippo defined "Recruitment is the process of searching for prospective employees and stimulating them to apply for jobs in the organisation".

Recruitment is different from Selection. Recruitment is the process of generating a pool of candidates. Selection is picking up from this pool, who will be the best match and deciding who is not. Recruitment process involves stages of Planning, Strategy development, Searching, Screening and Evaluation and Control. In the screening stage, non-suitable applications are weeded out to simplify and speed up the selection process. There are many Internal and External factors which affect recruitment.

**Internal factors** are Organisation centric – Size, Image, Age, Growth rate, working conditions, recruitment policies, and location mainly.

**External factors** include Supply and Demand, employment rate, Industry, legal and political environment, Government policies, trade unions and competitors’ strategies. Sources of recruitment can be internal and external. Promotions, transfers, ex-employees and employee referrals are **internal sources**.

### Model Questions

1. What is recruitment and how it is different from selection?
2. Describe the process of recruitment.
3. Write a brief on internal and external sources of recruitment.
4. Compare internal and external sources of recruitment.
5. What factors will affect recruitment?
6. What are the alternatives to recruitment?
7. Write a brief on recruitment metrics which are based on time and costs.
8. How can you improve your firm’s recruitment process?
9. What is a job post and what information it should contain?
10. Employee referrals – Is it internal or external source of recruitment?

### MCQs

1. The process of locating and encouraging potential applicants to apply an existing or an anticipated job opening is called:
  - a) Selection
  - b) Placement
  - c) Recruitment
  - d) Induction
2. Employee referral is:
  - a) an Internal source of recruitment
  - b) an External source of recruitment
  - c) an Indirect method of recruitment
  - d) Third party method of recruitment
3. In which method of recruiting, organisations publish job openings on bulletin boards, electronic media and similar outlets?
  - a) Employee referrals
  - b) Job posting
  - c) Job opening
  - d) Employment detail
4. Campus Selection is ----- method of recruitment.
  - a) Fresh
  - b) Modern
  - c) Internal
  - d) External
5. Which is not an advantage of Internal recruitment?
  - a) Time saving
  - b) New blood
  - c) Less expensive
  - d) None of the above
6. Rearrange following steps of recruitment:
  - I. Searching
  - II. Evaluation and Control
  - III. Planning
  - IV. Screening
  - V. Strategy development
  - a) III, II, I, V, IV
  - b) III, V, I, IV, II
  - c) IV, V, III, I, II
  - d) II, I, IV, V, III
7. Which is least expensive method of recruitment?
  - a) Walk-ins, Talk-ins, Write-ins
  - b) Campus placements
  - c) Employment Exchanges
  - d) Consultants

8. Identifying right people in rival companies, offering them better terms and luring them away is popularly called:

a) Acquisition                      b) Induction                      c) Poaching                      d) None of the above

9. Which of these is an alternative to recruitment?

a) Employee leasing      b) Contractors                      c) Trade Associations      d) None of the above

10. The number of people hired for a particular job compared to number of individuals in the applicants' pool is often expressed as:

a) Application ratio      b) Recruitment ratio      c) Employment ratio      d) Selection ratio

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#### Answers to MCQs

1. (c) 2. (a) 3. (b) 4. (d) 5. (b) 6. (b) 7. (a) 8. (c) 9. (a) 10. (d)

## Chapter 5 Selection

### Introduction

In pursuit of the objective of putting 'right man on the right job', if recruitment is the starting point, selection is the culminating point. While recruitment ensures the availability of people with required profile, it needs a filtering mechanism to zero down the best among them, and selection process provides precisely the same.

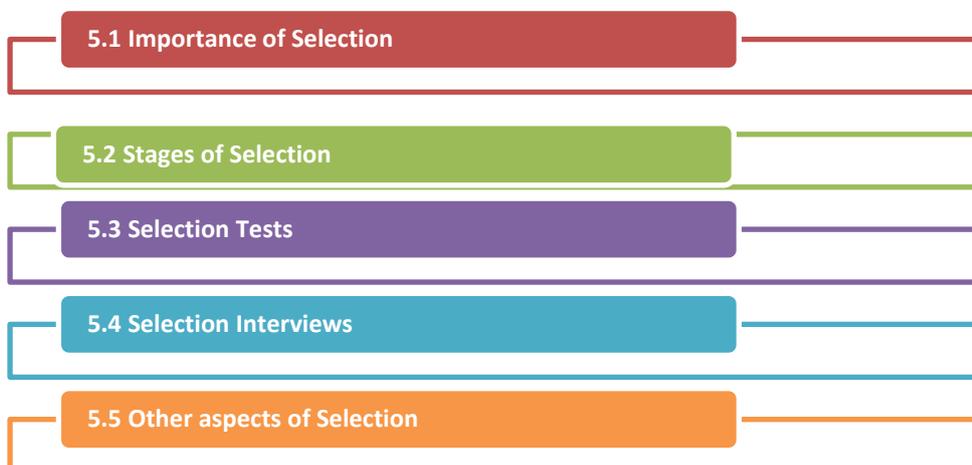
Selection process provides a multi sieve or multiple filter mechanism for the task of finding the right person. The circumstances could vary. The available choices could be either many similar ones or an array with variations or any other combination. Then the process should weigh different qualities, skills, qualifications and do the balancing act. Selection process ensures the same. One invisible dimension in the whole exercise is prediction, the prediction, that the selected candidate would succeed in the assignment. Selection process provides a scientific basis in arriving at this prediction.

The task of Selection, finding the right balance with accurate prediction, sometimes becomes daunting. In this chapter, we will study the importance of selection, various stages involved, tests, interviews and other aspects.

### Objectives

- To provide insights on the importance of Selection
- To explain various stages in the selection process
- To familiarize tests used by organisations for selecting personnel
- To comprehend on type of interviews to be chosen for selection of various jobs
- To familiarize guidelines and principles for conducting tests and interviews

### Chapter Structure



“Hire an attitude, not just experience and qualification” Greg Savage

“Great vision without great people is irrelevant” Jim Collins

### 5.1 Importance of Selection

#### What is Selection?

It is only half complete. The objective of ‘the right person on the right job’ is only half complete with recruitment.



It will be completed with 'selection'. Until both blocks are joined, the process would not come to an end. The endpoint of recruitment is the starting point of selection. Selection is filtering the right person, among the set given by recruitment process, who is most suitable for the vacancy.

**Definitions:** To know what a selection is, and understand better, let us have a look at the following definitions by famous authors.

"Selection is the process by which candidates for employment are divided into two classes – those who will be offered employment and those who will not". -Dale Yoder

"Selection is the process of choosing from among the candidates, from within the organisation or from the outside, the most suitable person for the current position or for the future position".

-O Donnell

"Selection means offering jobs to one or more applicants from the applications by establishing the 'best fit' between job requirements on the one hand and the candidate's qualifications on the other". Arun Monappa and Mirza S. Saiyadain

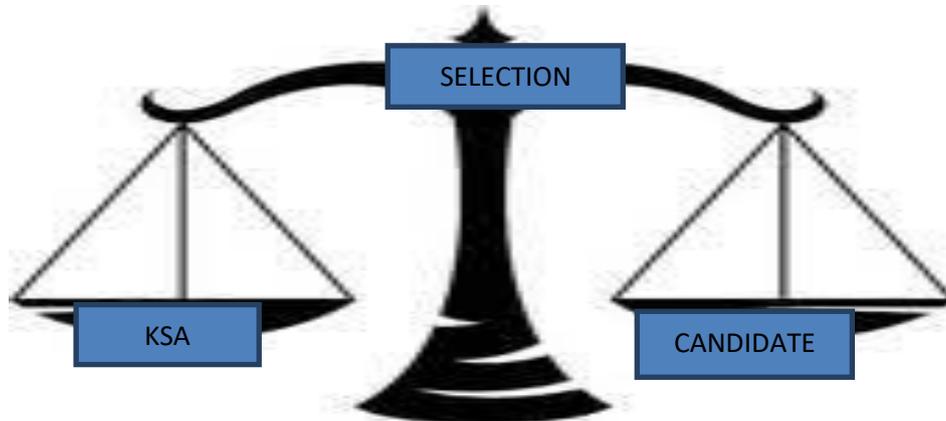
"The selection procedure is the system of functions and devices adopted in a given company for the purpose of ascertaining whether or not candidate possess the qualifications called for by, a specific job". M.J. Jucious

"Selection is a managerial decision making process to predict which job applicants will be successful if hired". David A. Decenzo



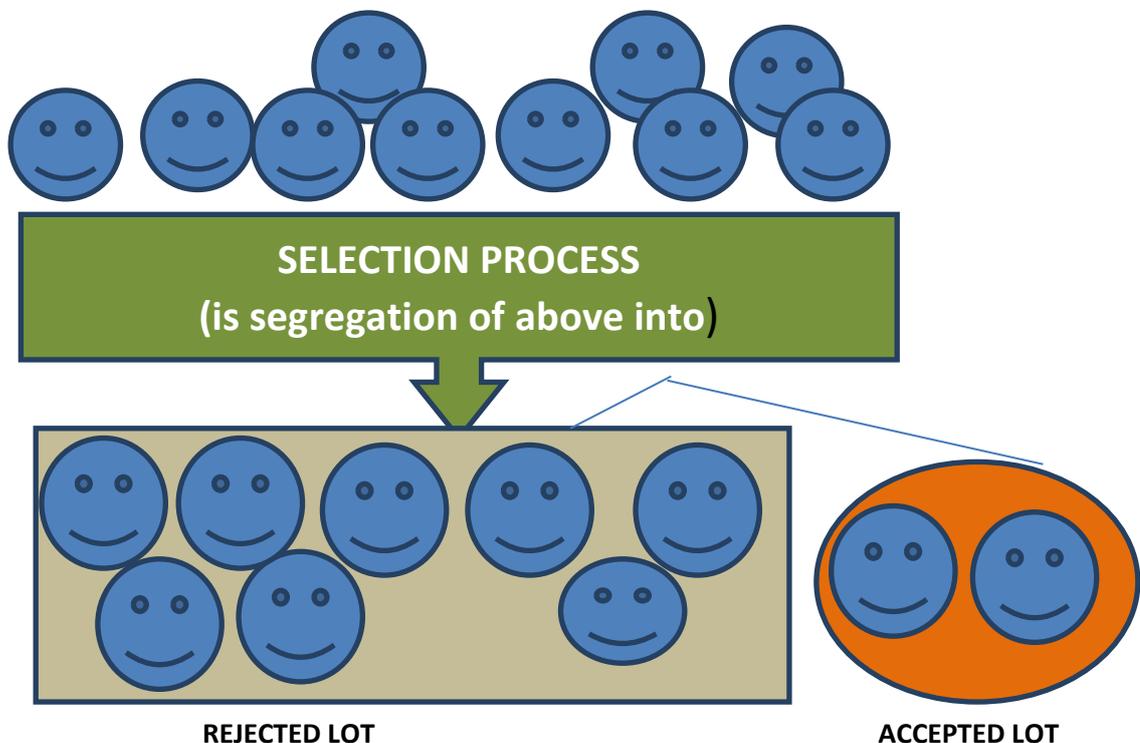
We have considered more definitions to understand various aspects of Selection. From the definitions, it can be seen that selection is a:

- Process, of choosing among the candidates, most fit for the position. The candidates can be from inside or outside. The position (job) can be present vacancy or a future vacancy (for HRP or succession planning)



**Figure 5.1 Selection Process I**

- Process again, weighs (balances) the requirements of the job and the qualifications of the candidates and try to fix a best equal or equivalent match. Here the qualifications mean Knowledge, Skills and Attitude (KSA) and not restricted to educational qualifications alone.
- System of functions and devices used to ascertain the match as explained above. Here the devices are tests (written tests and interviews).
- Process of decision making of predicting the success (consequential benefits to the organisation as well as to the candidate) of the candidate selected.



**Figure 5.2 Selection Process II**

The last one (definition of Decenzo) is the most appropriate in practical situations since certain aspects or qualities cannot be measured. For instance, a best fit candidate may prove to be fit in all respects, but prove to be a cultural or a behavioural mismatch. As such, the selection, the decision making process with latent characteristic of prediction is an important one for organisations. It is also most appropriate when organisation doesn't have much time (big or critical project with timelines) and even cannot afford a wrong selection in terms of resources (Money).

We can say that 'Selection' is a systematic process of finding best fit for the job requirements among the candidates. In other words, it is a process of segregating the not so best fits among the candidates and rejecting them (Dale Yoder's definition). But the process has timelines. It's not like buying a luxurious sedan with your desired features, where the decision-making process can be a prolonged one and you may also decide to wait till you get a match for your complete list of features. But here, you can't keep on rejecting candidates in anticipation of the exact fit, and you may have to relax some parameters. Here recruitment process helps as it gives available choices at that point of time and rather restricts them in terms of numbers. If you reject all, the process comes back to starting point again. It can be seen that while recruitment involves pooling (positive process); selection involves rejection (negative process). For an organisation, both are required and both need to work in tandem.

### Importance of Selection

To understand the importance of selection, let us try to construct a flow chart based on two dimensions the selection and the result. This is similar to a decision tree. (In a decision tree, different decisions at various stages along with results are captured and a structure like a tree with branches is drawn). In this case, it is only one stage decision which is combined with the result. Refer to Decenzo's definition. It says selection is predicting who will be successful (in the job) if hired. Take a selection process of a candidate for a job. Selection decision gives two answers 'Yes' or 'No' or 'Hire' or 'Reject' (Second Row of Figure 5.3).

To assess the decision, you need to test. Now after some reasonable time, an analysis is made on both such candidates (the hired and the rejected ones). Each will be either successful or a failure in their respective jobs. (In case of rejected candidate, the result is measured in the job of some other organisation where he is hired). These outcomes are in the third row. The combinations of the decision and the results are in the last row A, B, C and D. Combinations are branches in the tree as you move along different paths. For instance, first branch is Hire and moved to Success. These branches or combinations give different scenarios.

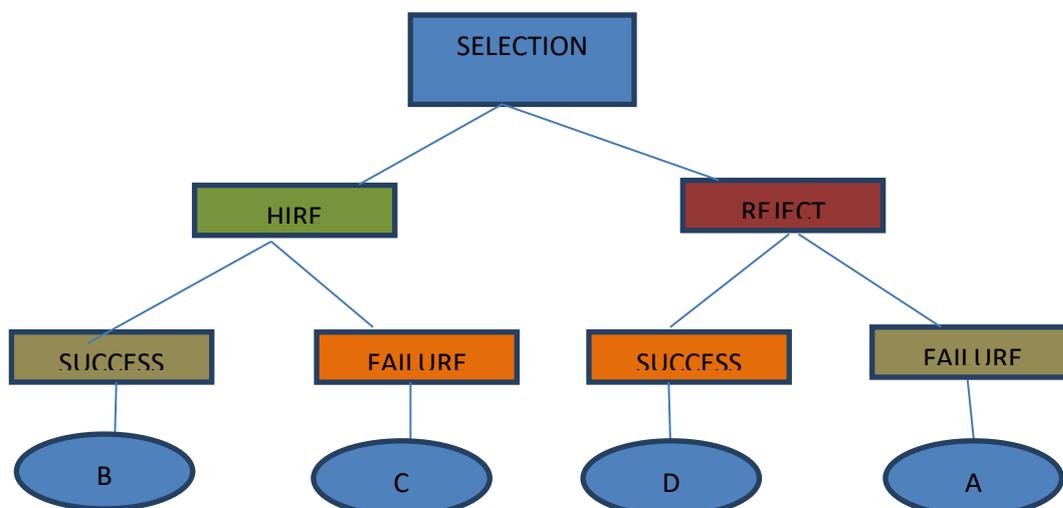


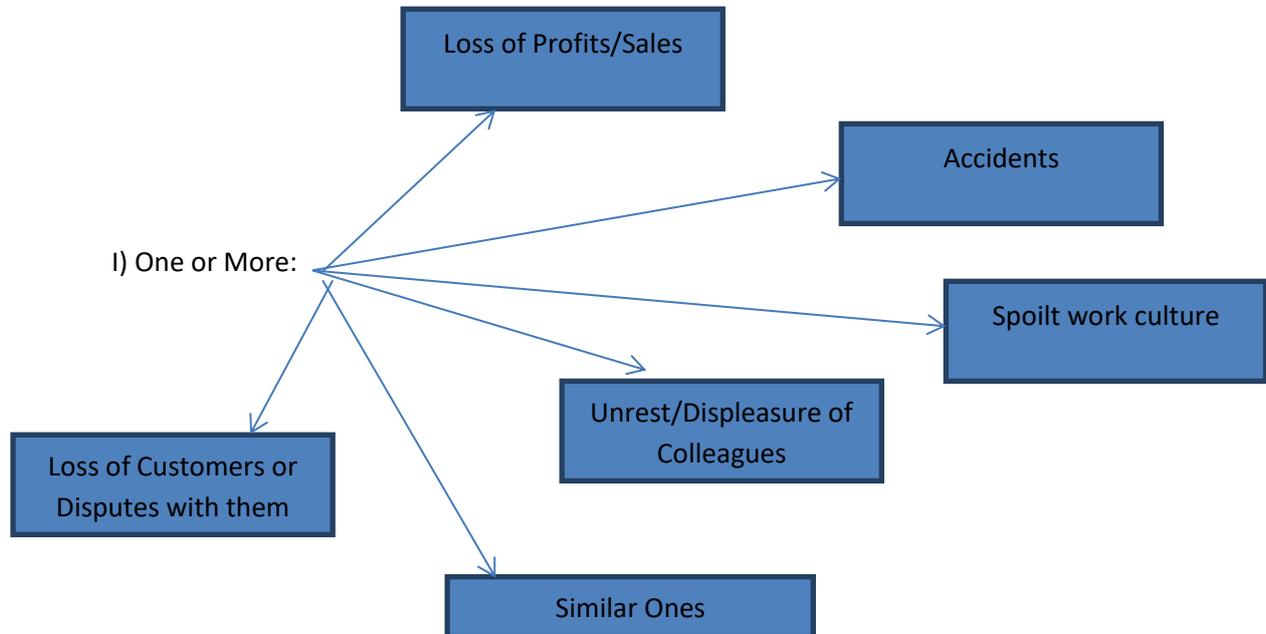
Figure 5.3 Analysis of Results in a Selection Process

Now there are four scenarios:

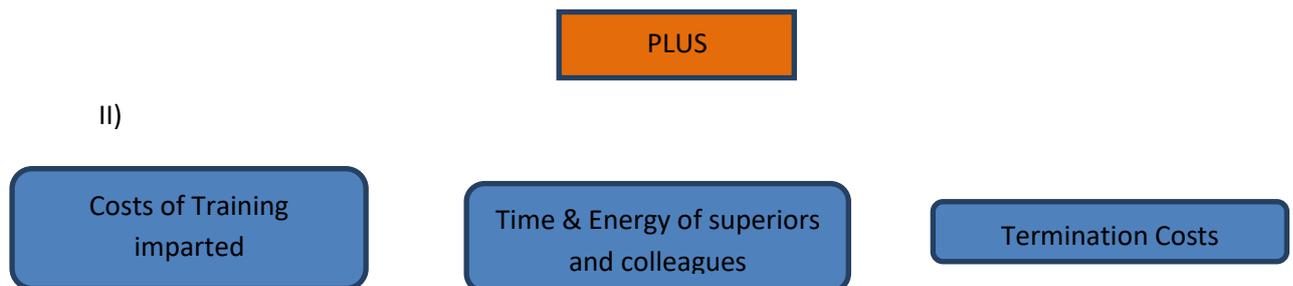
**A:** The rejected candidate proved to be a failure (in other organisation he is hired). Selection decision is a good one.

**B:** The selected candidate proved to be successful. It is also a good decision.

**C:** The selected candidate in your organisation proved to be a failure. This will lead to extra costs in terms of:



Displeasure of colleagues may also lead to disputes. Costs would be very high in cases of corruption or selling secrets to competitors. It would take a very long time to recoup in cases of lost customers, information leakage to competitors, legal suits, and loss of impression.



(The agreed and statutory benefits need to be paid in cases of termination).



III) Replacement Costs (you need to hire someone else in his place and the costs of hiring and training of the replacement).

And more than all of these, **YOU ARE BACK TO SQUARE ONE.**

**D:** The Rejected candidate proved to be successful in other organisation he is hired. He may bring many benefits to that organisation (say bagging a huge order, bringing good and big customers). The benefits which would have accrued to your organisation have gone to other organisation. If other organisation is a competitor, the impact would be much more as your customers may find other organisation interesting to try, on their success.



From the above analysis, one can understand the importance of selection. Other points of importance are:

**Competitive Advantage** – For an organisation human resources are the key for gaining competitive advantage. (Discussed in HRP and SHRM).

**Reduction of Training Expenses** - Good candidates require less training as they would be fast in grasping and understanding the requirements of the job. They may impart training (in a formal way or informal way) to colleagues.

**Reduction in Hiring Expenses** – Good candidates generally stay longer with the organisation as they make long term plans for their career development, unlike the candidates who change jobs (some candidates switch jobs ‘just for a change’). The good candidates’ style of working may also influence others (particularly subordinates) also to stay longer.

The hiring expenses are high and for small organisations, it is higher in terms of quantum as well as a percentage of their profits or turnover. In cases of senior positions, they may turn out to be unaffordable.

**Concentration on Other Aspects of Business** – Having one position filled, organisation can concentrate other important areas of the business. For instance, if you have production problems and after putting proper in-charge of production, you can focus on marketing. Good candidates would require less supervision. Otherwise, superiors’ time will be wasted a lot in supervising and guidance.

**Good Working Culture and Increased Productivity** – Good candidates bring along with them experience (in terms of skills and techniques), good working systems and good working culture and all these will improve productivity. They will also reduce the work burden of others. They will also bring different perspectives, which will aid the decision making process for the organisation.

**Improved Industrial Relations** – While bad hires are detested, the good hires are a welcome to other personnel, which will improve industrial relations.

### Box 5.1 Lateral Recruitment

It is the process of hiring a 'specialist' for the job. It would be from external sources. Organisations will have high expectations and existing employees will have a bit of hostile attitude as their chances are scuttled. For some time at least, candidate's performance and actions are seen with a magnifying glass to find any mistakes. Organisations cannot afford committing 'False Positive Error' (Selected predicting success but candidate proved to be a failure) in these cases particularly, as Unions will keep citing this for a long time and employees also informally.

**Morale of Employees** - Good selections improve morale of employees in long run, a consequence of good relationship and training given by the selected one. On the other hand, a bad selection will affect morale of existing employees. In cases of lateral recruitments, they feel that their merits are ignored by organisation. Summarising, we can say that Selection is crucial as it is a question of getting ROI like in cases of other assets, and has impact in long run.

#### Nature of Selection

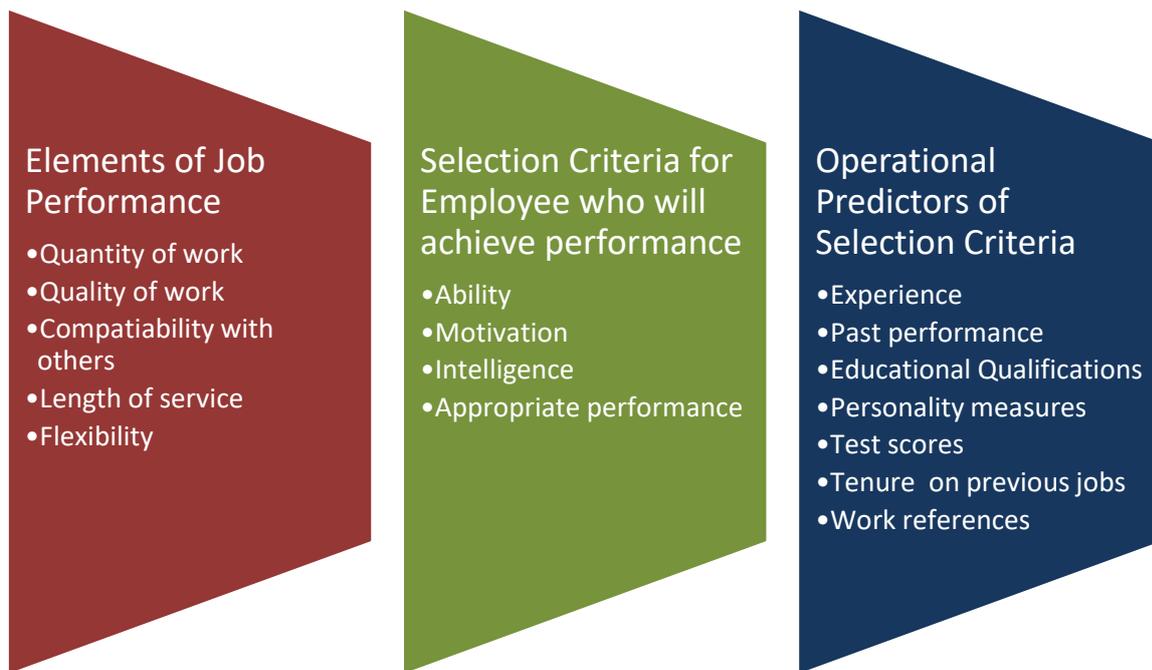
You are asked to select 5 batsmen for the next T20 world cup. What you will do? First, you will decide what you want. You want the batsman should play 30 balls and score say 30-40 runs. To have this performance you will be looking at their ability, consistency, and team-play etc., characteristics in the players available. To decide, you will be considering track records of each of these players say average runs per match, performance on the pitches of the country in which the world cup is going to be hosted, and runs against pacers/spinners.

What you have done here is, first you have defined what the required performance is. Then you have chosen characteristics which would give this performance. Then you have decided to consider some parameters which will indicate the characteristics (which will, in turn, give the desired performance). Isn't it?

Gary Dessler (Human Resource Management 8<sup>th</sup> edition pp. 280-283) explained the nature of selection as the process starting with defining 'employee performance (success)', deciding on 'selection criterion' (characteristic that a person must have, to do the job successfully) and finally identifying 'predictors' (measurable indicators of selection criteria).

In the batsmen selection, you have defined the performance (playing 30 balls and scoring 30-40 runs). You have chosen selection criteria (ability, consistency). To measure these selection criteria you have chosen predictors (average runs per match etc.,). In other words, you are confident of candidate's future performance will be predicted by the chosen predictors.

Figure 5.4 gives the nature of Selection with some common elements of job performance, some selection criteria and some predictors.



**Figure 5.4 Job Performance, Selection Criteria and Predictors**

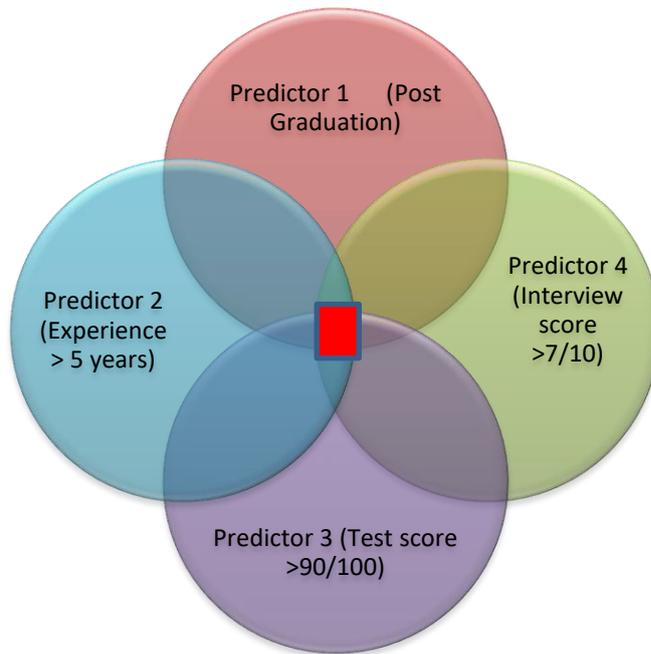
Source: Gary D (Human Resource Management 8<sup>th</sup> edition, page 281)

Gary Dessler stresses that “the information gathered about an applicant should be focused on finding predictors of the likelihood that the applicant will be able to perform job well. Predictors should be job related, valid and reliable. Previous experience can be a predictor of success only if it is related to the necessary performance on the current job. Any selection tool used (educational qualifications, years of experience required etc.,) should be used only if it is a valid predictor of job performance”.

Reliability is consistency. Suppose an aptitude test is taken as a predictor. When the test is administered to same candidate in different time periods and if the scores are in the same range then the test is considered as reliable. Validity of a predictor is to what extent it is measuring the required job characteristic or the correlation between the predictor and job performance. (Note: There are different types of reliability and validity which are explained in the next sections, and for this discussion, these definitions are enough).

As was stressed upon by Dessler, one has to choose predictors if they are reliable and valid. Predictors differ from job to job. Characteristics required for a teacher differ from that of a sales executive and accordingly, the predictors also will differ. Care should be taken to see that proper predictors are chosen in the section.

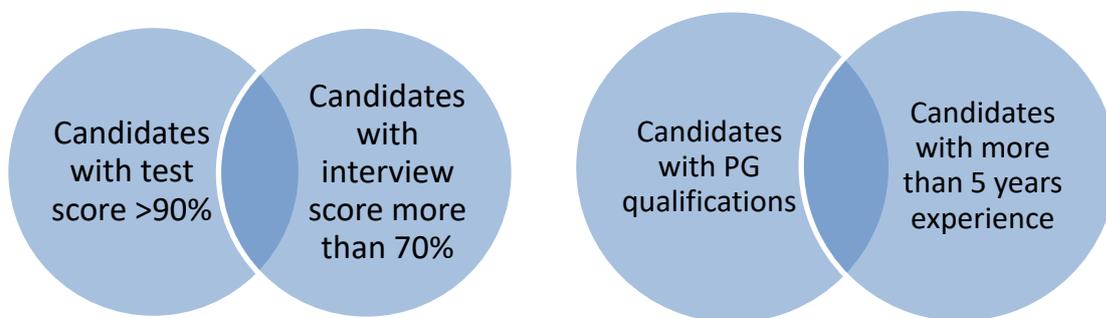
One can choose a single predictor or multiple predictors. If you take a single predictor then it is straight say score in a test. But if you want to take multiple predictors then there are different ways of combining them. Dessler puts them as two ways. One way is a ‘Multiple hurdles’ –A candidate should have certain qualifications, certain experience and some acceptable score of a test/interview. Here the candidate has to pass on all these. Another way is a ‘Combined approach’ –predictors are combined to get an overall score (say giving points for different criteria say graduation 5 points, post-graduation 10 points, experience --- points and so on). In this, one low score can be offset by a high score in other predictors. But if you keep adding predictors the applicants’ list becomes shorter. Figure 5.5 illustrates that.



**Figure 5.5 Effect of adding Predictors in the Selection Process**

Source: Gary D (Human Resource Management 8<sup>th</sup> edition, page 282)

When you add more predictors the list (of applicants) shrinks. In the Figure 5.5, the intersection part of all circles is a very small part (red rectangle). It actually indicates candidates with PG qualification with experience of more than 5 years who have scored more than 90% in written test and more than 70% in the interview. Such candidates may be very few. It can also happen the list may become 'zero' if say none of the post-graduate applicants with more than five years of experience did score more than 90% in the test or more than 70% in the Interview. The effect is shown in Figure 5.6.



**Figure 5.6 One Possible Result of adding Predictors in Selection Process**

As such care needs to be taken not to add too many predictors. If you are dealing with one predictor it is one circle (full) and when you add one more, it means you want both or the intersection of both circles which may be, say 10 to 20% of the circle size. When you add one more predictor you want all the three or the intersection of three circles which may be around 5-8%. And if you add one more it may become zero also as shown in Figure 5.6. Further you may be increasing the probability of rejecting good candidates. And one should note unless valid, reliable and relevant predictors are chosen the selection process may turn out to be a bad or wrong one. And one cannot conclusively say that a particular predictor will actually predict desired job performance in all cases (100%).

With experience and constant reviews, you can choose simple predictors. Suppose if it is observed that most of the software professionals have scored more than 90% in mathematics consistently in

all their board exams, then this you can take it as a predictor (which can be picked from the standard application itself where marks are to be filled in) instead of conducting a written test once more which is a costly and time taking process. To summarise, the nature of selection is the process of deciding desired performance, choosing selection criteria and picking up relevant predictors.

### 5.2 Stages involved in Selection Process

There are various stages in the selection process. Figure 5.7 shows them. As can be seen from the Figure, selection process is a very long one. In every stage, sieving is done. This is since selection process, by nature involves rejections, as it goes on narrowing down the choices among the candidates.

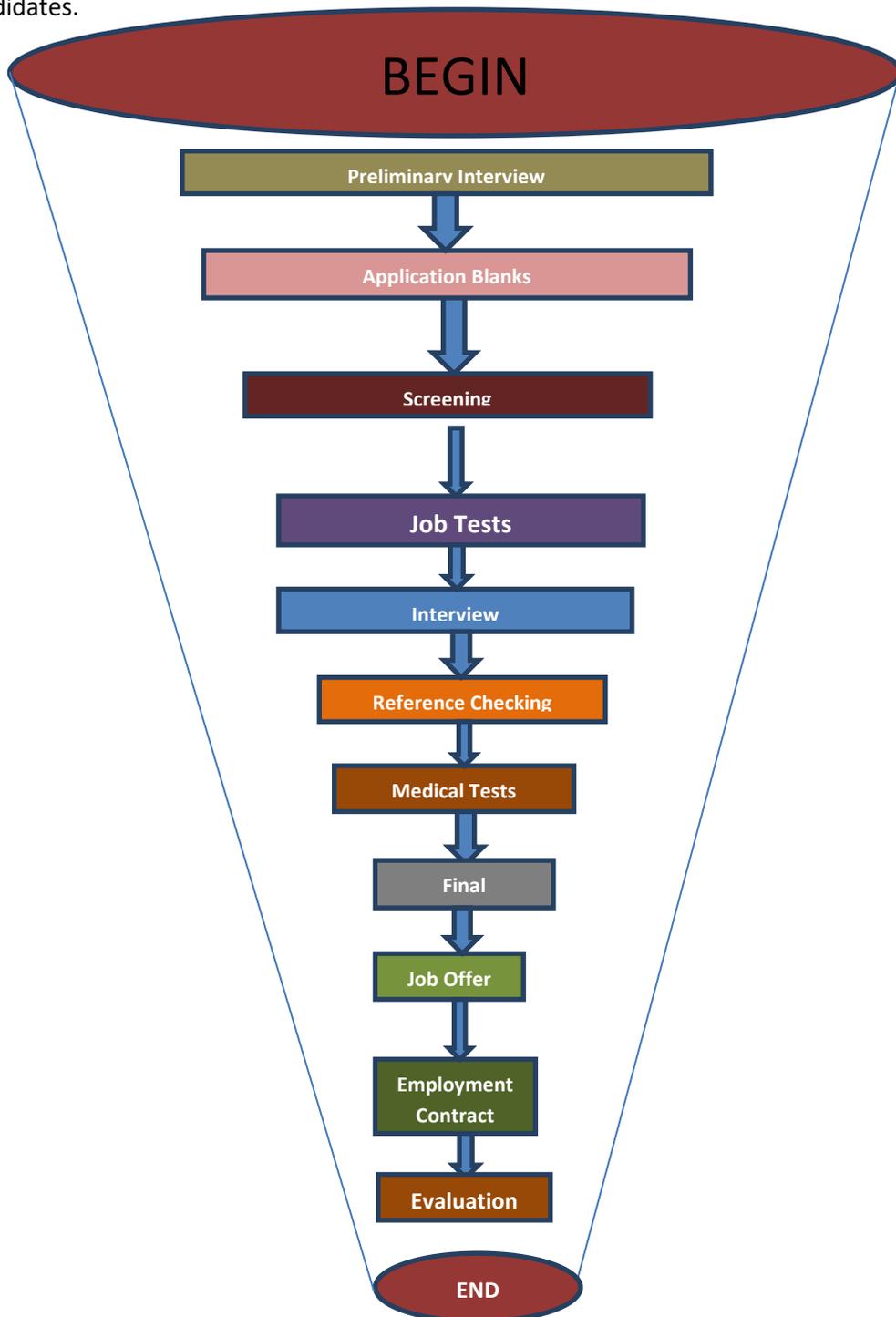


Figure 5.7 Various Stages of Selection Process

At the end of recruitment process, a list of eligible candidates is prepared and that the starting point of selection process. Next stages are:

**Preliminary Interview:** This is the starting point and the preliminary interview is conducted by junior staff in HR department. This round is for finding out interest of the candidate in the organisation and the job and further candidate's eligibility. Generally, candidate's background is ascertained and job specifications will be told. Depends on the position, sometimes this preliminary interview is conducted on telephone also.

This stage is to ascertain eligibility of candidate prima facie. Type of work, working hours, general pay range, working conditions and other aspects of job specification will be told to the candidates to ascertain his/her willingness. In this round, candidates who cannot be considered due to various factors like citizenship, age, physical handicaps if any, lack of relevant experience or qualifications etc., are taken out. In other words, it is to eliminate definite misfits and unfits. For instance, if you are looking for a candidate who has experience in SAP implementation, you will be weeding out candidates who do not have such experience.

Since this would be the first interaction of the candidates with the organisation, care needs to be taken to see that they are handled with courtesy and good image of the organisation is presented to them. These interviews will be brief in nature and candidates who are found to be suitable and potential for selection will be moved to the next stage.

**Application Blanks:** The qualified candidates in the preliminary interview are given application blanks to fill in. These application blanks are prepared as per organisation's requirements since the individual resumes of the candidates may have different patterns. Further, the resumes sent might not have been updated. Same is the case with the resumes downloaded from job sites.



These application blanks are specially prepared and generally contain:

**Identity-** Family background, Age, marital status, gender, height

**Educational Qualifications-** Generally from X Standard onwards, candidates have to mention subjects, grades, year of passing, percentile ranking or place in the class etc., These are used to ascertain consistency in performance. For instance a candidate who is consistently in top 10% of the class is preferred to a one-time ranker. If there are any gaps in education, candidates will be asked to explain.

**Work Experience** – Details will be asked on candidate's performance highlighting the achievements, problems solved along with nature of work and the job responsibilities. Selection process involves predicting whether candidate would be successful in the job, and as such history of problem-solving would act as an aid to determine. It would be in reverse order starting from current job onwards as existing skills are more critical.

**Extracurricular activities, hobbies, interests**

Other information on expected salary, present emoluments, perks, reasons for leaving present job and references.

Application blanks are effective tools. These are also written records from candidates giving factual information. (Candidates cannot deny any wrong or not real information if found subsequently,

since application blanks submitted are signed confirming truthfulness). There are many standard formats and organisations can also design as per their requirements. If it is observed that success in academics is associated with success in the jobs, more importance can be given to academics and provide more details of academic record. These can be one pagers or may be detailed ones containing hundreds of details. These would be useful in the interviews as selectors can pick up questions from what is presented in the desired format. Candidates may try to exaggerate, but the same can be verified in the interviews or through references.

Is it necessary to have a filled-in application blank when resumes are already available? The answer is 'Yes'. Some reasons are already listed. Apart from those, in a resume, candidate presents information that he wants to give, whereas application blank contains what information an organisation wants to know. Candidates may suppress or downplay details of their weaknesses. (If a candidate is weak in academics, he may just mention the qualification instead of giving grades, year of passing etc.,). Application blanks do not give that kind of choice.

Application blanks can be different for different positions.

**Screening:** The filled-in application blanks are studied carefully and from these, some candidates may be dropped based on academics, work experience etc., Skill sets are examined and if a candidate is not having exposure to a particular skill desired for the job, he/she can be dropped. Screening needs to be done methodically and not as a matter of routine. Though it is used for eliminating, it should be seen that potential candidates are not missed out. Academic excellence may not guarantee successful job performance and the converse is also true in some cases.

As detailed in previous chapter, one can use computer software based on AI to screen the applications/resumes. But it is preferable to do the screening manually since analysis or picking up of relevant skill set or experience may not be possible with software. Suppose you are looking for a store manager/assistant for a manufacturing unit, the experience of a candidate in logistics of an e-com company could be equivalent since those candidates might have exposure to stores. One needs to check carefully to arrive at a decision. Those passed in screening would become eligible for next stage.

**Job Tests or Employment Tests:** These are instruments to assess the required qualities and abilities of candidates. These are samples to predict future success in the job.

There are varieties of tests. They can be written/skill/on the job/simulation tests. A detailed study on the types of tests is presented in the next section.



In brief, the tests are: Proficiency tests (Job knowledge tests, Simulation tests, Work sample tests), Intelligence tests, Aptitude tests, Personality tests, Interest tests, Psychological tests, Situational tests, Knowledge tests etc.,

The tests (other than proficiency tests) are conducted when there are more candidates, as it would be a costly affair. This stage can be skipped by organisation. Otherwise, candidates who are qualified in these tests will be moved to next stage.

**Interview:** This is a crucial part of the selection process. Whatever may be the process of selection, every employer would like to meet the prospective candidate in person.



Interviews can be conducted by an individual (senior officer of organisation) or by a panel. Usually, the line manager (under whom the successful candidate is going to work) will be included in the panel. Candidates will be asked to detail what they have provided in the application blanks with regard to work experience, particularly on achievements. If the job tests are not conducted, then questions on the job knowledge will become part of the interview. Interviews can be structured ones, in which case the questions will be prepared based on a thorough job analysis.

Interviews test the strengths and weaknesses of the candidates. Candidates also will have an opportunity to ascertain details they would like to know on organisation, pay, and career growth. Various types of interviews are detailed in following sections. The filtered candidates move to next stage.

**Reference Checking:** Generally, candidates will be asked to give references of two persons who are not related to them. Usually, they will be their colleagues or faculty members in case of fresh candidates. In this stage, references of the candidates shortlisted will be contacted to ascertain their general behaviour and capabilities. If candidate has mentioned achievements in his/her work front, the same can be cross-checked. At times employers may come to know any hidden information or information which the candidate himself/herself doesn't know, from the reference persons. References give a pen picture of the candidate.

Candidates will give references of those who will provide good feedback about him. As such, this process may not give any additional inputs. But it depends on the other person. Senior and mature persons generally give factual information, particularly on achievements on the work front. For instance, if a candidate mentions a key problem-solving incident or an achievement as of his, which is actually a team effort or of efforts by someone else, facts about the same can be ascertained. Because of human tendency not to scuttle anybody's career (unless prejudiced), it would be difficult to elicit negative information from references. Nevertheless, some characteristics will come out ("He is a bit arrogant", "very docile guy", "He gets furious on certain issues" ---). To get complete information, structured questionnaires need to be used, which is not practical. Candidates may mention not to contact anyone in their present organisation, till the point they are selected, and those requests are to be honoured.

**Medical Examination:** This may not be necessary for all jobs. This is done to ascertain physical fitness of the candidates for performing the jobs. Also, this process will protect organisations from any claims for compensation from individuals who have some disabilities or some health problems. For some jobs, medical examination is a must. In USA, Drug Tests will be administered for some jobs and is a part of selection process.

**Final Selection:** At this stage, a final selection is made among those shortlisted. This stage is difficult if there are more candidates than the number of jobs. Recruiter's experience, maturity and predictive abilities will help in this stage since it is a choice of 'first among equals'. If it is done by a panel, the line manager's views will be given due importance.

**Job Offer:** Job offers indicating all agreed terms and conditions, in brief, will be sent to selected candidate. Reasonable amount of time will be given to the candidate to communicate his/her acceptance. It is not an appointment letter but only an offer indicating the intention of the organisation to appoint the candidate. Based on this, candidates will submit their resignation to

their present employers (if they are working). Unless the acceptance is communicated, organisations will not prepare appointment letters/employment contracts.

Job offer cannot be withdrawn by the organisation within the time period set in the offer letter. (It can be withdrawn under some circumstances like organisation coming to know that candidate has submitted some false credentials, cancellation of an order or project etc.,). It is an official communication from the organisation asking selected candidate to join within certain time period. It can be issued by e-mail, whereas appointment letters, in general, are issued in hard copies.

**Note:** Some Organisations will conduct Background verification (BGV) before or after making job offer or may be before final selection itself. Of late, BGV is becoming a regular affair as many companies are adopting it as a policy. There are specialist agencies available to conduct BGV and they will charge for the same. Apart from Government and Defence Units, PSUs dealing with sensitive products (Defence goods, Research etc.,) insist on Police verification of the candidates before issuing appointment letters.

**Employment Contract:** Once the acceptance is received, employment contract would be drawn in detail, which would be binding on both parties (Company and Employee). Appointment letter itself is an employment contract as it contains all terms and conditions and/or condition of applicability of Company's policies. With this only, a 'candidate' becomes an 'employee' and the contract is binding on both the parties.

**Evaluation:** Evaluation is done after certain period to find out the effectiveness of the selection process. It can be done in an informal way but any bad selections will be registered in the minds of all concerned and senior management.

It would be better if the evaluation is done formally and becomes a regular feature. Based on the evaluation, the selection process can be modified. The 'predictors' (as mentioned in the previous section) can be changed by additions or deletions. And as mentioned earlier, some of the recruitment metrics detailed in previous chapter is applicable for the total process of recruitment and selection and relevant ones need to be applied as a part of evaluation. The evaluation would be like an audit trail for the HR department. The rejected candidates at all stages need to be communicated suitably. Organisation should thank them for showing interest in the organisation and specify general reasons for not able to select at that point of time. After all, the candidates have spent considerable time and energy. One can say, it is in their interest but one should not forget it is the interest of the organisation (requirement) which has started the process involving them.

The communication should be framed in such a way that the candidates should not feel unpleasant on the whole process though they may be disappointed. It should also see that the doors are not shut since the present rejection may not mean a permanent rejection and organisation may have to tap them again, in case. This is the general process of selection. Though it is very lengthy, it is a proper way and most of the organisations follow. Depending on the urgency, the process can be expedited by shortening the time cycles of each stage. Depending on the circumstances, some stages can be skipped but with a proper control mechanism. Having understood the Selection process, solve the case study given in Box 5.2<sup>17</sup>.

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<sup>17</sup> XL Eduneeds II is a modified version of following case study:

Murray, L. M., & Fischer, A. K. (2011). Staffing A New Sales Force: A Human Resource Management Case Study. *Journal of Business Case Studies (JBBS)*, 7(4), 1-8. <https://doi.org/10.19030/jbcs.v7i4.4681>

### Box 5.2 XL Eduneeds IV

(Background information is same as given in XL Eduneeds I case. Situation is cosequent to XL Eduneeds III case).

Nagesh called YPS Rao after the meeting with Gokari and his team.

Nagesh: 'YP, for making the plan we need to be clear on selection pocess. Last time you have mentioned that once we know the numbers, we can decide'.

YPS Rao: 'Yes Nagesh. As for screening candidates, there are numbe of methods which we can use, eiether singly or in combination. Our standard application, of course, provides significant amounts of information about the candidate such as work chronology and education. Not only applications help to screen for needed qualification, they also provide preparatory information for interviews. While all candidates provide resumes, the application ensures that we have uniform information from all candidates.

'Tests are increasingly used in screening process of sales people – intellegience, aptitude and personality tests. However, even though testing has improved, many sales managers are wary of the usefullness of tests in prediting success in sales positions. Aptitude tests, for example measure current skills, but relying on these tests may cause potentially successful candidates get rejected. And selling skills can be taught if the candidates have potential. As to personality tests, no single personality trait is consistently linked to productivity across selling jobs or firms. Therefore, tests that putport to measure sales ability often works for specific selling jobs or firms. Further as standardised tests capture the norm, talented and creative people who might make significant contribututions could be overlooked. Sales managers aso worry about those who know the right answers to provide on tests which don't really reflect the candidate's true feelings or behaviour'.

'Personal interviews are critical and should be used as both a screening and as a selection tool. Sales managers use to gauge candidate's presentation ability, personality, experience and ability to think according to the situation. Interviews are most effective when the candidate is interviewed by several interviewrs and when interviews are used with other selection tools'.

'We also often see realistic Job previews (RJPs) used. RJPs provide an opportunity for the candidate to experience the job and to ask salespeople questions. They also allow an experienced sales person to observe how the candidate interacts with customers and to gauge the candidate's experience and abiity to do the job'.

'Finally we should continue our reference checking procedures. Reference checks, while time consuming and costly, can confirm or disconfirm the truthfullness of resume and application information'.

Nagesh: 'Thanks YP, we will make the plan accordingly in next few days'.

**Questions and Discussion Points:**

- 1) Do you agree with YPS Rao's obserations on the tests? Agreement or disagreement needs justification.
- 2) You are aware of the numbers to be selected (Ref XL Eduneeds III). If you are in agreement with YPS Rao's opinion, would it be possible to select these many numbers without tests?
- 3) If tests are discarded, can you suggest any additional selection tool, apart from those mentioned in the case?
- 4) For the given numbers is it possibe to conduct interviews if they are chosen as sole selection tool? You may assume that the recruitment process has generted applications in 1:10 ratio.
- 5) If it is decided to conduct tests what kind of test you suggest as a screening one before the interiews?
- 6) Can you suggst any simulation exercise eiether as part of interview or as a different tool? (You are selecting sales people).
- 7) Finally draw the selection process that should be used. The answer shoud also include the recruitment process details. The plan shoud cover all aspects and be like a presentation paper which Nagesh and team intends to present to the top management.
- 8) Who from XL Eduneeds should be included in the selection process?
- 9) At what point should each participant be included?

### 5.3 Selection Tests

A test is a procedure intended to establish quality, performance, reliability or something, especially before it is taken into widespread use or practice. We test before selecting. Automobile dealers offer 'test drive' for vehicles. When we are buying an electrical bulb, we test it at the shop. To choose college team for Inter College Cricket Tournament, we test the available players. In all these, we try a sample to see whether it will work as per the requirements.

Employment tests are tools to gauge the capacity of a candidate to cope up with the job requirements. Further, when we use them as a part of a selection process, tests would be useful for comparison. Following two definitions will give the purpose and nature of tests.

"A test is a sample of an aspect of an individual's behaviour, performance and attitude".

-Milton M.Blum

"A test is a systematic procedure for comparing the behaviour of two or more persons".

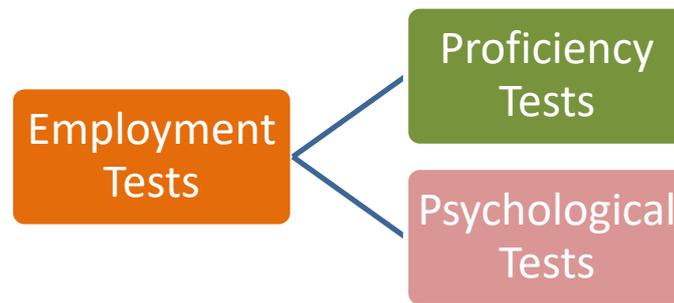
-Lee J. Cronbach

First definition gives absolute nature of a test and second definition gives the comparative nature of tests. For selection, both are required.

It should be remembered that tests are samples only. Based on the sample, you will be gauging the success or desired performance in the job.

One important way is to test the candidates psychologically. Further, there are many psychological tests developed and organisations can make best use of. Psychological tests are used when there

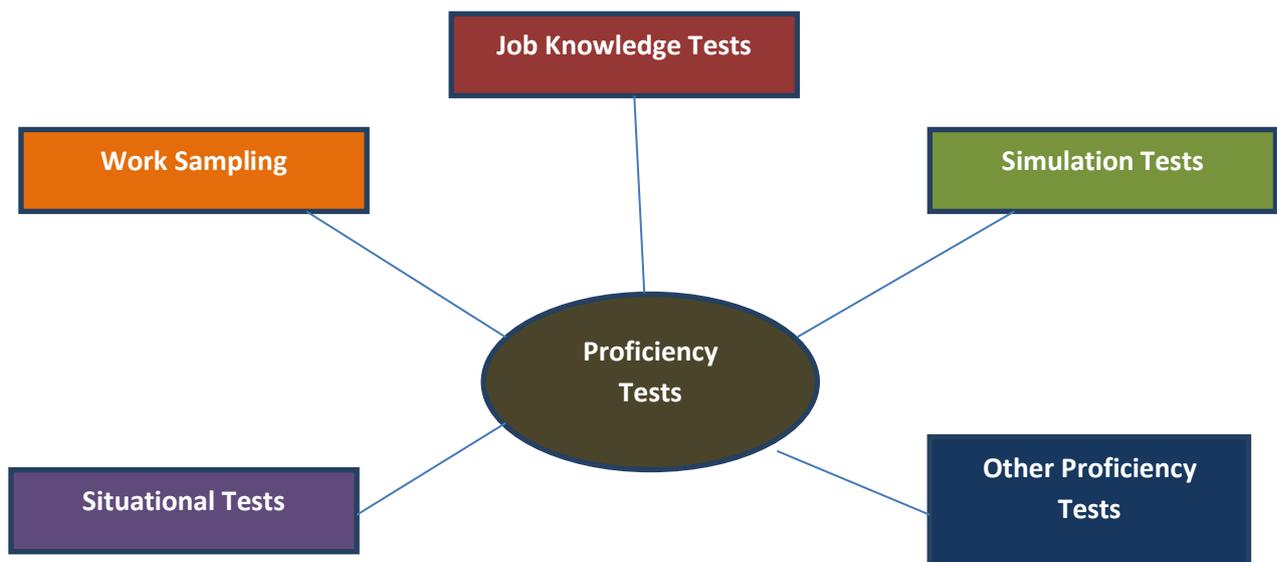
are many candidates. For small sets, it is neither practical nor economical. Another way is through proficiency tests. Categorisation is shown in Figure 5.8.



**Figure 5.8 Employment Tests categories**

**Proficiency Tests:** In the employment tests first category is proficiency tests. These tests will measure the skills already acquired by a candidate. These are also known as trade tests. They will measure how much the candidate is capable or competent to do a specific part of a job.

Different types of proficiency tests are shown in Figure 5.9



**Figure 5.9 Types of Proficiency Tests**

**Work Sampling:** It is very common and practical since generally, past performance indicates future performance. The specific tasks involved in a job are listed and important and necessary tasks are picked up. Candidates will be asked to perform and their performance is evaluated. The time limit will also be a parameter to assess. The tests will be conducted under strict supervision. This is widely used. If you are selecting a driver, you will ask candidates to drive and you will observe. Similarly, if the job is teaching, candidates will be asked to take a class.

It is a good selection technique. Gary Dessler lists the advantages:

- It is harder to fake answers, unlike aptitude tests, where there is a possibility.
- Work sample is more relevant to the job for which recruitment is done.
- No invasion of privacy as applicant’s background or personality is not delved into.
- Content of work sample not likely to be unfair as some psychological tests might be.

**Job Knowledge Tests:** Candidates' knowledge of the job is tested. These can be written or practical or both. When there are many candidates, it would be better to conduct written tests since it is impractical to ascertain job knowledge in the interviews and work sampling can cover only a part of a job. For instance, if you are recruiting a lecturer for a particular subject, you can conduct a test for the subject knowledge first and go for work sampling tests (demo lectures) of the shortlisted candidates to test other aspects (communication, eye contact with students, language, clarifications etc.,).

**Simulation Tests:** These are used for selection of managerial personnel. Situations which are similar to the job aspects will be duplicated and candidates will be asked to encounter the problem and come up with solutions.

**Situational Tests:** These are similar to simulation tests. The difference is in situational tests actual situation is given.

One form is 'In Basket' in which actual correspondence (mails, letters) and actual requirements and reports are given to candidates and they will be asked to take decisions. They will be evaluated based on the decisions. Second form is, 'Group Discussion' in which a group is given an actual situation and asked to arrive at a conclusion. In this, the candidate's leadership qualities and convincing skills are evaluated.

Situational tests are rarely used since revealing actual correspondence with other parties is not ethical. Rather simulation tests are preferred.

Group Discussion Test is used by simulating similar situations or using a general topic. When a general topic or general situation is given, it can be administered to fresh candidates also. Group Discussion Test is generally used for selection of entry-level positions (Campus placements).



**Other Proficiency Tests:** 'Mechanical Aptitude Tests' which measure specialised knowledge and speed, are used for selecting technicians and apprentices. 'Psychomotor Tests' measure motor abilities, manual dexterity, eye-hand coordination etc., and used for selecting semi-skilled workers who are engaged in jobs with repetitive tasks (Examples - Packing, Quality Inspection). 'Clerical Aptitude Tests' measure specific activities of office work.

**Psychological Tests:** These tests measure the mental processes. They try to analyse human behaviour relevant to job performance and measure the mental fitness of a candidate for the job.



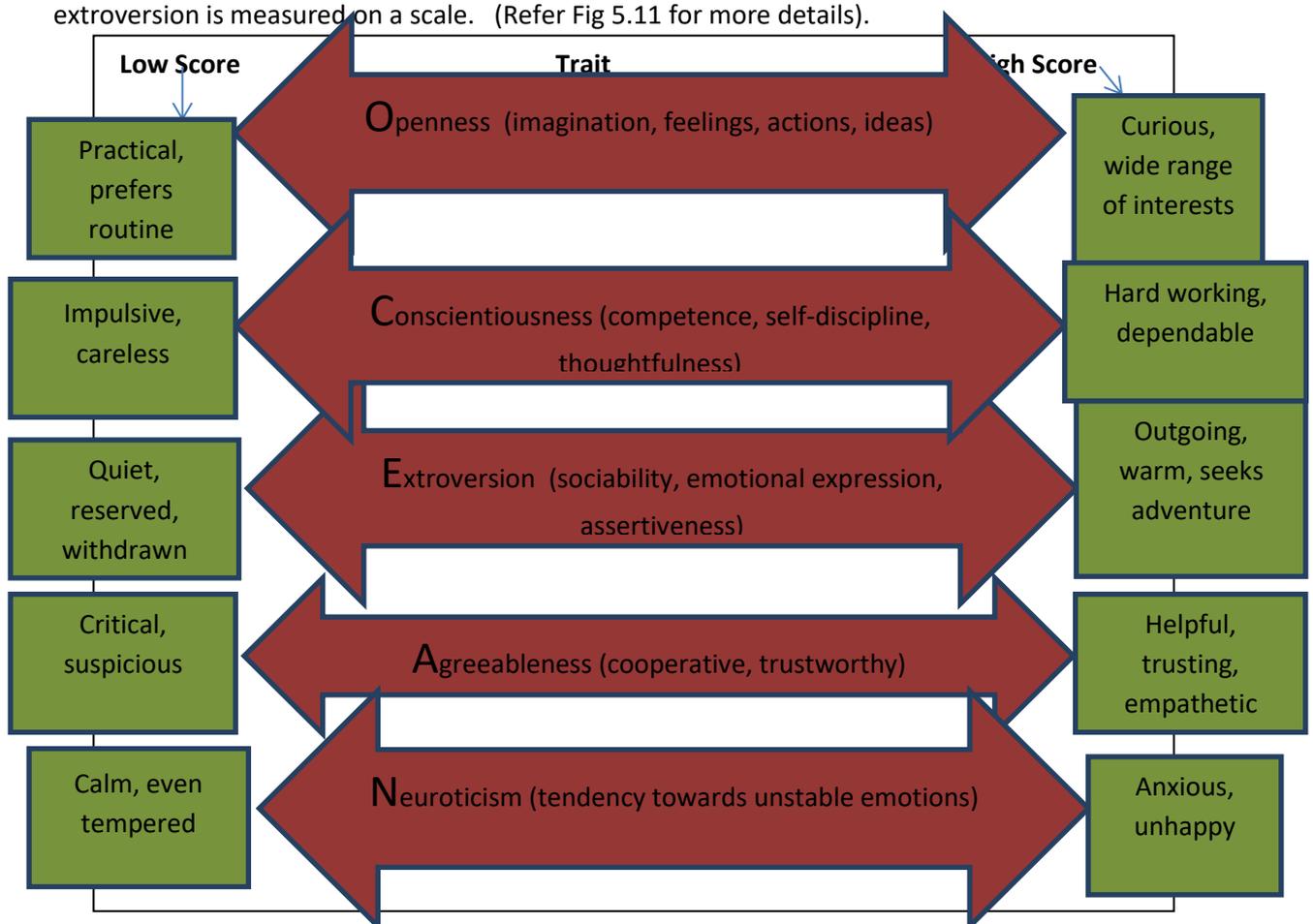
Figure 5.10 Types of Psychological Tests

**Interest Tests:** Apart from the abilities, candidate should have a good interest in the job. Interest tests find out the areas of interest, preference and say, fascination. They do not test the abilities but interests. Likes and dislikes with regard to various activities including hobbies or areas say outdoor, computational, scientific, mechanical etc.,

**Kuder Preference Record** is an example of these tests. It is developed by US psychologist Frederic Kuder. As per American Psychologists Association, this test is used to assess participants' suitability for various fields of employment. For each of 168 items, individuals select their preferred activity from a series of three choices. The test yields percentile scores in 10 vocational areas: clerical, computational, art, music, social service, outdoor, science, persuasive, literary and mechanical.

**Personality Tests:** These tests measure candidates' personality as a whole which is a mixture of maturity, temperament, mood, emotional balance etc., Tests try to predict basic characteristics like inter-personal skills, motivation, self-confidence, courage, and introversion. Though predictive ability of these tests in job performance is a question of debate, the studies made over the years shown that a good test can pick up personality traits which connect the performance in the job. For instance, extroverted people are generally good salespeople, unlike introverted people.

The Big Five Model or Five-Factor Model is a widely accepted personality model. It states that personality can be reduced to five core factors, known as the acronym OCEAN. These are Openness, Conscientiousness, Extroversion, Agreeableness and Neuroticism. The theory states each personality trait is a spectrum (unlike trait theories which sort individuals into one extreme – say, extrovert or introvert). In other words, a person would not be put as an extrovert/introvert, but the degree of extroversion is measured on a scale. (Refer Fig 5.11 for more details).



**Fig 5.11 The Big Five Personality Traits<sup>18</sup>**

<sup>18</sup> Source: Lim, A (2020, June 15). *The big five personality traits*. *Simply Psychology*. <https://www.simplypsychology.org/big-five-personality.html>

Some personality tests are:

**Thematic Apperception Test (TAT)** tries to evaluate candidate's thought patterns, attitudes, observations, emotional responses to ambiguous materials. 31 picture cards including male, female, no gender, adults, children etc., are given and candidate will be asked to explain what is happening, feelings of characters, what happens next etc.,

**Cattell's 16 PF Questionnaire** uses a model of statistical model factor analysis of 16 personality traits. It consists of 164 statements describing the self of a candidate each on a scale of 5 (Strongly disagree, Disagree, Neither disagree nor agree, Agree, Strongly agree) and from these answers personality type (out of 16) is evaluated. Typical questions are shown in Box 5.3.

Rorschach Blot Test (RBT), Minnesota Multiphasic Personality Inventory (MMPI) are some others.

Evaluation is difficult and needs expertise. One more disadvantage is that the answers can be faked.

**Box 5.3 Typical Questions in 16 Pf Questionnaire<sup>19</sup>**

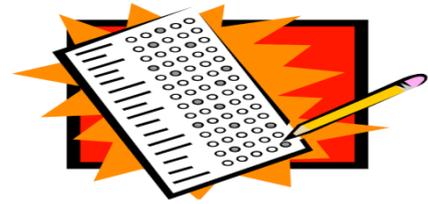
	STRONGLY DISAGREE	DISAGREE	NEITHER DISAGREE NOR AGREE	AGREE	STRONGLY AGREE
I take time out for others.					
I know that I am not a special person					
I take control of things					
I believe in the importance of art					
I like to get lost in thought					
I am willing to talk about myself					
I can't do without the company of others					
I trust others					
I keep in the background					
I Cheer people up					
I often feel uncomfortable around others					
I wait for others to lead the way					

**Intelligence Tests:** Intelligence tests measure the candidate's learning abilities, basically mental ability. Speed and clarity in understanding questions (situations) and providing answers (decision making and solutions) are tested. Reasoning and comprehension (of a situation) are measured to assess the mental capacity of a candidate to grasp and arrive at a decision in a complex situation.

<sup>19</sup> Source: <https://openpsychometrics.org/tests/16PF.php>

Tests would have questions on logical reasoning, data interpretation, and comprehension. Though these tests are used extensively, they have criticism that they are against deprived sections of society.

**Aptitude Tests:** These tests measure candidate's capacity and potential for learning skills required for a job. These are the best predictors for success of a candidate in the job. These are more useful for entry-level posts as these tests measure aptitude (only) which is different from ability. They try to measure the latent ability of a candidate to learn and perform given necessary training in the job. There are different aptitude tests like mechanical aptitude tests. Cognitive aptitude tests which gauge mental and intellectual aptitudes are generally used. GMAT (Graduate Management Aptitude Test) is the best example for aptitude tests. There are different tests like Achievement tests, Assessment tests, Vocational Aptitude Tests, Logical Aptitude Tests, Projective Tests, Dexterity Tests, and Judgment Tests; all of which fall into one of the above-mentioned two categories.



**Honesty and Integrity Test** is to ascertain integrity of a candidate. It tries to put questions to ascertain attitude and behaviour of candidates. Validity of these tests is not conclusively proved. It is rarely used in India.

**Graphology test** is used to analyse personality basically and other aspects from the handwriting of a candidate. It is not generally used as a part of selection.

#### To Do Activity

1. Take the 16 pf Personality Test online and try to find patterns by comparing scores among friends

<https://openpsychometrics.org/tests/16PF.php>

Take a break from selection tests and solve the case study given in Box 5.4<sup>20</sup>

#### Box 5.4 XL Eduneeds V

(Background information is same as mentioned in XL Eduneeds I)

##### Situation

XL Eduneeds has decided to expand to Northern Europe. So far they are exporting from India to some countries there and they have decided to have a full-fledged set up in order to increase sales. Internationalisation would help the Company domestically also, as presence in Europe adds a name to the Company and premier educational institutes will be more inclined to buy XL's products. The company bought a small, high-tech education production firm in Finland. The main factory has been around for many years and has a mature workforce. The internationalisation project manager, Anand Kumar, has to decide whom to hire as a manager for the factory.

<sup>20</sup> XL Eduneeds V is modified version of following case study:

Fischer, A. K. (2012). Corporate Human Resource Management In An International Setting. *Journal of Business Case Studies (JBSCS)*, 8(6), 621-626. <https://doi.org/10.19030/jbcs.v8i6.7406>

#### XL Eduneeds V continued

The strategy of the factory is quality enhancement. The manager should be able to continuously keep up quality and make sure that the employees should understand the importance of producing quality products as hitherto it was not concentrated. Also, the manager should have good vision about how to develop educational products for Scandinavian markets. That means he or she should also be innovative and know about high-tech educational products. The job includes making long term plans, deciding about new products, and making sure that the subsidiary's strategies are in line with the parent company.

There are some differences between India and Finland in labour laws. In Finland one cannot fire people without a legally defensible reason. There are also collective bargaining agreements with Unions which will also cover employees outside the Unions. Non-resident employees need a work permit to work in Finland.

Anand Kumar has three candidates for the plant manager position:

- Karin Johansson is a 27 year old Swedish woman. Despite her young age she has had a lot of experience in the high tech industry. She has worked for several years in Sweden, Germany and Norway, so she knows the European market quite well. She speaks Swedish and German, but not Finnish. Her present employer is a Swedish company, where she was recently promoted to be a project manager. The reason she is applying for this position is for new challenges. She seems really career oriented. She seems very motivated and anxious to work with XL Eduneeds. She is still single, and does not plan to get married or have kids in near future.
- Scoomer is a 45 year old Finnish man. He is a manager in the Finnish high tech company, XL Eduneeds just bought. He was against the trade, and has not talked kindly about XL Eduneeds. On the other hand, he worked with the former company for 10 years and knows the employees well. He was always been well liked in the company and does his work well. He has never worked outside Finland.
- Damodar is a 36 year old Indian. He has worked with XL Eduneeds for five years as a manager in production department. He has always done his work well within the company, and his boss has nothing but good things to say about him.

He has shown a real aptitude for guiding high quality production operations, and is considered as a rising star in the company. Damodar never worked outside India, but he is very anxious about this new opportunity and he is ready to take on the challenge. Still, he does not wish to work abroad for a long time, just a few years to gain experience and help the company to start its business In Northern Europe. Can you help Anand Kumar in deciding who to choose as plant manager?

#### Questions and Points for Discussion:

- 1) What are the advantages and disadvantages of each applicant?
- 2) What different kinds of influence could these applicants have on company's culture, the parent company's control over subsidiary, and the strategy of the subsidiary in future?
- 3) While comparing the candidates you need to take various factors into consideration – language, culture of the country, time it would take for adopting to the same, experience, experience and familiarity with the industry, tenure (long term or short term), age etc.,
- 4) Though not given you may also weigh upon the costs XL Eduneeds will incur in each case. You can assume that salary expectation is same for all applicants.
- 5) The last sentence in the brief of Karin Johansson (She is still single ---) is purposefully incorporated to represent reality. Companies do take these factors into consideration. While one can say it is discrimination there are also counter arguments that the company's interests (like continuity, relations with customers etc.,) are primary in case of key appointments. Conduct a wider debate taking all factors into account and suggest best possible solution.
- 6) Who is your final choice and why?

### 5.4 Selection Interviews

An interview is final and crucial part of selection. Even written tests and other tests are conducted as part of selection process on job knowledge, psychological traits, and abilities etc., still, one-to-one communication plays an important role in the selection process. Behavioural aspects, reactions to different questions and other aspects are examined apart from eliciting information on the details mentioned in the resumes since it is not possible for candidates to include everything in the resumes. For instance, mention of say 8 years of experience in xyz organisation, skill set of a,b,c,-- will not give any information for a recruiter unless same are elaborated. Interview is a purposeful exchange of information. Interviews are conducted for various purposes and here we are discussing selection interviews which are final selection (not preliminary interviews). There are various types of interviews as shown in Figure 5.12. These types are not water-tight compartments and can be overlapping. For instance, you can have stress, in-depth panel interviews.

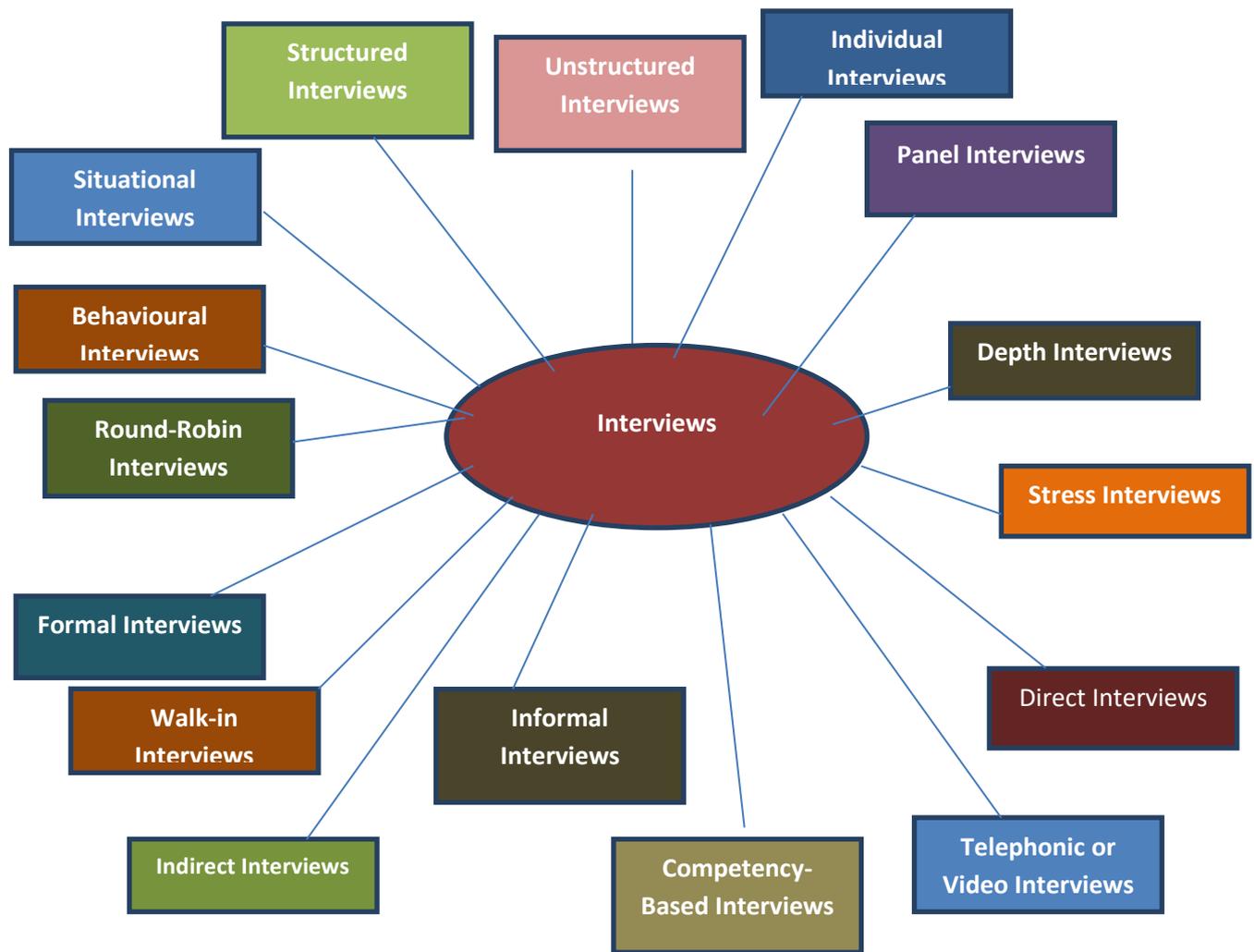


Figure 5.12 Types of Interviews

**Structured Interview:** It is a fully planned interview. All the questions to be asked are prepared mostly based on job specification and given to the interviewer. All the candidates will be asked the

same questions and interviewer will record the answers/responses. Different sets of questions, with the same degree of difficulty, can also be prepared so that different candidates are asked different series of questions.

These will be individual interviews in general as panels are not required and can be taken by some junior people in HR department. These will avoid any subjectivity or bias of interviewers. Since written records would be available these are more reliable. Also, it is easy to compare candidates based on written records. But these would be boring to interviewer as these are mechanised and his freedom would be curtailed. He cannot elicit further information on points of interest. Questions preparation takes more time. Structured interviews are also known as Directive Interviews or Patterned Interviews.

**Unstructured Interviews:** Also known as Non-Directive Interviews. These will be unplanned and no questionnaires are prepared. Questions to be asked or the time frame for each candidate are also not planned and would differ. Usually, general questions or open-ended ones will be posed and depending on the answer the candidates give, further questions will be asked. A common opening question is “Tell us about yourself”.

As general questions are usually asked in the opening, candidates would feel at ease and express views freely. These interviews will allow a free hand to interviewer, and he can ask a set of follow-up questions in matters of interest. These will allow them to go deep in a point to test the candidate. But comparison is difficult and reliability is low. ‘Halo effect’ may influence the Interviewers. (See Box 5.5 for more on Halo effect). These interviews consume more time.

#### Box 5.5 Halo Effect

Halo effect is the tendency for positive (or negative) impression of a person, company, brand or product in one area to positively (or negatively) influence one’s opinion or feelings in other areas. It is the name given to the phenomenon whereby evaluators tend to be influenced by their previous judgments of performance or personality. For instance, one may assume all bespectacled persons are studious, (and hence) hard-working (and hence) honest, though there is no scientific explanation for such connection. It could be because of a previous judgment on one or two people who are honest, hard-working, studious and also have spectacles. Companies utilise this phenomenon to promote brand extension.

**Individual Interviews:** Also referred to as Face To Face Interviews or One-to-One Interviews. As the name suggests these interviews are conducted by one person only. These interviews allow Interviewer to have more eye contact with candidate and he can observe the body language of the candidate. Interviewer can develop a rapport with candidates and can assess thoroughly by questioning in-depth on a subject or a matter of interest. But there are disadvantages in individual interviews. Decisions can be biased by the interviewer. Interviewer’s method cannot be checked. Techniques of interviewing may not be consistent and may differ from candidate to candidate, which will affect comparison and selection. These interviews can be part of the first stage of Round-Robin Interviews.

**Panel Interviews:** Also called Board Interviews. These are conducted by two or more people and usually, there would be three to five interviewers. Each member will ask different questions in different areas. Sometimes one interviewer may only observe (body language, reactions of candidates) and do not ask any questions. The idea behind a panel interview to get multiple perspectives of candidates of different competencies required for the job. It gives an objective

assessment of candidates. Different subject experts can be put in the panel. Panel may consist of outsiders who are usually subject experts. Selection will be done by the committee collectively.

Individual bias is eliminated as the interviewing is done by a group of people. Different opinions can be combined. Allows each interviewer to observe and pick up threads from the other members' questions and candidate's responses. These will allow a back-up for weak interviewers. But candidates may get feeling of uneasiness and at times get scared which will hinder his/her natural behaviour. They may get more stressed in facing the questions rapidly from more people; Interviewers may also try interrupting others to dominate, which will spoil the process. If one member is in a high position, other members may just endorse his decision defeating the whole purpose of setting a panel.

Nevertheless, these are widely used because of multiple benefits. If the selection is for a senior position, it would be always by a panel interview only.

**Stress Interviews:** These are conducted to find out the candidate's behaviour in stressful conditions. The idea is to find out whether candidate can face the complex demands of a job. These are useful if the selection is for a job in customer complaint cell.

Candidates will be asked irritating, rude, awkward, repetitive, inappropriate or difficult questions. There would be questions which will irritate anyone usually. ("How many legs does an eight-legged insect have?"). The questions can be sarcastic or argumentative. It could be with deliberate pauses between the questions. It is to see, whether candidate gets angry with such questions. Only a portion of interview can be allotted for stress part, and is generally, done in panel interviews, so that when one interviewer is asking stressful questions, others can observe candidate's behaviour. Interviewer browbeats and deliberately makes candidates intimidated. Objective of these interviews is to find the tolerance level and to test whether candidate can cope with stress producing and demanding situations of the job. Candidates who stay calm and poised will be selected. These interviews will eliminate hypersensitive candidates who may overreact to criticism.

**Depth Interview:** These are conducted to examine the candidate's in-depth knowledge in a particular subject or field or area so that his/her correct picture and the level of expertise or knowledge comes out. Interviewers would be experts in that particular area or subject. It can be a semi-structured one, in which candidates have to give complete information contained in the resume and out of it. Interviewer takes an in-depth interview to find out the expertise of the candidate. All the details of important nature will be asked to have complete and exhaustive information.

A variant in this is systematic in-depth interview. In this interviewer will ask an initial question and continues from the response. Then he continues step by step in the same manner to get a complete view of the candidate's knowledge. These interviews would be longer and exhaustive and the purpose is to see that all information, which is key for decision making is collected and no single point is missed. This type ensures that a candidate is thoroughly examined before selection.

**Situational Interview:** In every job (position) there will be responsibilities and during discharging of the same the incumbent faces problems which are to be solved. In situational interviews candidate's behaviour and problem solving skills are tested. Job-related situations are picked up from job analysis and candidates will be asked what actions they will take in such job-related situations. Candidates will be related to a hypothetical situation and interviewer checks the reactions. The answers are evaluated against the predetermined standards. In this type of interview, problem-solving skills, analytical abilities (and may be even values also) of the candidates are tested.

Purpose of situational interviews is to check the potential and abilities of the candidate in handling critical situations. Some examples of hypothetical situations are:

- Your subordinate is always coming late to the office. He is very good at work. How do you handle it?
- What would you do if a proposal of yours is rejected by colleagues though it is very good and yield good results in long run?
- What would you do if your boss comes up with a proposal which is not good and impractical and does loss or damage in the long run?

**Behavioural Interviews:** These are very slight variants of situational interviews. In these, candidates will be asked to relate critical situations in their past and how they have reacted and solved. These interviews will be intense. The idea is to ascertain behaviour and candidate's mental process in reactions. Generally, situations which are similar to the present job are picked up and probed into. Since candidates tell only success stories, interviewer may twist to the opposite and ask candidate's reaction or how he would solve it. Or interviewer may ask hypothetical questions if no great situations are coming out of the candidate.

Examples:

- Did you ever turn out a very good customer's request or suggestion and how did you handle it?
- Describe a problematic situation you have encountered in your previous job and how you have handled it.
- In a job your boss doesn't like you, what will you do about it?

**Round-Robin Interviews:** These are sequential interviews. Candidates will face multiple interviewers in succession. Rounds can have a single or a panel of interviewers. They can test different aspects or similar aspects. Candidate's consistency will be tested when interviewers exchange notes.

A total analysis of candidates can be done in this method. Since it would be a combined decision, bias also will be eliminated. These types also test the strengths of candidates, as series of interviews would cause considerable stress.

**Formal Interview:** All the interview types mentioned so far are formal interviews only. These are all planned, conducted at a formal place and in a formal manner. Even the questions to be asked also could be planned. They can be called as 'Planned Interviews'.

**Informal Interviews:** These are conducted without any planning or prior arrangements. Venue could be anywhere say at a coffee shop. And there is no specific procedure. Generally, these are conducted utilising the chance of meeting a potential candidate by HR Manager or a Senior Manager on any occasion. Or it can happen when a potential candidate comes to the organisation for a different purpose. These will act as a precursor to formal interview.

**Telephonic or Video Interviews:** These are mostly used in IT Sector. Sometimes it may not be feasible to conduct face-to-face interviews. (Candidate stays at a far-off place or your managers are tied up with many formal meetings with customers or your key personnel are tied up with any audit). These interviews also can be used to cut down the list of potential candidates. If the job itself requires many telephonic conversations (call centers), telephonic interview would be appropriate.

A resume can speak about, only certain aspects of a candidate. Hearing the candidate's voice and getting answers to specific questions will give inputs for the analysis. Most of the qualities required

for the job can be ascertained from telephonic interviews except appearance and body language. Both the parties, recruiter and candidate, will be serious and come straight to the point without wasting time on formalities resulting in focused interviews. Video Interviews can be organised using smartphones or through 'Skype', 'Google Meet'. In these video interviews, body language also can be observed to some extent.

Both types have problems like call disruption, noise in the background, may need scheduling beyond office hours. Also these won't give a complete picture of a candidate. These can be used as one round of a selection process, to cut costs and to speed up the process.

**Walk-in Interviews:** Some Companies use this method to speed up the process. Candidates will directly attend interviews without sending their resumes in advance. Either they will be asked to submit resumes at the time of the interview or later. Specific questions based on job will be asked and candidates' responses will be analysed. Organisations can cut down, time and paperwork in this method.

**Direct Interviews:** All the interviews discussed so far are direct interviews. A specific round of direct interviews can be put in the selection process, asking mostly job-related questions either on the job under reference or the job what the candidate is doing.

**Indirect Interviews:** These are used for assessing the personalities of candidates. No specific questions will be asked; rather candidate will express his/her views on any particular topic of their choice. Interviewer doesn't interrupt and observes and interprets.

**Competency-Based Interviews:** Actually, this is a method which can be part of any interview. In this competencies are analysed rather than qualifications. For instance by asking specific questions on achievements of a candidate would bring out the competencies in analysing, how a job is done which is more important than the duties he was assigned to. Transferrable skill sets are analysed in this method which are important for organisations which work in highly competitive environments. That's all about interviews. Before proceeding to next section solve the case study given in Box 5.7<sup>21</sup>.

#### Box 5.6 Case Study XL Eduneeds VI

(Background information is same as mentioned in XL Eduneeds I)

##### Situation

Two months ago Serena Tibaldo, head of Creative Development Division, along with four other employees, were all fired after having been caught up in a scheme to embezzle money from XL Eduneeds. Mr. VLN Rao (CEO) and Nagesh (VP – HR) needed to fill the vacant positions.

The first task was to find an individual to take over Tibaldo's spot as head of Creative Division. In order to do this, a meeting was held by VLN Rao along with Nagesh and Shefali (HR associate for Creative Division). Through a very long discussions and deliberation, they had narrowed down to a list of candidates. Before they made a final decision through, they needed to address some of their concerns. The first thing they needed to decide was if they were going to hire someone from within or someone who doesn't currently work them. Another issue is that Serena Tibaldo was the first woman ever held the position as Head of Creative Division and all her predecessors were males. When Serena was appointed, company has got lot of appreciation from various quarters for appointing a female as Head, and company indeed got lot of mileage out of it. Would it make a difference if they appoint a male or female was another question.

The following is the list of candidates the group has come up with:

<sup>21</sup> XL Eduneeds VI is modified version of following case study:

Fischer, A. K. (2009). Staffing And EEO Laws: A Human Resource Management Case Study. *Journal of Business Case Studies (JBSCS)*, 5(6), 111-116. <https://doi.org/10.19030/jbcs.v5i6.4739>

G Venu Kumar: Venu is currently working for a human development company in Delhi that trains out-of-work people who are new on the job skills. He supervises approximately 30 people and in-charge of developing new programmes for his department. The programmes he created have been very innovative and have been used widely throughout his company. He is waiting to get out of Delhi and move to Bengaluru “to live less polluted life” as he’s said. Since he’s been in current position, his department has more than doubled its business. He has a degree in business management.

K Srinivasa Murthy: Murthy retired and has become very bored with it. He’s looking to get back to business world. When he retired, he was CEO of a small technology company that developed educational tools for schools. The tools they developed were new and had interesting ways to teach kids science and mathematics. The size of the company tripled since he’s taken over and it continued to grow after he left. He has a degree in Information Systems and an MBA. He is a fun and cheerful man, but sometimes this can distract him and others from their work. He is a natural leader, and people like to work with him.

GAVS: GAVS is currently a member of Creative Division. He has a degree in Graphic Design and an MBA. He is relatively new to the Company and does not have much experience. He is known as very loyal and hard-working individual. Others find him very easy to work and can count on him for help whenever they need it. Projects he work on are always are turned in on time and are above and beyond what is expected. Maths is his forte, and he is a consistent topper throughout in school and college and will finish his master’s degree in Computer Science next month.

Pravallika Iyer: Pravallika has a degree in Economics and a post graduate in Marketing. She recently worked for a company that was forced to declare bankruptcy. While there she had been a fast-tracker and had moved up the ranks very quickly. She had a parallel position to the one she is applying for when she was let go. The recommendations given by her former supervisor are outstanding. She seems to be very brash and in-your-face type of a person, but she knows what she wants and knows how to get it from her employees. This can make it stressful to work for her, but everything she works with turn out much better than projected.

Saanu Yadav: Saanu has been a member of manufacturing division for the past 17 years. She has moved up through the ranks of this division, starting out to be a member of the manufacturing team. She is now head supervisor for two of these teams. She is a very hard worker and her teams are always producing the highest quality products of the teams. Some workers occasionally find her difficult to work for her because she is always pushing them to do better. She has a very strong sense of how to produce a quality product, and how to get most out of her employees. She has a degree in management and a master’s degree in Graphic Design.

#### **Questions and Points for Discussion:**

- 1) Should the decision be made to hire someone from within the company, or someone new?
- 2) Did you take it to consideration whether or not to hire a female?
- 3) Prepare comparative statement of positive and negative impact on the company by selecting (candidate-wise)
- 4) If you were to conduct one more round of interview for a final selection, what type of interview you suggest? And what would be the line of questioning?
- 5) Who will you select and why?

## 5.5 Other Aspects of Selection

One should remember that selection is a two-way process. Organisations choose employees and employees also choose organisations, particularly in case of experienced candidates. Even in campus selections, entry for the companies depends on the choice of applicants. Not all organisations can feature in campus selections of good institutions.



Choice (favorite) companies will get first slots. Even where unemployment rates are high, candidates may take a job at organisation's terms even if they are unfavourable or unfair, but will be looking for a change, and jumps out at the earliest opportunity. It makes the organisation come back to ground zero, to start selection process again. The candidate needs a job, but at the same time organisation also needs an employee. The need is mutual and so the process is two-way.

Employees may pick up jobs in Governments, most of the Public Sector Units and MNCs, some giant companies in the Private Sector without any second thought, but all others they evaluate. Since they would not know much about the organisation, mainly they evaluate the organisation based on selection process. And the process gives first exposure and first-hand information about the organisation to the candidates. Even small things will affect. For instance, keeping candidates waiting for a long time for an interview sends a very wrong signal.

Selection process should take candidates' perceptions into account. A study by Hausknecht, Day and Thomas (2004) gives some essential elements of such perceptions.

- ✓ Distributive Justice – Selection is seen to be fair.
- ✓ Procedural Justice – Process followed is fair (Testing is job-related).
- ✓ Interpersonal Justice – Treatment meted out in the process (professional)
- ✓ Informational Justice – Quality information and feedback during and after the process

A selection process may yield the best candidate, but get wasted, if the candidate doesn't accept the offer. And that acceptance will be based on perceptions. The rejected candidates, if they feel the process as unfair, will not be available for subsequent recruitment. Negative publicity generated through word of mouth, would deter other candidates also. And in the process, you would be losing better candidates. For instance, if the selection process is perceived to be favouring candidates of a particular caste/religion, others will refrain from applying. The selection process should, not only be good and fair, but also should be perceived as good and fair.

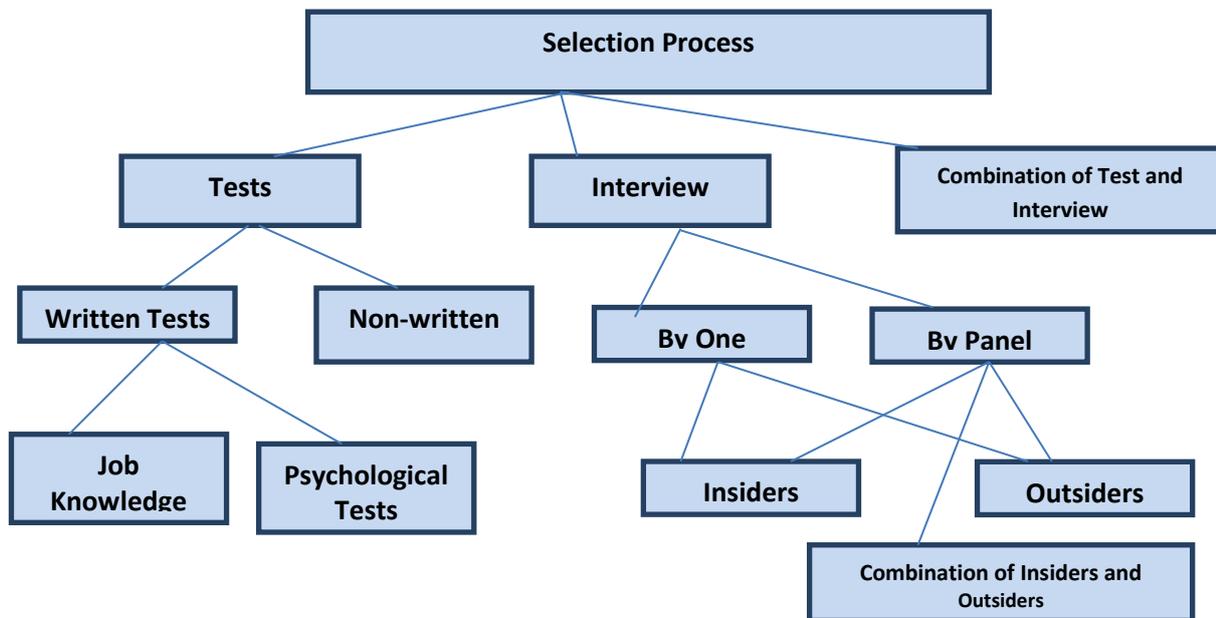
**Realistic Job Previews (RJPs):** In one of the case study you have come across this acronym RJP. And what are RJPs? The concept is to present a true picture of the job to the candidates. It was mentioned in earlier sections that organisations should not present virtual image rather than the real image of the organisation. Same would apply for the job concerned also. Otherwise, employees may get disillusioned within a short time and start feeling that 'heaven is promised, but hell is presented'. They will wait for the earliest opportunity to quit, and when it happens, you have to start again for filling up the vacancy and the time frame available may be very short.

A realistic job preview consists of many elements. Most important part is accurate job description. Apart from this organisation's vision and mission, rewards and benefits, promotion system, training and development opportunities are to be indicated to the candidates. It would be better to have a written document of RJP. Providing interaction with current employees is ideal.

With the implementation of RJPs, organisations will have benefits like improved candidate experience, job satisfaction (for the employees), higher commitment and performance and lower attrition rate. It can lead to a drop in the number of applicants. But the benefits outnumber the

drawbacks, as RJP will lower the expectation of the candidates on the job/organisation, which will lead to job satisfaction.

**Selection Procedure:** When you want to select some candidates for some jobs, first thing to be done is the establishment of procedure. Organisation should be clear on how they are going to conduct the selection process. Figure 5.13 gives some combinations. It is only illustrative as many other combinations can be there.



**Figure 5.13 Various combinations in a selection process**

The choice should be strictly based on requirement and not, as a matter of routine. The selection procedure needs to be based on objectives (what kind of a person we need?) and the characteristics of the target segment. Conducting a job knowledge test for a job of lecturer may be appropriate. But if your requirement is an experienced technician, conducting a written test may not get you best people. There would be many good technicians (in different fields) available in the market, but some of them may not know much writing, except their name. If the selection procedure decided is, to involve Psychological Tests, we should know few aspects of tests.

**Essential Characteristics of Psychological Tests:** Choice of the test should be made carefully. The requirements/characteristics of psychological tests are shown in Figure 5.14.

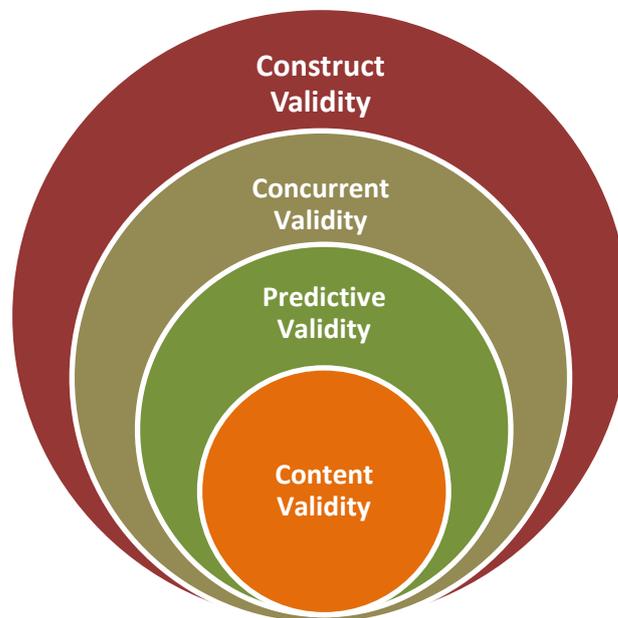
**Reliability:** Test reliability refers to the degree to which a test is consistent and stable in measuring, what it is intended to measure. A test is reliable if it is consistent within itself and across time. If a test gives a score of 80 on one day, but gives a score of 50 when administered to the same person next day, it is not consistent. (For all these tests, same means similar. Tests will be prepared with different questions, but all measure same characteristics with same degree of difficulty). This is consistency over time.



**Figure 5.14 Characteristics of a Psychological Test**

To test other part of consistency (consistency within), test may be conducted for two persons twice on the same day (first papers can be exchanged). The difference of scores of the two candidates should be the same in both cases.

**Validity:** Test should measure what it is supposed to measure. Validity is of four types, as shown in Figure 5.15.



**Figure 5.15 Types of Validity**

**Content Validity** –The sample should represent important classes of activities involved in the job. Or it should contain similar situations. The test contents need to be verified by the people, who are doing the same job, and if they feel that sample is representing actual activities, then content validity is established.

**Predictive Validity** – This is the most crucial validity because selection itself is a prediction (that the candidate selected would be successful in the job). This is the degree of relationship between scores of the test and some future behaviour of the employee. (Behaviour refers to the performance in an area). For example, if high scorers in an examination of a subject say ‘Organisational Behaviour’ are becoming successful HR Managers, then the test has predictive validity. Here grade of a particular subject has relationship with success in the job and hence it has high predictive validity.

**Concurrent Validity** – To establish this, one needs to conduct test on two groups of high and low performers. The test scores of high performers should be higher than those of low performers. (Averages can be taken). Then only the test is said to have concurrent validity.

**Construct Validity** – A difficult validity to establish. It is the extent to which a test measures the psychological qualities (Example - Introversion, Intelligence).

**Objectivity:** The test should facilitate that all people should be in a position to respond in a similar fashion (Degree may differ). It should not have any bias or prejudices against any sections of people.

**Standardisation:** It should have norms or standards to enable comparison. An example is medical diagnostic tests. They will have standards like a normal individual in some age group will have Blood Pressure in the range of ---. Similarly, the tests need to have standards for groups say college studying, and adults. The psychological tests have also criticisms against them. Some feel that these are unreliable and cannot be trusted. They say that candidates can fake answers (particularly in personality tests) and also cases in which wrong picture can be presented by tests like a good salesperson getting termed as an introvert by the tests. They also say that these tests can have an improper usage. And further some people, though competent, have a fear of exposure (on some characteristics) and may not be willing to take.

However, there is supporting research which says tests like aptitude and interest tests predict job qualities like problem-solving, reasoning, learning abilities accurately. If job tests are chosen in the selection procedure, correct ones which are related to the job and have qualities listed above need to be chosen. It should be remembered that no single test will give desired results and hence combinations (tests and interviews, tests and reference checks etc.,) need to be used. Tests are only for screening purpose because they predict failure better than success. Test scores are not precise measures because they are based on samples. (It may not necessarily happen that candidates with better scores will be more successful than those who scored less). Test conditions (place where test is conducted) should be proper and need to be common and equal for all candidates. And tests being personal, should be held in strict confidence.

**Guidelines for Interviewing:** If the selection procedure involves interviews, then some guidelines should be followed.

**Before the Interview:**

- Prefer a panel than a single interviewer to avoid any bias.
- Panel needs to be diversified and preferably to include the line manager.
- Have the job description and see that it is studied by the panel. They need to note the competencies required for the job and profile of the candidate, organisation is looking for.
- Though conducting unstructured interviews, still it is better that the panel prepares questions in general terms at least.
- Have the resumes of the candidates ready and see that panel study them.
- Schedule the interviews after taking confirmed availability of all panel members in the time slot.
- Arranging time slots for each candidate as per the plan, so that waiting time is minimised. Allow some 10-15 minute time gap between the candidates to enable the panel to make notes.
- Choose the venue which is disturbance-free and has a serene atmosphere.

**During the Interview:**

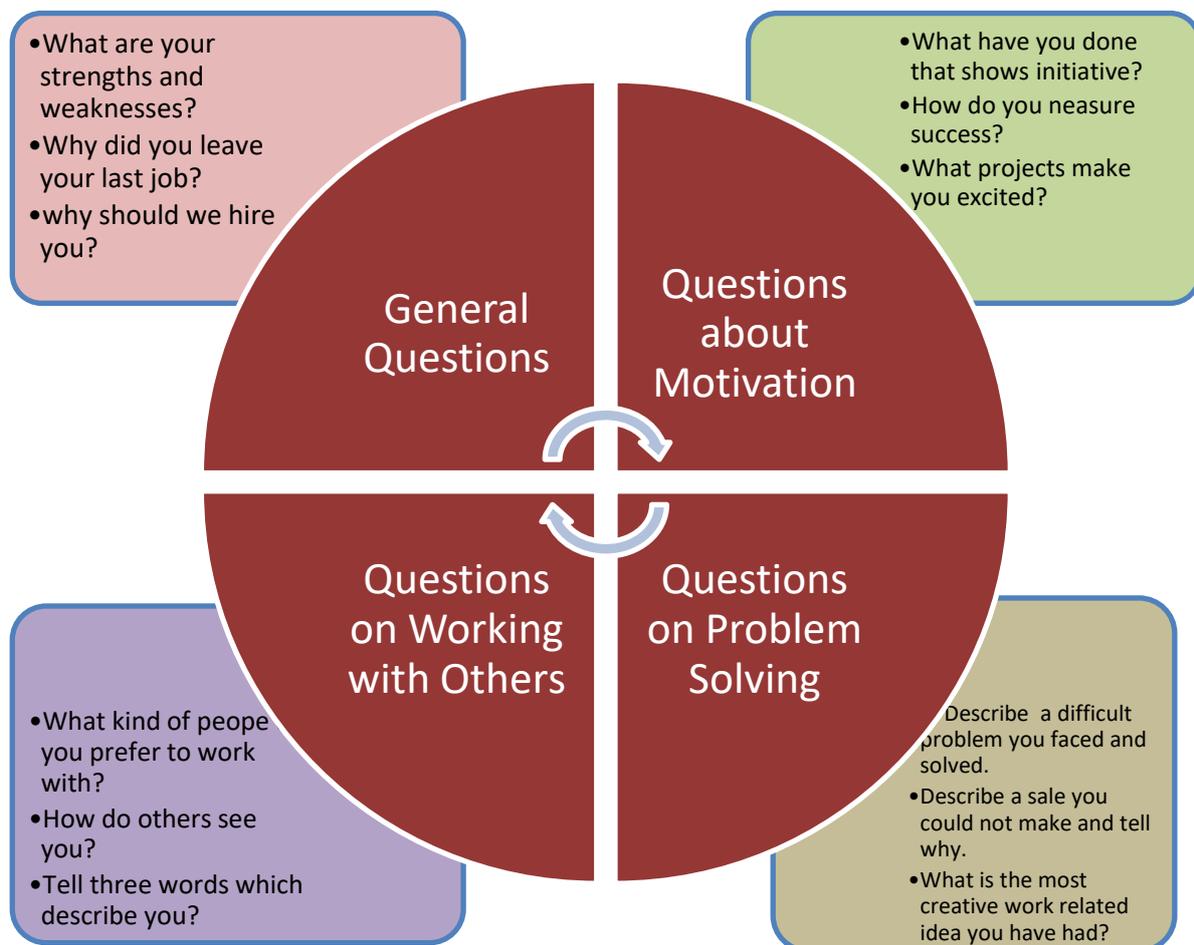
- Put the candidate at ease.
- Establish rapport. One can always point out certain things noted in the CV. It will give comfort to the candidate that his/her CV is studied.
- Open with general questions on candidate's background.
- Listen carefully and take notes which will enable to you prepare follow-up questions.

- Give enough time for candidates to answer, as they need some time to put thoughts together.
- Ask the candidate whether he/she has any questions.
- Thank the candidate for his/her time.

### Selection Interview Questions

- ✓ Need to be job-specific or related to the candidate’s skill sets.
- ✓ On religion/race/physical disabilities/medical conditions/pregnancy – to be avoided.
- ✓ Better to be open-ended.
- ✓ Include accomplishment questions (they will give more comfort to candidates, as they are their accomplishments and create a feeling that interviewers are willing to listen.)
- ✓ Avoid repetitions (If candidate is weak in a subject, no point further probing in)
- ✓ Should not be leading ones or which get obvious answers.

It may be noted that a good listener only can become a good interviewer. Some examples of questions are given in Figure 5.16.



**Figure 5.16 Common Selection Interview questions by Areas**

Source: Gary D Human Resource Management 9<sup>th</sup> edition page 301

Finally, whatever be the testing, objective of selection process is to get the best or most appropriate fit candidate for the job. But it is also important to see that the best ones are not left out, and as such, the selection process should be an appropriate one and needs constant evaluation.

**Mistakes by Interviewers:** In the previous section, 'Halo effect' was discussed. Apart from this, there are other kinds of mistakes which the interviewers should avoid.

Playing amateur psychologist – "I can tell in the first minute, whether someone is going to be good fit or not". Being overconfident in your abilities can lead to unsupported assumptions.

Looking for negatives – Some interviewers approach interview, as an opportunity to find one mistake or poor response, to eliminate a candidate. Instead of counting mistakes, candidate's total profile needs to be considered before arriving at a decision. It is common for candidates to make mistakes and everyone will have both strengths and weaknesses. But it doesn't mean that they will not be successful in their jobs.

One-way conversations – If you, rather than the candidate, talk about 80-90 percent of the time, then it is not an interview. It is your monologue. Good interviewers do listen 90 percent of the time and talk 10 percent.

You leave candidates waiting – Candidates generally come on time for an interview. If you keep them waiting, it gives an impression that you are not giving much importance to the interview.

You are unprepared – Candidates come to the interview well prepared. You should do the same. Otherwise, it will send a message that you are not interested or company is disorganised. If you don't go through the resume at least for a few minutes, you will end up asking irrelevant questions which will not impress the candidates.

You keep on interrupting – Give enough time to candidate to formulate an answer. Not allowing the other person to complete and keep on interrupting is not good.

Rather I keep quiet - To be too quiet, is also not good as candidates feel that you are not responsive.

You are distracted – Many things can distract you in an interview, like a call from your cell phone. Don't get distracted and send an auto message that you will call back. Or take a five minute break and come back and concentrate on the interview.

You rush the process – Candidates come prepared and expect you to listen to them. You need to schedule enough time for each candidate. The more critical the role, the longer each interview should take. If you rush through, you will land up selecting the wrong person or leaves a bad impression on good candidates.

You don't take any notes – If you don't write down what a candidate says in the interview, it would be difficult to remember. With your notes, you can summarise better. And to compare candidates, it is essential to exchange notes.

You are a terror to candidates – Is it good, you decide. You need to fill a position for your organisation, and candidates may not require the job at the moment.

You are too friendly – Remaining professional is vital characteristic for an interviewer. It's not the time to create new friendships.

These and other mistakes are to be avoided.

## Chapter Summary

**Selection** is the process of choosing best fit for the job among the available candidates, picked up from the recruitment process. In a way it is decision making in making prediction on who will be successful in the job.

“Selection is the process by which candidates for employment are divided into two classes – those who will be offered employment and those who will not”. -Dale Yoder

“Selection is a managerial decision making process to predict which job applicants will be successful if hired”. David A. Decenzo

Good selection process reduces hiring and training costs, increase morale of the employees, and provides competitive advantage to the organisation. Selection process involves various stages like preliminary interview, filing of application blanks, screening, job tests, final interview, reference checking and medical tests. It gives a multi filter mechanism and in every stage some candidates keep getting rejected so that organisation gets the best among the better ones. And this is why selection process has inherent process of rejection. Nature of selection process is selection desired employee performance, deciding selection criteria and choosing appropriate predictors. Selection criteria should be related to the job.

**Predictors** should be reliable and valid. One can have a single or multiple predictors. But adding more predictors may narrow the choice and there is a chance of losing better candidates. In various stages of the selection process, a job test is an important one and there are various tests are used. Tests are broadly classified into proficiency and psychological tests.

Work sampling, Job knowledge tests, Simulation Tests and Situational Tests are some of the proficiency tests. Psychological tests are classified as Interest Tests, Aptitude Tests, Intelligence Tests and Personality tests. Basis for personality tests is Five Factor Model. It states that personality will fall into five factors – OCEAN: Openness, Conscientiousness, Extroversion, Agreeableness and Neuroticism. The psychological tests need to be checked for reliability, validity, objectivity and standardisation before using them. Psychological tests have criticisms against them in their predictive capability of success of the candidates in the job. Final Interview is the most important stage and there are various types of interviews. Panel interviews are preferred when compared to interviews by an individual in order to have better judgment and to avoid any personal bias. Based on technique they are classified into stress, depth, situational, behavioural and other types of interviews. They can be structured or unstructured. They can be round robin type or competency interviews also. There are certain guidelines to be followed in conducting interviews.

### Questions

- 1) Define Selection and describe its importance.
- 2) Write a brief on predictors in selection process and give two examples.
- 3) What are the different stages of selection?
- 4) How preliminary interviews are different from final interviews?
- 5) Explain in detail on any two proficiency tests.
- 6) Explain different psychological tests.
- 7) Compare aptitude tests and interest tests.
- 8) Compare the stress and depth interviews.
- 9) Write in detail on structured and unstructured interviews with respective advantages and disadvantages. Which one is better?
- 10) Compare Panel and Round-Robin Interviews.
- 11) What are the important characteristics of psychological tests?

## MCQs

1. Interview can be ----  
a) One-to-One                      b) Panel Interview                      c) Sequential Interview                      d) All of the above.
2. Which among the following tests measure self-confidence, motivation, emotional balance etc.,?  
a) Intelligence Test                      b) Preferences Test                      c) Personality Test                      d) Interest Test
3. The selection of the employees is done on the basis of:  
I. Knowledge    II. Skills                      III. Talent                      IV. Identifying unique strength  
a) I, II, III                      b) II, III, IV                      c) III, IV, I                      d) I, II, III, IV
4. A test that seeks to predict success or failure through one's hand writing is called:  
a) Polygraph                      b) Graphology                      c) Psychomotor Test                      d) Simulation Test
5. In ----- Interview, the interviewer uses pre-set standardised questions which are put to all candidates.  
a) Unstructured Interview                      b) Structured Interview  
c) Behavioural Interview                      d) Stress Interview
6. Arrange the following staffing procedure in correct sequence:  
I. Determining sources of personnel supply                      II. Preparing personnel specifications  
III. Selection of personnel                      IV. Determining personnel characteristics  
a) II, I, IV, III                      b) I, II, III, IV                      c) II, I, III, IV                      d) II, III, I, IV
7. Selection is ----- in its application as much as it seeks to eliminate as many unqualified candidates as possible in order to identify the right candidates.  
a) Positive                      b) Negative                      c) Positive and Negative                      d) None of the above
8. ----- occurs when an interviewer judges an applicant's potential on the basis of a single trait.  
a) Stress producing                      b) Halo- effect                      c) False positive error                      d) False negative error
9. One of the following is the best reason for the reduced use of written tests is:  
a) They are hard to construct                      b) They are difficult to validate  
c) They are expensive to administrate                      d) They give very little information
10. The extent to which an employment selection test provides consistent results is known as:  
a) Reliability                      b) Consistency                      c) Validity                      d) Dependability
11. Selection is -----  
a) Subjective                      b) Objective                      c) Normative                      d) Positive
12. Selection is concerned with -----  
a) The activity to select a pool of candidates  
b) The activity resulting in with resignation of an employee  
c) The activity of ascertaining a candidate's personality  
d) Applying appropriate techniques and methods to select a candidate
13. References should be used at the start of the job recruitment process, as they will allow an organisation to evaluate who is a suitable potential employee. True/False

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### Answers to MCQs

1. (d) 2. (c) 3. (d) 4. (b) 5. (b) 6. (a) 7. (b) 8. (b) 9. (b) 10. (a)

11. (a) 12. (d) 13. False

## Editors' Profile

### Dr. W G Prasanna Kumar

Dr. W G Prasanna Kumar, Chairman, Mahatma Gandhi National Council of Rural Education (MGNCRE) prides in calling himself a Public Servant working for Climate Change. His expertise in Disaster Management has him in the advisory panels of several state and national level departments. He is also an expert advisor for the government of Telangana in its Disaster Response Force endeavour. A master trainer for Civil Services candidates, he conducts intensive training programs periodically at the behest of nationally recognized training institutes. He is currently actively involved in promoting higher education curriculum addressing rural concerns in India. **"Villagers to be producers not just consumers"** is his conviction that drives him to work for rural challenges. He aspires for an adaptive disaster risk resilient and eco-responsible India. The Curriculum on MBA in Waste Management and Social Entrepreneurship, and BBA and MBA in Rural Management are his major academic achievements dedicated to India's rural concerns. This has culminated in several collaboration MOUs for introduction of MBA/BBA Rural Management in Higher Education Institutions across India.

Dr. Prasanna Kumar excels in taking a vision and making it a reality and a plan into action, driven by a strong motive to achieve. He has translated positive intentions into tangible results. Being clear on the vision, defining a pathway, setting of the track with a clear destination point and quickly taking corrective actions as and when needed – are his prime qualities that make him an Achiever.

Under Dr. W G Prasanna Kumar's leadership MGNCRE has done nationally recognized instrumental work in building rural resilience including rural community engagement and Nai Talim - Experiential Learning. He has guided and helped MGNCRE in making key decisions and implementing agenda in several areas including Nai Talim (Experiential Learning), Community Engagement, Rural Immersion Programmes, Swachhta Action Plan activities, Industry-Academia Meets and Exhibitions on Waste Management, Comprehensive Sanitation Management in villages by working with Higher Educational Institutions, making curricular interventions in Waste Management and Rural Management, compiling Text Books on Waste Management and Rural Management, UNICEF (WASH) activities and several other related impactful activities. MGNCRE has become an interface for Government of India for promoting academic activity focusing on the rural concerns, being an advisor and a curriculum development agency for the Government of India. The Council is also now an RCI for Unnat Bharat Abhiyan.

Another pathbreaking achievement has been the formation of Cells through online workshops for institutionalising the efforts of MGNCRE. Vocational Education-Nai Talim-Experiential Learning (VENTEL) discuss MGNCRE's interventions in HEIs and making Vocational Education as a Teaching Methodology; Workshops on Social Entrepreneurship, Swachhta and Rural Engagement related activities in Higher Education Institutions has paid dividends and the key roles of the HEIs is highly appreciated by the Ministry. Building continuity and sustainability is being done through Social Entrepreneurship, Swachhta & Rural Engagement Cells (SES REC). Institutional level Rural Entrepreneurship Development Cells (REDC) Workshops/ FPO/FPC-Business Schools Connect Cells (FBSC) are organized with the objectives of Functionality of RED Cell; Preparation and Implementation of Business Plan and grooming students to be Rural Entrepreneurs.

A man with many firsts to his credit, and an incredible record of accomplishments, Dr. W G Prasanna Kumar is currently guiding MGNCRE in building a resilient rural India.

#### **Dr K N Rekha**

Dr K N Rekha, is a PhD Graduate from IIT Madras. She has 14 years of experience in training and education Industry. She works at Mahatma Gandhi National Council of Rural Education (MGNCRE), Hyderabad as Senior Faculty. She is involved in curriculum development on Rural Management and Waste Management. Prior to this, she worked as a researcher at Indian School of Business, Hyderabad, a short stint at Centre for Organisation Development (COD), Hyderabad. She has co-authored a book on “Introduction to Mentoring”, written book chapters, peer reviewed research papers, book reviews, Case studies, and caselets in the area of HR/OB. She also presented papers in various national and international conferences. Her research areas include Mentoring, Leadership, Change Management, and Coaching. She was also invited as a guest speaker at prominent institutions like IIT Hyderabad.

### **Author’s Profile**

#### **Prof Krishnarao VVSR**

Krishnarao VVSR is a Bachelor of Electronics Engineering from SVUCE, Tirupati, and a Post Graduate in Management from XLRI, Jamshedpur. Apart from being a member of ICMAI, he has done a PG Diploma in Personnel Management, Industrial Relations and Labour Welfare of AP Productivity Council. He has a varied experience of more than three decades in International Trade, Finance, Shipping and Logistics, Management Audit, and Investment Banking. His learning pursuit continued in doing a variety of online courses like Contracts X (From Trust to Promise to Contract) from Harvard University, Understanding Economic Development (from Poverty to Prosperity) from Oxford University, Financial Programming and Policies from IMF, Learning from Data (Machine Learning) from California University and Effective Thinking through Mathematics from the University of Austin. He is working presently as a Consultant in ETA Engineering Pvt. Ltd. (part of ETA Ascon Group of companies, U.A.E) looking after Business Policy, Finance, Taxation and HR portfolios. He has a passion for writing and teaching.



सत्यमेव जयते

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