Lesson-14

Staffing-- HRM Process, Recruitment and Selection

Learning Objectives

The lesson is an insight into various topics related to staffing:

- What is HRM
- What is recruitment
- Sources of recruitment
- Selection and selection process

Human Resource Management

In the fast changing environment, globalization, competition, increased opportunities and career orientation and many other factors have made the traditional approach to personnel management obsolete. The present situation demands a complete and strategic approach to HRM. HRM strategy must fit in the overall strategy of the organization because it involves long-term implications. The modern approach to the management acknowledges the interest of the employees – the major stakeholders of the organization.

Every step in HRM is of great importance and of them selection decisions stands out to be the most important. Selection decision can be sub divided into the following functions:

- Determining the nature of the job to be filled
- Determining the type of personnel required
- Determining the sources of recruitment
- Determining the selection process

The first step in ‘placing the right man in the right job at the right time’ is determining the nature of the job to be performed. In order to do the HR manager must consult the concerned line manager and find out the specific nature of the job. Once the job profile has been made, the characteristics of the candidate to fill in the job should be determined. The next step is to decide the source from which we can procure the right people. This could be either be from within the organization or from outside.

The process is depicted diagrammatically in figure 14.1.
Recruitment

A good recruitment plan has the following basic elements:

- Job profile
- Job specification
- Recruitment source

Recruitment can be defined as the process of locating, identifying and attracting prospective and capable employees to the organization.

Job Description

Before the employees can be recruited, the manager must have a clear idea about the activities and responsibilities required in the job being filled. Therefore job analysis is an early step in the recruitment process. The accuracy of the individual specification and of all the subsequent stages in selection will depend on the quality of the job analysis. Therefore it is important to have it right.

A meeting between the person responsible for selection and the head of the relevant department is necessary to decide the following:

1. The key characteristics of the job and the people who will fill it.
2. A time schedule for selection, based on the urgency with which the vacancy has to be
3. How the exercise has to be handled – internal/external.
4. The terms and conditions on which the job will be filled.

Once the job description has been determined and accompanying hiring or person specification is developed. Hiring or person specification defines the education, experience, skills that an individual should have in order to perform effectively in the position. The characteristics specified should be relevant. Only those, which are demonstrably connected with success or failure in the job, should be specified and independent. Any overlapping elements should be avoided and assessable. The attributes that can be assessed with the selection tools available should be included.

In the recruitment process, the HR department normally has primary responsibility for ensuring compliance with the mass of legislation and subsequent legal decisions concerning discrimination. Access discrimination refers to hiring considerations and practices that are based on the candidate’s membership in a particular population subgroup and not related in any way to present or future job performance. Treatment discrimination involves practices unrelated to job performance that treat subgroup members differently from others once they are in the work force. Ultimately, however, the human resources department must instruct and educate managers in the implications of compliance for their respective departments. Even job titles can be sexist and reflect de facto discrimination. For example, the job titles foreman and salesman are now outmoded. Many companies have replaced them with supervisor and salesperson, respectively.

In recent years, a host of social issues are affecting both recruitment and management more and more. The use of drug testing, AIDS testing, computer surveillance and even genetic screening by many companies has stirred fears among workers and other that employers are delving too far into worker’s personal lives.

**Sources of Recruitment**

Recruitment takes place within a labor market. This includes a mass of available people who have the skills to fill open positions. Sources for recruitment depend on the availability of the right kinds of people in the local labor market as well as on the nature of the positions to be filled. An organization’s ability to recruit employees often hinges as much on the organization’s reputation and the attractiveness of its location as on the attractiveness of the specific job offer. In general, the sources of employment can be classified into the following two types:

- Internal
- External

Many organizations have a policy of recruiting or promoting from within except in very exceptional circumstances. Filling a job opening from within the organization has the following advantages:
• Individuals recruited from within are already familiar with the organization and its members and this knowledge increases the likelihood they will succeed
• A promotion from within fosters loyalty and inspires greater effort among organization members
• It is usually less expensive to recruit or promote from within than to hire from outside the organization

The disadvantages of the internal recruitment are as follows:

• The obvious limitations of available talents
• It may encourage complacency among the employees who assume promotions
• It reduces the chances of fresh viewpoints entering the organization

Certain recruiting sources are found to be more effective than others. Some sources are discussed in the following sections.

Advertisement is a very important and common source of recruitment. Companies advertise in widely circulated newspapers. Employment news is a leading Government publication which serves as a source of recruitment. Sometimes advertisements are placed in magazines read only by particular groups. This includes for Dataquest for computer professionals, business today for management etc.

Advertisements for jobs, like any other advertisements, compete with other advertisements for attention. Marketing people have a simple and effective method called AIDA for creating good advertisements. The full form of AIDA is as follows:

A: Attract the reader’s “attention”
I: Generate “interest” in the vacancy
D: Create “desire” for the job
A: Simulate the reader to take “action”

Employment exchange-- Employment exchange, established in various cities as per public policy, offer yet another important source of recruitment.

Placement agencies-- Some agencies and associations are established to supply candidates in terms of the requirements. This is a good source for recruitment especially for professional and managerial positions.

Educational institutions-- Some companies make special efforts to establish and maintain constructive relationships with colleges so as to get the suitable qualified manpower.

Recommendations of present employees-- Some companies ask the present employees to recommend new recruits.

Selection
Once the recruiting effort has developed a pool of candidates, the next step in the HRM process is to determine who is best qualified for the job. This step is called the selection process. Selection involves mutual decision and prediction. The enterprise decides whether to make a job offer and how attractive the offer should be. The job candidate decides whether the enterprise and the job offer fit his or her needs and personal goals. The process also seeks to predict which applicants will be successful if hired. Success, in this case, means performing well on the criteria the enterprise uses to evaluate employees.

Selection decision can result in four possible outcomes. They are represented below in figure 14.2.

![Figure 14.2: Selection Decisions](image)

Correct selection decisions are those where the candidate was predicted to be successful in advance and prove to be successful on the job. At times the applicant is predicted to be unsuccessful and, as expected, performs unsatisfactorily after getting selected. While in the first case, we the worker is successfully accepted, in the later the worker is successfully rejected.

Errors arise when we reject a candidate who would have performed successfully on the job. This is termed as reject error. In certain situations a worker is accepted ultimately and performs unsatisfactorily. This is called accept errors.

Both the above errors can be minimized if the system is impartial, has a degree of objectivity and follows a fairly uniform standard of assessment. A skilled manager should
understand the benefits of good selection and also should be aware of the cost of poor selection decision.

**Steps in the Selection Process**

There are broadly four steps in the selection process and each step can further be subdivided depending on the need.

1. **Screening of application forms**

Application forms are a wealth of information and should be used wisely. It should be interpreted correctly. The primary objective would be to eliminate applicants failing to meet minimum qualifying requirements.

2. **Tests**

These include tests of intelligence, aptitude, ability and interest. Tests in intellectual ability, spatial and mechanical ability, perceptual ability and motor ability have shown to be moderately valid predictors for many semi-skilled and unskilled operative jobs in the industrial organizations. Intelligence tests are reasonably good predictors for supervisory positions. But the burden is on management to demonstrate that any test used is job related. There are two sets of tests – performance and psychological. The following are some such tests:

Performance simulation tests-- These tests are aimed to find out if the applicants can do the job successfully by asking him to do it.

- **Work sampling**-- It is an effort to create a miniature replica of a job. The applicants demonstrate that they possess the necessary skills by actually doing the tasks
- **Assessment center**-- In assessment centers, line executives, supervisors and qualified psychologists evaluate candidates as they go through two to four days of exercises that simulate real problems that the candidates are likely to encounter on the job

Psychological test-- Psychological tests are considered extremely beneficial. They can, however, can be easily misused and misinterpreted by untrained people. Good tests are useful in the right circumstances because they can provide an objective measure of people’s abilities. These tests are a most sophisticated tool for measuring human characteristics and are unbiased as compared to other tests and are therefore extensively used in selection decision. Some such psychological tests are described below:

(i) **Intelligence tests**-- Certain intelligence tests that are used now a days are Binet Simon test, Thurstone test and Wechsler Bellevue Intelligence Scale.
(ii) Aptitude tests-- These tests measure whether an individual has the capacity or latent ability to learn a given job if given adequate training. Some of the tests under this category are:

- MATRIX (Management Trial Exercise) designed by Proctor and Gamble
- CAT (Clerical Aptitude Test)-- It is to assess vocabulary, spelling, arithmetical ability, details checking, etc
- PAT (Pilot Aptitude Test)-- It is to assess coordination between hands and feet movements
- Computer Aptitude Test-- It is to assess power of reasoning and analysis

(iii) Interest tests-- These tests are designed to find out the interest of an applicant in the job he has applied for. Two of the most widely used tests are as follows:

- Strong vocational interest blank-- In the test the applicant is asked whether he likes, dislikes or is indifferent to many example of school subjects occupations, amusements, peculiarities of people and particular activities. The answers given are compared with the answers earlier given by successful people in specific professions and occupations
- Kuder preference record-- A questionnaire tests the interest in mechanical, scientific, clerical, social service, computation, persuasive, artistic, literary and musical abilities. Kuder has also designed techniques to differentiate between honest answers and those designed to make a good impression. The system is reported to be 90 per cent accurate in detecting dishonest answers

(iv) Personality tests-- This test is of great importance and should be conducted for all posts. Individuals possessing intelligence, aptitude and experience for a certain job have often been found unsuccessful because of their inability to get along with others. Some of the personality tests are given below:

- Thematic apperception test (TAT)-- This is one of the most popular projective tests in which the candidate is shown a series of pictures, one at a time and asked to write a story for each of the pictures. Examples of such scenes are, an old man knocked down by a car or a schoolboy sleeping under a tree with his school bag and knife lying beside him. The psychologist analyzes the story in terms of such factors as length, vocabulary, bizarre ideas, plot, mood, etc
- Rorschach inkblot test-- In this test the candidate is asked to organize unstructured ink blots into meaningful concepts. An integrated picture of the candidate’s personality is then formulated

3. Interview
Interviews are designed to probe into areas that cannot be addressed by the application form or tests. These areas usually consist of assessing candidates’ motivation, ability to work under stress, inter-personal skills and ability to fit-in the organization. The use of the interview in selecting executives makes sense whereas for most lower level jobs appears questionable.

4. Selection decision

In practice, the final decision will probably be between three or four candidates. It is unlikely that any of the three or four remaining applicants meet the person specification in every way. The personnel specialist together with line management will now have to weigh up the strengths and weaknesses of each candidate. The right decision depends on management judgment.

Recruitment and selection is vital function of HR in the organization. Slightest mistake will lead to a square peg in round hole. Instead of following a blind elimination process, focus should be on selecting people based on the skills and competencies required for the job.

Case Study

You are the managing director of Shri Hanuman Industries Pvt Ltd. You want your managers in your department to act completely rationally in every decision they make. You believe that all the members, irrespective of the position we are occupying, have been selected for their professionalism and I expect all to act rationally in decision-making and be right most of the time. You can excuse them for an occasional error, but can never excuse them for not acting rationally.

Questions

1. Define decision-making and explain the basic characteristics of decision-making process.
2. Explain the steps involved in the rational decision-making process.
3. Why is experience often referred to not only as an expensive basis for decision-making but also as a dangerous one? How can a manager make best use of experience?
4. Draw a decision tree for a decision problem you face.
5. “Decision making is the primary task of the manager.” Comment.
6. Your company offers you a promotion to a position in a location your family does not like. Make the necessary assumptions and then state how and what you would decide.