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## UNIT 4 RECRUITMENT

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### 4.0 OBJECTIVES

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After studying this unit, you should be able to:

- describe the purpose and importance of recruitment
- identify the factors affecting recruitment
- discuss the recruitment policies, methods and process
- explain the recent trends in recruitment

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### 4.1 INTRODUCTION

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The human resources are the most important assets of an Organization. The success or failure of an Organization is largely dependent on the caliber of the people working therein. Without positive and creative contributions from people, Organizations cannot progress and prosper. In order to achieve the goals of an Organization, it is necessary to recruit people with requisite skills, qualifications and experience. While doing so, they have to keep the present as well as the future requirements of the Organization in mind. Recruitment is distinct from Employment and Selection. Once the required number and kind of human resources are determined, the management has to find the

places where the required human resources will be available and also find the means of attracting them towards the Organization before selecting suitable candidates for jobs. In this unit you will learn about the purpose and importance of recruitment, factors affecting recruitment, recruitment policies, methods, process, and recent trends in recruitment.

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## 4.2 RECRUITMENT–MEANING AND IMPORTANCE

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Edwin Flippo defined "Recruitment as the process of searching for prospective employees and stimulating them to apply for jobs in the Organization." Recruitment involves estimating the available vacancies and making suitable arrangements for their selection and appointment. In order to attract people for the jobs, the Organization must communicate the position in such a way that job seekers respond. To be cost effective, the recruitment process should attract qualified applicants and provide enough information for unqualified persons to self-select themselves out. Thus, the recruitment process begins when new recruits are sought and ends when their applications are submitted. The result is a pool of applicants from which new employees are selected.

The general purpose of recruitment is to provide a pool of potentially qualified job candidates. Specifically, the purposes are to:

- Determine the present and future requirements of the Organization in conjunction with its personnel-planning and job-analysis activities.
- Increase the pool of job candidates at minimum cost.
- Help increase the success rate of the selection process by reducing the number of visibly under qualified or overqualified job applicants.
- Help reduce the probability that job applicants, once recruited and selected, will leave the organization only after a short period of time.
- Begin identifying and preparing potential job applicants who will be appropriate candidates.
- Induct outsiders with a new perspective to lead the Company.
- Infuse fresh blood at all levels of the Organization.
- Develop an Organizational culture that attracts competent people to the Company.
- Search for people whose skills fit the Company's values.
- Devise methodologies for assessing psychological traits.
- Search for talent globally and not just within the Company.
- Design entry pay that competes on quality but not on quantity.
- Anticipate and find people for positions that do not exist yet.
- Increase Organizational and individual effectiveness in the short term and long term.
- Evaluate the effectiveness of various recruiting techniques and sources for all types of job applicants.

Management has to attract more candidates in order to increase the selection ratio so that the most suitable candidate can be selected out of the total candidates available. Recruitment is positive as it aims at increasing the number of applicants and selection is somewhat negative as it selects the suitable candidates in which the unsuitable

candidates are automatically eliminated. Though, the function of recruitment seems to be easy, a number of factors make performance of recruitment a complex one.

## 4.3 SOURCES OF RECRUITMENT

The sources of recruitment may be broadly divided into two categories: internal sources and external sources. Both have their own merits and demerits. Let us examine these.

### 4.3.1 Internal Sources

Persons who are already working in an Organization constitute the ‘internal sources’. Retrenched employees, retired employees, dependents of deceased employees generally constitute the internal sources. Whenever any vacancy arises, someone from within the Organization is upgraded, transferred, promoted or even demoted.

#### Merits and demerits of internal sources of recruitment

<i>Merits</i>	<i>Demerits</i>
<p><b>Economical:</b> The cost of recruiting internal candidates is minimal. No expenses are incurred on advertising.</p> <p><b>Suitable:</b> The Organization can pick the right candidates having the requisite skills. The candidate can choose a right vacancy where their talents can be fully utilized.</p> <p><b>Reliable:</b> The Organization has the knowledge about suitability of a candidate for a position. This supports the saying ‘Known devils are better than unknown angels!’</p> <p><b>Satisfying:</b> A policy of preferring people from within offers regular promotional avenues for employees. It motivates them to work hard and earn promotions. They will work with loyalty, commitment and enthusiasm.</p>	<p><b>Limited Choice:</b> The Organization is forced to select candidates from a limited pool. It may have to sacrifice quality and settle down for less qualified candidates.</p> <p><b>Inbreeding:</b> It discourages entry of talented people, available outside the Organization. Existing employees may fail to explore innovative ways and inject necessary dynamism to enterprise activities.</p> <p><b>Inefficiency:</b> Promotions based on length of service rather than merit, may prove to be a blessing for inefficient candidates. They do not work hard and prove their worth.</p> <p><b>Bone of contention:</b> Recruitment from within may lead to infighting among employees aspiring for limited, higher level positions in an organization. As years roll by, the race for premium positions may end up in a bitter race.</p>

### 4.3.2 External Sources

External sources lie outside an Organization. The Organization can have the services of:

- Employees working in other Organizations;
- Job aspirants registered with employment exchanges;
- Students from reputed educational institutions;
- Candidates referred by unions, friends, relatives and existing employees;
- Candidates forwarded by search firms and contractors;
- Candidates responding to the advertisements, issued by the Organization; and
- Unsolicited applications/ walk-ins.

<i>Merits</i>	<i>Demerits</i>
<p><b>Wide Choice:</b> The Organization has the freedom to select candidates from a large pool. Persons with requisite qualifications could be picked up.</p> <p><b>Injection of fresh blood:</b> People with special skills and knowledge could be hired to stir up the existing employees and pave the way for innovative ways of working.</p> <p><b>Motivational force:</b> It helps in motivating internal employees to work hard and compete with external candidates while seeking career growth. Such a competitive atmosphere would help an employee to work to the best of his abilities.</p> <p><b>Long term benefits:</b> Talented people could join the ranks, new ideas could find meaningful expression, a competitive atmosphere would compel people to give out their best and earn rewards, etc.</p>	<p><b>Expensive:</b> Hiring costs could go up substantially. Tapping multifarious sources of recruitment is not an easy task either.</p> <p><b>Time consuming:</b> It takes time to advertise, screen and test, to select suitable employees. Where suitable ones are not available, the process has to be repeated.</p> <p><b>De-motivating:</b> Existing employees who have put in considerable service may resist the process of filling up vacancies from outside. The feeling that their services have not been recognized by the organization, forces them to work with less enthusiasm and motivation.</p> <p><b>Uncertainty:</b> There is no guarantee that the Organization will ultimately be able to hire the services of suitable candidates. It may end up hiring someone who does not fit and who may not be able to adjust in the new setup.</p>

## 4.4 METHODS OF RECRUITMENT

The methods of recruitment can be broadly divided into two: internal methods and external methods.

### 4.4.1 Internal Methods

The following are the most commonly used internal methods of recruiting people.

1. **Promotions and Transfers:** Promotion and Transfers are used to fill vacancies from within the Organization. A transfer is a lateral movement within the same grade, from one job to another. It may lead to changes in duties and responsibilities, working conditions, etc., but not necessarily salary. Promotion, on the other hand, involves movement of employee from a lower level position to a higher level position accompanied by (usually) changes in duties, responsibilities, status and value.
2. **Job Posting:** Job posting is another way of hiring people from within. In this method, the Organization publicises job opening on bulletin boards, electronic method and similar outlets. One of the important advantages of this method is that it offers a chance to highly qualified persons working within the Company to look for growth opportunities without looking for greener pastures outside.
3. **Employee Referrals:** Employee referral means using personal contacts of employees to locate job prospects. It is a recommendation from a current employee regarding a job applicant. The logic behind employee referral is that “it takes one to know one”. Employees working in the Organization, in this case,

are encouraged to recommend the names of known persons, working in other Organizations for a possible vacancy in the near future.

In fact, this has become a popular way of recruiting people in the highly competitive sectors like IT, Retailing, etc.

#### 4.4.2 External Methods

The following methods are used to recruit the people from outside:

**1. Campus Recruitment:** This is a direct method of recruiting people by visiting academic institutions such as colleges and universities. Here the recruiters visit reputed educational institutions with a view to pick up job aspirants having requisite technical or professional skills. Job seekers are provided information about the jobs and the recruiters, in advance. The Company gets a detailed profile of job seekers through constant exchange of information with respective institutions.

**2. Advertisements:** - Companies give advertisements to attract prospective job seekers. These include advertisements in newspapers; trade, professional and technical journals; radio and television; etc. In recent times, this medium has become just as colourful, lively and imaginative as consumer advertising.

**3. Private Employment Search Firms:** Search firm is a private employment agency that maintains computerized lists of qualified applicants and supplies these to employers willing to hire people from the list for a fee.

Firms like Arthur Anderson, Bole and Hewitt, ABC consultants, SB Billimoria, KPMG; Ferguson Associates offers specialized employment-related services to corporate houses for a fee, especially for top and middle level executive vacancies.

**4. Employment Exchanges:** As a statutory requirement, Companies are also expected to notify (wherever the Employment Exchanges Act, 1959, applies) their vacancies through the respective Employment Exchanges, created all over India for helping unemployed youth, displaced persons, ex-military personnel, physically handicapped, etc.

**5. Gate Hiring and Contractors:** Gate hiring is the method of recruitment used by small and medium sized Organizations generally where semi skilled workers are required. The job seekers present themselves at the factory gate and offer their services on a daily basis. Contractors are also used for the supply of such personnel.

**6. Unsolicited Applicants / Walk-ins:** Companies generally receive unsolicited applications from job seekers at various points of time. The number of such applications depends on economic conditions, the image of the Company and the job seeker's perception of the types of jobs that might be available etc. Such applications are generally kept in a data bank and whenever a suitable vacancy arises, the company would intimate the candidates to apply through a formal channel.

Since recruitment and selection costs are high (search process, interviewing agency fee, etc.) firms in recent times are trying to look at alternatives to recruitment especially when market demand for firm's products and services is sluggish. Moreover, once employees are placed on the payroll, it may be extremely difficult to remove them if their performance is marginal.

**Check Your Progress A**

1. Define Recruitment.

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2. What is the purpose of recruitment?

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3. Mention two importance of recruitment.

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4. Distinguish between internal and external sources of recruitment.

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5. What is out sourcing?

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## **4.5 RECRUITMENT PROCESS**

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Recruitment process involves a systematic procedure from sourcing the candidates to arranging and conducting the interviews. This process requires many resources and time. Look at the Figure 4.1 which shows the process of recruitment. Let us learn the steps to be involved in the process of recruitment.

1. Identify vacancy
2. job description and person specification
3. Advertising the vacancies
4. Managing the response
5. Short-listing
6. Arranging interviews
7. Conducting interview and decision making



**Figure 4.1: Recruitment process**

The recruitment process is immediately followed by the selection process i.e. the final interviews and the decision making, conveying the decision and the appointment formalities.

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## 4.6 RECRUITMENT VS. SELECTION

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So far you have learnt the meaning, importance, sources, methods and process of recruitment. Let us now learn about recruitment v/s selection and the new trends in recruitment. Both recruitment and selection are the two phases of the employment process. The differences between the two are:

1. The recruitment is the process of searching the candidates for employment and motivating them to apply for jobs in the Organization; whereas selection involves the series of steps by which the candidates are screened for choosing the most suitable persons for vacant posts.
2. The basic purpose of recruitments is to create a talent pool of candidates to enable the selection of best candidates for the Organization, by attracting more and more employees to apply in the Organization whereas the basic purpose of selection process is to choose the right candidate to fill the various positions in the Organization.
3. Recruitment encourages more and more candidates to apply whereas selection involves rejection of the unsuitable candidates.
4. Recruitment is concerned with collecting the sources of human resources whereas selection is concerned with selecting the most suitable candidates through various interviews and tests.
5. There is no contract of recruitment whereas selection results in a contract of service between the employer and the selected candidate.

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## 4.7 NEW TRENDS IN RECRUITMENT

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Many Companies are moving away of conventional recruitment methods. The new methods followed by Companies are outsourcing, poaching/raiding and e-recruitment.

### 4.7.1 Outsourcing

Outsourcing is a process of transferring a business function to an external service provider. In recruitment out sourcing, a company completely transfers the selection process or part of it to a third party. The outsourcing firms help the organisation by the initial screening of the candidates according to the needs of the Organization and creating a suitable pool of talent for the final selection by the Organization.

Outsourcing firms develop their human resource pool by employing people for them. These human resource pools will be made available to various Companies as per their needs.

### 4.7.2 Poaching/Raiding

Raiding or poaching is a method of recruitment in which competing firms attract employees from rival firms. In simple terms poaching may be described as buying talent rather than developing. Hefty pay packages, other terms and conditions may attract employees to join new Organizations. Poaching is a big challenge for human resource managers. Poaching weakens the Organizations competitive strength because of employees' migration.

### 4.7.3 E-Recruitment

E-Recruitment is the latest trend in recruitment. It is also known as online recruitment. Internet is the back bone for E-Recruitment. Companies advertise job vacancies on different websites. Exclusive job websites like naukri.com, monster.com, etc help both job seekers and companies to contact each other. These job sites provide a 24x7 access to the database of the resumes to the employers facilitating Organizations to hire people very quickly.

Every Company website usually provides 'career' hyper link. This link helps job seekers to upload resume in the website. Using the uploaded resumes Companies can build their own resume database, which can be used for existing and future requirements. Online recruitment helps the Organizations to automate the recruitment process, save their time and costs on recruitments.

#### Check Your Progress B

1. What is E-Recruitment?

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2. What is meant by poaching?

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3. Distinguish between recruitment and selection.

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4. Identify the steps in recruitment process.

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5. Which of the following statements are **True** or **False**?

- i) Recruitment is same as employment and selection.
- ii) Recruitment process begins when new recruits are sought and their applications are submitted.
- iii) Job aspirants registered with employment exchanges constitute internal sources of Recruitment.
- iv) Employee referrals are the external method of recruitment.
- v) Arranging interviews is one of the important steps in recruitment process.

## 4.8 LET US SUM UP

Recruitment is the process of searching for prospective employee and stimulating them to apply for jobs in Organization. It involves estimation of vacancies and making arrangements for selection and appointment. Importance of recruitment is that it aims at increasing the number of applicants and selection is somewhat negative as it selects the suitable candidates in which the unsuitable candidates are automatically eliminated. An organization can recruit the people from internal sources and external sources. Internal sources are: retired employees, dependents of deceased employees etc. and external sources are: employment exchanges, campus interview, candidates referred by existing employees etc. The methods of recruitment can be broadly divided into two: internal methods and external methods. Internal methods are: promotions and transfers, job posting and employee referrals etc. External methods are: campus recruitment, advertisements, employment exchanges etc. The recruitment process is influenced by the size, policy and image of the Organization. The steps in recruitment process are: Identify vacancy, job description, advertising the vacancies, short-listing, arranging interviews, conducting interview and decision making. Recruitment and selection are two phases of employment process. The difference between the two is that Recruitment is concerned with collecting the sources of human resources whereas selection is concerned with selecting the most suitable candidates through various interviews and tests. In order to keep pace with the ever challenging demands from external environment many Companies are moving away of conventional recruitment methods and adopting the new methods which are: outsourcing, poaching/raiding and e-recruitment.

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## 4.9 KEY WORDS

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**Recruitment:** The process of searching the candidates for employment and motivating them to apply for jobs in the Organization.

**Selection:** Screening employees to choose most suitable candidate for the job.

**Outsourcing:** Transferring the selection process to a third party.

**Poaching:** Attracting experienced employees from competing firms.

**E-Recruitment:** Taking the help of internet and databases for recruitment process.

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## 4.10 ANSWERS TO CHECK YOUR PROGRESS

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(B) 5) i) False ii) True iii) False iv) False v) True

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## 4.11 TERMINAL QUESTIONS

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- 1) What do you understand by 'recruitment'? Explain the process of recruitment.
- 2) Discuss critically the various sources of recruitment for employees.
- 3) Critically examine in detail the external methods of recruitment.
- 4) What is selection? Distinguish between recruitment and selection.
- 5) Write a short note on the following:
  - i) Outsourcing
  - ii) Poaching
  - iii) E-recruitment

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## 4.12 FURTHER READINGS

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