

Unit 23

Recruiting People and Human Resource Development



General Objective

After studying this Unit, you should be able to help participants in your training session to help the entrepreneur understand the concept and relevance of human resource development for microenterprises and recognize the importance of selecting and hiring the right person for the job.

Specific Objectives

This Training Unit will help you to enable trainees to:

- Discuss steps in hiring and managing employees for the enterprise;
- Discuss the value and relevance of human resources; and
- Provide an overview of the simple tools and techniques of human resource development such as performance appraisal, training and development, role analysis, etc.

Planning

Time : Two hours

Training Methodology : Interactive lectures, discussions and group exercises. Participants' sharing of experiences forms a crucial component of the programme.

Training Material : Charts and markers

Trainer's Preparation : Trainer reads through the group exercises. On separate chart papers the trainer lists the issues to be discussed.

Background Material

Introduction

The importance of human resources has already been stated in the Unit on 'Resource Mobilization', where it was pointed out that human resources is one of the four important "M's" in an enterprise.

The non-profit, non-governmental organizations command a prime position as possible alternatives to Government in addressing the needs of the disadvantaged. Rapid growth of NGOs in the last three decades and a large workforce working within this structure has made it necessary for behavioural scientists to recognize the importance of human resources. This has also received attention because:

- There is an increased pressure on them to provide large-scale service delivery which remains sustained for great lengths in time.
- There is an increased need for organizational introspection.
- The practice of human resource development and management are crucial ingredients in the success of any programme.

These are some of the factors enhancing the need to pay adequate attention to the development of employees.

For enterprises, it is their human resources (the employees), who translate the organization's vision into programmes and projects. In order to realize the organization's vision, the enterprises need competent employees. It is, therefore, imperative for any enterprise to understand Human Resource Development and its various mechanisms to initiate and facilitate development of competencies among their employees. This session will endeavour to provide inputs to the participants about HRD and its various tools and techniques, many of which can also be used by the participants in their respective enterprises.

It, therefore, follows that the entrepreneur has to give enough consideration before selecting and constituting a group of workers to begin an activity. The importance of having the 'right' person is more pronounced in case of small and microenterprises as they employ only 2-3 persons, so if the entrepreneur makes a wrong choice it will have far reaching consequences. The task of the trainer is to enable the woman entrepreneur to understand fully the significance of hiring the right person for the work in question. Again, a lot of effort, time and money go in training and orienting the hired person. It is, therefore, essential that the entrepreneurs understand the relevance of retaining the person.

Human resource development (HRD) is thus concerned with the different functions involved in planning, managing and supporting the professional development of the workforce within a system. HRD aims at getting 'the right people with the right skills and motivation in the right place at the right time'.

The issue of managing people involves:

- Recruitment and selection;
- Rewards management;
- Motivation;
- Performance appraisal; and
- Training policies and practice.

Where and How to Look for the Right Person

The following steps are generally considered important in recruiting people. These are:

- advertise jobs;
- develop short lists from applicants;
- conduct evaluations of the short list;
- have an interview with the final list; and
- make a selection or at least a recommendation to the person or group of people who have the final say over the appointment.

The critical issue in recruitment is in ensuring that there is an appropriate set of people from whom to make the final selection. This set of people is obtained from strategic advertising, or head hunting, in the case of specialized jobs for which there are few qualified people. The information obtained in developing a context assessment should be reviewed to determine how best to search for job applicants.

Advertising for Jobs

Once the job profile is ready and the area of work is identified, it is possible to focus the search for suitable people only in those areas where it is likely to bear fruit. There usually exists a network of friends and helpers in the villages. In some cases, people lodge their requirements or desires to work with various elders, shops or influential people in the village. When looking for a suitable person, the following steps may be adopted in the search process.

- The networks of friends and benefactors may be consulted on the fact that staff are required, and inexpensive circulation of all the details can be done.
- Advertisements can be placed at vantage points like the local grocery shop, market place, or the bus stop.
- Generally spread the word around with the details of the positions available.

Recruitment and Selection

The entrepreneur has to get the right person for the right job. In order for her to do this she has to undertake the following steps:

1. *Job description and profiling, or task analysis* i.e. what skills and abilities are required to execute the job. In the Unit on planning production a flow chart describes the various steps a product goes through in a manufacturing process. This is also an indication of what skills are required in a person. For example, if an entrepreneur wishes to start an enterprise on making mango pickle then a tentative task analysis would be as follows :

- Procurement of mangoes;
- Washing and drying of mangoes;
- Cutting of mangoes;
- Putting together spices – i.e. procuring, grinding, roasting, measuring;
- Procuring oil, and heating;
- Mixing all ingredients;
- Procuring storage containers;
- Packaging;
- Checking quality;
- Costing and pricing;
- Supervision of prepared product;
- Labelling;
- Drying and packing;
- Marketing; and
- Maintaining records.

Looking at the tasks involved in the preparation of mango pickle, the entrepreneur decides on the skills she is looking for in a person. The number of people required for the enterprise can also be determined easily.

2. *Survey of available knowledge/skill/ability levels of persons* in the market who could be hired. The entrepreneur must know what level of skills are available in the area where she intends to introduce her activity.
3. *Survey of salary levels and other benefits* being offered in the market. The entrepreneur can very easily talk to people/shops in the neighbourhood and get an idea regarding the existing salary levels.
4. *Interviewing*: This is a meeting between the entrepreneur and the person applying for the job. The entrepreneur explains the nature of the job and gauges from the applicants' responses whether she would be able to perform the functions desired. This is normally conducted in privacy.
5. *Recruiting*: Existing regulations or procedures of an organization may govern recruitment of staff into a programme. After the entrepreneur has found the responses of the applicant suitable, the person is hired for the particular job. This may also be called induction into the enterprise activity.
6. *Training*: Many times even when the person has been found suitable, a period of orientation and training is required to make the person fully

tuned to the job in question. Specialized training may also be required if the technology and process involved in production are technical.

7. *Maintaining motivation levels:* Motivation, communication, recognition, creativity and team spirit pave the way for team success. If the entrepreneur is able to satisfy the expectations of the employee, it magically leads to a rise in satisfaction levels and the employee feels motivated to perform better and give more to the enterprise. However, in today's times the entrepreneurs face more challenges than ever before to meet this criterion. As the enterprises are small and the number of employees really restricted, it becomes even more important for the entrepreneurs' behaviour to incorporate the art of listening to problems of employees and involving them in the discussions leading to solutions. There is a need to keep motivation of employees high as this creates a healthy atmosphere in the entire enterprise.

Rewards Management

Getting people to work across programme areas is something the entrepreneur needs to encourage, as the number of employees may be very few. This is difficult because building relationships and working collaboratively takes extra time. But it has a pay-off because often the most interesting piece of work is done at the intersection where two fields come together rather than in the mainstream of the field itself. The entrepreneur can encourage collaboration by providing incentives. Setting aside small sums of money that they can take when in need provides a little incentive for taking on the tasks in time and reduces the effort and frustration involved in building a team.

In most enterprises a provision of other benefits in addition to salary or wage always leads to better performance. What these benefits would be will depend on the specific situations, but generally, if they are fulfilling a need, for example, provision of transport, they are bound to motivate the employee.

Training Policies and Practice

Every employee comes with a certain set of skills. However, from time to time the entrepreneur needs to think in terms of upgrading the skills of the employee or also of adapting the skills to the requirements of the enterprise. Taking the employee from one level of skills to a higher level adds to the motivation. This is a highly specialized area of study and techniques used in achieving this are referred to as Human Resource Development.

Group Exercises

1. Mock Interview

You can inform the participants that an entrepreneur "Lajjawati" who owns and runs an enterprise making papads has obtained a huge order to make 100 kilograms of papad daily. Lajjawati employs five other women besides her family members to make the papads. However, with her current strength of employees she will not be able to meet the order. She has, therefore, advertised in the local bazaar and spread the word in the panchayat meeting that she wants to hire two more women, one who has the skills in preparing

the dough and rolling the papad; and the other who can weigh the ingredients accurately and package the finished papads. Five women have come forward with their applications. Lajjawati needs to interview them and decide which two women she will finally select.

You then divide the participants into small groups. In each group one woman plays the role of a prospective employee while the other 3-4 form the interviewing board. The participants go through the mock exercise of holding an interview. Questions pertaining to skills possessed by the prospective employee are taken into consideration.

You can help in the analysis and integration of responses by participants. Discussions may include issues of skill and knowledge levels of candidates regarding the job in question (i.e. rolling and packing papads), wage structure, feeling of confidence and comfort by candidates in taking up the work, and detailed information about the enterprise.

2. Group Exercise based on a case

Kasturibai assists the owner of a shop selling cosmetics and textiles in village Madiya. She has been working there for almost a year now on a salary of Rs 1000/- a month for all 7 days of the week. Kasturibai has been a good sales woman – her friends and relatives all come to this shop for their requirements. Kasturibai feels she needs a raise in her salary, or a commission in the sales she has promoted. Another shop of a similar nature has come up close by and the owner there is willing to pay Kasturibai the same salary for six days in the week. However, the present owner of the shop is reluctant to provide these demands. The owner is of the opinion that Kasturibai wastes her time in talking to her friends/relatives when they come to the shop. Yet, the present owner is reluctant to let Kasturibai go as she is a dependable worker and also because she may not find a replacement in Madiya.

The trainer reads out the case and divides the participants into smaller groups to discuss the issues of whether Kasturibai should leave, whether the owner should raise the salary and give Kasturibai commission on sales, whether the owner should find a replacement, reasons for staying/leaving. The discussions would enable participants to understand issues regarding employment, retention and motivation.