

---

# UNIT 10 RECRUITMENT

---

## Objectives

After going through this unit, you should be able to:

- 1 formulate a recruitment policy for your company,
- 1 understand the importance of recruiting right people for the right jobs and at the right time,
- 1 evaluate various sources of recruitment of employees in the Indian context,
- 1 realise the importance of executive search in a dynamic business environment.

## Structure

- 10.1 Introduction
- 10.2 Recruitment Function
- 10.3 Recruitment Purpose
- 10.4 Recruitment Policy
- 10.5 Recruitment Process
- 10.6 Sources of Manpower Supply
- 10.7 Methods and Techniques of Recruitment
- 10.8 Executive Search
- 10.9 Assessment and Improvement of Recruiting
- 10.10 Summary
- 10.11 Self-Assessment Questions
- 10.12 Case
- 10.13 Further Readings

---

## 10.1 INTRODUCTION

---

Recruitment is the development and maintenance of adequate manpower sources. It involves the creation of a pool of available human resources from which the organisation can draw when it needs additional employees. Recruiting is the process of attracting applicants with certain skills, abilities, and other personal characteristics to job vacancies in an organisation. According to Denerley and Plumblay (1969), recruitment is concerned with both engaging the required number of people, and measuring their quality. It is not only a matter of satisfying a company's needs, it is also an activity which influences the shape of the company's future. The need for recruitment may arise out of: (i) vacancies due to promotion, transfer, termination, retirement, permanent disability, or death; (ii) creation of vacancies due to business expansion, diversification, growth, and so on.

---

## 10.2 RECRUITMENT FUNCTION

---

The function of recruitment is to locate the sources of manpower to meet job requirements and specification. Recruitment forms the first stage in the process which continues with selection and ceases with the placement of the candidate. Effective supply of varied categories of candidates for filling the jobs will depend

upon several factors such as the state of labour market, reputation of the enterprise and allied factors. The internal factors include wage and salary policies, the age composition of existing working force, promotion and retirement policies, turnover rates and the kind of personnel required. External determinants of recruitment are cultural, economic and legal factors.

Recruitment has been regarded as the most important function of personnel administration. Unless the right type of people are hired, even the best plans, organisation charts and control systems will be of no avail. A company cannot prosper, grow, or even survive without adequate human resources. Need for trained manpower in recent years has created a pressure on some organisations to establish an efficient recruitment function.

---

### 10.3 RECRUITMENT PURPOSE

---

The general purpose of recruitment is to provide a pool of potentially qualified candidates to meet organisational need. Its specific purposes are to:

- 1 Determine the present and future requirements of the organisation in conjunction with the personnel planning and job analysis activities.
- 1 Increase the pool of job candidates with minimum cost.
- 1 Help increase the success rate of the selection process by reducing the number of underqualified or overqualified job applicants.
- 1 Help reduce the probability that job applicants, once recruited and selected, will leave the organisation only after a short period of time.
- 1 Meet the organisation's legal and social obligations regarding the composition of its workforce.
- 1 Start identifying and preparing potential job applicants who will be appropriate candidates.
- 1 Increase organisational and individual effectiveness in the short and long term.
- 1 Evaluate the effectiveness of various recruiting techniques and sources for all types of job applicants.

---

### 10.4 RECRUITMENT POLICY

---

Recruitment policy may involve a commitment to broad principles such as filling vacancies with the best qualified individuals. It may embrace several issues such as extent of promotion from within, attitudes of enterprise in recruiting its old employees, handicaps, minority groups, women employees, part-time employees, friends and relatives of present employees. It may also involve the organisation system to be developed for implementing recruitment programme and procedures. A well considered and pre-planned recruitment policy, based on corporate goals, study of environment and the corporate needs, may avoid hasty or ill-considered decisions and may go a long way to man the organisation with the right type of personnel. A good recruitment policy must contain the following elements:

- 1 Organisation's objectives - both short term and long term.
- 1 Identification of the recruitment needs.
- 1 Preferred sources of recruitment.
- 1 Criteria of selection and preferences.
- 1 The cost of recruitment and financial implications of the same.

A recruitment policy in its broadest sense involves a commitment by the employer to (i) find the best qualified persons for each job; (ii) retain the best and most promising of those hired; (iii) offer promising opportunities for life-time working careers; and (iv) provide programmes and facilities for personal growth on the job.

**Activity A**

Give a brief outline of recruitment policy of your organisation or any other organisation with which you are familiar.

.....

.....

.....

.....

.....

.....

.....

---

**10.5 RECRUITMENT PROCESS**

---

To be successful, the recruitment process must follow a number of steps. These are:

1. Defining the job
2. Establishing the person profile
3. Making the vacancy known
4. Receiving and documenting applications
5. Designing and using the application form
6. Selecting
7. Notification and final checks
8. Induction.

---

**10.6 SOURCES OF MANPOWER SUPPLY**

---

Once the job analysis is completed and the job specification or behavioural competencies are identified, the next stage is to consider how to attract people who meet the requirements. A key decision is about whether to recruit internally or externally.

Before an organisation actively begins recruiting applicants, it should have a knowledge of the sources of supply and methods of tapping them. The sources of supply do not remain constant but vary from time to time. The sources of supply of manpower can be divided into two groups — internal and external sources. Internal sources relate to the existing working force of an enterprise while external sources relate to the employment exchanges, colleges, institutes, and universities. The particular sources and means by which workers are recruited vary greatly. It depends upon management policy, the types of jobs involved, the supply of labour relative to demand, and labour market. In deciding which recruitment source to use, consider (a) the nature and size of the company; (b) the level of vacancies to be filled up; (c) the number of vacancies to be filled up; (d) budget allocation; and (e) the time period to fill the vacancy.

**Internal Sources:** Internal sources are the most obvious sources. These include personnel already on the pay-roll of an organisation, i.e., its present working force.

Whenever any vacancy occurs, somebody from within the organisation is upgraded, transferred, promoted or sometimes demoted. Internal recruitment seeks applicants for position from among those who are currently employed.

The use of internal search, on the whole, has some merits:

1. It improves the morale of employees.
2. The employer is in a better position to evaluate those presently employed than outside candidates.
3. It promotes loyalty among the employees, for it gives them a sense of job security and opportunities for advancement.
4. It is less expensive and job openings can be filled more quickly.
5. Internal candidates are more familiar with organisational policies and practices, and thus require less orientation and training.

However, this system suffers from certain defects as well.

1. It often leads to inbreeding, and discourages new blood from entering an organisation.
2. There are possibilities that internal sources may “dry up”, and it may be difficult to find the requisite personnel from within an organisation.
3. As promotion is based on seniority, the danger is that really capable hands may not be chosen.

Internal recruitment can lead to problems, however, when a position becomes vacant, many employees may be considered for that slot. The likes and dislikes of the management may also play an important role in the selection of personnel. Usually, internal sources can be used effectively if the number of vacancies are not very large, adequate employee records are maintained, and employees have prepared themselves for promotions.

Because internal methods are often not sufficient to supply a suitable pool of applicants, most organisations make use of external sources to attract potential recruits. External recruitment brings in individuals from outside.

**External Sources:** Among the external sources are included the employment agencies, educational and technical institutes, casual labour, trade unions, application files and other sources. External sources provide the requisite type of personnel for an organisation, having skill, training and education up to the required standard. Since persons are recruited from a large market, the best selection can be made without any distinction of caste, sex or creed. However, this system suffers from what is called the “brain drain.” The advantages of internal recruitment are basically the disadvantages of external recruitment.

Labour market considerations are very important in external search. A labour market is a geographic area within which workers seek employment and employers recruit workers. It is the place where the forces of supply and demand interact. A labour market tends to be unstructured for the most part; it is unorganised. The procedures by which a company recruits workers and the methods by which workers go about obtaining jobs are highly variable.

Lack of labour mobility is still another characteristic of a labour market. One important reason for lack of mobility is that the average working man possesses quite incomplete and inaccurate knowledge of job opportunities in his labour market. Wage rate data are not generally made public.

A labour market is characterised by a great diversity of wage rates for the same occupations. This variation in wages for the same kind of work is caused by many factors. Principal ones are differences among the employers in their ability to pay,

productivity, and management attitude towards wage rates. Certain non-wage factors, such as greater job security, may still attract and hold the employees.

An organisation must decide whether to recruit employees internally or externally. External recruitment is limited primarily to entry-level jobs. Jobs above the entry level are usually filled with current employees through promotions. Promotional opportunities lead to reduced turnover, increased job satisfaction, and better job performance.

---

## 10.7 METHODS AND TECHNIQUES OF RECRUITMENT

---

While recruitment sources indicate when human resources may be procured, the recruitment methods and techniques deal with how these sources should be tapped. Dunn and Stephens follow a three-tier classification of recruitment method - direct, indirect and third party.

*Direct Methods:* The most frequently used direct method is at schools, colleges, management institutes and university departments. Usually, this type of recruiting is performed in co-operation with placement bureaus of educational institutions providing assistance in attracting students, arranging interviews, and making available space and students' resumes. The organisations have definite advantages through campus recruitment. First, the cost is low; second, they can arrange interviews at short notice; third, they can meet the teaching faculty; fourth, it gives them an opportunity to "sell" the organisation to a large student community seeking campus recruitment. In addition to managerial and supervisory positions, several organisations use travelling recruiters to recruit skilled and semi-skilled employees from vocational schools and industrial training institutes. Sometimes, even unskilled workers are also attracted by this method. Other direct methods include sending recruiters to establish exhibits at job fairs, using mobile camps to visit shopping centres in rural areas and places where unemployed may be contacted.

*Indirect Methods:* The most frequently used indirect method or technique of recruitment is advertisement in publications such as newspapers, magazines and trade journals as well as technical and professional journals. The choice of media, place and timing of the advertisements and appeals to the reader, all determine the efficacy of advertisements.

A useful advertisement has to give a brief summary of the job; a summary of the organisation covering product/service, size, type of industry, profitability, expansion programmes; and an offer of compensation package. A good advertisement has to be specific, clear-cut, reader-friendly and appealing. Ambiguously worded and broad-based advertisements may generate a lot of irrelevant applications which would, by necessity, increase the cost of processing them. In preparing an advertisement, therefore, lot of care has to be taken to ensure that self-selection takes place among applicants. In other words, people meeting specific requirements should think of responding to advertisement. A carefully worded sound advertisement can help in building the image of the organisation. The advertisements should indicate information about the organisation and the job providing opportunity to the potential candidates to contact the recruitment office in confidence.

Other indirect methods include advertising in the radio and television. Another method of advertising frequently used is a notice-board placed at the gates of the company.

*Third-party Methods:* The most frequently used third-party methods are public and private employment agencies. Public employment exchanges have been largely concerned with factory workers and clerical jobs. They also provide help in recruiting professional employees. Private agencies provide consultancy services and

charge a fee. They are usually specialised for different categories of operatives, office workers, salesman, supervisory and management personnel. Other third-party methods include the use of trade unions.

*Internet Recruiting:* Internet recruiting is an emerging field and therefore relatively few companies have gathered substantive data at this point. Companies are successfully attracting a high proportion on-line resumes, even for non-technical positions, because increasing numbers of job seekers are turning to the internet. Job seekers are turning to the internet because it simplifies the process of searching and applying for a position.

The internet is playing a more important role in recruitment. It advertises jobs and serves as a place to locate job applicants. Websites can provide internet users with information on the type of work the company is involved in and the job opportunities that are available. Interested parties can respond by email. This has the advantage of a quick turnaround time and reduces the amount of paperwork that would normally be associated with written job applications. Further, the internet allows an organisation to reach a larger and broader range of applicants than traditional methods.

Internet recruiting is cheaper due to:

1. reduced direct costs of newspaper advertisements, job fairs and head hunter fees
2. reduced mailing costs
3. reduced workload for the HR department.

The majority of companies involved in active internet recruiting believe that it helps them to attract better quality applicants, given that internet users tend to be better educated and obviously more computer literate than non-users.

**Activity B**

What are the important methods used in your organisation for recruiting management trainees, managerial, and supervisory personnel?

.....

.....

.....

.....

.....

.....

.....

---

**10.8 EXECUTIVE SEARCH**

---

Executive search means a thorough analysis of the market and the virtual elimination of chance. It is a planned, systematic and persistent campaign designed to determine and evaluate candidates' proven ability, with the experience, knowledge, specific skills and the personal qualities required. It requires detailed knowledge of the industrial, business and functional areas from which to select a group of potential candidates. Further, needs of each candidate has to be assessed against realistic definitions of the job itself, and of the individual best suited to fill it.

The recruitment of senior executives is one of the most important tasks facing management. As Henry Ford put it 'in the final analysis, it is the quality of the management that determines the success, or failure, of an enterprise'. From time to time most employers face a deficiency of a suitably qualified managerial staff to

meet the needs of the growing organisation. The solution is almost invariably to recruit executives from outside the organisation. It may turn out to be a complex, costly and time-consuming exercise to locate candidates with the required skills and experience. Frequently, advertising and/or personal contact fails to locate the best talent and this precipitates the demand for use of executive search or headhunting.

When filling top-level positions, many organisations use management consulting firms that specialise in the recruitment of executive personnel. They find and screen candidates, check references, and present the most qualified candidates. Hence, the choice of a suitable executive recruitment firm is crucial. An assignment is successful only if there is a mutual understanding of the requirements of the job to be filled. If the specifications are not made clear or shift a lot, a search can be prolonged and costly. The advantages of using search firms are several. Consultants can operate tactfully and with discretion and avoid embarrassment to the client, company, and candidates and without upsetting customer or competitive relationships.

Executive search is costly but well worth the investment when dealing with the selection of top management staff. If the search firm is chosen wisely, company time and money will actually be saved. Today's highly competitive market ensures that most headhunters charge similar fees and claim the same competence and professionalism in undertaking assignments and evaluating candidates. Increasingly, however, it is the competence and credibility of the individual consultant rather than the executive search consultancy itself that determines the client's assessment of the quality of the organisation.

---

## 10.9 ASSESSMENT AND IMPROVEMENT OF RECRUITING

---

The recruitment activity is supposed to attract the right people at the right time. It is concerned with attracting those whose personalities, interests, and preferences will most likely to be matched by the organisation and who have the skills, knowledge, and abilities to perform adequately.

Many companies think that attracting and keeping staff is mainly a monetary factor. Rewards and benefits are the two basic factors that attract individuals to work for a company and these come in two forms: (i) tangible (for e.g. monetary), and (ii) intangible (for e.g. training, career paths, working environment). However, in the recruitment process, people usually place too much emphasis on the issue of salary, forgetting sometimes that it is more important to find the right candidate for the job and that the process begins with using the correct hiring methods.

Recruitment practices vary from one organisation to another. Some organisations resort to centralised recruitment and some others to decentralised recruitment. Both the systems have their merits and demerits. Hence, the management has to weigh both the merits and demerits of each system before taking a final decision about centralising or decentralising the recruitment.

Apart from looking at qualifications and experience, other personality traits like eagerness to learn and adapt, independence and creativity are just as important. Besides having a logical and analytical mind, they have to be willing to try and not to be afraid of failure.

Normally organisations do not face difficulty in finding adequate employees for manual, clerical, sales, and general run types of work. But they often do have a

problem in obtaining the professional and managerial talent they require. The growing complexity and sophistication of technology has meant that increasing numbers of professionals and managers are needed to run our modern enterprises. The long-run solution to the shortage of personnel in these fields is for private organisations, government, and society in general to initiate programmes that will channel more young men and women into these fields and to give more financial support to students and educational institutions. In the short run, the organisation faced with a shortage of qualified talent must resort to an aggressive recruiting effort through such techniques as advertising, campus recruitment, and contacts with management consulting firms.

Manpower managers must constantly review and improve methods of recruitment and sources of manpower supply. Any method or source which is highly effective at present may prove to be quite ineffective later on in view of changed situations. However, most managers fail to develop a long-range recruiting programme through careful assessment. A sound recruitment programme necessitates appraisal of each source and each technique from the standpoint of the relative qualities of the personnel it has provided. For each major category of jobs, the present personnel can be evaluated in terms of job success. The evaluation procedure consists of assessing the existing employees in terms of their job success, determining the sources existing from which “good” and “poor” employees come from and that of the method used.

Manpower managers should also attempt to improve their recruitment system. The results assessment or problems faced during the recruitment process may themselves indicate the need for the improvement of the programme. A method to improve recruiting is to look at the enterprise as a candidate would and taking appropriate measures to improve its image. Further, recruitment activity should be integrated with the human resource plans of the organisation.

---

## 10.10 SUMMARY

---

Recruitment forms a significant function in the personnel process. It involves seeking and attracting qualified candidates from a wide variety of internal and external sources for job vacancies. There is little agreement over the relative effectiveness of these sources; each has unique advantages and disadvantages that depend on the particular position to be filled. Questions that are addressed in the recruitment process include: “What are the sources of qualified personnel?” “How are these qualified personnel to be recruited?”, “Who is to be involved in the recruitment process?” “And what inducement does the organisation have to attract qualified personnel?” Indeed, without a sufficient flow of qualified candidates to build up an efficient working force, the enterprise cannot function efficiently. An effective recruitment programme necessitates a well-defined policy, a proper organisational structure, effective procedures for locating sources, proper techniques and methods for tapping them, and constant assessment and improvement.

---

## 10.11 SELF-ASSESSMENT QUESTIONS

---

1. What is recruitment? What are the methods and techniques of recruitment?
2. Give several advantages of recruiting from internal sources and external sources.



---

## 10.12 CASE

---

Powermat, Inc. has encountered difficulty over the last few years in filling its middle-management positions. The company, which manufactures and sells complex machinery, is organised into six semi-autonomous manufacturing departments. Top management believes that it is necessary for these departmental managers to know the product lines and the manufacturing process, because many managerial decisions must be made at that level. Therefore, the company originally recruited employees from within. However, they soon found that employees elevated to the middle-management level often lack the skills necessary to discharge their new duties.

A decision then was made to recruit from outside, particularly from educational institutes with good industrial management programmes. Through the services of a professional recruiter, the company was provided with a pool of well qualified management graduates. Some of them were hired and placed in lower management positions as preparation for advancement to the middle-management jobs. They all left the company, however, within two years of their recruitment.

Management reverted to its former policy of promoting employees from within and experienced basically the same results as before. Faced with the imminent retirement of employees in several key middle management positions, the company decided to call in a consultant who could suggest solutions.

### Discussion Questions

1. What is the problem of recruiting in this company?
2. If you were the consultant, what would you recommend?

---

## 10.13 FURTHER READINGS

---

David, A. DeCenzo, and Stephen P. Robbins, *Personnel/Human Resource Management*, PHI, New Delhi, 1989.

Dessler, G., *Human Resource Management* (8th Ed)., Prentice-Hall, New Jersey, 2000.

Flippo, Edwin B., *Principles of Personnel Management*, McGraw-Hill Company, New York, 1980.

Randall S. Schuler, *Effective Personnel Management*, West Publishing Company, New York, 1989.