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# ELEMENTS OF HUMAN RESOURCE MANAGEMENT

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# ELEMENTS OF HUMAN RESOURCE MANAGEMENT

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## **AUTHORS PROFILE**

**They have sufficient teaching and research experience with expertise in ELEMENTS OF HUMAN RESOURCE MANAGEMENT. They have written this book for the benefits of undergraduate and postgraduate students.**

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## **PREFACE**

Human resource management (HRM) involves coordinating, managing, and allocating human capital, or employees, in ways that move an organisation's goals forward. HRM focuses on investing in employees, ensuring their safety, and managing all aspects of staffing, from hiring to compensation and development.

HRM careers may specialise in compensation, training, or managing employees. Most human resources management professionals hold a bachelor's degree and some pursue a master's degree. HRM professionals can also earn professional certifications to help build knowledge and increase earning potential. HR management aims to create a company culture and accomplish its mission and overall goals through employee management.

Human resource management is organising, coordinating, and managing employees within an organisation to accomplish its mission, vision, and goals. This includes recruiting, hiring, training, compensating, retaining, and motivating employees.

HRM staff also develops and enforces policies and procedures to help ensure employee safety. The HRM team

manages adherence to federal and state laws that may work to protect employees' private information and ensure their physical safety and mental and emotional well-being. Organisations of varying sizes and industries rely on HRM to keep business running smoothly and efficiently.

We welcome comments by readers of **“ELEMENTS OF HUMAN RESOURCE MANAGEMENT”** for ways to improve the book and to increase its value. Such suggestions will be seriously considered in the preparation of subsequent editions.

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**CHAPTER I**  
**INTRODUCTION TO HUMAN RESOURCE**  
**MANAGEMENT**

## **Introduction**

Human beings are social beings and hardly ever live and work in isolation. We always plan, develop and manage our relations both consciously and unconsciously. The relations are the outcome of our actions and depend to a great extent upon our ability to manage our actions. From childhood each and every individual acquire knowledge and experience on understanding others and how to behave in each and every situations in life. Later we carry forward this learning and understanding in carrying and managing relations at our workplace. The whole context of Human Resource Management revolves around this core matter of managing relations at work place.

Since mid 1980's Human Resource Management (HRM) has gained acceptance in both academic and commercial circle. HRM is a multidisciplinary organizational function that draws theories and ideas from various fields such as management, psychology, sociology and economics.

There is no best way to manage people and no manager has formulated how people can be managed effectively, because people are complex beings with complex needs. Effective HRM depends very much on the causes and conditions that an organizational setting would provide. Any Organization has three

basic components, People, Purpose, and Structure.

In 1994, a noted leader in the human resources (HR) field made the following observation: Yesterday, the company with the access most to the capital or the latest technology had the best competitive advantage; Today, companies that offer products with the highest quality are the ones with a leg up on the competition; But the only thing that will uphold a company's advantage tomorrow is the caliber of people in the organization.

That predicted future is today's reality. Most managers in public- and private sector firms of all sizes would agree that people truly are the organization's most important asset. Having competent staff on the payroll does not guarantee that a firm's human resources will be a source of competitive advantage. However in order to remain competitive, to grow, and diversify an organization must ensure that its employees are qualified, placed in appropriate positions, properly trained, managed effectively, and committed to the firm's success. The goal of HRM is to maximize employees' contributions in order to achieve optimal productivity and effectiveness, while simultaneously attaining individual objectives (such as having a challenging job and obtaining recognition), and societal objectives (such as legal compliance and demonstrating social responsibility).

## Opening Case

On October 3, 2003, Anant Dalvi and Akhtar Khan, who worked as contract workers in Tata Electric Company until they were laid off in 1996, doused themselves with kerosene and set themselves ablaze even as their co-workers protested before the company's offices. While Dalvi died on the spot, Khan died a few days later.

The Tata Electric Company said they were no longer on their payroll and were not permanent workers. Employees union had taken up their case and filled petition in the Labour Court before their contracts were terminated. The court directed the company not to terminate their services without following the due process of law. Despite this their services were terminated on June 30, 1996.

The company union promised the workers that they would renegotiate. Yet on the night before they killed themselves when Khan and Dalvi spoke to the union leader Shinde, they were told that nothing more could be done for them. It is this that led them to take their lives. Dalvi has been in service as a peon for 17 years and Khan had been employed for 19 years. But their services were not regularized. Such workers draw salary much less than the permanent employees.

This is an example of the problem that comes under the purview

of Human Resource Management- the main concept elaborated in this chapter.

What is Human Resource Management?

HRM is the study of activities regarding people working in an organization. It is a managerial function that tries to match an organization's needs to the skills and abilities of its employees.

### 1.3.1 Definitions of HRM

**Human resources management (HRM)** is a management function concerned with hiring, motivating and maintaining people in an organization. It focuses on people in organizations.

**Human resource management** is designing management systems to ensure that human talent is used effectively and efficiently to accomplish organizational goals.

HRM is the personnel function which is concerned with procurement, development, compensation, integration and maintenance of the personnel of an organization for the purpose of contributing towards the accomplishments of the organization's objectives. Therefore, personnel management is the planning, organizing, directing, and controlling of the performance of those operative functions (Edward B. Philipppo).

**According to the Invancevich and Glueck,** “HRM is concerned with the most effective use of people to achieve organizational and individual goals. It is the way of managing people at work, so that they give their best to the organization”.

**According to Dessler (2008)** the policies and practices involved in carrying out the “people” or human resource aspects of a management position, including recruiting, screening, training, rewarding, and appraising comprises of HRM.

Generally HRM refers to the management of people in organizations. It comprises of the activities, policies, and practices involved in obtaining, developing, utilizing, evaluating, maintaining, and retaining the appropriate number and skill mix of employees to accomplish the organization’s objectives. The goal of HRM is to maximize employees’ contributions in order to achieve optimal productivity and effectiveness, while simultaneously attaining individual objectives (such as having a challenging job and obtaining recognition), and societal objectives (such as legal compliance and demonstrating social responsibility).

In short Human Resource Management (HRM) can be defined as the art of procuring, developing and maintaining competent workforce to achieve the goals of an organization in an effective

and efficient manner.

### Nature of HRM

HRM is a management function that helps manager's to recruit, select, train and develop members for an organization. HRM is concerned with people's dimension in organizations.

The following constitute the core of HRM

1. **HRM Involves the Application of Management Functions and Principles.** The functions and principles are applied to acquiring, developing, maintaining and providing remuneration to employees in organization.
2. **Decision Relating to Employees must be Integrated.** Decisions on different aspects of employees must be consistent with other human resource (HR) decisions.
3. **Decisions Made Influence the Effectiveness of an Organization.** Effectiveness of an organization will result in betterment of services to customers in the form of high quality products supplied at reasonable costs.
4. **HRM Functions are not Confined to Business Establishments Only** but applicable to non- business organizations such as education, health care, recreation and like.

HRM refers to a set of programmes, functions and activities

designed and carried out in order to maximize both employee as well as organizational effectiveness.

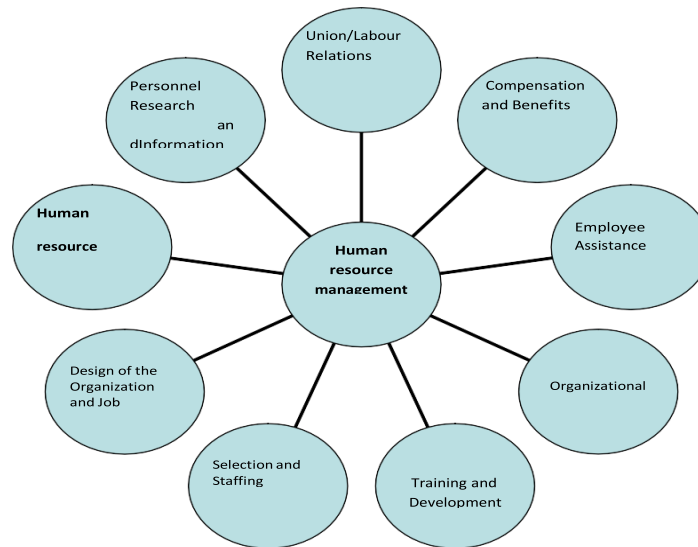
### Scope of HRM

The scope of HRM is indeed vast. All major activities in the working life of a worker – from the time of his or her entry into an organization until he or she leaves the organization comes under the purview of HRM. The major HRM activities include HR planning, job analysis, job design, employee hiring, employee and executive remuneration, employee motivation, employee maintenance, industrial relations and prospects of HRM.

The scope of Human Resources Management extends to:

- All the decisions, strategies, factors, principles, operations, practices, functions, activities and methods related to the management of people as employees in any type of organization.
- All the dimensions related to people in their employment relationships, and all the dynamics that flow from it.





**Figure 1.1: Scope of HRM**

The scope of HRM is really vast. All major activities in the working life of a worker – from the time of his or her entry into an organization until he or she leaves it comes under the purview of HRM. American Society for Training and Development (ASTD) conducted fairly an exhaustive study in this field and identified nine broad areas of activities of HRM.

These are given below:

- Human Resource Planning
- Design of the Organization and Job
- Selection and Staffing
- Training and Development
- Organizational Development
- Compensation and Benefits

- Employee Assistance
  - Union/Labour Relations
  - Personnel Research and Information System
- a) **Human Resource Planning:** The objective of HR Planning is to ensure that the organization has the right types of persons at the right time at the right place. It prepares human resources inventory with a view to assess present and future needs, availability and possible shortages in human resource. Thereupon, HR Planning forecast demand and supplies and identify sources of selection. HR Planning develops strategies both long-term and short-term, to meet the man-power requirement.
- b) **Design of Organization and Job:** This is the task of laying down organization structure, authority, relationship and responsibilities. This will also mean definition of work contents for each position in the organization. This is done by “job description”. Another important step is “Job specification”. Job specification identifies the attributes of persons who will be most suitable for each job which is defined by job description.

- c) **Selection and Staffing:** This is the process of recruitment and selection of staff. This involves matching people and their expectations with which the job specifications and career path available within the organization.
- d) **Training and Development:** This involves an organized attempt to find out training needs of the individuals to meet the knowledge and skill which is needed not only to perform current job but also to fulfil the future needs of the organization.
- e) **Organizational Development:** This is an important aspect whereby “Synergetic effect” is generated in an organization i.e. healthy interpersonal and inter-group relationship within the organization.
- f) **Compensation and Benefits:** This is the area of wages and salaries administration where wages and compensations are fixed scientifically to meet fairness and equity criteria. In addition labour welfare measures are involved which include benefits and services.
- g) **Employee Assistance:** Each employee is unique in character, personality, expectation and temperament. By and large each one of them faces problems everyday. Some are personal some are official. In their case he or she remains worried. Such worries must be removed to make him or her more productive and happy.

- h) **Union-Labour Relations:** Healthy Industrial and Labour relations are very important for enhancing peace and productivity in an organization. This is one of the areas of HRM.
- i) **Personnel Research and Information System:** Knowledge on behavioral science and industrial psychology throws better insight into the workers expectations, aspirations and behaviour. Advancement of technology of product and production methods have created working environment which are much different from the past. Globalization of economy has increased competition many fold. Science of ergonomics gives better ideas of doing a work more conveniently by an employee. Thus, continuous research in HR areas is an unavoidable requirement. It must also take special care for improving exchange of information through effective communication systems on a continuous basis especially on moral and motivation.

HRM is a broad concept; personnel management (PM) and Human resource development (HRD) are a part of HRM.

### Objectives of HRM

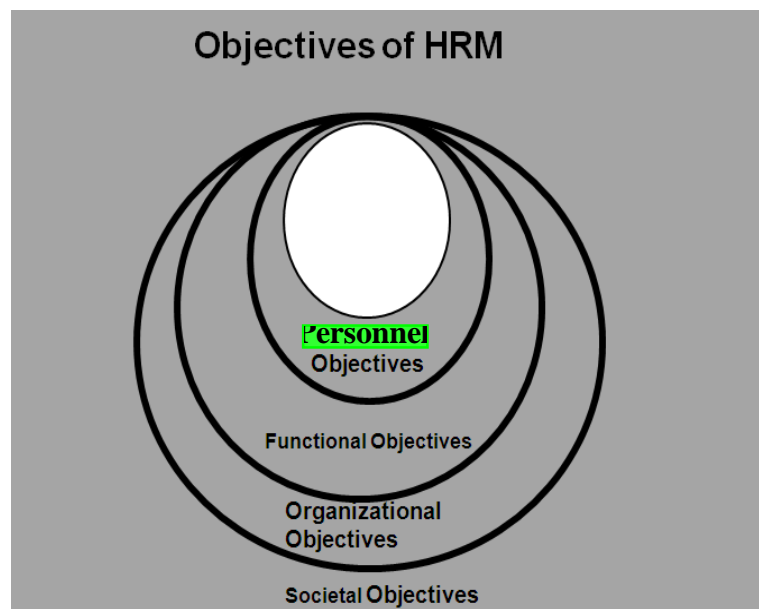
The primary objective of HRM is to ensure the availability of competent and willing workforce to an organization. The specific objectives include the following:

- 1) Human capital : assisting the organization in obtaining the right number and types of employees to fulfill its strategic and operational goals
- 2) Developing organizational climate: helping to create a climate in which employees are encouraged to develop and utilize their skills to the fullest and to employ the skills and abilities of the workforce efficiently
- 3) Helping to maintain performance standards and increase productivity through effective job design; providing adequate orientation, training and development; providing performance-related feedback; and ensuring effective two-way communication.
- 4) Helping to establish and maintain a harmonious employer/employee relationship
- 5) Helping to create and maintain a safe and healthy work environment
- 6) Developing programs to meet the economic, psychological, and social needs of the employees and helping the organization to retain the productive employees
- 7) Ensuring that the organization is in compliance with provincial/territorial and federal laws affecting the workplace (such as human rights, employment equity, occupational health

and safety, employment standards, and labour relations legislation). To help the organization to reach its goals

- 8) To provide organization with well-trained and well-motivated employees
- 9) To increase the employees satisfaction and self-actualization
- 10) To develop and maintain the quality of work life
- 11) To communicate HR policies to all employees.
- 12) To help maintain ethical polices and behavior.

The above stated HRM objectives can be summarized under four specific objectives: societal, organizational, and functional and personnel.



**Figure 1.2: Objectives of HRM**

- 1) **Societal Objectives:** seek to ensure that the organization becomes socially responsible to the needs and challenges of the society while minimizing the negative impact of such demands upon the organization. The failure of the organizations to use their resources for the society's benefit in ethical ways may lead to restriction.
- 2) **Organizational Objectives:** it recognizes the role of HRM in bringing about organizational effectiveness. It makes sure that HRM is not a standalone department, but rather a means to assist the organization with its primary objectives. The HR department exists to serve the rest of the organization.
- 3) **Functional Objectives:** is to maintain the department's contribution at a level appropriate to the organization's needs. Human resources are to be adjusted to suit the organization's demands. The department's value should not become too expensive at the cost of the organization it serves.
- 4) **Personnel Objectives:** it is to assist employees in achieving their personal goals, at least as far as these goals enhance the individual's contribution to the organization. Personal objectives of employees must be met if they are to be maintained, retained and motivated. Otherwise employee performance and satisfaction may decline giving rise to employee turnover.

**Table 1.1 HRM Objectives and Functions**

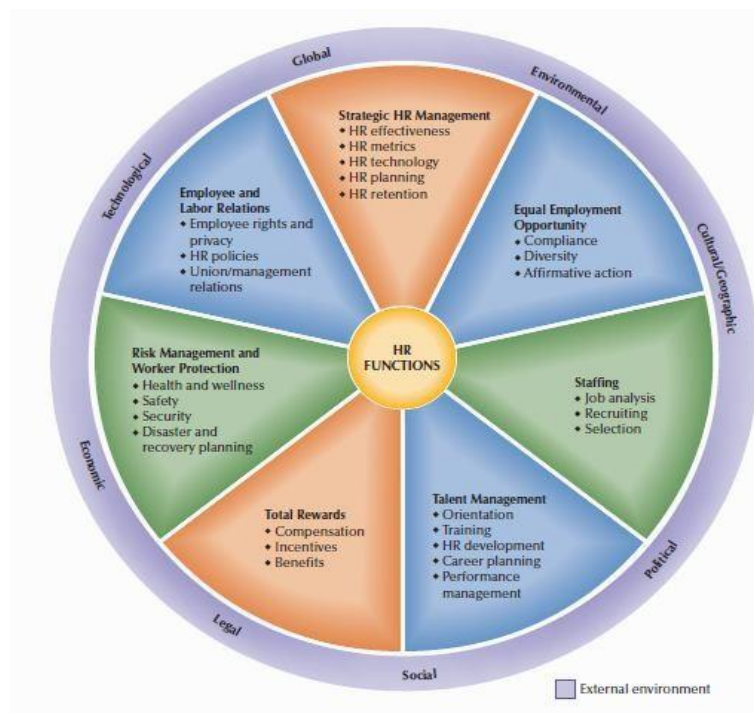
<b>HRM Objectives</b>		<b>Supporting Functions</b>
1.	Societal Objectives	Legal compliance Benefits Union- management relations
2.	Organizational Objectives	Human Resource Planning Employee relations Selection Training and development Appraisal Placement Assessment
3.	Functional Objectives	Appraisal Placement Assessment
4.	Personal Objectives	Training and development Appraisal Placement Compensation Assessment

### **Functions of HRM**

Human Resources management has an important role to play in equipping organizations to meet the challenges of an expanding and increasingly competitive sector. Increase in staff numbers, contractual diversification and changes in demographic profile which compel the HR managers to reconfigure the role and



significance of human resources management. The functions are responsive to current staffing needs, but can be proactive in reshaping organizational objectives. All the functions of HRM are correlated with the core objectives of HRM (Table 1.1). For example personal objectives is sought to be realized through functions like remuneration, assessment etc.



**Figure : Functions of HRM**

HR management can be thought of as seven interlinked functions taking place within organizations, as depicted in Figure 1.3. Additionally, external forces—legal, economic, technological, global, environmental, cultural/geographic, political, and social—significantly affect how HR functions are designed, managed, and

changed. The functions can be grouped as follows:

**Strategic HR Management:** As a part of maintaining organizational competitiveness, strategic planning for HR effectiveness can be increased through the use of HR metrics and HR technology. Human resource planning (HRP) function determine the number and type of employees needed to accomplish organizational goals. HRP includes creating venture teams with a balanced skill-mix, recruiting the right people, and voluntary team assignment. This function analyzes and determines personnel needs in order to create effective innovation teams. The basic HRP strategy is staffing and employee development.

**Equal Employment Opportunity:** Compliance with equal employment opportunity (EEO) laws and regulations affects all other HR activities.

**Staffing:** The aim of staffing is to provide a sufficient supply of qualified individuals to fill jobs in an organization. Job analysis, recruitment and selection are the main functions under staffing.

Workers job design and job analysis laid the foundation for staffing by identifying what diverse people do in their jobs and how they are affected by them.

Job analysis is the process of describing the nature of a job and

specifying the human requirements such as knowledge, skills, and experience needed to perform the job. The end result of job analysis is job description. Job description spells out work duties and activities of employees.

Through HR planning, managers anticipate the future supply of and demand for employees and the nature of workforce issues, including the retention of employees. So HRP precedes the actual selection of people for organization. These factors are used when recruiting applicants for job openings. The selection process is concerned with choosing qualified individuals to fill those jobs. In the selection function, the most qualified applicants are selected for hiring from among the applicants based on the extent to which their abilities and skills are matching with the job.

**Talent Management and Development:** Beginning with the orientation of new employees, talent management and development includes different types of training. Orientation is the first step towards helping a new employee to adjust himself to the new job and the employer. It is a method to acquaint new employees with particular aspects of their new job, including pay and benefit programmes, working hours and company rules and expectations.

Training and Development programs provide useful means of

assuring that the employees are capable of performing their jobs at acceptable levels and also more than that. All the organizations provide training for new and in experienced employee. In addition, organization often provide both on the job and off the job training programmes for those employees whose jobs are undergoing change.

Likewise, HR development and succession planning of employees and managers is necessary to prepare for future challenges. Career planning has developed as result of the desire of many employees to grow in their jobs and to advance in their career. Career planning activities include assessing an individual employee's potential for growth and advancement in the organization.

Performance appraisal includes encouraging risk taking, demanding innovation, generating or adopting new tasks, peer evaluation, frequent evaluations, and auditing innovation processes.

This function monitors employee performance to ensure that it is at acceptable levels. This strategy appraises individual and team performance so that there is a link between individual innovativeness and company profitability. Which tasks should be appraised and who should assess employees' performance are also taken into account.

**Total Rewards:** Compensation in the form of pay, incentives and benefits are the rewards given to the employees for performing organizational work. Compensation management is the method for determining how much employees should be paid for performing certain jobs. Compensation affects staffing in that people are generally attracted to organizations offering a higher level of pay in exchange for the work performed. To be competitive, employers develop and refine their basic compensation systems and may use variable pay programs such as incentive rewards, promotion from within the team, recognition rewards, balancing team and individual rewards etc. This function uses rewards to motivate personnel to achieve an organization's goals of productivity, innovation and profitability. Compensation is also related to employee development in that it provides an important incentive in motivating employees to higher levels of job performance to higher paying jobs in the organization.

Benefits are another form of compensation to employees other than direct pay for the work performed. Benefits include both legally required items and those offered at employer's discretion. Benefits are primarily related to the area of employee maintenance as they provide for many basic employee needs.

**Risk Management and Worker Protection:** HRM addresses

various workplace risks to ensure protection of workers by meeting legal requirements and being more responsive to concerns for workplace health and safety along with disaster and recovery planning.

**Employee and Labor Relations:** The relationship between managers and their employees must be handled legally and effectively. Employer and employee rights must be addressed. It is important to develop, communicate, and update HR policies and procedures so that managers and employees alike know what is expected. In some organizations, union/management relations must be addressed as well. The term labour relation refers to the interaction with employees who are represented by a trade union. Unions are organization of employees who join together to obtain more voice in decisions affecting wages, benefits, working conditions and other aspects of employment. With regard to labour relations the major function of HR personnel includes negotiating with the unions regarding wages, service conditions and resolving disputes and grievances.

### Role of HRM

The role of HRM is to plan, develop and administer policies and programs designed to make optimum use of an organizations human resources. It is that part of management which is concerned

with the people at work and with their relationship within enterprises. Its objectives are: (a) effective utilization of human resources, (b) desirable working relationships among all members of the organizations, and (c) maximum individual development. Human resources function as primarily administrative and professional. HR staff focused on administering benefits and other payroll and operational functions and didn't think of themselves as playing a part in the firm's overall strategy.

HR professionals have an all encompassing role. They are required to have a thorough knowledge of the organization and its intricacies and complexities. The ultimate goal of every HR person should be to develop a linkage between the employee and organization because employee's commitment to the organization is crucial.

The first and foremost role of HR personnel is to impart continuous education to the employees about the changes and challenges facing the country in general and their organization in particular. The employees should know about the balance sheet of the company, sales progress, and diversification of plans, share price movements, turnover and other details about the company. The HR professionals should impart such knowledge to all employees through small booklets, video films and lectures.

The primary responsibilities of Human Resource managers are:

- To develop a thorough knowledge of corporate culture, plans and policies.
- To act as an internal change agent and consultant
- To initiate change and act as an expert and facilitator
- To actively involve in company's strategy formulation
- To keep communication line open between the HRD function and individuals and groups both within and outside the organization\
- To identify and evolve HRD strategies in consonance with overall business strategy.
- To facilitate the development of various organizational teams and their working relationship with other teams and individuals.
- To try and relate people and work so that the organization objectives are achieved efficiently and effectively.
- To diagnose problems and determine appropriate solution particularly in the human resource areas.
- To provide co-ordination and support services for the delivery of HRD programmes and services
- To evaluate the impact of an HRD intervention or to conduct



research so as to identify, develop or test how HRD In general has improved individual and organizational performance.

Different management gurus have deliberated different roles for the HR manager based on the major responsibilities that they full fill in the organization. Few of the commonly accepted models are enumerated below.

Pat Mc Lagan has suggested nine roles that are played by HR practitioners

1. To bring the issues and trends concerning an organization's external and internal people to the attention of strategic decision makers and to recommend long term strategies to support organizational excellence and endurance.
2. To design and prepare HR systems and actions for implementation so that they can produce maximum impact on organizational performance and development.
3. To facilitate the development and implementation of strategies for transforming one's own organization by pursuing values and visions.
4. To create a positive relationship with the customer's by providing them with the best services; to utilize the resources to the maximum and to create commitment among the people who help

the organization to meet the customers needs whether directly connected or indirectly connected to the organization.

5. To identify the learning needs hence to design and develop structured learning programmes and materials to help accelerate learning for individuals and groups.
6. To enable the individuals and groups to work in new situations and to expend \and change their views so that people in power move from authoritarian to participative models of leadership.
7. To help employees to assess their competencies, values and goals so that they can identify, plan and implement development plans.
8. He also assists the individual employee to add values in the workplace and to focus on the interventions and interpersonal skills for helping people change and sustain change.
9. He assesses the HRD practices and programmes and their impact and to communicate results so that the organization and its people accelerate their change and development.

According to Dave Ulrich HR play's four key roles.

1. **Strategic Partner Role**-turning strategy into results by building organizations that create value;
2. **Change Agent Role**- making change happen, and in particular,

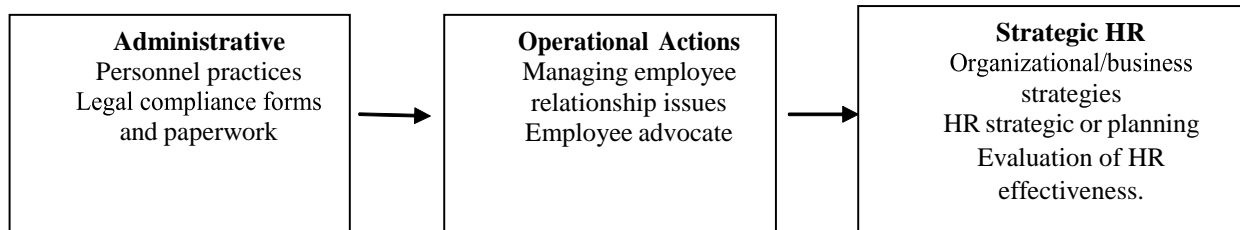
help it happen fast

3. **Employees Champion Role**—managing the talent or the intellectual capital within a firm
4. **Administrative Role**—trying to get things to happen better, faster and cheaper.

The role HR in organizations has undergone an extensive change and many organizations have gradually oriented themselves from the traditional personnel management to a human resources management approach. The basic approach of HRM is to perceive the organization as a whole. Its emphasis is not only on production and productivity but also on the quality of life. It seeks to achieve the paramount development of human resources and the utmost possible socio-economic development.

### **Current Classification of HR roles**

According to R.L Mathis and J. H. Jackson (2010) several roles can be fulfilled by HR management. The nature and extent of these roles depend on both what upper management wants HR management to do and what competencies the HR staff have demonstrated. Three roles are typically identified for HR. The focus of each of them, as shown in Figure 1. is elaborated below:



**Figure 1.4 : Current Classification of HR roles**

### **1. Administrative Role of HR**

The administrative role of HR management has been heavily oriented to administration and recordkeeping including essential legal paperwork and policy implementation. Major changes have happened in the administrative role of HR during the recent years. Two major shifts driving the transformation of the administrative role are: Greater use of technology and Outsourcing.

Technology has been widely used to improve the administrative efficiency of HR and the responsiveness of HR to employees and managers, more HR functions are becoming available electronically or are being done on the Internet using Web-based technology. Technology is being used in most HR activities, from employment applications and employee benefits enrollments to e-

learning using Internet-based resources.

Increasingly, many HR administrative functions are being outsourced to vendors. This outsourcing of HR administrative activities has grown dramatically in HR areas such as employee assistance (counseling), retirement planning, benefits administration, payroll services, and outplacement services.

## **2. Operational and Employee Advocate Role for HR**

HR managers manage most HR activities in line with the strategies and operations that have been identified by management and serves as employee “champion” for employee issues and concerns.

HR often has been viewed as the “employee advocate” in organizations. They act as the voice for employee concerns, and spend considerable time on HR “crisis management,” dealing with employee problems that are both work-related and not work-related. Employee advocacy helps to ensure fair and equitable treatment for employees regardless of personal background or circumstances.

Sometimes the HR’s advocate role may create conflict with operating managers. However, without the HR advocate role, employers could face even more lawsuits and regulatory complaints than they do now.

The operational role requires HR professionals to cooperate with various departmental and operating managers and supervisors in order to identify and implement needed programs and policies in the organization. Operational activities are tactical in nature. Compliance with equal employment opportunity and other laws is ensured, employment applications are processed, current openings are filled through interviews, supervisors are trained, safety problems are resolved, and wage and benefit questions are answered. For carrying out these activities HR manager matches HR activities with the strategies of the organization.

### 3. **Strategic Role for HR**

The administrative role traditionally has been the dominant role for HR. However, as Figure 1.4 indicates that a broader transformation in HR is needed so that significantly less HR time and fewer HR staffs are used just for clerical work.

Differences between the operational and strategic roles exist in a number of HR areas. The strategic HR role means that HR professionals are proactive in addressing business realities and focusing on future business needs, such as strategic planning, compensation strategies, the performance of HR, and measuring its results. However, in some organizations, HR often does not play a key role in formulating the strategies for the organization as a

whole; instead it merely carries them out through HR activities.

Many executives, managers, and HR professionals are increasingly seeing the need for HR management to become a greater strategic contributor to the “business” success of organizations. HR should be responsible for knowing what the true cost of human capital is for an employer. For example, it may cost two times key employees’ annual salaries to replace them if they leave. Turnover can be controlled through HR activities, and if it is successful in saving the company money with good retention and talent management strategies, those may be important contributions to the bottom line of organizational performance.

The role of HR as a *strategic business partner* is often described as “having a seat at the table,” and contributing to the strategic directions and success of the organization. That means HR is involved in *devising* strategy in addition to *implementing* strategy. Part of HR’s contribution is to have financial expertise and to produce financial results, not just to boost employee morale or administrative efficiencies. Therefore, a significant concern for chief financial officers (CFOs) is whether HR executives are equipped to help them to plan and meet financial requirements.

However, even though this strategic role of HR is recognized, many organizations still need to make significant progress toward fulfilling it. Some examples of areas where strategic contributions can be made by HR are:

- Evaluating mergers and acquisitions for organizational “compatibility,” structural changes, and staffing needs
- Conducting workforce planning to anticipate the retirement of employees at all levels and identify workforce expansion in organizational strategic plans
- Leading site selection efforts for new facilities or transferring operations to international outsourcing
- locations based on workforce needs
- Instituting HR management systems to reduce administrative time, equipment, and staff by using HR technology
- Working with executives to develop a revised sales
- compensation and incentives plan as new products

It is the era when for the competitive triumph of the organization there is a need to involve HRM significantly in an integrated manner, which demands such capabilities from the HR specialists.

The role of HR shifted from a facilitator to a functional peer with competencies in other functions, and is acknowledged as an equal



partner by others. The HR is motivated to contribute to organizational objectives of profitability and customer satisfaction, and is seen as a vehicle for realization of quality development. The department has a responsibility for monitoring employee satisfaction, since it is seen as substitute to customer satisfaction.

According to McKinsey's 7-S framework model HR plays the role of a catalyst for the organization. According to this framework, effective organizational change is a complex relationship between seven S's. HRM is a total matching process between the three Hard S's (Strategy, Structure and Systems) and the four Soft S's (Style, Staff, Skills and Super-ordinate Goals). Clearly, all the S's have to complement each other and have to be aligned towards a single corporate vision for the organization to be effective. It has to be realized that most of the S's are determined directly or indirectly by the way Human Resources are managed, and therefore, *HRM must be a part of the total business strategy.*

### HRM in the New Millennium

Human Resources have never been more indispensable than today. The competitive forces that we face today will continue to face in the future demanding organizational excellence. In order to achieve this extended quality, organization's need to focus on learning, quality development, teamwork, and reengineering.

These factors are driven by the way organizations implement things and how employees are treated.

**1. HR Can Help in Dispensing Organizational Excellence:**

To achieve this paradigm shift in the organization excellence there is a need for organizations to reform the way in which work is carried out by the Human Resource department. By designing an entirely new role and agenda that results in enriching the organization's value to customers, investors and employees, HR can help in delivering organizational excellence. This can be carried out by helping line managers and senior managers in moving planning from the conference room to the market place and by becoming an expert in the way work is organized and executed.

HR should be a representative of the employees and should help the organization in improving its capacity for change. HR will help the organizations in facing the competitive challenges such as globalization, profitability through growth, technology, intellectual capital, and other competitive challenges that the companies are facing while adjusting to uncontrollably challenging changes in business environment. The novel role of HR is to rapidly turn strategy into action; to manage processes intelligently and efficiently; to maximize employee contribution and commitment and to construct favorable conditions for flawless change.

**2. Human Resource Should be a Strategy Partner:** HR should also become a partner in strategy executions by propelling and directing serious discussions of how the company should be organized to carry out its strategy.

Creating the conditions for this discussion involves four steps. First HR need to define an organizational architecture by identifying the company's way of doing business. Second, HR must be held responsible for conducting an organizational audit. Third, HR as a strategic partner needs to identify methods for restoring the parts of the organizational architecture that need it. Fourth and finally, HR must take stock of its own work and set clear priorities. In their new role as administrative experts they will need to shed their traditional image and still make sure all routine work for the company is done well.

**3. HR Accountability Should be Fixed to Ensure Employee Commitment:** HR must be held accountable for ensuring that employees feel committed to the organization and contribute fully. They must take responsibility for orienting and training line management about the importance of high employee morale and how to achieve it. The new HR should be the voice of employees in management discussions. The new role for HR might also involve suggesting that more teams be used on some projects

or that employees be given more control over their own work schedules.

4. **The New HR Must Become a Change Agent:** The new HR must become a change agent, which is building the organization's capacity to embrace and capitalize on change. Even though they are not primarily responsible for executing change it is the duty of the HR manager to make sure that the organization carries out the changes framed for implementation.

5. **Improving the Quality of HR:** The most important thing that managers can do to drive the new mandate for HR is to improve the quality of the HR staff itself. Senior executives must get beyond the stereotypes of HR professionals as incompetent support staff and unleash HR's full potential

6. **Change in Employment Practices:** The balance sheet of an organization shows human resource as an expense and not as a Capital. In the information age, it is perceived that the machines can do the work more efficiently than most people however; technology to work is dependent on people.

The challenges for Employment Practice in the New Millennium will require that there should be strategic involvement of the **people and labour-management partnerships** as they both have to take

organization ahead.

**7. Benchmarking Tool Must be Mastered by HR Professionals:** HR professionals must master benchmarking, which is a tool for continuous improvement- directing the human side associated with the strategic path adopted by the organization. Through this, HR department will start appreciating the changes happening within and outside the environment while expanding the knowledge about how to add value to decision making at the highest level of the organization.

**8. Aligning Human Resources to Better Meet Strategic Objectives:** Too often organizations craft their strategy in a vacuum. Some organizations don't even include key people during strategy formulation resulting in lacunae between the actual problems and the solutions implemented- as critical inputs are not sought from those individuals who are supposed to implement the new strategies.

9. A past CEO of Sony once said that organizations have access to the same technology and the same information. The difference between any two organizations is the "people"- the human resource. Empowering the workforce is an essential tool for aligning human resources with the achievement of corporate objectives. It is the duty of HR manager to hire talented human resource and to

provide them with a positive environment where they will be able to utilize their skills and potentials and to create an environment in which these individuals are comfortable taking risks.

**10. Promote From Within and Invest in Employees:** Promoting employees from within sends a powerful message that the organization's employees are valued. New blood and fresh ideas often come from newcomers to the organization. To avoid stagnation of the firm, new ideas and approaches are critical. Yet to improve employee morale, promoting individuals from within the organization is essential. This communicates that the organization values their employees and invests in their human resources.

**11. Review the Recruitment and Selection Process:** A key element of human resource planning is ensuring that the supply of appropriate employees (with the right skill mix) is on board when needed. This requires a proactive approach whereby the organization anticipates its needs well in advance. It is important to identify the competencies being sought. That is, the criteria upon which selection decisions are to be made should be decided in advance. A firm must identify those skill sets required by employees to be successful. Charles O'Reilly suggests that companies should hire for attitude (perhaps even more so than

technical skills). That is, the fit of the individual with the values of the organization and the culture of the firm should also be considered when selecting employees. This has been referred to as the person-organization- fit. It is no longer enough to simply consider the person's fit (and technical skill set) with the job. Part of the employee's fit with the organization should focus on the core values and beliefs of the organization. This will increase employees' contributions to the overall success of the organization if they already embrace the core values of the organization prior to their selection

**12. Communicate Mission and Vision:** If employees are expected to contribute to the attainment of the organization's strategic objectives, they must understand what their role is. This can be achieved in part by clearly communicating the mission and vision statements of the firm. The old adage is certainly true. If a person does not know where he or she is going, any road will get him or her there.

The mission communicates the identity and purpose of the organization. It provides a statement of who the firm is and what their business is. Only those employees who understand this purpose can contribute to the fullest extent possible. The vision statement provides a picture of the future state of the firm. It should

be a stretch to attain. This keeps all the organization's employees pulling in the same direction with a common end point. It is much easier to align human resources with corporate objectives when these employees are familiar with the mission and vision of the firm.

As the mission and vision statements are articulated, organizational members begin to more closely embrace their very meaning on an individual level. These statements provide a road map leading employees down the road to achieve organizational objectives. Employees then identify how they can contribute their unique talents toward the attainment of these goals.

**13. Use Teams to Achieve Synergy:** Synergy can be concisely defined as “two plus two equals five”. In other words, the whole is greater than the sum of the parts. So much more can be achieved as people work together. Through the effective use of teams, organizations can often achieve synergy. Team goals, however, must be aligned with the organization's strategic objectives. Aligning team objectives with overall corporate objectives ensures that people are working toward the same goal.

## **Summary**

It is critical that today's organizations align their human resources to better meet strategic objectives. A failure to do so results in



wasted time, energy, and resources. Organizations are more likely to achieve this alignment with their corporate objectives when they review their recruitment and selection processes for fit, communicate the mission and vision statements, use joint goal setting, design an appropriate reward system, empower the workforce, promote and develop from within, and use teams to achieve synergy. Human Resource Management is the management function that helps the managers to plan, recruit, select, train, develop, remunerate and maintain members for an organization. HRM has four objectives of societal, organizational, functional and personal development. An organization must have set policies; definite procedures and well defined principles relating to its personnel and these contribute to the effectiveness, continuity and stability of the organization.

## **CHAPTER II**

# **HUMAN RESOURCE PLANNING**

## **Introduction**

As told in the last chapter Human resource management has started to play a significant role in the overall strategic development of the organization. At present HR strategies are designed in tune with the overall business strategy of the organization. HR strategy should sub serve the interest of the organization, translating firm's goals and objectives into a consistent, integrated and complimentary set of programmes and policies for managing people.

First part of Human resource strategy is HRP – Human Resource Planning. All other HR activities like employee hiring, training and development, remuneration, appraisal and labour relations are derived from HRP. HR planning is important in a wide variety of industries and firms. HR planning affects what employers do when recruiting, selecting, and retaining people, and of course these actions affect organizational results and success. The challenges caused by changing economic conditions during recent year's show why HR workforce planning should occur.

### **Human Resource Planning (HRP)**

Human resource planning is important for helping both organizations and employees to prepare for the future. The basic goal of human resource planning is to predict the future and based on these predictions, implement programmes to avoid anticipated

problems. Very briefly human resource planning is the process of examining an organization's or individual's future human resource needs for instance, what types of skills will be needed for jobs of the future compared to future human resource capabilities (such as the types of skilled employees you already have) and developing human resource policies and practices to address potential problems for example, implementing training programmes to avoid skill deficiencies.

### Definition of Human Resource Planning

**According to Vetter**, “HRP is the process by which management determines how the organization should move from its current manpower position to desired manpower position. Through planning, management strives to have the right time, doing things which result in both the organization and individual receiving maximum long run benefits”.

**According to Gordon Mc Beath**, “HRP is concerned with two things: Planning of manpower requirements and Planning of Manpower supplies”.

**According to Beach**, “HRP is a process of determining and assuming that the organization will have an adequate number of qualified persons, available at proper times, performing jobs which

meet the needs of the enterprise and which provides satisfaction for the individuals involved”

Simply HRP can be understood as the process of forecasting an organization’s future demands for and supply of the right type of people in the right number. In other words HRP is the process of determining manpower needs and formulating plans to meet these needs.

### **HRP is a Four-Phased Process.**

- **The first phase** involves the gathering and analysis of data through manpower inventories and forecasts,
- **The second phase** consists of establishing manpower objectives and policies and gaining top management approval of these.
- **The third phase** involves designing and implementing plans and promotions to enable the organization to achieve its manpower objectives.
- **The fourth phase** is concerned with control and evaluation of manpower plans to facilitate progress in order to benefit both the organization and the individual. The long run view means that gains may be sacrificed in the short run for the future grounds. The planning process enables the organization to identify what its manpower needs is and what potential manpower problems required

current action. This leads to more effective and efficient performance.

### Nature of HRP

Human resource planning is the process of analyzing and identifying the availability and the need for human resources so that the organization can meet its objectives. The focus of HR planning is to ensure that the organization has the right number of human resources, with the right capabilities, at the right times, and in the right places. In HR planning, an organization must consider the availability and allocation of people to jobs over long periods of time, not just for the next month or the next year<sup>1</sup>.

HRP is a sub system in the total organizational planning. Actions may include shifting employees to other jobs in the organization, laying off employees or otherwise cutting back the number of employees, developing present employees, and/or increasing the number of employees in certain areas. Factors to consider include the current employees' knowledge, skills, and abilities and the expected vacancies resulting from retirements, promotions, transfers, and discharges. To do this, HR planning requires efforts by HR professionals working with executives and managers.

## Objectives of Human Resource Planning

1. To ensure optimum utilization of human resources currently available in the organization.
2. To assess or forecast the future skill requirement of the organization.
3. To provide control measures to ensure that necessary resources are available as and when required.
4. A series of specified reasons are there that attaches importance to manpower planning and forecasting exercises. They are elaborated below:
  - To link manpower planning with the organizational planning
  - To determine recruitment levels.
  - To anticipate redundancies.
  - To determine optimum training levels.
  - To provide a basis for management development programs.
  - To cost the manpower.
  - To assist productivity bargaining.
  - To assess future accommodation requirement.
  - To study the cost of overheads and value of service functions.

- To decide whether certain activity needs to be subcontracted, etc.

HRP exists as a part of planning process of business. This is the activity that aims to coordinate the requirements for the availability of the different types of employers. The major activities are the forecasting, (future requirements), inventorying (present strength), anticipating (comparison of present and future requirements) and planning (necessary program to meet the requirements).

The HR forecasts are responsible for estimating the number of people and the jobs needed by an organization to achieve its objectives and realize its plans in the most efficient and effective manner.

HR needs are computed by subtracting HR supplies or number of the employees available from expected HR demands or number of people required to produce a desired level of outcome. The objective of HR is to provide right personnel for the right work and optimum utilization of the existing human resources.

The objectives of human resource planning may be summarized as below:

- ***Forecasting Human Resources Requirements:*** HRP is essential to determine the future needs of HR in an organization. In the



absence of this plan it is very difficult to provide the right kind of people at the right time.

- ***Effective Management of Change:*** Proper planning is required to cope with changes in the different aspects which affect the organization. These changes need continuation of allocation/reallocation and effective utilization of HR in organization.
- ***Realizing the Organizational Goals:*** In order to meet the expansion and other organizational activities the organizational HR planning is essential.
- ***Promoting Employees:*** HRP gives the feedback in the form of employee data which can be used in decision-making in promotional opportunities to be made available for the organization.
- ***Effective Utilization of HR:*** The data base will provide the useful information in identifying surplus and deficiency in human resources. The objective of HRP is to maintain and improve the organizational capacity to reach its goals by developing appropriate strategies that will result in the maximum contribution of HR.

Need for HRP in Organizations

Major reasons for the emphasis on HRP at the Macro level:

- 1) **Employment-Unemployment Situation:** Though in general the number of educated unemployment is on the rise, there is acute shortage for a variety of skills. This emphasizes on the need for more effective recruitment and employee retention.
- 2) **Technological Change:** The changes in production technologies, marketing methods and management techniques have been extensive and rapid. Their effect has been profound on the job contents and job contexts. These changes have caused problems relating to redundancies, retention and redeployment. All these suggest the need to plan manpower needs intensively and systematically.
- 3) **Demographic Change:** The changing profile of the work force in terms of age, sex, literacy, technical inputs and social background has implications for HRP.
- 4) **Skill Shortage:** Unemployment does not mean that the labour market is a buyer's market. Organizations generally become more complex and require a wide range of specialist skills that are rare and scarce. A problem arises in an organization when employees with such specialized skills leave.
- 5) **Governmental Influences:** Government control and changes in legislation with regard to affirmative action for disadvantages

groups, working conditions and hours of work, restrictions on women and child employment, casual and contract labour, etc. have stimulated the organizations to become involved in systematic HRP.

- 6) **Legislative Control:** The policies of “hire and fire” have gone. Now the legislation makes it difficult to reduce the size of an organization quickly and cheaply. It is easy to increase but difficult to shed the fat in terms of the numbers employed because of recent changes in labour law relating to lay-offs and closures. Those responsible for managing manpower must look far ahead and thus attempt to foresee manpower problems.
- 7) **Impact of the Pressure Group:** Pressure groups such as unions, politicians and persons displaced from land by location of giant enterprises have been raising contradictory pressure on enterprise management such as internal recruitment and promotion, preference to employees’ children, displace person, sons of soil etc.
- 8) **Systems Approach:** The spread of system thinking and advent of the macro computer as the part of the on-going revolution in information technology which emphasis planning and newer ways of handling voluminous personnel records.

- 9) **Lead Time:** The long lead time is necessary in the selection process and training and deployment of the employee to handle new knowledge and skills successfully.

### Importance of HRP

HRP is the subsystem in the total organizational planning. Organizational planning includes managerial activities that set the company's objective for the future and determines the appropriate means for achieving those objectives. The importance of HRP is elaborated on the basis of the key roles that it is playing in the organization.

1. **Future Personnel Needs:** Human resource planning is significant because it helps to determine the future personnel needs of the organization. If an organization is facing the problem of either surplus or deficiency in staff strength, then it is the result of the absence of effecting HR planning. All public sector enterprises find themselves overstaffed now as they never had any planning for personnel requirement and went of recruitment spree till late 1980's. The problem of excess staff has become such a prominent problem that many private sector units are resorting to VRS 'voluntary retirement scheme'. The excess of labor problem would have been there if the organization had good HRP system.

Effective HRP system will also enable the organization to have good succession planning.

2. **Part of Strategic Planning:** HRP has become an integral part of strategic planning of strategic planning. HRP provides inputs in strategy formulation process in terms of deciding whether the organization has got the right kind of human resources to carry out the given strategy. HRP is also necessary during the implementation stage in the form of deciding to make resource allocation decisions related to organization structure, process and human resources. In some organizations HRP play as significant role as strategic planning and HR issues are perceived as inherent in business management.
3. **Creating Highly Talented Personnel:** Even though India has a great pool of educated unemployed, it is the discretion of HR manager that will enable the company to recruit the right person with right skills to the organization. Even the existing staff hope the job so frequently that organization face frequent shortage of manpower. Manpower planning in the form of skill development is required to help the organization in dealing with this problem of skilled manpower shortage
4. **International Strategies:** An international expansion strategy of an organization is facilitated to a great extent by HR planning. The

HR department's ability to fill key jobs with foreign nationals and reassignment of employees from within or across national borders is a major challenge that is being faced by international business. With the growing trend towards global operation, the need for HRP will as well will be the need to integrate HRP more closely with the organizations strategic plans. Without effective HRP and subsequent attention to employee recruitment, selection, placement, development, and career planning, the growing competition for foreign executives may lead to expensive and strategically descriptive turnover among key decision makers.

5. **Foundation for Personnel Functions:** HRP provides essential information for designing and implementing personnel functions, such as recruitment, selection, training and development, personnel movement like transfers, promotions and layoffs.
6. **Increasing Investments in Human Resources:** Organizations are making increasing investments in human resource development compelling the increased need for HRP. Organizations are realizing that human assets can increase in value more than the physical assets. An employee who gradually develops his/ her skills and abilities become a valuable asset for the organization. Organizations can make investments in its personnel either through direct training or job assignment and the rupee value of

such a trained, flexible, motivated productive workforce is difficult to determine. Top officials have started acknowledging that quality of work force is responsible for both short term and long term performance of the organization.

7. **Resistance to Change:** Employees are always reluctant whenever they hear about change and even about job rotation. Organizations cannot shift one employee from one department to another without any specific planning. Even for carrying out job rotation (shifting one employee from one department to another) there is a need to plan well ahead and match the skills required and existing skills of the employees.
8. **Uniting the Viewpoint of Line and Staff Managers:** HRP helps to unite the viewpoints of line and staff managers. Though HRP is initiated and executed by the corporate staff, it requires the input and cooperation of all managers within an organization. Each department manager knows about the issues faced by his department more than anyone else. So communication between HR staff and line managers is essential for the success of HR Planning and development.
9. **Succession Planning:** Human Resource Planning prepares people for future challenges. The ‘stars’ are picked up, trained, assessed and assisted continuously so that when the time comes

such trained employees can quickly take the responsibilities and position of their boss or seniors as and when situation arrives.

10. **Other Benefits:** (a) HRP helps in judging the effectiveness of manpower policies and programmes of management. (b) It develops awareness on effective utilization of human resources for the overall development of organization. (c) It facilitates selection and training of employees with adequate knowledge, experience and aptitudes so as to carry on and achieve the organizational objectives (d) HRP encourages the company to review and modify its human resource policies and practices and to examine the way of utilizing the human resources for better utilization.

### **Factors Affecting HRP**

HRP is influenced by several factors. The most important of the factors that affect HRP are (1) type and strategy of organization (2) organizational growth cycles and planning (3) environmental uncertainties (4) time horizons (5) type and quality of forecasting information (4) nature of jobs being filled and (5) offloading the work.

1. **Type and Strategy of the Organization:** Type of the organization determines the production processes involve, number and type of staff needed and the supervisory and managerial



personnel required. HR need is also defined by the strategic plan of organization. If the organization has a plan for organic growth then organization need to hire additional employees. On the other hand If the organization is going for mergers and acquisition, then organization need to plan for layoffs, as mergers can create, duplicate or overlap positions that can be handled more efficiently with fewer employees.

Organization first decides whether to be reactive or proactive in HRP. Organizations either carefully anticipate the needs and systematically plan to fill the need in advance (proactive) or can simply react to the needs as they arise (reactive). Likewise, the organization must determine the width of the HR plan. Organization can choose a narrow focus by planning in only one or two HR areas like recruitment and selection or can have a broad perspective by planning in all areas including training and remuneration.

The nature of HR plan is also decides upon the formality of the plan. It can decides to have an informal plan that lies mostly in the minds of the managers and personnel staff or can have a formal plan which is properly documented in writing

The nature of HR plan is also depended upon the flexibility that is practiced in the organization. HR plan should have the ability to

anticipate and deal with contingencies. Organizations frame HRP in such a way that it can contain many contingencies, which reflect different scenarios thereby assuring that the plan is flexible and adaptable.



**Figure : Factors Affecting HRP.**

**2. Organizational Growth Cycles and Planning:** All organizations pass through different stages of growth from the day of its inception. The stage of growth in which an organization is determines the nature and extends of HRP. Small organizations in the earlier stages of growth may not have well defined personnel planning. But as the organization enters the growth stage they feel

the need to plan its human resource. At this stage organization gives emphasis upon employee development. But as the organization reaches the mature stage it experience less flexibility and variability resulting in low growth rate. HR planning becomes more formalized and less flexible and less innovative and problem like retirement and possible retrenchment dominate planning.

During the declining stage of the organization HRP takes a different focus like planning to do the layoff, retrenchment and retirement. In declining situation planning always becomes reactive in nature towards the financial and sales distress faced by the company.

3. **Environmental Uncertainties:** Political, social and economic changes affect all organizations and the fluctuations that are happening in these environments affect organizations drastically. Personnel planners deal with such environmental uncertainties by carefully formulating recruitment, selection, training and development policies and programmes. The balance in the organization is achieved through careful succession planning, promotion channels, layoffs, flexi time, job sharing, retirement, VRS and other personnel related arrangements.

4. **Time Horizons:** HR plans can be short term or long term. Short term plans spans from six months to one year, while long

term plans spread over three to twenty years. The extent of time period depends upon the degree of uncertainty that is prevailing in an organizations environment. Greater the uncertainty, shorter the plan time horizon and vice versa.

**Table 2.1 : Degree of Uncertainty and Length of Planning Period**

<b>Short Planning period- instability</b>	<b>uncertainty/</b>	<b>Long planning period- certainty/ stability</b>	
Many new competitors Rapid changes in social conditions	and economic	Strong competitive position Evolutionary, rather than rapid political and technological change	social,
Unstable product/ service demand patterns Small organizational size, poor		Stable demand patterns Strong management practices.	

management practices (crisis Management)	
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5. **Type and Quality of information:** The information used to forecast personnel needs originates from a multitude of sources. The forecast depends to a large extent upon the type of information and the quality of data that is available to personnel planners. The quality and accuracy of information depend upon the clarity with which the organizational decision makers have defined their strategy, structure, budgets, production schedule and so on.

**Table: Levels of HRP Information**

<b>Strategic Information</b>	<b>General Organizational Information</b>	<b>Specific Information Necessary for HRP</b>
Product mix Customer mix	Organizational structure Information flows	Job analysis Skills inventories
Competitive emphasis	Operating and capital	Management inventories

	budgets Functional area objectives	
Geographic limits of market	Production schedules Distribution channels	Available training and development programmes
	Sales territories Production processes	Recruitment sources
	Level of technology Planning horizons	Labour market analysis Compensation programmes Constitutional provisions and labour laws
		Retirement plans Turnover data.

6. **Nature of Jobs Being Filled:** Personnel planners need to be really careful with respect to the nature of the jobs being filled in

the organization. Employees belonging to lower level who need very limited skills can be recruited hastily but, while hiring employees for higher posts, selection and recruitment need to be carried out with high discretion. Organization need to anticipate vacancies far in advance as possible, to provide sufficient time to recruit suitable candidate.

7. **Outsourcing:** Several organizations outsource part of their work to outside parties in the form of subcontract. Outsourcing is a regular feature both in the public sector as well as in the private sector companies. Many of the organizations have surplus labour and hence instead of hiring more people they go for outsourcing. Outsourcing is usually done for non critical activities. Outsourcing of non- critical activities through subcontracting determines HRP.

### HRP Process

HRP effectively involves forecasting personnel needs, assessing personnel supply and matching demand– supply factors through personnel related programmes. The HR planning process is influenced by overall organizational objectives and environment of business.

### **Environmental Scanning:**

It refers to the systematic monitoring of the external forces influencing the organization. The following forces are essential for pertinent HRP.

- Economic factors, including general and regional conditions.
- Technological changes
- Demographic changes including age, composition and literacy,
- Political and legislative issues, including laws and administrative rulings
- Social concerns, including child care, educational facilities and priorities.

By scanning the environment for changes that will affect an organization, managers can anticipate their impact and make adjustments early.

**Organizational Objectives and Policies:** HR plan is usually derived from the organizational objectives. Specific requirements in terms of number and characteristics of employees should be derived from organizational objectives

Once the organizational objectives are specified, communicated and understood by all concerned, the HR department must specify its objective with regard to HR utilization in the organization.



## **HR Demand Forecast:**

Demand forecasting is the process of estimating the future quantity and quality of people required to meet the future needs of the organization. Annual budget and long-term corporate plan when translated into activity into activity form the basis for HR forecast.

For eg: in the case of a manufacturing company, the sales budget will form the basis for production plan giving the number and type of products to be produced in each period. This will form the basis upon which the organization will decide the number of hours to be worked by each skilled category of workers. Once the number hours required is available organization can determine the quality and quantity of personnel required for the task.

Demand forecasting is influenced by both internal factors and external factors: external factors include- competition, economic climate, laws and regulatory bodies, changes in technology and social factors whereas internal factors are budget constraints, production level, new products and services, organizational structure and employee separations.

Demand forecasting is essential because it helps the organization to 1. Quantify the jobs, necessary for producing a given number of

goods, 2. To determine the nature of staff mix required in the future, 3. To assess appropriate levels in different parts of organization so as to avoid unnecessary costs to the organization, 4. To prevent shortages of personnel where and when, they are needed by the organization. 5. To monitor compliances with legal requirements with regard to reservation of jobs.

Techniques like managerial judgment, ratio- trend analysis, regression analysis, work study techniques, Delphi techniques are some of the major methods used by the organization for demand forecasting.

### **HR Supply Forecast:**

Supply forecast determines whether the HR department will be able to procure the required number of workers. Supply forecast measures the number of people likely to be available from within and outside an organization, after making allowance for absenteeism, internal movements and promotions, wastage and changes in hours, and other conditions of work.

Supply forecast is required because it is needed as it 1. Helps to quantify the number of people and positions expected to be available in future to help the organization realize its plans and meet its objectives

2. Helps to clarify the staff mixes that will arise in future 3. It assesses existing staffing in different parts of the organization. 4. It will enable the organization to prevent shortage of people where and when they are most needed. 5. It also helps to monitor future compliance with legal requirements of job reservations.

Supply analysis covers the existing human resources, internal sources of supply and external sources of supply.

### **HR Programming:**

Once an organization's personnel demand and supply are forecasted the demand and supply need to be balanced in order that the vacancies can be filled by the right employees at the right time.

### **HR Plan Implementation:**

HR implementation requires converting an HR plan into action. A series of actions are initiated as a part of HR plan implementation. Programmes such as recruitment, selection and placement, training and development, retraining and redeployment, retention plan, succession plan etc when clubbed together form the implementation part of the HR plan.

## **Control and Evaluation:**

Control and evaluation represent the final phase of the HRP process. All HR plan include budgets, targets and standards. The achievement of the organization will be evaluated and monitored against the plan. During this final phase organization will be evaluating on the number of people employed against the established (both those who are in the post and those who are in pipe line) and on the number recruited against the recruitment targets. Evaluation is also done with respect to employment cost against the budget and wastage accrued so that corrective action can be taken in future.

### **Requisites for Successful HRP**

HRP must be recognized as an integral part of corporate planning

1. Support of top management is essential
2. There should be some centralization with respect to HRP responsibilities in order to have co-ordination between different levels of management.
3. Organization records must be complete, up to date and readily available.
4. Techniques used for HR planning should be those best suited to the data available and degree of accuracy required.

5. Data collection, analysis, techniques of planning and the plan themselves need to be constantly revised and improved in the light of experience.

### Barriers to HRP

Human Resource Planners face significant barriers while formulating an HRP. The major barriers are elaborated below:

- 1) HR practitioners are perceived as experts in handling personnel matters, but are not experts in managing business. The personnel plan conceived and formulated by the HR practitioners when enmeshed with organizational plan, might make the overall strategic plan of the organization ineffective.
- 2) HR information often is incompatible with other information used in strategy formulation. Strategic planning efforts have long been oriented towards financial forecasting, often to the exclusion of other types of information. Financial forecasting takes precedence over HRP.
- 4) Conflict may exist between short term and long term HR needs. For example, there can be a conflict between the pressure to get the work done on time and long term needs, such as preparing people for assuming greater responsibilities. Many managers are of the belief that HR needs can be met immediately because skills are available on the market as long as wages and salaries are

competitive. Therefore, long times plans are not required, short planning are only needed.

- 5) There is conflict between quantitative and qualitative approaches to HRP. Some people view HRP as a number game designed to track the flow of people across the department. Others take a qualitative approach and focus on individual employee concerns such as promotion and career development. Best result can be achieved if there is a balance between the quantitative and qualitative approaches.
- 6) Non-involvement of operating managers renders HRP ineffective. HRP is not strictly an HR department function. Successful planning needs a co-ordinated effort on the part of operating managers and HR personnel.

Today, human resource planning is viewed as the way management comes to grasp the ill-defined and tough-to-solve human resource problems facing an organization. Human resource planning is the process of determining the human resources required by the organization to achieve its goals. Human resource planning also looks at broader issues relating to the ways in which people are employed and developed, in order to improve organizational effectiveness. HRP is a decision making process that combines activities such as identifying and acquiring the right

number of people with the proper skills, motivating them to achieve high performance and creating interactive links between business objectives are resource planning activities. HRP sets out requirements in both quantitative and qualitative terms. Accurate manpower plan is a dream. A common error of many managers is to focus on the organization's short term replacement needs. Any human resource plan, if it is to be effective, must be derived from the long term plans and strategies of the organization. The various approaches to human resource planning under which a number of major issues and trends in today's work plan that will affect organization and employees are (1) Examine external and internal issues, (2) Determining future organizations capabilities, (3) Determining future organizational needs, and (4) Implementing human resources programmes to address anticipated problems. Although change is occurring very rapidly in the work world it is important for both organizations and employees to monitor issues and events continuously and consider their potential effects.

**CHAPTER III**  
**JOB ANALYSIS AND JOB DESIGN**



## Introduction

Manpower planning is concerned with determination of quantitative and qualitative requirements of manpower for the organization. Determination of manpower requirements is one of the most important problems in manpower planning. Job analysis and job design, provide this knowledge. Before going through the mechanism of job analysis and job design, it is relevant to understand the terms which are used in job analysis and job design.

**Job:** A job may be defined as a “collection or aggregation of tasks, duties and responsibilities which as a whole, are regarded as a regular assignment to individual employees,” and which is different from other assignments, In other words, when the total work to be done is divided and grouped into packages, we call it a “job.” Each job has a definite title based upon standardized trade specifications within a job; two or more grades may be identified, where the work assignment may be graded according to skill, the difficulty of doing them, or the quality of workmanship. Thus, it may be noted that a position is a “collection o tasks and responsibilities regularly assigned to one person;” while a job is a “group of position, which involve essentially the same duties, responsibilities, skill and knowledge.” A position consists of a particular set of duties

assigned to an individual.

Decenzo and P. Robbins define other terms as follows:

**Task:** It is a distinct work activity carried out for a distinct purpose.

**Duty:** It is a number of tasks.

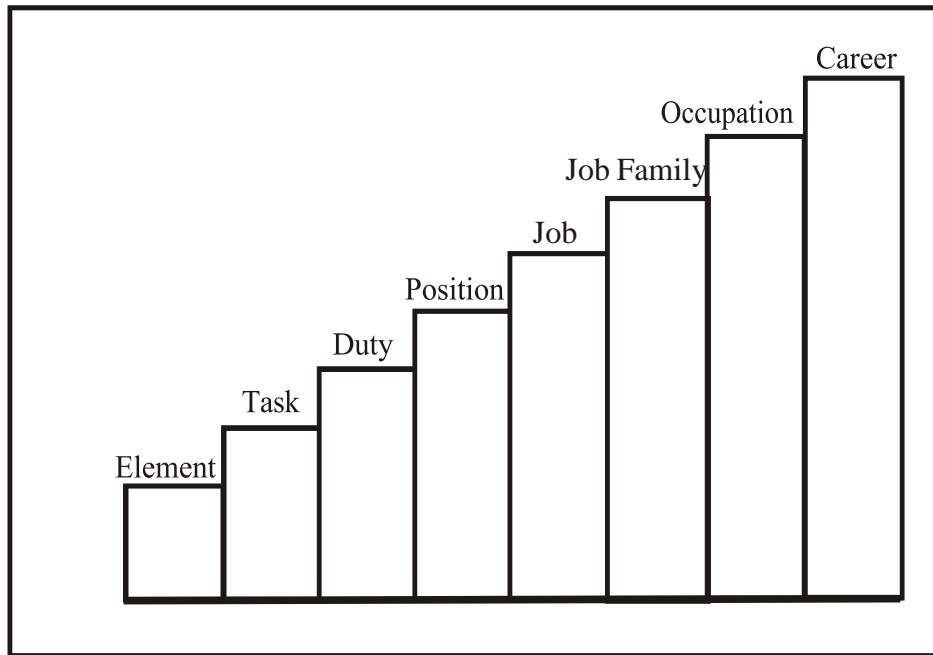
**Position:** It refers to one or more duties performed by one person in an organization, There are at least as many positions as there are workers in the organization; vacancies may create more positions than employees.

**Job:** It is a type of position within the organization.

**Job Family:** It is group of two or more jobs that either call for similar worker characteristics or contain parallel work tasks as determined by job analysis.

**Occupation:** It is a group of similar jobs found across organizations.

**Career:** It represents a sequence of positions, jobs, or occupations that a person has over his working life.



**Figure : Job Analysis Information Hierarchy**

Defined

Developing an organizational structure, results in jobs which have to be staffed. Job analysis is the procedure through which you determine the duties and nature of the jobs and the kinds of people (in terms of skills and experience) who should be hired for them.’ It provides you with data on job requirements, which are then used for developing job descriptions (what the job entails) and job specifications (what kind of people to hire for the job). Some of the definitions of job analysis are given as follows, to understand the meaning of the term more clearly:

**According to Michael L. Jucius,** “Job analysis refers to the

process of studying the operations, duties and organizational aspects of jobs in order to derive specifications or as they called by some, job descriptions.”

**According to DeCenzo and P. Robbins,** “A job analysis is a systematic exploration of the activities within a job. It is a basic technical procedure, one that is used to define the duties, responsibilities, and accountabilities of a job.”

**According to Herbert G Herman** “A job is a collection of tasks that can be performed by a single employee to contribute to the production of some product or service provided by the organization. Each job has certain ability requirements (as well as certain rewards) associated with it. Job analysis process used to identify these requirements.”

**Flippo has offered a more comprehensive definition of job analysis as,** “Job analysis is the process of studying and collecting information relating to the operations and responsibilities of a specific job. The immediate products of the analysis are job descriptions and job specifications”

Thus, job analysis involves the process of identifying the nature of a job (job description) and the qualities of the likely job holder (job specification).

## Uses of Job Analysis

As summarized in Figure 3.2 the information generated by the job analysis is used as a basis of several interrelated personnel management activities:

1. **Achievement of Goals:** Weather and Davis have stated, “Jobs are at the core of every organization’s productivity, if they are designed well and done right, the organization makes progress towards its objectives. Otherwise, productivity suffers, profits fall, and the organization is less able to meet the demands of society, customer, employees, and other with a stake in its success.”
2. **Organizational Design:** Job analysis will be useful in classifying the jobs and the interrelationships among the jobs. On the basis of information obtained through job analysis, sound decisions regarding hierarchical positions and functional differentiation can be taken and this will improve operational efficiency.
3. **Organization and Manpower Planning:** It is helpful in organization planning, for it defines labour in concrete terms and co-ordinates the activities of the work force, and clearly divides duties and responsibilities.
4. **Recruitment and Selection:** Job analysis provides you with

information on what the job entails and what human requirements are required to carry out these activities. This information is the basis on which you decide what sort of people to recruit and hire.

5. **Placement and Orientation:** Job analysis helps in matching the job requirements with the abilities, interests and aptitudes of people. Jobs will be assigned to persons on the basis of suitability for the job. The orientation programme will help the employee in learning the activities and understanding duties that are required to perform a given job more effectively.

6. **Employee Training and Management Development:** Job analysis provides the necessary information to the management of training and development programmes. It helps in to determine the content and subject matter of in training courses. It also helps in checking application information, interviewing test results and in checking references.

7. **Job Evaluation and Compensation:** Job evaluation is the process of determining the relative worth of different jobs in an organization with a view to link compensation, both basic and supplementary, with the worth of the jobs. The worth of a job is determined on the basis of job characteristics and job holder characteristics. Job analysis provides both in the forms of job description and job specification.

8. **Performance Appraisal:** Performance appraisal involves comparing each employee's actual performance with his or her desired performance. Through job analysis industrial engineers and other experts determine standards to be achieved and specific activities to be performed.

9. **Health and Safety:** It provides an opportunity for identifying hazardous conditions and unhealthy environmental factors so that corrective measures may be taken to minimize and avoid the possibility of accidents.

1. **Employee Counselling:** Job analysis provides information about career choices and personal limitation. Such information is helpful in vocational guidance and rehabilitation counselling. Employees who are unable to cope with the hazards and demands of given jobs may be advised to opt for subsidiary jobs or to seek premature retirement.

2. **Determine the Use of the Job Analysis Information:** Start by identifying the use to which the information will be put, since this will determine the type of data you collect and the technique you use to collect them.

3. **Collection of Background Information:** According to Terry, "The make-up of a job, its relation to other jobs, and its requirements for competent performance are essential

information needed for a job evaluation. This information can be had by reviewing available background information such as organization charts (which show how the job in question relates to other jobs and where they fit into the overall organization); class specifications (which describe the general requirements of the class of job to which the job under analysis belongs); and the existing job descriptions which provide a starting point from which to build the revised job description”.

**4. Selection of Jobs for Analysis:** To do job analysis is a costly and time consuming process. It is hence, necessary to select a representative sample of jobs for purposes of analysis. Priorities of various jobs can also be determined. A job may be selected because it has undergone undocumented changes in job content. The request for analysis of a job may originate with the employee, supervisor, or a manager.

When the employee requests an analysis it is usually because new job demands have not been reflected in changes in wages. Employee’s salaries are, in part, based upon the nature of the work that they perform. Some organizations establish a *time cycle for the analysis of each job*. For example: A job analysis may be required for all jobs every three years. New jobs must also be subjected to analysis.



5. **Collection of Job Analysis Data:** Job data on features of the job, required employee qualification and requirements, should be collected either from the employees who actually perform a job; or from other employees (such as foremen or supervisors) who watch the workers doing a job and thereby acquire knowledge about it; or from the outside persons, known as the trade job analysis who are appointed to watch employees performing a job. The duties of such a trade job analyst are (i) to outline the complete scope of a job and to consider all the physical and mental activities involved in determining what the worker does.; (ii) find out why a worker does a job; and for this purpose he studies why each task is essential for the overall result; and (iii) the skill factor which may be needed in the worker to differentiate between jobs and establish the extent of the difficulty of any job.

6. **Processing the Information:** Once job analysis information has been collected, the next step is to place it in a form that will make it useful to those charged with the various personnel functions. Several issues arise with respect to this. First, how much detail is needed? Second, can the job analysis information be expressed in quantitative terms? These must be considered properly.

7. **Preparing Job Descriptions and Job Classifications:** Job

information which has been collected must be processed to prepare the job description form. It is a statement showing full details of the activities of the job. Separate job description forms may be used for various activities in the job and may be compiled later on. The job analysis is made with the help of these description forms. These forms may be used as reference for the future.

8. **Developing Job Specifications:** Job specifications are also prepared on the basis of information collected. It is a statement of minimum acceptable qualities of the person to be placed on the job. It specifies the standard by which the qualities of the person are measured. Job analyst prepares such statement taking into consideration the skills required in performing the job properly. Such statement is used in selecting a person matching with the job.

### **Methods for Collecting Job Analysis Data**

As discussed earlier, information is to be collected for job analysis. Such information may be collected by the trained job analysis, superiors concerned and job holders themselves. Job information is collected through the following methods:

1. **Participant Diary/Logs:** Workers can be to keep participant diary/log or lists of things they do during the day. For every activity he or she engages in, the employee records the

activity (along with the time) in a log. This can provide you with a very comprehensive picture of the job, especially when it's supplemented with subsequent interviews with the worker and his or her supervisor. This method provides more accurate information if done faithfully. However, it is quite time consuming. Further, each jobholder may maintain records according to his own way which presents problems in analysis at later stage. Therefore, it has limited application.

2. **Interview:** There are three types of interviews you can use to collect job analysis data: individual interviews with each employee; group interviews with groups of employees having the same job; and supervisor interviews with one or more supervisors who are thoroughly knowledgeable about the job being analyzed. The group interview is used when a large number of employees are performing similar or identical work, since this can be a quick and inexpensive way of learning about the job. As a rule, the worker's immediate supervisor would attend the group session; if not, you should interview the supervisor separately to get that person's perspective on the duties and responsibilities of the job.

3. **Critical Incidents:** In this method, job holders are asked to describe incidents concerning the job on the basis of their past experience. The incidents so collected are analyzed and classified

according to the job areas they describe, A fairly picture of actual job requirements can be obtained by distinguishing between effective and ineffective behaviors of workers on the job. However, this method is time consuming. The analyst requires a high degree of skill to analyze the contents of descriptions given by workers.

4. **Technical Conference Method:** This method utilizes supervisors with extensive knowledge of the job. Here, specific characteristics of a job are obtained from the “experts.” Although it is a good data gathering method, it often overlooks the incumbent worker’s perception about what they do on their job.

5. **Job Performance:** Under this method, the job analyst actually performs the job under study to get first-hand experience of the actual tasks, and physical and social demands of the job. This method can be used only for jobs where skill requirements are low and can be learnt quickly and easily. This is a time-consuming method and is not appropriate for jobs requiring extensive training.

6. **Functional Job Analysis:** Functional job analysis (FJA) is employee-oriented analytical approach of job analysis. This approach attempts to describe the whole person on the job. The main features of FJA include the following:

- The extent to which specific instruction are necessary to perform the task

- The extent to which reasoning and judgment are required to perform the task
- The mathematical ability required to perform the task and
- The verbal and language facilities required to perform the task.

7. **Observation Method:** Using this method, a job analyst watches employees directly on the job. Observations are made on various tasks, activities, the pace at which tasks are carried out, and the way different activities are performed. This method is suitable for jobs that involve manual, standardized, and short job cycle activities. This method also requires that the entire range of activities be observable; possible with some jobs.

8. **Questionnaires:** The method is usually employed by engineering consultants. Properly drafted questionnaires are sent out to job-holders for completion and are returned to supervisors. However, the information received is often unorganized and incoherent. The idea in issuing questionnaire is to elicit the necessary information from job –holders so that any error may first be discussed with the employee and, after corrections, may be submitted to the job analyst.

This technique is time consuming and generally does not yield satisfactory results because many employees do not complete the questionnaire or furnish incorrect information because of their

own limitations. The use of questionnaire is recommended only in case of those technical jobs where the job contents are not completely known to the supervisor or the operation is too complex to observe.

There are certain standardized questionnaires developed by a few agencies which are used by various organizations for job analysis. Most of these questionnaires are of two types: position analysis questionnaire and management position description questionnaire that are described as follows:

a. **Position Analysis Questionnaire.** Position analysis questionnaire (PAQ) is a highly specialized instrument for analyzing a job in terms of employee activities. The PAQ developed by Purdue University is a comprehensive questionnaire for collecting information for job analysis.

In this questionnaire, various job elements have been grouped into six categories with each category containing relevant job elements resulting into 195 elements as shown in Table 3.1.

**Table : Position Analysis Questionnaire**

Job Aspects	No. of elements
-------------	-----------------

Information input - Where and how do employee get information to do their job?	35
Mental processes- what reasoning, planning, organizing, and decision making is done?	14
Work output – what physical activities, tools and machines are used?	49
Relationships – what contact with other people, both in the company and outside is maintained or developed?	36
Job context- what is the physical and social context in which the job is maintained?	19
Other job characteristics – what other activities, conditions or Characteristics not covered by the categories are relevant?	42

The advantage of PAQ is that it provides a quantitative score or profile of any job in terms of how that job rates on the basic activities. The PAQ's real strength is, thus, in classifying jobs. PAQ's results can be used to compare the jobs relative to one another and pay levels can be assigned for each job.

The major problem with PAQ is the time it takes for a job analyst to

fill out the ratings. However, PAQ has been widely researched and tested and appears to be both reliable and valid.

**b. Management Position Description Questionnaire:**

Management position description is a highly structured questionnaire containing 208 items relating to managerial responsibilities, restrictions, demands and other miscellaneous position characteristics. W.W. Tomov and P.R. Pinto have developed the following Management position Description factors:

- Product, marketing and financial strategy planning.
- Coordination of other organization units and personnel
- Internal business Control
- Products and services responsibility
- Public and customer relations
- Advanced consulting
- Autonomy of actions
- Approval of financial commitments
- Staff Service
- Supervision
- Complexity and stress
- Advanced financial responsibility



- Broad personnel responsibility

The above methods are the most popular ones for gathering job analysis data. They all provide realistic information about what job incumbents actually do. They can thus be used for developing job descriptions and job specifications. Carroll L. Shartle, Otis and Lenhert have provided the following suggestions for making the job analyst's task simple.

- Introduce yourself so that the worker knows who you are and why you are there.
- Show a sincere interest in the worker and the job that is analyzed;
- Do not try to tell the employee how to do his job.
- Try to talk to the employee and supervisors in their own language;
- Do a complete job study within the objectives of the programmer: and Job description is the immediate product of job analysis process; the data collected through job analysis provides a basis for job description and job specification.

**Job Description:** is a written record of the duties, responsibilities and requirements of a particular job. It is concerned with the job itself and not with the job holders. It is a statement describing the job in such terms as its title, location, duties, working conditions

and hazards.

**Flippo has Defined Job Description as,** “A job description is an organized, factual statement of duties and responsibilities of a specific job. In brief, it should tell what is to be done. How it is done why. It is a standard of function, in that defines the appropriate and authorized content of a job.

**According to Pigors and Myres,** “Job description is a pertinent picture (in writing) of the organizational relationships, responsibilities and specific duties that constitutes a given job or position. It defines a scope of responsibility and continuing work assignments that are sufficiently different from that of other jobs to warrant a specific title.”

**According to Zerga,** who analyzed 401 articles on job description about 30 years ago. A job description helps us in:

- (i) Job grading and classification
- (ii) Transfers and promotions.
- (iii) Adjustments of grievances;
- (iv) Defining and outlining promotional steps:
- (v) Establishing a common understanding of a job between employers and employees;

- (vi) Investigation accidents ;
- (vii) Indicating faulty work procedures or duplication of papers;
- (viii) Maintaining, operating and adjusting machinery;
- (ix) Time and motion studies;
- (x) Defining the limits of authority;
- (xi) Indicating case of personal merit;
- (xii) Studies of health and fatigue;
- (xiii) Scientific guidance;
- (xiv) Determining jobs suitable for occupational therapy;
- (xv) Providing hiring specifications; and
- (xvi) Providing performance indicators.

“Job description” is different from “performance assessment.” The former concerns such functions as planning, co-ordination, and assigning responsibility; while the latter concerns the quality of performance itself. Though job description is not assessment, it provides an important basis establishing assessment standards and objectives.

### **Writing Job Description**

A Job description is a written statement of what the job holder actually does, how he or she does it, and under what conditions the job is performed. This information is in turn used to write a job

specification. This lists the knowledge, abilities, and skills needed to perform the job satisfactorily. While there is no standard format you must use in writing a job description, most descriptions contain at least sections on:

1. **Job Identification:** It includes the job title, alternative title, department, division, and plant and code number of the job. The job title identifies and designates the job properly, the department, division, etc., indicate the name of the department where it is situated – whether it is the maintenance department, mechanical shop etc. Location gives the name of the place. This portion of job description gives answer to two important questions: to what higher level job is this job accountable. And who is supervised directly?
2. **Job Summary:** Job summary describes the contents of the jobs in terms of activities or tasks performed. Job summary should clear the nature of the job. Primary, secondary and other duties to be performed on the job should clearly be indicated separately.
3. **Duties and Responsibilities:** This is the most important phase of job description and should be prepared very carefully. It describes the duties to be performed along with frequency of each major duty.

## Example of a Job Description

**Job Title:** Record Clerk

**Job No.** 011

**Supervisor:** Record Supervisor

**Job Grand** –III

**Supervises:** None

**Date:** 2/21/12

**Job Summary:** Originate, process, and maintain comprehensive records; implement required controls; collect and summarize data as requested.

**Job Duties and Responsibilities :**

- Review a variety of documents, listings, summarizes, etc, for completeness and accuracy.
- Check records against other current sources such as reports or summaries; investigate differences and take required action to ensure that records are accurate and up to date; compile and summarize data report format as required.
- Implement controls or obtaining, preserving, and supplying a variety of information. Prepare simple requisitions, forms, and other routine memoranda.
- Provide functional guidance to lower-level personnel as required.

**Working Conditions:** Normal working conditions. But visits sites on average twice a week. Eight hours per day

**Relationships:**

- With equivalent officers in other departments.

- Maintains formal and social contacts with local officials.

**Job Characteristics:** Skilled operation of computer, calculating machine, or key punch machine is not necessarily a requirement of this job.

4. **Relation to Other Jobs:** It describes the vertical and horizontal relationships of work flow. It also indicates to whom the jobholder will report and who will report to him. It gives an idea of channels of promotion.

5. **Machine,** tools and equipment define each major type or trade name of the machines and tools and the raw materials used.

6. **Working Conditions:** The working environment in terms of heat, light, noise, dust and fumes etc, the job hazards and possibility of their occurrence and working conditions should also be described. It will be helpful in job evaluation.

7. **Social Environment:** It specifies the social conditions under which the work will be performed. In this part the size of work group, interpersonal interactions required to perform the job and development facilities are mentioned

8. The job specification states the minimum acceptable qualifications that the incumbent must possess to perform the job successfully. Based on the information acquired through job

analysis, the job specification identifies the knowledge, skills, and abilities needed to do the job effectively. Individuals possessing the personal characteristics identified in the job specification should perform the job more effectively than individuals lacking these personal characteristics. The job specification, therefore, is an important tool in the selection process, for it keeps the selector's attention on the list of qualifications necessary for an incumbent to perform the job and assists in determining whether candidates are qualified.

**According to Dale Yoder,** “The job specification, as such a summary properly described is thus a specialized job description, emphasizing personnel requirement and designed especially to facilitate selection and placement.”

**Flippo has defined job specification as,** “Job specification is a statement of the minimum acceptable human qualities necessary to perform a job properly .....It is a standard of personnel and designates the qualities required for acceptable performance.”

It is clear from the above definitions that job specification is a statement of summary of personnel requirements for a job. It may also be called “standard of personal for the selection”



## **A Job Specification should include:**

- (i) **Physical characteristics**, which include health, strength, endurance, age, height, weight, vision, voice, eye, hand and foot co-ordination, motor co-ordination, and colour discrimination.
- (ii) **Psychological and social characteristics** such as emotional stability, flexibility, decision making ability, analytical view, mental ability, pleasing manners, initiative, conversational ability etc.
- (iii) **Mental Characteristics** such as general intelligence, memory, judgement, ability to concentrate, foresight etc.
- (iv) **Personal Characteristics** such as sex, education, family background, job experience, hobbies, extracurricular activities etc.

All these characteristics must be classified into three categories:

- Essential attributes which a person must possess.
- Desirable attributes which a person ought to possess.
- Contra indicators which will become a handicap to successful job performance.

## **Job Design**

Job design is of comparatively recent origin. The human resource managers have realized that the design of a job has considerable

influence on the productivity and job satisfaction; poorly designed jobs often result in boredom to the employees, increased turnover, job dissatisfaction, low productivity and an increase in overall costs of the organization. All these negative consequences can be avoided with the help of proper job design.

**According to Jon Werner and DeSimone,** “Job design is the development and alteration of the components of a job (such as the tasks one performs, and the scope of one’s responsibilities) to improve productivity and the quality of the employees’ work life.”

Job design has been defined by **Davis (1966)** as: “The specification of the contents, methods, and relationships of jobs in order to satisfy technological and organizational requirements as well as the social and personal requirements of the job-holder.”

**Milkovich and Boudreau defined job design as,** “Job design integrates work content (tasks, functions, and relationships), the rewards (extrinsic and intrinsic) and the qualifications required (skills, knowledge, abilities) for each job in a way that meets the needs of employees and the organization.”

**Michael Armstrong has defined job design as** “the process of deciding on the content of a job in terms of its duties and

responsibilities, on the methods to be used in carrying out the job, in terms of techniques, systems and procedures, and on the relationships that should exist between the job holder and his superiors, subordinates and colleagues.”

Job design is an attempt to create a match between job requirements and human attributes. It involves organizing the components of the job and the interaction patterns among the members of a work group. It helps in developing appropriate design of job to improve efficiency and satisfaction.

### **Principles of Job Design:**

Principles are the bases of the approach used in job design.

Robertson and Smith (1985) have suggested the following five principles of job design:

- To influence skill variety, provide opportunities for people to do several tasks and combine tasks.
- To influence task identity, combine tasks and form natural work units.
- To influence task significance, form natural work units and inform people of the importance of their work.
- To influence autonomy, give people responsibility for determining their own working systems.

- To influence feedback; establish good relationship and open feedback channels.

## Methods of Job Design

The various techniques of job design and redesign are discussed below:

1. **Job Simplification:** In job simplification, the complete job is broken down into small subparts; this is done so that employee can do these jobs without much specialized training. Moreover, small operations of the job can also be performed simultaneously so that the complete operation can be done more quickly. For job simplification, generally time and motion studies are used.
2. **Job Rotation:** Another technique designed to enhance employee motivation is job rotation, or periodically assigning employees to alternating jobs or tasks. For example, an employee may spend two weeks attaching bumpers to vehicles and the following two weeks making final checks of the chassis. During the next month, the same employee may be assigned to two different jobs. Therefore, the employee would be rotated among four jobs. The advantage of job rotation is that employees do not have the same routine job day after day. Job rotation only addresses the problem of assigning employees to jobs of limited scope; the depth of the job does not change. The job cycle of the

actual daily work performed has not been lengthened or changed. Instead, employees are simply assigned to different jobs with different cycles.

Because job rotation does not change the basic nature of jobs, it is criticized as nothing more than having an employee perform several boring and monotonous jobs rather than one. Some employees dislike job rotation more than being assigned to one boring job because when they are assigned to one job they know exactly where to report and what work to expect each day. Workers quickly realize that job rotation does not increase their interest in their work.

Although it seldom addresses the lack of employee motivation, it gives managers a means of coping with frequent absenteeism and high turnover. Thus when absenteeism or turnover occurs in the work force, managers can quickly fill the vacated position because each employee can perform several jobs.

Job rotation is often effectively used as a training technique for new, inexperienced employees. At higher organizational levels, rotation also helps to develop managerial generalists because it exposes them to several different operations.

### **Advantage of Job Rotation Technique:**

- The employee experiences variety of work, workplace and peer group.
- Job rotation helps to broaden the knowledge and skills of an employee.
- The main advantage of job rotation is that it relieves the employee from the boredom and monotony of doing the same job.
- With the help of this method, people become more flexible. They are prepared to assume responsibility especially at other positions.
- Job rotation broadens the work experience of employees and turns specialists into generalists.
- It is beneficial for the management also as the management gets employees who can perform a variety of tasks to meet the contingencies.
- This method improves the self image and personal worth of the employee.

### **Disadvantage of Job Rotation Technique:**

- Job rotation also creates disruptions. Members of the work group have to adjust to the new employee.
- Productivity is reduced by moving a worker into new position just when his efficiency at the prior job was creating organizational economies.

- Training costs are increased.
- The supervisor may also have to spend more time answering question and monitoring the work of the recently rotated employee.
- It can demotivate intelligent and ambitious trainees who seek specific responsibilities in their chosen specialty.

3. **Job Enlargement:** Another means of increasing employee's satisfaction with routine jobs is job enlargement, or increasing the number of tasks performed (i.e. increasing the scope of the job). Job enlargement, like job rotation, tries to eliminate short job cycles that create boredom. Unlike job rotation, job enlargement actually increases the job cycle. When a job is enlarged, either the tasks being performed are enlarged or several short tasks are given to one worker. Thus, the scope of the job is increased because there are many tasks to be performed by the same worker. Job enlargement programs change many methods of operation- in contrast to job rotation, in which the same work procedures are used by workers who rotate through work stations. Although job enlargement actually changes the pace of the work and the operation by reallocating tasks and responsibilities, it does not increase the depth of a job.

The focus of designing work for job enlargement is the exact opposite of that for job specialization. Instead of designing jobs to be divided up into the fewest of tasks per employee, a job is designed to have many tasks for the employee to perform. An enlarged job requires a longer training period because there are more tasks to be learned. Worker satisfaction should increase because it is reduced as the job scope is expanded. However, job enlargement programs are successful with jobs that have increased scope; such workers are less prone to resort to absenteeism, grievances, slowdowns and other means of displaying job dissatisfaction.

Enlargement is done only on the horizontal level. Thus, the job remains the same, but becomes of a larger scale than before. In the words of Geroge Strauss and L.R. Sayles “Job enlargement implies that instead of assigning one man to each job, a group of men can be assigned to a group of jobs and then allowed to decide for themselves how to organize the work. Such changes permit more social contacts and control over the work process.”

**Job enlargement has the following advantages:**

- Increase in diversity of jobs
- Job satisfaction
- Provides wholeness and identity with the task and increases the



knowledge necessary to perform it.

- Provides variety of skills.
- Reduces tension and boredom.
- Trains and develops more versatile employees.

Despite these advantages this is not a completely satisfactory method of job design as it does not increase the depth of a job. Enlarged jobs require longer training period as there are more tasks to be learned.

**4. Job Enrichment:** The concept of job enrichment has been derived from Herzberg's two-factor theory of motivation in which he has suggested that job content is one of the basic factors of motivation. If the job is designed in such a manner that it becomes more interesting and challenging to the job performer and provides him opportunities for achievement, recognition, responsibility, advancement and growth, the job itself becomes a source of motivation to the individual.

**According to Richard W. Beatty and Graig Eric. Schneider,** "Job enrichment is a motivational technique which emphasizes the need for challenging and interesting work. It suggests that jobs be redesigned so that intrinsic satisfaction is derived from doing the job. In its best applications it leads to a vertically enhanced job by adding function from other organizational levels, making it

contain more variety and challenge and offer autonomy and pride to the employee.”

**According to P. Robbins,** “Job enrichment refers to the vertical expansion of the jobs. It increases the degree to which the worker controls the planning, execution and evaluation of his work.”

**In the words of Robert Albanese,** “Job enrichment sometimes called. ‘vertical job leading’ is a job redesign strategy that focuses on job depth.”

**According to Mondy, Holmes, and Flippo,** “Job enrichment refers to basic changes in the content and level of responsibility of a job so to provide for the satisfaction of the motivation needs of personnel. **Rebert Ford,** who was associated with designing of jobs to make them more enriched, has provided some bases (though not exhaustive) for job enrichment as shown in Table.

**Table 3.2 : Job Enrichment Bases**

<b>Tasks</b>	<b>Motivator involved</b>
Assign specific or specialized task to individuals enabling them to become expert	Responsibility, growth, advancement
Making periodic reports directly available to the individual himself rather than to the supervisor.	Internal recognition
Giving a person a whole natural unit of work (module exchange district, division area, etc.)	Responsibility, achievement, recognition
Increasing the accountability of individuals for own work	Responsibility, recognition

**Techniques of Job Enrichment:** In order to enrich the jobs. The management should adopt the following measures:

- Freedom in decisions
- Assign a natural work unit to an employee.
- Encouraging participation

- Allow the employee to set his own standards of performance.
- Minimize the controls to provide freedom to the employees
- Make an employee directly responsible for his performance.
- Encourage participation of employees in deciding organizational goals and policies.
- Expand job vertically
- Introducing new, difficult and creative tasks to the employees.
- Sense of achievement.

**Advantages of Job Enrichment:** The advantages of job enrichment are as follows:

- It enriches the role.
- Job enrichment is the most widely used of job design as it provides a meaningful learning to employees.
- It makes the work interesting and employee get motivated.
- It helps in reducing the rate of labour turnover and absenteeism.
- It increases skills of the employees.
- It increases morale and performance.
- Reduce Boredom and dissatisfaction.
- Increase in output both qualitative and quantitative.

**Disadvantages of Job Enrichment:** Dunham and Newstrom

state, “Even the strongest supporters of job enrichment readily admit that there are limitations in its application.” Newstrom and Keith Davis also write, “Employees are the final judges of what enriches their jobs. All that management can do is to gather information about what tends to enrich jobs, try these changes in the job system, and then determine whether employees feel that enrichment has occurred.” A few limitations of or problems with job enrichment are as follows:

Increase cost

- Need more employee counseling, training, and guidance.
- Not applicable to all jobs.
- Negative impact on personnel.
- Imposed on people.
- Objected by unions
- Pay dissatisfaction

## **JOB ENLARGEMENT vs. JOB ENRICHMENT**

Job enlargement and job enrichment are both important forms of job design in order to enhance productivity and satisfaction of the employees. They differ from each other in the following respects:

1. **Nature of Job:** The major difference between job enrichment and enlargement lies in the nature of additions to the

job. Enlargement involves a horizontal loading or expansion, or addition of tasks of the same nature. Enrichment involves vertical loading of tasks and responsibility of the job holder; it improves the quality of the job in terms of its intrinsic worth.

2. **Purpose:** The purpose of job enlargement is to reduce the monotony in performing repetitive jobs by lengthening the cycle of operation. On the other hand, the purpose of job enrichment is making the job lively, challenging and satisfying. It satisfies the higher level needs such as ego satisfaction, self expression, sense of achievement and advancement of Job holders.

3. **Skill Requirement:** Job enlargement may not necessarily require the use of additional skills which the job holder was using in performing the job before the enlargement. This is due to similarity of additional tasks. Enrichment calls for development and utilization of higher skills, initiative, and innovation on the part of the job holder in performing the job.

4. **Direction and Control:** Job enlargement requires direction and control from external sources, say supervisor. In fact, the job holder may require more direction and control because of enlargement of his responsibility. Enrichment does not require external direction and control as these come from the job holder himself. He requires only feedback from his supervisor.

## Summary

- The purpose of an organization is to give each person a separate distinct job and to ensure that these jobs are coordinated in such a way that the organization accomplishes its goals.
- Developing an organization structure results in jobs that have to be staffed. Job analysis is the procedure through which you find out (1) what the job entails, and (2) what kinds of people should be hired for the job. It involves six steps: (1) determine the use of the job analysis information; (2) collection of background information; (3) selection of jobs for analysis; (4) collection of job analysis data; (5) processing the information; (6) preparing job descriptions and job classifications; and (7) developing job specifications.
- Techniques of job analysis are – observation method, questionnaires, participant diary/logs, interview, critical incidents, technical conference method, and job performance.
- Job description and job specification are products of job analysis. Job description should indicate: duties to be performed by the job holder and the manner he should complete the tasks. Job specification: answer the question “what human traits and experience are necessary to do the job. It portrays what kind of person to recruit and for what qualities that person should be

tested”.

- Job design is an attempt to create a match between job requirements and job attribute. Job rotation implies transfer to a job of same level and status. Job simplification enables the employees to do the without much specialized training
- Job enlargement is the process of increasing the scope of job of a particular by adding more tasks to it. And job enrichment implies increasing the contents of a job or the deliberate upgrading of responsibility scope and challenge in work.
- Job enlargement and job enrichment are both important forms of job design in order to enhance the productivity and satisfaction of the job holders.



**CHAPTER IV**  
**RECRUITMENT**

## **Introduction**

Successful human resource planning should identify our human resource needs. Once we know these needs, we will want to do something about meeting them. The next step in the acquisition function, therefore, is recruitment. This activity makes it possible for us to acquire the number and types of people necessary to ensure the continued operation of the organization.

**Hallett says**, “It is with people that quality performance really begins and ends.” Robert Heller also says, “If people of poor calibre are hired, nothing much else can be accomplished and Gresham’s law will work: the bad people will drive out the good or cause them to deteriorate.”

Recruiting is the discovering of potential candidates for actual or anticipated organizational vacancies. Or, from another perspective, it is a linking activity-bringing together those with jobs to fill and those seeking jobs.

## **Recruitment: Meaning and Definition**

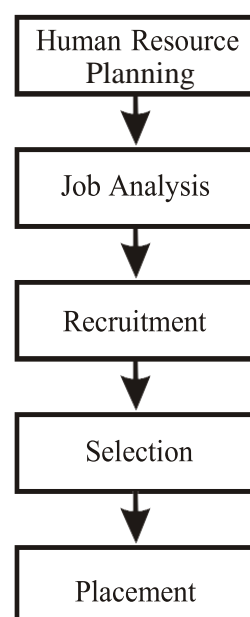
Recruitment forms a step in the process which continues with selection and ceases with the placement of the candidate. It is the next step in the procurement function, the first being the manpower planning. Recruiting makes it possible to acquire the

number and types of people necessary to ensure the continued operation of the organisation. Recruiting is the discovering of potential applicants for actual or anticipated organisational vacancies.

**According to Edwin B. Flippo,** “Recruitment is the process of searching for prospective employees and stimulating them to apply for jobs in the organisation.”

**According to Lord,** “Recruitment is a form of competition. Just as corporations compete to develop, manufacture, and market the best product or service, so they must also compete to identify, attract and hire the most qualified people. Recruitment is a business, and it is a big business.”

**In the words of Dale Yoder,** “Recruiting 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.”

**According to Werther and Davis**, “Recruitment is the process of finding and attracting capable applicants for employment. The 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.”

**Dales S. Beach writes**, “Recruitment is the development and maintenance of adequate manpower resources. It involves the creation of a pool of available labour upon whom the organisation can depend when it needs additional employees.”

Thus, recruitment process is concerned with the identification of possible sources of human resource supply and tapping those sources. In the total process of acquiring and placing human resources in the organisation, recruitment falls in between different sub-processes as shown in Figure 4.2.

**According to Scott, Clothier and Spriegel** the need for recruitment arises out of the following situations:

- Vacancies created due to expansion, diversification, and growth of business.
- An increase in the competitive advantage of certain concerns,

enabling them to get more of the available business than formerly.

- An increase in business arising from an upswing during the recovery period of a business cycle.
- Vacancies created due to transfer, promotion, retirement, termination, permanent disability or death.
- The normal population growth, which requires increased goods and services to meet the needs of the people.
- A rising standard of living, which requires more of the same goods and services as well as the creation of new wants to be satisfied.

### Process of Recruitment

Recruitment process passes through the following stages:

- Recruitment process begins when the personnel department receives requisitions for recruitment from any department of the company, The personnel requisitions contain details about the position to be filled, number of persons to be recruited, the duties to be performed, qualifications expected from the candidates, terms and conditions of employment and the time by which the persons should be available for appointment etc.
- Locating and developing the sources of required number and type of employees.

- Identifying the prospective employees with required characteristics.
- Developing the techniques to attract the desired candidates. The goodwill of an organisation in the market may be one technique. The publicity about the company being a good employer may also help in stimulating candidates to apply. There may be others of attractive salaries, proper facilities for development etc.
- Evaluating the effectiveness of recruitment process.

**According to Famularo**, personnel recruitment process involves five elements, viz., a recruitment policy, a recruitment organisation, a forecast of manpower, the development of sources of recruitment, and different techniques used for utilising these sources, and a method of assessing the recruitment programme. The explanation of these is described below:

1. **Recruitment Policy:** It specifies the objectives of recruitment and provides a framework for the implementation of the recruitment programme. It also involves the employer's commitment to some principles as to find and employ the best qualified persons for each job, to retain the most promising of those hired, etc. It should be based on the goals, needs and environment of the organisation.

### **Figure 4.2 : Place of Recruitment in Selection System**

2. **Recruitment Organisation:** The recruitment may be centralised like public sector banks or decentralised. Both practices have their own merits. The choice between the two will depend on the managerial philosophy and the particular needs of the organisation.
3. **Sources of Recruitment:** Various sources of recruitment may be classified as internal and external. These have their own merits and demerits.
4. **Methods of Recruitment:** Recruitment techniques are the means to make contact with potential candidates, to provide them necessary information and to encourage them to apply for jobs.
5. **Evaluation of Recruitment Programme:** The recruitment process must be evaluated periodically. The criteria for evaluation may consist of cost per applicant, the hiring ratio, performance appraisal, tenure of stay, etc. After evaluation, necessary improvements should be made in the recruitment programme.

## **Recruitment Policy**

As Yoder et al observe recruitment policy spells out the objectives of the recruitment and provides a framework for implementations of the recruitment programme in the form of procedures. It may involve a commitment to broad principles such

as filling vacancies with the best qualified individuals. The recruitment policy may embrace several issues such as the extent of promotion from within, attitudes of enterprise in recruiting old, handicapped, and minor individuals, minority group members, part-time employees and relatives of present employees. In addition, the recruitment policy may also involve the organisation system to be developed for implementing the recruitment programme and procedures to be employed. Explicitly, an organisational system is a function of the size of an enterprise. In smaller enterprises, there may be merely informal recruiting procedures and the line official may be responsible to handle this function along with their usual responsibilities. On the other hand, in larger organisations, there is usually a staff unit attached with personnel or an industrial relations department designated as employment or recruitment office. This specialisation of recruitment enables staff personnel to become highly skilled in recruitment techniques and their evaluation. However, recruitment remains the line responsibility as far as the personnel requisition forms are originated by the line personnel, who have also the final word in the acceptance or rejection of a particular applicant. Despite this, the staff personnel have adequate freedom in respect of sources of manpower to be tapped and the procedure to be



followed for this purpose.

Recruitment policy covers the following areas:

- To prescribe the degree of emphasis. Inside the organisation or outside the organisation.
- To provide the weightage that would be given to certain categories of people such as local population, physically-handicapped personnel, personnel from scheduled castes/tribes and other backward classes.
- To prescribe whether the recruitment would be centralised or decentralised at unit levels.
- To specify the degree of flexibility with regard to age, qualifications, compensation structure and other service conditions.
- To prescribe the personnel who would be involved in recruitment process and the role of human resource department in this regard.
- To specify the budget for meeting the expenditures incurred in completing the recruitment process.

**According to Yoder**, “the recruitment policy is concerned with quantity and qualifications of manpower.” It establishes broad guidelines for the staffing process. Generally, the following factors

are involved in a recruitment policy:

- To provide each employee with an open road and encouragement in the continuing development of his talents and skills;
- To provide individual employees with the maximum of employment security, avoiding, frequent lay-off or lost time;
- To avoid cliques which may develop when several members of the same household or community are employed in the organisation;
- To carefully observe the letter and spirit of the relevant public policy on hiring and, on the whole, employment relationship;
- To assure each employee of the organisation interest in his personal goals and employment objective;
- To assure employees of fairness in all employment relationships, including promotions and transfers;
- To provide employment in jobs which are engineered to meet the qualifications of handicapped workers and minority sections; and
- To encourage one or more strong, effective, responsible trade unions among the employees.

**Prerequisites of a Good Recruitment Policy:** The recruitment policy of an organisation must satisfy the following conditions:

- It should be in conformity with its general personnel policies;
- It should be flexible enough to meet the changing needs of an organisation;
- It should be so designed as to ensure employment opportunities for its employees on a long-term basis so that the goals of the organisation should be achievable; and it should develop the potentialities of employees;
- It should match the qualities of employees with the requirements of the work for which they are employed; and
- It should highlight the necessity of establishing job analysis.

### **Factor Affecting Recruitment**

**The factors affecting recruitment can be classified as internal and external factors.**

#### **The internal factors are:**

- Wage and salary policies;
- The age composition of existing working force;
- Promotion and retirement policies;
- Turnover rates;
- The nature of operations involved the kind of personnel required;
- The level and seasonality of operations in question;

- Future expansion and reduction programmes;
- Recruiting policy of the organisation;
- Human resource planning strategy of the company;
- Size of the organisation and the number of employees employed;
- Cost involved in recruiting employees, and finally;
- Growth and expansion plans of the organisation.

**The external factors are:**

- Supply and demand of specific skills in the labour market;
- Company's image perception of the job seekers about the company.
- External cultural factors: Obviously, the culture may exert considerable check on recruitment. For example, women may not be recruited in certain jobs in industry.
- Economic factors: such as a tight or loose labour market, the reputation of the enterprise in the community as a good pay master or otherwise and such allied issues which determine the quality and quantity of manpower submitting itself for recruitment.
- Political and legal factors also exert restraints in respect of nature and hours of work for women and children, and allied employment practices in the enterprise, reservation of Job for SC, ST and so on.

## **Sources of Recruitment**

After the finalisation of recruitment plan indicating the number and type of prospective candidates, they must be attracted to offer themselves for consideration to their employment. This necessitates the identification of sources from which these candidates can be attracted. Some companies try to develop new sources, while most only try to tackle the existing sources they have. These sources, accordingly, may be termed as internal and external.

### **Internal Sources**

It would be desirable to utilise the internal sources before going outside to attract the candidates. Yoder and others suggest two categories of internal sources including a review of the present employees and nomination of candidates by employees. Effective utilisation of internal sources necessitates an understanding of their skills and information regarding relationships of jobs. This will provide possibilities for horizontal and vertical transfers within the enterprise eliminating simultaneous attempts to lay off employees in one department and recruitment of employees with similar qualification for another department in the company. Promotion and transfers within the plant where an employee is best suitable improves the morale along with solving recruitment problems.

These measures can be taken effectively if the company has established job families through job analysis programmes combining together similar jobs demanding similar employee characteristics. Again, employees can be requested to suggest promising candidates. Sometimes, employees are given prizes for recommending a candidate who has been recruited. Despite the usefulness of this system in the form of loyalty and its wide practice, it has been pointed out that it gives rise to cliques posing difficulty to management. Therefore, before utilising this system attempts should be made to determine through research whether or not employees thus recruited are effective on particular jobs. Usually, internal sources can be used effectively if the numbers of vacancies are not very large, adequate, employee records are maintained, jobs do not demand originality lacking in the internal sources, and employees have prepared themselves for promotions.

**Merits of Internal Sources:** The following are the merits of internal sources of recruitment:

- It creates a sense of security among employees when they are assured that they would be preferred in filling up vacancies.

- It improves the morale of employees, for they are assured of the fact that they would be preferred over outsiders when vacancies occur.
- It promotes loyalty and commitment among employees due to sense of job security and opportunities for advancement.
- The employer is in a better position to evaluate those presently employed than outside candidates. This is because the company maintains a record of the progress, experience and service of its employees.
- Time and costs of training will be low because employees remain familiar with the organisation and its policies.
- Relations with trade unions remain good. Labour turnover is reduced.
- As the persons in the employment of the company are fully aware of, and well acquainted with, its policies and know its operating procedures, they require little training, and the chances are that they would stay longer in the employment of the organisation than a new outsider would.
- It encourages self-development among the employees. It encourages good individuals who are ambitious.

- It encourages stability from continuity of employment.
- It can also act as a training device for developing middle and top-level managers.

**Demerits of Internal Sources:** However, this system suffers from certain defects as:

- There are possibilities that internal sources may “dry up”, and it may be difficult to find the requisite personnel from within an organisation.
- It often leads to inbreeding, and discourages new blood from entering and organisation.
- As promotion is based on seniority, the danger is that really capable hands may not be chosen. The likes and dislikes of the management may also play an important role in the selection of personnel.
- Since the learner does not know more than the lecturer, no innovations worth the name can be made. Therefore, on jobs which require original thinking (such as advertising, style, designing and basic research), this practice is not followed.

This source is used by many organisations; but a surprisingly large number ignore this source, especially for middle management jobs.



## External Sources

DeCenzo and Robbins remark, “Occasionally, it may be necessary to bring in some ‘new blood’ to broaden the present ideas, knowledge, and enthusiasm.” Thus, all organisations have to depend on external sources of recruitment. Among these sources are included:

- Employment agencies.
- Educational and technical institutes. and
- Casual labour or “applicants at the gate” and nail applicants.

Public and private employment agencies play a vital role in making available suitable employees for different positions in the organisations. Besides public agencies, private agencies have developed markedly in large cities in the form of consultancy services. Usually, these agencies facilitate recruitment of technical and professional personnel. Because of their specialisation, they effectively assess the needs of their clients and aptitudes and skills of the specialised personnel. They do not merely bring an employer and an employee together but computerise lists of available talents, utilising testing to classify and assess applicants and use advanced techniques of vocational guidance for effective placement purposes.

Educational and technical institutes also form an effective source of manpower supply. There is an increasing emphasis on recruiting student from different management institutes and universities commerce and management departments by recruiters for positions in sales, accounting, finance, personnel and production. These students are recruited as management trainees and then placed in special company training programmes. They are not recruited for particular positions but for development as future supervisors and executives. Indeed, this source provides a constant flow of new personnel with leadership potentialities. Frequently, this source is tapped through on-campus interview with promising students. In addition, vocational schools and industrial training institutes provide specialised employees, apprentices, and trainees for semiskilled and skilled jobs. Persons trained in these schools and institutes can be placed on operative and similar jobs with a minimum of in-plant training. However, recruitment of these candidates must be based on realistic and differential standards established through research reducing turnover and enhancing productivity.

Frequently, numerous enterprises depend to some extent upon casual labour or “applicants at the gate” and nail applicants. The candidates may appear personally at the company’s employment

office or send their applications for possible vacancies. Explicitly, as Yoder and others observe, the quality and quantity of such candidates depend on the image of the company in community. Prompt response to these applicants proves very useful for the company. However, it may be noted that this source is uncertain, and the applicants reveal a wide range of abilities necessitating a careful screening. Despite these limitations, it forms a highly inexpensive source as the candidates themselves come to the gate of the company. Again, it provides measures for good public relations and accordingly, all the candidates visiting the company must be received cordially.

**Table 4.1 : Recruiting Sources Used by Skill and Level**

<b>Skill/Level</b>	<b>Recruiting Source</b>	<b>Percentage of Use</b>
Unskilled and Semiskilled	Informal contacts	85
	Walk-ins	74
	Public Employment Agencies	66
	Want Ads	52
Skilled	Informal Contacts	88
	Walk-ins	66

	Public Employment Agencies	55	
	Want Ads	55	
Professional Employees	Internal Search	94	
	Informal Contacts	92	
	Walk-ins	71	
	Public Employment Agencies	52	
	Want Ads	48	
	Private Employment Agencies	22	
Managerial Level	Internal Search	100	
	Informal Contacts	71	
	Walk-ins	31	
	Private Employment Agencies	20	
	Want Ads	17	
	Public Employment Agencies	12	

As Jucius observes, trade unions are playing an increasingly

important role in labour supply. In several trades, they supply skilled labour in sufficient numbers. They also determine the order in which employees are to be recruited in the organisation. In industries where they do not take active part in recruitment, they make it a point that employees laid off are given preference in recruitment.

Application files also forms a useful source of supply of work force. Attempts may be made to review the application to determine jobs for which the candidates filed for future use when there are openings in these jobs. The candidates may be requested to renew their cards as many times as they desire. All the renewed cards may be placed in “active” files and those not renewed for considerable time may be placed in “inactive” file or destroyed. Indeed, a well-indexed application file provides utmost economy from the standpoint of a recruiting budget.

Efficacy of alternative sources of supply of human resources should be determined through research. Attempts maybe made to relate the factor of success on the job with a specific source of supply. Alternative sources can also be evaluated in terms of turnover, grievances and disciplinary action. Those sources which are significantly positively related with job performance and significantly negatively related with turnover, grievances and

disciplinary action, can be effectively used in recruitment programmes. The assessment should be periodically performed in terms of occupations. It may be that source “A” is most effective for technical workers, while source “B” for semiskilled workers.

**Advantages of External Recruitment:** External sources of recruitment are suitable for the following reasons:

- It will help in bringing new ideas, better techniques and improved methods to the organisation.
- The cost of employees will be minimised because candidates selected in this method will be placed in the minimum pay scale.
- The existing employees will also broaden their personality.
- The entry of qualitative persons from outside will be in the interest of the organisation in the long run.
- The suitable candidates with skill, talent, knowledge are available from external sources.
- The entry of new persons with varied expansion and talent will help in human resource mix.

**Disadvantages of External Sources:**

- Orientation and training are required as the employees remain unfamiliar with the organisation.
- It is more expensive and time-consuming. Detailed screening is

necessary as very little is known about the candidate.

- If new entrant fails to adjust himself to the working in the enterprise, it means yet more expenditure on looking for his replacement.
- Motivation, morale and loyalty of existing staff are affected, if higher level jobs are filled from external sources. It becomes a source of heart-burning and demoralisation among existing employees.

### Methods of Recruitment

Methods of recruitment are different from the sources of recruitment. Sources are the locations where prospective employees are available. On the other hand, methods are way of establishing links with the prospective employees. Various methods employed for recruiting employees may be classified into the following categories:

#### 1. **Direct Methods:**

These include sending recruiters to educational and professional institutions, employees, contacts with public, and manned exhibits. One of the widely used direct methods is that of sending of recruiters to colleges and technical schools. Most college recruiting is done in co-operation with the placement office of a college. The placement office usually provides help in attracting

students, arranging interviews, furnishing space, and providing student resumes.

For managerial, professional and sales personnel campus recruiting is an extensive operation. Persons reading for MBA or other technical diplomas are picked up in this manner. For this purpose, carefully prepared brochures, describing the organisation and the jobs it offers, are distributed among students, before the interviewer arrives. Sometimes, firms directly solicit information from the concerned professors about students with an outstanding record. Many companies have found employees contact with the public a very effective method. Other direct methods include sending recruiters to conventions and seminars, setting up exhibits at fairs, and using mobile offices to go to the desired centres.

**Table 4.2: Methods of Contacting Prospective Candidates**

<b>Based on personnel to be recruited</b>	
<b>Managerial/technical personnel</b>	<b>Operative personnel</b>
Advertisement	Public employment exchanges



Internet	Labour unions
Walk-ins	Employee referrals
Campus recruitments	Gate hiring
Job fairs	Labour contractors
Consultancy firms	
Personnel contacts	
Poaching and raiding	
<b>Based on the movement of the organisation</b>	
<b>Direct methods</b>	<b>Third party method</b>
Advertisement	Consultancy firms
Internet recruiting	Public employment exchanges
Campus recruitment	Labour unions
Job fairs	Employee referrals
Personnel contacts	Labour contractors
Gate hiring	

## 2. Indirect Methods:

The most frequently used indirect method of recruitment is advertisement in newspapers, journals, and on the radio and television. Advertisement enables candidates to assess their suitability. It is appropriate when the organisation wants to reach

out to a large target group scattered nationwide. When a firm wants to conceal its identity, it can give blind advertisement in which only box number is given. Considerable details about jobs and qualifications can be given in the advertisements. Another method of advertising is a notice-board placed at the gate of the company.

### **3. 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, salesmen, supervisory and management personnel. Other third-party methods include the use of trade unions. Labour-management committees have usually demonstrated the effectiveness of trade unions as methods of recruitment.

Several criteria discussed in the preceding section for evaluating sources of applicants can also be used for assessing recruiting methods. Attempts should be made to identify how the candidate was attracted to the company. To accomplish this, the application may consist of an item as to how the applicant came to learn about the vacancy. Then, attempts should be made to determine the

method which consistently attracts good candidates. Thus, the most effective method should be utilised to improve the recruitment programme.

### Philosophies of Recruitment

There are basically two philosophies of recruitment:

- Traditional
- Realistic

The traditional philosophy is to get as many people as possible to apply for the job. As a result of this, a large number of job seekers apply for the job, which makes the final selection process difficult and can often result in the selection of wrong candidates. Wrong selection can, in turn, lead to employee dissatisfaction and turnover in the long run.

In realistic philosophy, the needs of the organisation are matched with the needs of the applicants, which enhance the effectiveness of the recruitment process. In realistic approach, the employees who are recruited will stay in the organisation for a longer period of time and will perform at higher level of effectiveness.

### **Table 4.3 : Difference between Traditional and Realistic Job Preview**

<b>Traditional Job Preview</b>	<b>Realistic Job Preview</b>
Setting unrealistic and high job expectations.	Setting realistic job expectations.
Job is viewed by the candidates as highly attractive	Attractiveness of job is evaluated in the light of realistic job expectations
High rate of acceptance of job offers.	Some accept and some reject job offers.
High expectation belied by actual job experience	Expectations are confirmed by job experience.
Creations of dissatisfaction, frustration and thoughts for leaving the job	Creation of satisfaction in the light of job expectations.
High rate of personnel turnover and lower rate of job survival	High rate of personnel retention and high rate of job survival

## Summary

Recruitment forms a step in the process which continues with selection and ceases with the placement of the candidate. It is the next step in the procurement function, the first being the manpower planning. Recruiting makes it possible to acquire the number and types of people necessary to ensure the continued operation of the organisation. Thus, recruitment process is concerned with the identification of possible sources of human resource supply and tapping those sources.

Recruitment process involves five elements, viz., a recruitment policy, a recruitment organisation, the development of sources of recruitment, and different techniques used for utilising these sources, and a method of assessing the recruitment programme. After the finalisation of recruitment plan indicating the number and type of prospective candidates, they must be attracted to offer themselves for consideration to their employment. This necessitates the identification of sources from which these candidates can be attracted. Some companies try to develop new sources, while most only try to tackle the existing sources they have. These sources, accordingly, may be termed as internal and external.

Methods of recruitment are different from the sources of

recruitment. Sources are the locations where prospective employees are available. On the other hand, methods are way of establishing links with the prospective employees. Various methods employed for recruiting employees may be classified into direct methods, indirect methods and third-party methods.