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- 1.1 : HUMAN RESOURCE MANAGEMENT
- 1.2 : HUMAN RESOURCE PLANNING
- 1.3 : JOB ANALYSIS
- 1.4 : RECRUITMENT
- 1.5 : SELECTION

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## HUMAN RESOURCE MANAGEMENT

### Contents

#### 1.1.0 Objectives

##### 1.1.1 Introduction

##### 1.1.2 Definition and Need

##### 1.1.3 HRM Vs HRD, and HRM Vs Personnel Management

##### 1.1.4 Scope of HRM

##### 1.1.5 Objectives of HRM

##### 1.1.6 Limitations

##### 1.1.7 Functions

##### 1.1.8 Assignment

##### 1.1.9 HRM challenges

##### 1.1.10 Summary

##### 1.1.11 Key terms

##### 1.1.12 Short Questions Exercise

##### 1.1.13 Exercise

##### 1.1.14 Important references

1.1.0 Learning Object: By reading this chapter you would understand the exciting subject of Human Resource Management (HRM) and the fundamentals that will help you to analyze its nature and will form the platform for enhanced study

#### 1.1.1 INTRODUCTION

People are vital for effective operation of a company. An organization is nothing without human resources. What is Reliance without its employees? A lot of factories, expensive equipment, and impressive bank balances are nothing without employees. They are indeed the wealth of an organization. Their importance has been increasingly understood and attempts are being made to put monetary value

to this wealth and give it a distinct place in the Balance Sheet of an organization by the process of Human Resource Accounting (E.g. by Rensis Likert).

Management is the process of efficiently getting activities completed with and through other people. The management process includes the planning, organizing, leading, and controlling activities that take place to accomplish objectives. Managers are those who work with and through other people, to perform their work of allocating scarce resources to achieve goals. If any one this criterion is missing, there is less of a need for management.

Human resource management (HRM) is concerned with the “people” dimension in management. In an abstract sense, Human Resource is the total knowledge, abilities, skills, talents and aptitudes of an organization’s workforce and the values, ethics, beliefs of the individuals working in an organization. Human resource management is that process of management which develops and manages the human elements of enterprise by managing not only the skills but also the attitudes and aspirations of people. When individuals come to work place, they come with not only technical skills, knowledge, experience etc., but also with their personal feelings, perceptions, desires, motives, attitude, values etc. So, HRM will mean management of various aspects of human resources.

### 1.1.2 DEFINITION AND NEED

Human Resource is the only living resource among 4 M’s i.e., Men, Material, Money, and Machinery. Hence, the one’s to be managed in totality. Necessarily so, because if the people’s aspirations are unsatisfied the organization may not achieve its goal.

Human resource management may be defined as a set of policies, practices and programmes designed to maximize both personal and organizational goals. It is a process by which the people and organizations are able to achieve their objectives.

According to Flippo, “Human resource management is the planning, organizing, directing and controlling of the procurement, development, compensation, integration, maintenance and reproduction of human resources to the end that individual, organizational and societal objectives are accomplished.”

The above definition clearly explains the before stated statement. The various functions listed in the definition are purported to assist in the achievement of basic organizational, individual and societal goals.

According to Institute of Personnel Management (U.K.): “Personnel Management is an integral but distinctive part of management concerned with people at work and their relationships within the enterprise. It seeks to bring together into an effective

organization the men and women who staff the enterprise enabling each to make his/her best contribution to its success, both as a member of a working group and as an individual. It seeks to provide relationships within the enterprise that are conducive both to effective work and human satisfaction.”

### Need

The approach has been attracting the attention of management professionals in the last decade or so. HRM is considered essential due to the following reasons.

- A. **Better Industrial Relations:** HRM creates proper understanding among workers and management. The workers are developed to meet their individual and organizational objectives. The workers are convinced that various managerial actions will help them in accomplishing their motives besides helping the organization. These factors remove the gap among workers and management and create an air of cordiality among them.
- B. **Develops Organizational Commitment:** Besides creating good industrial relations when workers believe that their personal needs would be met by achievement of organizational goals, it will develop a sense of pride and belongingness towards the organization. This will enhance organizational commitment and leads to improvement in efficiency and quality of work needed for international competition.
- C. **Coping with Changing Environment:** The dynamic environment spawns rapid changes with respect to technology, political conditions, competitive conditions, social conditions and the like. For instance, during the time of rapid computerization of office operations there was a lot of hue and cry among those who refused to change and it took a lot of effort to bring them into accepting the change. All these, can be improved if the manpower is developed to accept the dynamics of environment for the betterment of organization.
- D. **Change in Political Philosophy:** Political philosophy has undergone change all over the world. In India, Central Government has named a Ministry as Human Resource Development and put it under a Senior Minister. This development shows the importance given to human resource. So, there is a need for human approach towards workforce.
- E. **Increased Pressure on Employees:** The technological changes have necessitated the use of sophisticated machines whose installation, monitoring, maintenance and controlling need trained and skillful people. Human resource development has become essential for every organization.

### 1.1.3 HRM Vs HRD, AND HRM Vs PERSONNEL MANAGEMENT

Personnel Management	HRM
Personnel means persons employed. Personnel management is the management of people employed	Human resource management is the management of employees' skills, knowledge, abilities, talents, aptitudes, creative abilities etc.
Employee in personnel management is mostly treated as an economic man as his services are exchanged for wage/salary	Employee in HRM is treated not only as an economic man but also as social and psychological man. Thus, the complete man is viewed under this approach
Employee is viewed as a commodity or tool or equipment which can be purchased and used	Employee is treated as a resource
Employees are treated as cost centre and therefore management controls the cost of labour	Employees are treated as a profit centre and therefore, invests capital for human resource development and future utility
Employees are used mostly for organizational benefit	Employees are used for the multiple mutual benefit of the organization, employees and their family members
Personnel function is treated as only an auxiliary	Human resource management is a strategic management function

Human resource management and human resource development (HRD) are used interchangeably. These are two different terms. HRD is at the centre of HRM. So, HRM is a wider term than HRD.

Function of HRM include

- a. Managerial Functions
- b. Operative functions
  1. Employment
  2. Human Resources Development
  3. Compensation Management
  4. Human relations

Hence, HRD is a part of HRM concerned with vital aspect of enhancement of utilization value of human resources by improving their skill, knowledge, creative abilities and talents and moulding of other aspects like values, beliefs, aptitude and attitude in accordance with the changing requirements of groups, organization and society at large. Similarly, HRD is not synonymous with training too, while the latter is only a means to accomplish HRD tasks.

T.V. Rao and Udai Pareek have given six dimensions of human resource development:

- (i) Performance appraisal
- (ii) Potential appraisal
- (iii) Employee counseling
- (iv) Career development and planning
- (v) Training
- (vi) Organizational development

#### 1.1.4 SCOPE OF HRM

According to Dale Yoder, the scope of human resource management is very wide. It consists of the following activities:

- (i) Setting general and specific management policy for organizational relationships and establishing and maintaining a suitable organization for leadership and cooperation.
- (ii) Collective bargaining, contract negotiation, contract administration and grievance handling.
- (iii) Staffing the organization, finding, getting and holding prescribed types and number of workers.
- (iv) Aiding in the self development of employees at all levels providing opportunities for personal
- (v) Developing and maintaining motivation for workers by providing incentives
- (vi) Reviewing and auditing manpower management in the organization
- (vii) Industrial relations research-carrying out studies designed to explain employee behavior and thereby effecting improvement in manpower management.

Indian Institute of Personnel Management describes the scope of human resource management into the following aspects:

- (i) **The Personnel Aspect:** This aspect of human resource management is concerned with the manpower planning, recruitment, selection, placement, induction: transfer, promotion, demotion, termination, training and development, layoff and retrenchment, wage and salary administration, incentives, productivity etc.
- (ii) **The Welfare Aspect:** This aspect is concerned with looking after the welfare of the workers in respect of working conditions and amenities such as crèches, rest rooms, washing facilities, lunch rooms, transport etc.
- (iii) **The Industrial Relations Aspect:** It is concerned with the company's relations with the employees. It includes union management relations, joint consultation, negotiating, collective bargaining, grievance handling, disciplinary actions, settlement of industrial disputes etc.

For other functions of HRM the students can look into the functions chart of HRM

### 1.1.5 OBJECTIVES OF HRM

Objectives are pre-determined goals to which individual or group activity in an organization is directed. Objectives of personnel management are influenced by organizational objectives and individual and social goals. The various objectives of HRM are as follows:

- a. To create and utilize an able and motivated workforce, to accomplish the basic organizational goals.
- b. To establish and maintain sound organizational structure and desirable working relationships among all the members of the organization
- c. To secure the integration of individual and groups within the organization by co-ordination of the individual and group goals with those of the organization
- d. To create facilities and opportunities for individual or group development so as to match it with the growth of the organization
- e. To attain an effective utilization of human resources in the achievement of organizational goals
- f. To identify and satisfy individual and group needs by providing adequate and equitable wages, incentives, employee benefits and social security and measures for challenging work, prestige, recognition, security, status etc.

- g. To maintain high employee morale and sound human relations by sustaining and improving the various conditions and facilities.
- h. To strengthen and appreciate the human assets continuously by providing training and developmental programmes.
- i. To consider and contribute to the minimization of socio-economic evils such as unemployment, under-employment, inequalities in the distribution of income and wealth and to improve the welfare of the society by providing employment opportunities to women and disadvantaged sections of the society etc.
- j. To provide an opportunity for expression and voice in management
- k. To provide fair, acceptable and efficient leadership
- l. To provide facilities and conditions of work and creation of favorable atmosphere for maintaining stability of employment.

Management has to create conducive environment and provide necessary prerequisites for the attainment of the personnel management objectives after formulating them

#### Pre-requisites for attaining the objectives

- a. Recruitment of right personnel possessing requisite skills, knowledge and competence
- b. Making the employees know about the management's view that 'people work with us rather than people work for us'.
- c. Every employee should be informed of the goals to be achieved and the part of their contribution for the attainment of organizational goals
- d. Maintenance of sound industrial and human relations, well-supported by monetary and non-monetary benefits so as to mould the employee attitudes, and behavior towards the job and organizational requirements
- e. Formulation of sound organizational policies indicating clear cut authority, responsibility and accountability

#### 1.1.7 LIMITATIONS

HRM approach is very useful in creating work culture in the organization but it suffers from certain limitations which are as follows:



- a) **Recent Origin:** HRM is a discipline of recent origin. Hence, it lacks universally accepted definition of various terms, functions, criteria etc.; this gives rise to conflict and different interpretation of various aspects. Many are not clear about the difference in HRM and HRD or Personnel Management too. But with the passage of time the discipline will gain relative agreement among HRM specialists as to what constitutes the field of HRM.
- b) **Lack of Top Management Support:** Not long ago personnel departments were once called “Health and Happiness” departments. The people assigned to deal with personnel issues were often individuals who were past their prime. The department was seen as a place of less-productive employees to take care of planning company picnics, vacation schedules, and retirement parties. However, as the field began to mature, more emphasis was being placed on the workers as various studies revealed that it can influence productivity and the top management began to understand that human resources of an organization mandates management.
- c) **Improper Implementation:** As jobs become more complex, the importance of employee training increases but it requires an assessment of the needs and aspirations of people. Many a times, HRM is implemented half-heartedly by conducting various programmes looking into the budget and pockets while ignoring its usefulness to the employees.
- d) **Inadequate Development Programmes:** Human resource management requires implementation of programmes such as career planning, on the job training, development programmes, counseling etc. There is a need to create an atmosphere of learning in the organization. In reality HRM programmes are confined to class room lectures and expected results do not come out.
- e) **Inadequate Information:** Some organizations do not have requisite information about their employees. There is a need to collect, store and maintain a database of relevant information about employees like their age, previous work experience, and education qualification etc before implementing HRM.

From a questionable image to a more important and powerful position, the HRM have become all the more important. This can be largely be attributed to such factors as increasing labor costs, concern for improving worker productivity, search for compensations plans that motivate, and the need for interpreting and implementing new government laws and regulations. Successful HRM executives will have become strong decision makers and will accept the responsibilities that go with greater influence.

### 1.1.7 FUNCTIONS OF HRM

Function of HRM include

#### A. Managerial Functions

These involve the following:

1. **planning** : It is determining in advance of human resource requirements that will contribute to organizational goals. It involves forecasting of personnel needs, changing values, attitudes and behavior of employees and their impact on organization
2. **organizing** : An organization is a structure and a process of interrelationships among the employees so that they can contribute to the attainment of company goals.
3. **directing** : It is the basic function of personnel management of motivating, commanding, leading and activating people.
4. **controlling** : It involves checking, verifying and comparing of the actual with the plans, identification of deviation for corrective actions

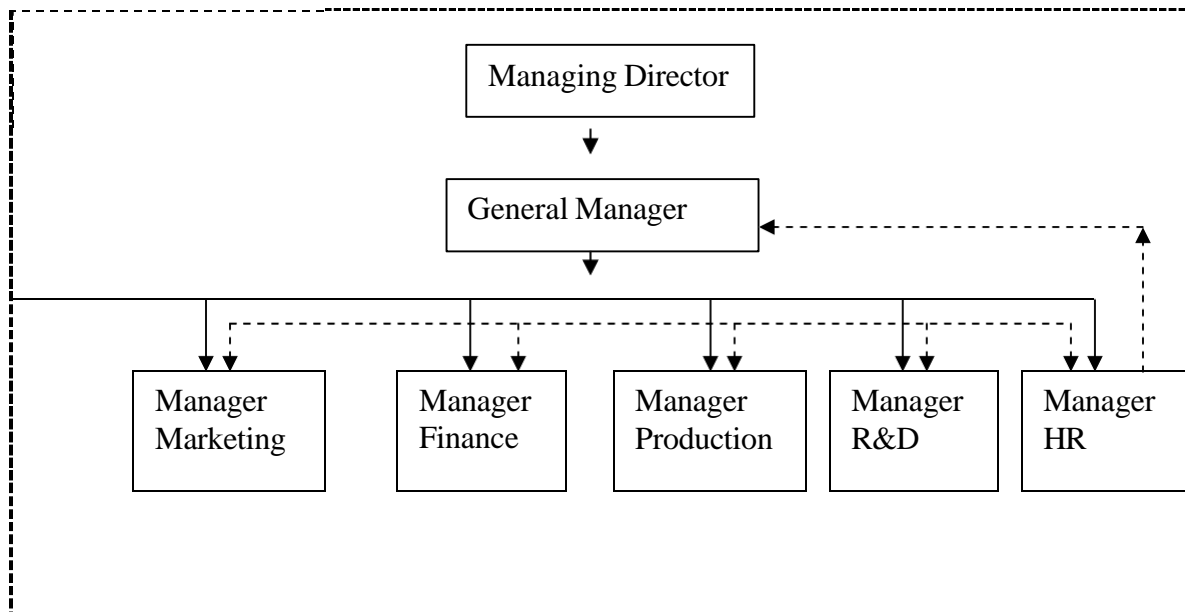
#### B. Operative functions

These functions are related to specific functions of HRM

1. **Employment** : It is the first operative function which is concerned with securing and employing the people possessing required kind and level of human resources necessary to achieve organizational objectives. It involves:
  - a. **job analysis** : It is the process of study and collection of information relating to the operations and responsibilities of a specific job
  - b. **human resources planning** : It is a process of determination and assuring that the organization will have an adequate number of qualified persons available at proper times
  - c. **recruitment** : It is the process of searching for prospective employees and stimulating them to apply for jobs in an organization
  - d. **selection** : It is the process of ascertaining the qualifications, experience, skill, knowledge etc. of an applicant with a view to appraising its suitability to a job.
  - e. **Placement** : It is the process of assigning the selected candidate with the most suitable job in terms of job requirements

- f. **induction and orientation** :These are the techniques by which a new employee is rehabilitated in the changed surrounding and introduced to the practices, policies, purposes and people of the organization
2. **Human Resources Development** : It is the process of improving, moulding and changing the skills, knowledge, creative ability, aptitude, attitude, values, commitment etc., based on present and future job and organizational requirements.
  - a. **Performance appraisal** : It is the systematic evaluation of individuals with respect to their performance on the job and their potential for development
  - b. **Training** : It is the process of imparting the employees the technical and operating skills and knowledge
  - c. **Management development** : It is process of designing and conducting suitable executive development programmes
  - d. **Career planning and development** : It is the planning of one's career and implementation of career plans by means of education, training, job search and acquisition of work experiences. It includes internal mobility and external mobility.
  - e. **Organization change and organization development** :It is a planned process designed to improve organizational effectiveness and health through modifications in individual and group behavior, culture and systems of the organization using knowledge and technology of applied behavioral science.
3. **Compensation Management** : It is the process of providing adequate, equitable and fair remuneration to the employees. It includes
  - a. **Job evaluation** : It is the process of determining relative worth of jobs
  - b. **Wage and salary administration** :It is the process of developing and operating a suitable wage and salary programmeOther benefits include
  - c. Incentives
  - d. Bonus
  - e. Fringe benefits
4. **Human relations**
  - a. Motivation

- b. Morale
- c. Job satisfaction
- d. Communication
- e. Grievance and disciplinary procedure
- f. Quality of work life & quality circles



Note: “ \_\_\_\_\_ ” denotes line relationship

“ \_\_\_\_\_ ” denotes staff relationship

Fig 1: Line and Staff Relationships in an organisation

Assignment: 1.What do you understand by human resource management?

2. Discuss various functions of HRM.

### 1.1.9 HRM CHALLENGES

The past quarter century has seen significant changes in our society brought about by technological advancements, social alternations, economic influences, and political pressures. These changes will certainly impact the future and the issues that would be emphasized in the future would be:

- a) Increasing need for leadership and motivation: The HR managers in future will not only look after personnel functions but also be involved in leadership and motivation of the entire organization
- b) Increasing concern by organizations with HRM: it is expected that ambitious executives will use HRM as opposed to the more traditional functions of engineering, production, finance, or marketing as the route to the top
- c) Removal of termination as a threat: Life time employment would become the norm and there will be greater need for the organization to become actively involved in career development and planning with the employees because of reduction of manager's power to exact compliance through the threat of termination.
- d) Creation of a bimodal work force: growth in the work force will be concentrated at two extremes of very high salaries and minimum wage of low skilled service workers. Major salary and benefit structure changes will have to be made to accommodate this bimodal work force.
- e) Managements' move to make their organization "lean and mean": as a result of deregulation, foreign competition, and the like, organizations will have to trim the fat, or inefficiencies. Organizations will embark heavily on de-hiring practices and "buying out" their older employees and senior executives. Commitment and loyalty will suffer and employees will become more 'self' oriented and would become less secure in their jobs.
- f) Dual career couples: women's movement and inflation have caused the proliferation of dual-career couples. This will lead to decrease in employees' mobility and organizations will continue to face more resistance to offers of promotions that require geographical moves.
- g) Benefits and health: To attract and keep good female employees, the organization will provide expanded day-care benefits. This will increase an organization's costs.
- h) Working at home: Through the use of personal computers, more workers will be doing work from home. This will require major restructuring of pay levels i.e., to determine the worth of each job and pay accordingly.
- i) Matching the environment to the employee (Ergonomics): Organizations are trying to create a pleasant work station that would ease fatigue and back strain by studying the office furniture, work environment and space utilization etc. It is likely that open space office concept will become prominent.

- j) Decline of unions: Because of bimodal work force there would be fewer employees joining the unions. The unions will focus, however, on the low to moderately skilled workers. This will intensify the animosity between management and unions. There are also changes of exacerbating the tension between the 'educated professionals' and the 'minimum wage service workers'.

According to Bergly and Slover "the future manager will be better grounded in social sciences, world affairs, and the humanities in general. He will effectively integrate the techniques of information technology with the human resources available to him". The main challenge before the human resource manager will be to create and manage the human system in tune with the more participative, result oriented, adaptive and humanistic organizations.

The future progress of this function will depend upon how the HR managers are able to cope up with new challenges.

#### 1.1.10 SUMMARY

Organizations depend on people to make them operate. Management is the process of getting activities completed with and through other people. Human resource management (HRM) is a process consisting of the acquisition, development, motivation, and maintenance of human resources.

#### 1.1.11 KEY TERMS

Human Resource is the total knowledge, abilities, skills, talents and aptitudes of an organization's workforce and the values, ethics, beliefs of the individuals working in an organization.

Human resource management (HRM) is that process of management which develops and manages the human elements of enterprise by managing not only the skills but also the attitudes and aspirations of people.

Personnel management Vs HRM: Personnel means persons employed. Personnel management is the management of people employed. Human resource management is the management of employees' skills, knowledge, abilities, talents, aptitudes, creative abilities etc.

#### 1.1.12 Short Questions Exercise

1. Define HRM
2. What are the functions and Limitations of HRM.

#### 1.1.13 EXECISE

- (a) What do you understand by human resource management? Why is it needed?
- (b) Describe the scope of human resource management. Discuss its need and limitations.

- (c) Human resource management plays a vital role in the whole system of management of an industrial organization. Explain

#### 1.1.14 IMPORTANT REFERENCES

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BBA Part-II  
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Principles of Human Resource  
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LESSON No. 1.2

Author: Dalbir Kaur

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## HUMAN RESOURCE PLANNING

### Contents

- 1.2.0 Objective
- 1.2.1 Introduction
- 1.2.2 Definition and Meaning
- 1.2.3 Importance of HRP
- 1.2.4 Factors affecting HRP
- 1.2.5 Human Resource Planning Process
- 1.2.6 Assignment
- 1.2.7 Barriers to HRP
- 1.2.7 Summary
- 1.2.8 Key terms
- 1.2.9 Short Questions
- 1.2.10 Exercise
- 1.2.11 Important references

1.2.0 Learning Object: By reading this chapter you would understand how the managerial function of Human Resource Planning (HRP) relates to total managerial system and is an essential part of total enterprise plans necessary to achieve organizational goals.

### 1.2.1 INTRODUCTION

The supply of human resources must be sufficient to ensure the healthy operation of the organization, whether it is a business firm, a government agency, a professional football team, or a university. Toward this objective of continuing healthy operations, the organization requires human resource planning.



### 1.2.2 DEFINITION AND MEANING

Specifically, human resource planning is the process by which an organization ensures that it has the right number and kinds of people, at the right places, at the right time, capable of effectively and efficiently completing those tasks that will help the organization achieve its overall objectives. Human resource planning, then, translates the organization's objectives and plans into the number of workers needed to meet those objectives. Without clear-cut planning, estimation of an organization's human resource need is reduced to mere guesswork.

According to Dale S. Beach, "Human resource planning is a process of determining and assuring that the organization will have an adequate number of qualified persons available at the proper times, performing jobs which meet the needs of the enterprise and which provide satisfaction for the individual involved".

According to G. Stainer, "Manpower Planning is the strategy for the acquisition, utilization, improvement and preservation of an organisation's human resources. It is aimed at coordinating the requirements for and the availability of different types of employees"

According to Bruce P. Coleman, "Manpower planning is the process of determining manpower requirements and the means for meeting those requirements in order to carry out the integrated plan of the organization".

### 1.2.3 IMPORTANCE OF HRP

Every organization has to plan for human resource due to:

- (i) The shortage of certain categories of employees and/or variety of skills despite the problem of unemployment
- (ii) The rapid changes in technology, marketing, management etc., and the consequent need for new skills and new categories of employees
- (iii) The changes in organization design and structure affecting manpower demand
- (iv) The demographic changes like the changing profile of the workforce in terms of age, sex, education etc.
- (v) The government policies in respect to reservation, child labour, working conditions etc.
- (vi) The labour laws affecting the demand for and supply of labour.
- (vii) Pressure from trade unions, politicians, sons of the soil etc.
- (viii) Introduction of computers, robots etc

- (ix) The involvement of lead time in manning the job with most suitable candidate

Table showing need for different ranges of HR Plans

	Short Range (0-2 yrs)	Intermediate Range (2-5 yrs)	Long-range (>5 yrs)
Demand for	Authorized expansion, technological changes, new legislation, employee turnover, layoffs, and contractual restrictions	Operating needs from budgets or plans, expansion or contraction or adjustments	Geographical capacity, size of the organization and system; product lines; services offered; load anticipated. Changes in environment and technology essentially judgmental. Labour saving equipment, efficiencies, productivity, etc
Supply for labour: Internal	Departmental rosters; promotions, expected losses, quits, death	Merger or acquisition plans, managerial and supervisory development programmes	Management expectations of changing characteristics of employees and future available manpower.
Supply of labour: External	Area employment levels; number of employees needed	Labour market projections, business development plans, general institutional plans to hire	Management expectations of future conditions affecting immediate decisions

Source: C.B. Memoria, p 180

#### 1.2.4 FACTORS AFFECTING HRP

Several factors affect HRP. These factors can be classified into external factors and internal factors

## Factors affecting HRP



Government's policy	Policies and strategies of the company
Level of Economic Development including future supply of HRS	Human Resource Policy of the company
Business Environment	Formal and Informal Groups
Level of Technology	Job Analysis
Natural Factors	Time Horizons
International Factors	Type and quality of information
	Company's productional operations policy
	Trade unions

### External Factors

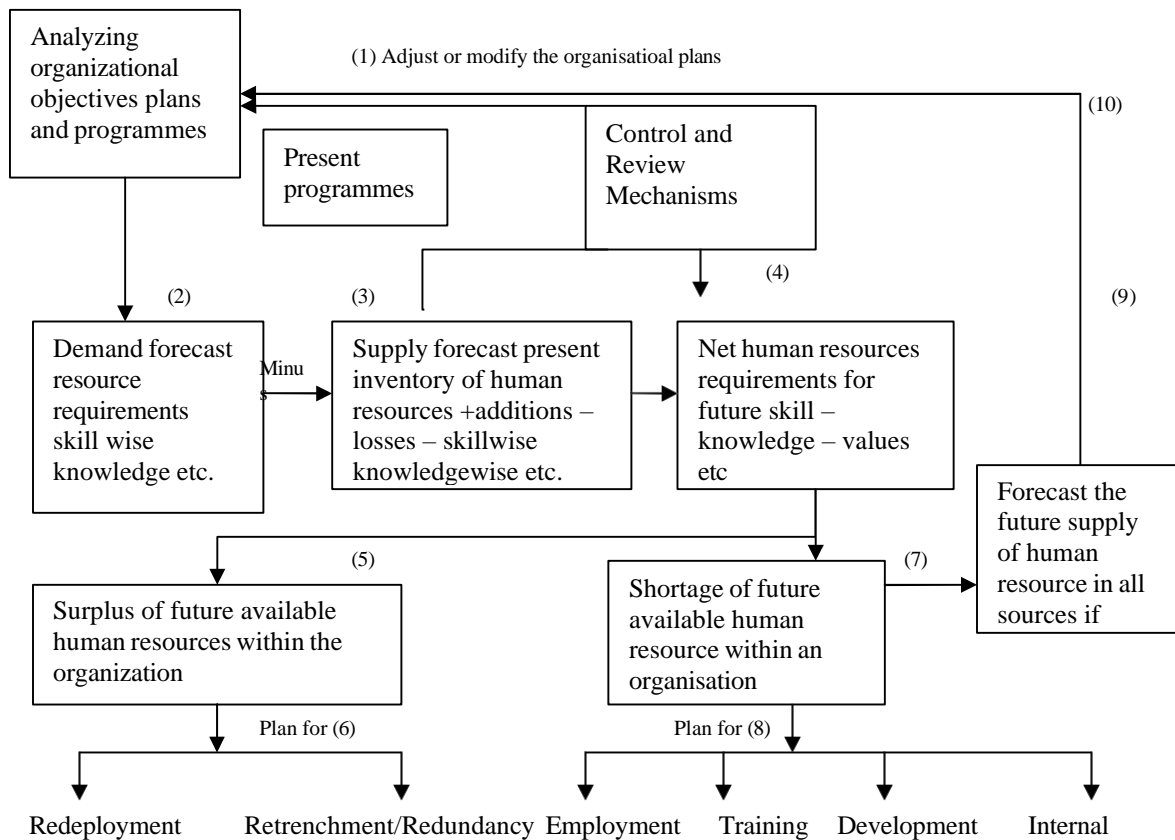
- (i) Government's policy: policies of the government like labour policy, industrial relations policy, policy towards reserving certain jobs for different communities and sons-of-the-soil etc
- (ii) Level of economic development: It determines the level of HRD in the country and thereby the supply of human resources in the future in the country
- (iii) Business Environment: External business environmental factors influences the volume and mix of production and thereby the future demand for human resources
- (iv) Level of technology: It determines the kind of human resources required
- (v) International Factors: International factors like the demand for and supply of human resources in various countries

### Internal Factors

- (i) Company Policies and Strategies: Company's policies and strategies relating to expansion, diversification, alliances etc. determine the human resource demand in terms of quality and quantity.

- (ii) **Human Resource Policies:** HR policies of the company regarding quality of human resource, compensation level, quality of work life etc. influences human resource plan
- (iii) **Job Analysis:** Fundamentally, human resource plan is based on job analysis. Job description and job specification determines the kind of employees required.
- (iv) **Time Horizons:** Companies with stable competitive environment can plan for the long run whereas the firms with unstable competitive environment can plan for only short term range
- (v) **Type and Quality of Information:** Any planning process needs qualitative and accurate information. This is more so with human resource planning. It requires specific information on skills inventories, constitutional provisions and labour laws, turnover data, labour market analysis and the like
- (vi) **Company's production operations policy:** Company's policy regarding how much to produce and how much to buy from outside to prepare a final product, influences the number and kind of people required.
- (vii) **Trade Unions:** Influence of trade unions regarding number of working hours per week, recruitment sources etc. affect the HRP.

### 1.2.5 HUMAN RESOURCE PLANNING PROCESS



1. The process of human resource planning should start with analyzing the organizational plan into production plan, technological plan, and plans for expansion, diversification etc., marketing plans, sales plan, and financial plan. Each plan is further analyzed into sub-units. Detailed programmes should be formulated on the basis of unit wise plans. Analysis of organizational plans helps in forecasting the demand for human resources as it provides the quantum of future work activity.
2. The existing job design and analysis may thoroughly be reviewed keeping in view the future capabilities, knowledge and skills of present employees. Further, the jobs should be redesigned and reanalyzed reflecting the future human resources and based on future organizational plans.
  - i. **Managerial judgment:** Under this method the managers or supervisors who are well acquainted with the workload, efficiency and ability of employees, think about their future workload.

- ii. **Statistical Techniques:** There are two types of statistical techniques useful for human resource planning, viz., ratio-trend analysis, and econometric models which are based on relationship between variables.
  - iii. **Work study techniques:** These techniques are more suitable where the volume of work is easily measurable. Under this method, total production and activities in terms of clear units are estimated in a year. Man hours required to produce/perform each unit is calculated. Work ability of each employee is estimated in terms of man hours after giving due weightage to absenteeism, rest etc and then the required number of employees is calculated.
3. The first step of forecasting the future supply of human resource is to obtain the data and information about the present resource inventory.
  - i. **Existing inventory:** The data relating to present human resources inventory in terms of human resources components, number, designation-wise, department-wise should be obtained. Principal dimensions of human resources inventory are, head counts, job family inventory based on categorization of employees on the basis of skill, qualification and operations, age inventory,
  - ii. **Potential additions:** Potential additions are new hires, promotions in, transfer in, and demotion results in reduction in total inventory either on permanent basis or temporary basis
  - iii. **Potential losses:** It includes voluntary quits, deaths, retirements, dismissals, layoffs, disablement due to ill health or involvement in accident, loss of values, aptitude etc, due to change in the attitude of existing employees towards the job, department and organization
  - iv. **Analyzing sources of supply:** After estimating future supply of human resources, sources of supply should be analyzed with a view to ensure the availability. Both internal and external factors affecting manpower supply should be analyzed. Internal factors include: training facilities, salary levels, benefits, inter-personal relations, company programmes, scope for self-advancement and growth, promotional opportunities, pride for creative and innovative ideas, providing challenging work etc. The external factors are classified into local factors and national factors.
4. **Estimating the Net human resource requirements:** Net human resource requirements in terms of number and components are to be determined in relation to the overall human resource requirements (demand forecast) for a

future date and supply forecast for that date. The difference shows the calculation of human resource.

5. Action Plan for Redeployment, Redundancy/Retrenchment: if future surplus is estimated, the organization has to plan for redeployment, redundancy etc.
6. Forecast future supply from all the sources: If deficit is estimated in any department and in the entire organizations, management has to forecast the future supply of human resources from various sources.
7. Action plan for recruitment, development etc: Recruitment and selection plan requirement information on the number and type of employees required, when they are required and time necessary for recruitment and selection process. It also covers the time factor for induction, preliminary training and placement.
8. Modify the organizational plan: if future supply of human resources from all the external sources is estimated to be inadequate or less than the requirements, the manpower planner has to suggest the management to alter or modify the existing organizational plan.
9. Retention plan: Due to shortage of required category of experienced employees the organizations should plan for retention of the existing employees.
10. Control and Review Mechanism: after the action plan is implemented regarding redeployment, redundancy and retrenchment, etc human resources structure and system should be controlled and reviewed with a view to keep them in accordance with the plan.

### Assignment

- a) Define Human Resource Planning.
- b) Outline the steps involved in the HRP process?

#### 1.2.6 BARRIERS TO HRP

Manpower planning is not always successful; the main problems are as follows:

- (i) Accuracy of forecasts: Manpower planning involves forecasting the demand and supply of human resources. Thus, the effectiveness of planning depends upon the accuracy of forecasts. If the forecasts are sloppy, planning would suffer.
- (ii) Identity crisis: Many human resource specialists and the managers do not understand the whole manpower planning process. Because of this, there is generally an identity crisis. Till the specialists develop a strong sense of purpose, planning cannot be effective.

- (iii) Support of top management: Manpower planning requires full support of top management. In the absence of which it would not be possible to ensure the necessary resources, cooperation and support for the success of the manpower planning
- (iv) Resistance from Employees: Employees and trade unions resist manpower planning as they feel that this would lead to increase in their overall workload and regulates them through productivity bargaining.
- (v) Insufficient Initial Efforts: Successful human resource planning flourishes slowly and gradually.
- (vi) Management Information System: Effectiveness of planning depends upon the reliability of the information system. In most of the Indian industries human resource information system has not fully developed hence lack of reliable data for effective planning
- (vii) Uncertainties: Various factors like absenteeism, turnover, seasonal employment, technological changes and market fluctuations cannot be forecast with accuracy.
- (viii) Expensive and time consuming: Manpower planning is an expensive and time consuming process. Employers may resist manpower planning as it may lead to increase in cost
- (ix) Coordination with other managerial functions: There is generally a tendency on the part of the manpower planners to remain aloof from other operating managers and to become totally absorbed in their own world. To be effective manpower planning must be integrated with other management functions.
- (x) Unbalanced approach: Many human resource experts give more importance on the quantitative aspect of manpower to ensure that there is adequate flow of people in and out of the organization. They overlook the qualitative aspects like career development and planning, skill levels, morale etc.

Thus manpower planning suffers from inherent problem of forecasting and from human weaknesses.

#### Suggestions for making HRP effective

- (i) Integration with organizational plans
- (ii) HRP period to be appropriate to the needs and circumstances of the enterprise
- (iii) Planning function should be properly organized
- (iv) It must have full support from top management



- (v) Active participation and coordination of operating executives
- (vi) Efficient and reliable information system
- (vii) Balanced approach to qualitative and quantitative aspects of manpower like career planning, development, morale etc

### 1.2.7 SUMMARY

Human Resource Planning is the process by which an organization ensures that it has the right number and kinds of people, at the right places, at the right time, capable of effectively and efficiently completing those tasks that will help the organization achieve the overall objectives.

The various steps involved in the human resource planning process requires assessing the current status of the organisation's resources

- (a) A human resource inventory describes skills available within the organization
- (b) A job analysis provides information about jobs currently being done. This information is the critical input for job descriptions, job specifications, and job evaluation.

Next is to review the organisation's overall objectives and revenue projections; and translate the organisation's revenue projections into a forecast of demand for human resources.

The next step involves as assessment and forecast of internal and external supply sources.

The final step in the human resource planning process consists of matching the forecasts of future demand and supply. This will highlight shortages and overstaff positions. Formulating action plans is the logical next step. Another dimension of HRP is focusing on relevant retrenchment issues like outplacement, layoffs, work sharing, reduced work hours, early retirement and the like amicably and delivering satisfaction to the laid off workers by working for its redeployment elsewhere.

### 1.2.8 KEY TERMS

Human Resource Planning: human resource planning is the process by which an organization ensures that it has the right number and kinds of people, at the right places, at the right time, capable of effectively and efficiently completing those tasks that will help the organization achieve its overall objectives

Human resource inventory: information such as list of names, education, training, prior employment, current position, performance ratings, salary level, languages spoken, capabilities and specialized skills etc kept in report for HRP.

### 1.2.9 Short Questions

1. Define HRP.
2. What are the factors affecting HRP.
3. What are the barriers of to HRP.

### 1.2.10 EXERCISE

Ques.1 What are the factors affecting successful HRP in entirety? Elaborate the barriers to HRP.

Ques.2. How can organizations develop accurate human resource plans when there are so many rapidly changing environmental factors over which managers have little or no control?

Ques.3. How is organization-wide planning different from human resource planning? How is it similar?

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## JOB ANALYSIS

### Contents:

#### 1.3.0 Objectives

#### 1.3.1 Introduction

#### 1.3.2 Definition and Need

#### 1.3.3 Job analysis Methods

#### 1.3.4 Purposes of Job Analysis

#### 1.3.5 Job Design

#### 1.3.6 Methods of Job Design Assignment

#### Assignment Questions

#### 1.3.7 Summary

#### 1.3.7 Key terms

#### 1.3.9 Short Questions

#### 1.3.10 Exercise

#### 1.3.11 Important references

**1.3.0 Learning Objective:** There is no mystery to a job analysis. It is just an accurate recording of the activities involved. By reading this chapter you would be able to define job analysis, distinguish between job descriptions, job specifications, and job evaluation.

### 1.3.1 INTRODUCTION

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. In recording these activities, we are simply gathering information about specific job attributes. The importance of job analysis cannot be overstated as recruiting, selecting, hiring, paying, and promoting employees are procedurally defined by the result of job analysis. An analysis of resignation often indicates that the individuals feel what they were hired to do and what they are

required to do, the latter requiring different skills and aptitudes comes out to be different things. Unfortunately it becomes too late later on while the company spends hugely on training the persons without properly matching the job requirements with people skills.

A job analysis information hierarchy begins with the smallest segment of information, which we call an element becoming broader.

**Element:** a job element is the smallest unit into which work can be divided. For instance, putting tomato on a burger is an example of an element in the job of a fry cook at McDonald's.

**Task:** a task is a distinct work activity carried out for a distinct purpose. Examples would include typing a letter, preparing a lecture, or unloading a mail truck.

**Duty:** a duty is a number of tasks. Counseling students is a duty of a college instructor. A general accounting clerk's duties might include preparing the monthly income statement and distributing the weekly payroll checks.

**Position:** a position 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 an organization; vacancies may create more positions than employees. Example includes Supervisor – Grade IV, Assistant Professor Level 2.

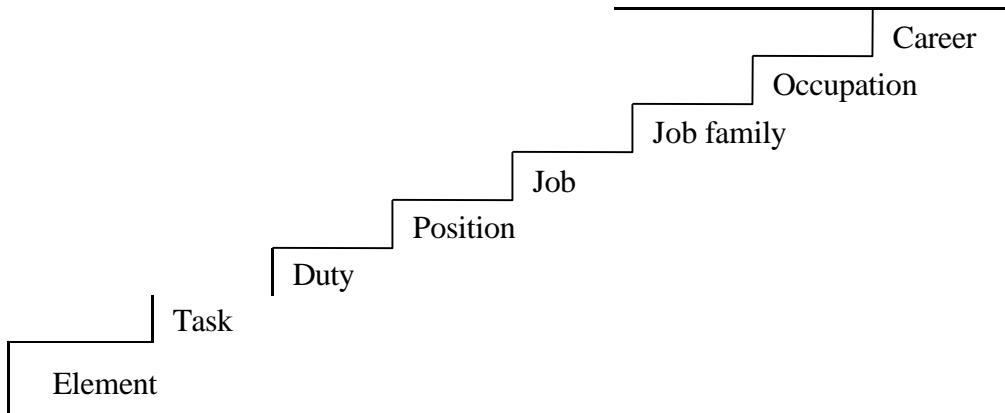
**Job:** a job is a type of position within an organization. If a large insurance company employs sixty life insurance actuaries, then there are sixty positions, but just one life insurance actuary job.

**Job family:** a job family is a group of two or more jobs that either call for similar worker characteristics or contain parallel work tasks as determined by job analysis. At the previously mentioned insurance company, service clerks and policy correspondents represent two jobs that frequently are placed in a common job family because they have many similar worker characteristics.

**Occupation:** an occupation is a group of similar jobs found across organizations. Electrician, accountant, and service maintenance engineer are examples of occupations.

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

Fig 1.The job Analysis Information Hierarchy



### 1.3.2 DEFINITION AND NEED

According to Edwin B. Flippo, "Job analysis is the process of studying and collecting information relating to the operations and responsibilities of a specific job."

According to Richard Henderson, "Job analysis involves the identification and precisely identifying the required tasks, the knowledge and skills necessary for performing them and the conditions under which they must be performed."

Thus, the main purpose of job analysis is to collect the data and then to analyze the data relating to a job. The data may relate to:

- Job identification

- Nature of job

- Operations involved in doing the job

- Materials and equipment required to do the job

- Personnel qualities required to do the job

- Relation of the job with other jobs in the organization.

- Job description and job specification are two products of job analysis.

#### Needs / Uses

Classifying jobs by job analysis and establishing interrelationships among them help in functional differentiation and establishing hierarchical positions in organization.

Job analysis is the qualitative aspect of manpower planning which determines the requirements of skills in the form of duties and responsibilities.

If provides information regarding the qualities of job which help in hiring a right person for the job.

It helps in matching the job requirements with the abilities, interests and aptitudes of people.

It provides valuable information to identify the training needs, to design training programmes and to evaluate training effectiveness.

It provides basis for job evaluation which determines the relative worth of the jobs for remuneration fixation.

It provides clear-cut standard of performance for every job which helps in performance appraisal objectively.

It helps the industrial engineers in designing the job by making comprehensive study of the job elements.

It also uncovers the hazardous and unhealthy environmental factors such as heat, noise, fumes, dust etc. which assist in promotion of safety and health conditions.

It studies the failure of the workers to meet the required standard of performance to take corrective measures in advance.

It provides information about career choices and personal limitations which is helpful in vocational guidance and rehabilitation counseling.

Last but not the least; it will be helpful in improving labour management relations. It can also be used to resolve disputes and grievances relating to work load, work procedures etc.

### 1.3.3 JOB ANALYSIS METHODS

The methods that managers can use to determine job elements and the concomitant knowledge, skills, and abilities necessary for successful performance include the following:

**Observation method** – using this method, a job analyst watches employees directly or reviews films of workers on the job. While the observation method provides firsthand information, workers in many cases do not function most efficiently when they are being watched. Thus distortions in the job analysis may occur. This method also requires that the entire range of activities be observable; possible with some jobs, but impossible for many – e.g., most managerial jobs.

**Individual interview method** – using this method, job incumbents are selected and extensively interviewed. The results of these interviews are combined into a

single job analysis. This method is effective for assessing what a job entails, but is very time-consuming.

**Group interview method** – this method is similar to the individual interview method except that a number of job incumbents are interviewed simultaneously. Accuracy is increased in assessing jobs, but group dynamics may hinder its effectiveness.

**Structured questionnaire method** – using this method, workers are sent a structured questionnaire on which they check or rate items they perform on their job from a long list of possible task items. This technique is excellent for gathering information about jobs. However, exceptions to a job may be overlooked, and feedback is often lacking.

**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 a good data gathering method, it often overlooks the incumbent workers' perceptions about what they do on their job.

**Diary method** – this method requires job incumbents to record their daily activities. It provides much information but is seldom applicable to job activities. The diary method is the most intrusive of the job analysis methods, requiring much time. To capture the entire range of work activities, this method may have to continue for long periods of time – all adding to cost.

These six methods are not meant to be viewed as mutually exclusive. The best results are usually achieved with some combination of methods.

**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 clear picture of actual job requirements can be obtained by distinguishing between effective and ineffective behavior 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.

**Functional Job Analysis:** It was developed by Department of Labor, US. This procedure describes what a worker does by having someone observe and interview the employee. This information is then cataloged into three general functions that exist in all jobs – data, people and things. (See fig 2). An office receptionist clerk, for example, might be found to copy the data, speak with people, and handle things. The job would be coded as 5, 6, and 7. This type of coding of key elements is known as functional job analysis. So, the data on the office receptionist clerk job, would

also tell us exactly *what* data are copied, with *whom* the job holder speaks, and *which* things are handled.

The DOL technique allows managers to group jobs into job families that require similar kinds of worker behavior and traits which would benefit managers in identifying the kinds of people that the organization needs.

Fig 2. Work Functions, DOL

DATA	PEOPLE	THINGS
Synthesizing	Mentoring	Setting Up
Coordinating	Negotiating	Precision working
Analyzing	Instructing	Operating – controlling
Compiling	Supervising	Driving – operating
Computing	Diverting	Manipulating
Copying	Persuading	Tending
Comparing	Speaking-signaling	Feeding – off bearing
	Serving	Handling
	Taking instructions - helping	

Position Analysis Questionnaire: developed by researchers at Purdue University, the Position Analysis Questionnaire (PAQ) generates job requirement information that is applicable to all types of jobs; but in contrast to the DOL approach, it presents a more quantitative and finely tuned description of jobs. The PAQ procedure involves '194 elements within 27 division job dimensions and five overall job dimensions'. These 194 elements represent six activity categories (fig 3). Jobs are rated by the degree to which these 194 elements are present.

Important dimensions on which jobs differed from each other were found to be the following:

Having decision-making/communication/social responsibilities: This dimension reflects activities involving considerable amounts of communication and interaction with people, as well as responsibilities associated with decision making and planning functions, such as might be the case with general foreman.



**Performing skilled activities:** This dimension is characterized by activities of a skilled nature in which technical devices or tools tend to be used, and in which there is an emphasis on precision, recognizing differences, and manual control, such as in the case of tool and dye makers .

**Being physically active/related environmental conditions:** This dimension is characterized by activities involving considerable movement of the entire body or major parts of it, and by environments such as those found in factories and shops.

**Operating vehicles/equipment:** This dimension is characterized by some aspect of the operation or use of vehicles or equipment, typically involving sensory and perceptual processes and physical functions.

**Processing information:** This dimension is characterized by a wide range of information-processing activities, such as those engaged in by budget officers or editors, in some instances accompanied by the use of machines such as office machines.

The PAQ, in summary, allows management to scientifically and quantitatively group interrelated job elements into job dimensions. This, in turn, allows jobs to be compared with each other and similar jobs to be clustered into job families. The major use of this information is to develop job descriptions and job specifications, and to conduct job evaluation.

Fig 3. Categories Comprising the PAQ's 194 job elements

CATEGORY	NUMBER OF JOB ELEMENTS
Information Input. Where and how does the worker get the information he or she uses on the job?	35
Mental Processes. What reasoning, decision making, planning, etc, are involved in the job?	14
Work Output. What physical activities does the worker perform and what tools or devices are used.	49
Relationships with other persons. What relationships with other people are required in the job?	36
Job Context. In what physical and social contexts is the work performed?	
Other job characteristics.	

	19
	41

Management Position Description Questionnaire (MPDQ): it is a standardized instrument designed specifically for use in analyzing managerial jobs. The 274 item questionnaire contains 15 sections. It would take 2.5 hours to complete the questionnaire. In most cases the respondents are asked to state how important each item is to the position. W.W. Tomov and P.R. Pinto have developed the following Management Position Description Factors:

- Product, marketing and financial strategy planning
- Coordination of other organizational 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

#### 1.3.4 PURPOSES OF JOB ANALYSIS

There are three outcomes that are derived from job analysis which are job descriptions, job specifications, and job evaluations.

**Job Descriptions:** According to Edwin B. Flippo, job description can be defined as, "The first and immediate product of job analysis is job description. As its title indicates, this document is basically descriptive in nature and constitutes a record of existing and pertinent job facts". A job description is a written statement of what

the job holder does, how it is done, and why it is done. It should accurately portray job content, environment, and conditions of employment. A common format for a job description includes the job title, the duties to be performed, the distinguishing characteristics of the job, and the authority and responsibilities of the jobholder. An example of a job description for a record clerk at a company is given in fig 4.

Fig 4. Example of a Job Description

JOB TITLE: Record Clerk	OCCUPATIONAL CODE NO.3221
REPORTS TO: Record Supervisor	JOB NO. 01
SUPERVISES: None	GRADE LEVEL 20
	DATE: 3/3/90

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

**DUTIES AND RESPONSIBILITIES:**

Review a variety of documents, listings, summaries, etc., for completeness and accuracy  
 Check records against other current sources such as reports or summaries;  
 investigates differences and take required action to ensure that records are accurate  
 and up to date; compile and summarize data into report format as required

Implement controls for obtaining, preserving, and supplying a variety of information

Prepare simple requisitions, forms, and other routine memoranda

Furnish information upon request to interested personnel by selecting required data  
 from records, reports, source documents, and similar papers

Provide functional guidance to lower-level personnel as required

May use a calculating machine, typewriter, or key punch machine to compile, type,  
 or keypunch information.

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

When we discuss employee recruitment, selection, and appraisal, we will find that  
 job description acts as an important resource for (1) describing the job (either verbally  
 by recruiters and interviewers or in written advertisements) to potential candidates,  
 (2) guiding newly hired employees in what they are specifically expected

to do, and (3) providing a point of comparison in appraising whether the actual activities of a job incumbent align with the stated duties.

The contents of job description are as discussed below:

Proper Job Title

Job Summary

Job Location

Duties and Responsibilities

Machines, tools and materials required

Working conditions

Nature of supervision

Relation to other jobs

### Characteristics of a good job description

It should be up-to-date with necessary adjustments by conducting regular surveys

Job title should be short, definite and suggestive so as to indicate the nature of the work

It should describe in sufficient detail each of the duties and responsibilities.

Job specifications should clearly be mentioned

It should be descriptive but short and concise

Statement of opinion should be avoided

Examples of work performed may be quoted

It should ensure that a new employee can understand the job by reading the description

All employees must know the contents of job description

**Job Specification:** According to Edwin B. Flippo, "A job specification is a statement of minimum acceptable human qualities necessary to perform a job properly". 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. An example of a job specification for a record clerk position is shown in fig 5.

**Fig 5. Example of Job Specification**

**JOB TITLE:** Record Clerk

**EDUCATION:** Minimum number of years of formal schooling; 12. Type of education; General with emphasis on business. Special subjects required; some background and familiarity with accounting, office procedures, office machines, and the telecommunications industry.

**PHYSICAL AND HEALTH:** Good health, emotional stability.

**APPEARANCE:** Neat and Clean.

**MENTAL ABILITIES:** Good with figures.

**SPECIAL ABILITIES:** Ability to work with others, manual dexterity.

**PREVIOUS WORK EXPERIENCE:** Minimum of one year, preferably in an industrial organization

**SPECIAL KNOWLEDGE OR SKILLS:** Skilled in filing documents, checking records, compiling data, and initiating reports.

**MATURITY:** Must be capable of assuming increased responsibility within two years.

**OTHER:** Expect that incumbent would be ready for promotion (normally to the position of record supervisor or analyst) within 24 months.

**Job Evaluations:** In addition to providing data for job descriptions and specifications, job analysis is also valuable in providing the information that makes comparison of jobs possible. If an organization is to have an equitable compensation program, jobs that have similar demands in terms of skills, education, and other personal characteristics should be placed in common compensation groups. Job evaluation contributes toward that end by specifying the relative value of each job in the organization. Job evaluation, therefore, is an important part of compensation administration.

### 1.3.5 JOB DESIGN

It is of comparatively recent origin. The HRM have realized that the design of a job has considerable influence on the productivity and job satisfaction. Poorly designed

jobs often result in boredom, increased turnover, job dissatisfaction, low productivity and an increase in overall costs of the organization.

Job design is the process of deciding on the contents 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.

The main objectives of job design are as follow:

To meet the requirements of the organizations, such as high productivity, technical efficiency and quality of work

To satisfy the needs of the individual employees such as job satisfaction in terms of interest, challenge and achievement.

To integrate the needs of the individual with the requirements of the organization.

The various approaches to job design are as follows:

**Traditional approach:** Under this approach, the organization allocates duties and responsibilities consistent with the common practices and traditions. It has following advantages:

In this approach the procedures of recruitment, selections and fixation of remuneration are simplified.

This approach is consistent with employee's expectations, training and education programmes.

It is easier to implement since this approach has developed over a number of years and is acceptable to the organization

**Scientific Management Approach:** Also known as engineering approach, it was developed by F.W. Taylor and his associates. In this approach, principles of scientific management form the basis of designing the jobs in the organizations. The approach offers the following principles for designing

**Task fragmentation:** to break the tasks into small components to improve technical efficiency

**Optimization:** to develop best method of doing the task with the help of scientific study and analysis

**Standardization:** to standardize the method so developed with the help of time and motion studies

**Specialization:** workers should be selected to perform specific jobs only to ensure specialization

**Training:** the selected workers should be given adequate training to help them in performing their tasks in the most efficient manner

**Responsibility:** each worker should be made responsible for performing a single operation forming part of the total task

**Monetary rewards:** economic incentives should be used to reward efficient performance

But it has the following limitations also:

The engineering approach fails to take into consideration the social and psychological needs of the workers as a result, they become alienated and frustrated

At the individual level it may lead to physical illness, poor memory, health, chronic depression, maladjustments to family and community life

At organizational level, low morale, poor quality consciousness, loss of interest in work, high labour turnover and absenteeism etc

Jobs designed on the basis of this approach are not suitable in the modern environment characterized by increased awareness, improved education and rising expectations of workforce.

**Human Relations Approach:** The limitations of the scientific management approach, gave rise to human relations approach. This approach is based upon the famous Hawthorne studies conducted during 1924-33. They found that the factors which had the greatest impact on productivity were the social interaction pattern of the workers rather than the physical conditions of their jobs.

**Job Characteristic Approach:** This approach is based upon the findings of Elton Mayo, Frederick Herzberg and other human relations experts. This approach also stresses on the social and psychological needs of the employees rather than on technical aspects of the job only. It is the most popular behavioral approach is based on the Hackman and Oldham model. This model assumes that there are three psychological states of a job holder that determines his motivation, satisfaction and performance on the job. The states are; experienced meaningfulness, experienced responsibility and knowledge of results. The following core dimensions of the job help in generating these psychological states: skill variety, task identity, task significance, autonomy, feed back. The main limitation of this approach is that for many employees these psychological states are not important.

**Socio-Technical Systems Approach:** This approach deals with both technical and social aspects of the job and hence is an improvement over the Engineering approach. Jobs are designed in this approach by taking a 'systems' view of the entire job situation including its physical and social environment. This approach is situational. Essential elements of this approach are:

Job should be reasonably demanding for the individual and yet provide some variety

Employees should be able to learn on the job. It should be a continuous process

Employees should have some minimum area of decision making

Employees should have some minimum degree of social support and recognition at work place

Employees need to be able to relate what they do and what they produce to other social life.

This approach is probabilistic and has an intuitive appeal. But there is little empirical evidence to support it.

### 1.3.6 METHODS OF JOB DESIGN

**Job Simplification:** In this method, the complete job is broken down into small sub parts so that employees can do these jobs without much specialized training and work can be done quickly. For this method, generally time and motion studies are used.

**Job Rotation:** In this method, the employee is shifted from one job to another job within a working group so that there is some variety and relief from monotonous routine. It is horizontal or lateral transfer. Its advantages are

It relieves the monotony of the same job

It broadens knowledge and skill

It allows variety of work, workplace and peer group experience

It broadens the work experience

It makes employees more valuable to management to meet contingencies

It improves the self image and personal worth of the employee

People become more flexible and undertake more responsibility



## Disadvantages

Horizontal shifting many a times lead to frustration for employees who want to perform challenging job

Frequent shifting of employees may cause interruptions in the work routine of the organization

Job rotation may lead to increase in costs and decrease in productivity when they are frequently shifted just before their productivity is improved

The employees who are good at a particular responsibility may feel demotivated

This method has very limited impact on employee motivation and productivity.

**Job Enlargement:** it means the process of increasing the scope of job of a particular employee by adding more tasks to it. It means assignment of varied tasks or duties of the jobs of employees all on the same level. However, the additional tasks or duties do not require new skills, but can be performed with similar skills or efforts as before. It has the following advantages:

Increase in variety of jobs

Provides wholeness and identity with the task and increases the knowledge necessary to perform it

Reduces monotony 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.

**Job Enrichment:** It consists of designing the job in such a way that the worker gets greater autonomy for planning and controlling his own performance. It involves vertical expansion of functions and responsibility of job holder. In this case the employee needs less of external supervision as it calls for development and utilization of higher skills which he uses for self direction and control. Like participation of employees in deciding organization goals and policies and making him directly responsible for his performance by providing him suitable feedback. The greatest motivation for the employee, according to this method, is the opportunity for achievement, recognition, responsibility, and growth. Steps in job enrichment are:

Selecting jobs which are amenable to job enrichment

Identifying the necessary changes

Changing the contents of jobs by forming natural work groups combining tasks and opening feedback channels

Training, guiding and encouraging employees

Integrating the enriched jobs with the daily work routine of the organization

**Advantages:**

It is the most widely used method as it provides a meaningful work experience and learning to employees

It make the work interesting

It helps in reducing the rate of labour turnover and absenteeism

It increases skills of the employees

Workers get higher job satisfaction as redesigned jobs provide intrinsic motivation

Organization gets improvement in qualitative and quantitative output.

**Disadvantages:**

Employees may consider it additional burden without adequate compensation

It may make work more difficult and therefore proper training should be provided

It may not be possible to enrich some jobs such as technical jobs with specialized machinery

It does not necessarily mean job satisfaction.

**Assignment**

1. What is job analysis?
2. Identify the advantages and disadvantages of the job analysis techniques.

### 1.3.7 SUMMARY

Job analysis is a systematic exploration of activities surrounding a job. It defines the job's duties, responsibilities, and accountabilities.

The job analysis information hierarchy involves an element, task, duty, position, job, job family, occupation, and career.

Six general techniques exist for obtaining job information:

Observation method

Individual interview method

Group interview method

Structured interview method

Technical conference method

Diary method

In conducting a job analysis, one need to collect background information about the job to be studied, select incumbent job experts, gather the data, analyze the data, and produce the end results

Job descriptions- a written statement of what the jobholder does (duties and responsibilities of the job)

Job specifications- the personal characteristics needed to perform successfully on the job

Job evaluation- information used in developing a compensation package

### 1.3.8 KEY TERMS

Job: a job is a type of position within an organization

Job analysis: Job analysis is the process of studying and collecting information relating to the operations and responsibilities of a specific job.

Job design: Job design is the process of deciding on the contents 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 Enlargement: it means the process of increasing the scope of job of a particular employee by adding more tasks to it.

Job Enrichment: It consists of designing the job in such a way that the worker gets greater autonomy for planning and controlling his own performance.

Job Specification: A job specification is a statement of minimum acceptable human qualities necessary to perform a job properly

### 1.3.9 Short Questions

1. Define Job analysis
2. What is Job Design
3. Define the characterstics of Job Description.

### 1.3.10 EXERCISE

Ques. 1. What is job description? How is it prepared? Define job specification? How is it different from job description?

Ques.2. What is meant by job design? Discuss the various approaches of job design.

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## RECRUITMENT

- 1.4.0 LEARNING OBJECTIVES
- 1.4.1 MEANING AND DEFINITION
- 1.4.2 FACTORS AFFECTING RECRUITMENT
  - 1.4.2.1 Internal Factors
  - 1.4.2.2 External Factors
- 1.4.3 SOURCES OF RECRUITMENT
  - 1.4.3.1 Internal Sources
  - 1.4.3.2 External Sources
- 1.4.4 RECRUITMENT PROCESS
- 1.4.5 METHODS OF RECRUITMENT
- 1.4.6 SUMMARY
- 1.4.7 KEY TERMS
- 1.4.8 Short Questions
- 1.4.9 REVIEW AND DISCUSSION QUESTIONS
- 1.4.10 ANSWERS TO SELF CHECK QUESTIONS

### 1.4.0 LEARNING OBJECTIVES

After studying this chapter, you should be able to:

1. Define recruitment and list the factors that affect recruitment.
2. Describe different sources of recruitment.
3. Outline various steps involved in recruitment process.
4. Highlight the recruitment practices followed in India.
5. Explain the methods of recruitment.
6. Indicate the essential attributes of an effective recruitment program.

### 1.4.1 MEANING AND DEFINITION

Recruitment is the generating of applications or applicants for specific positions to be filled up in the organization. In other words, it is a process of searching for and obtaining applicants for jobs so the right people in right number can be selected.

Go through the following definitions of recruitment. These will help you understand the meaning of recruitment in a better manner.

According to Dale Yoder, "Recruitment 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 mania vi inadequate numbers to facilitate effective selection of an efficient working force”.

In the words of Weather 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”.

Flippo has defined recruitment as “a process of searching for prospective employees and stimulating and encouraging them to apply for jobs in an organization”.

According to Bergmann and Taylor, “Recruitment is the process of locating, identifying, and attracting capable applicants”.

Recruitment can now easily be defined as the process of searching for and securing applicants for the various job positions which arise from time to time in the organization.

#### 1.4.2 FACTORS AFFECTING RECRUITMENT

There are a number of factors that affect recruitment. These are broadly classified into two categories:

1. Internal Factors
2. External Factors

##### 1.4.2.1 Internal Factors

1. Size of the Organisation: The size of an organisation affects the recruitment process. Experience suggests that larger organisations find recruitment less problematic than organisations with smaller in size.
2. Recruiting Policy: The recruiting policy of the organisation i.e., recruiting from internal sources (from own employees) and from external sources (from outside the organisation) also affects recruitment process.
3. Image of Organisation: Image of organisation is another internal factor having its influence on the recruitment process of the organisation. Good image of the organisation earned by a number of overt and covert actions by management, helps attract potential and competent candidate.
4. Image of Job: Just as image of organisation affects recruitment, so does the image of a job Better remuneration and working conditions are considered the characteristics of good image of a job.

##### 1.4.2.2 External Factors

1. Demographic Factors: As demographic factors are intimately related to human beings, i.e., employees, these have profound influence on recruitment process. Demographic factors include sex, age, literacy, economic status etc.
2. Labour Market: Labour market conditions i.e., supply and demand of labour is of particular importance in affecting recruitment process.
3. Unemployment Situation: The rate of unemployment is yet another external factor having its inflates on the recruitment process. When the unemployment

rate given area is high, the recruitment process tends to be simpler. The reason is not difficult to seek.

4. **Labour Laws:** There are several labour laws and regulations passed by the central and state governments that govern different types of employment. These cover working conditions, compensation, retirement benefits, and safety and health of employees in industrial undertakings.
5. **Legal Considerations:** another external factor is legal considerations with regard to employment. Reservation of jobs for the scheduled castes, scheduled tribes, and other backward classes (OBCs) is the popular example of such legal consideration.

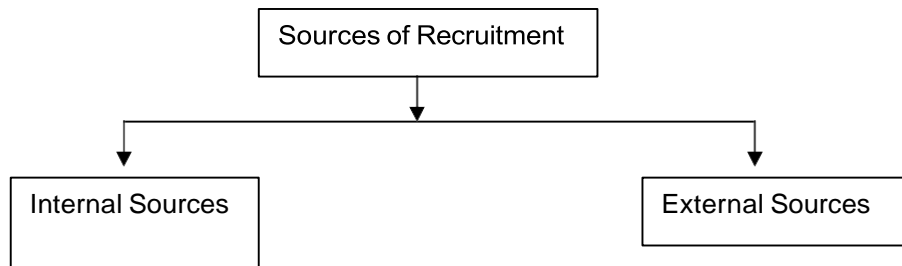
#### 1.4.3 SOURCES OF RECRUITMENT

The various sources of recruitment are classified into two broad categories, namely:

1. Internal sources
2. External sources.

The sources included under each category are depicted in the following figure

6.1.



##### 1.4.3.1 Internal Sources

1. **Present Employees:** Promotions and transfers from among the present employees can be a source of recruitment. Promotion implies upgrading of an employee to a higher position carrying her status, pay and responsibilities. Promotion from among the present employees is advent because the employees promoted are well acquainted with the organizational culture, they gestated, and it is cheaper also. Promotion from among present employees also reduces the require- for job training. However, the disadvantage lies in limiting the choice to a few people and hiring of outsiders who may be better qualified and skilled.

Transfer refers to shifting an employee from one job to another without any change in the position/post, status and responsibilities. The need for transfer is felt to provide employees a broader and varied base which is considered necessary for promotion.

2. **Former Employees:** Former employees is another source of applicants for vacancies to be filled up in the organisation. Retired or retrenched employees may be interested to come back to the company to work on a part-time basis.

Similarly, some former employees who left the organisation for any reason, may again be interested to come back to work. This source has the advantage of hiring people whose performance is already known to the organisation.

3. **Employee Referrals:** This is yet another internal source of recruitment. The existing employees refer their family members, friends and relatives to the company as potential candidates for the vacancies to be filled up in the organisation. This source serves as one of the most effective methods of recruiting people in the organisation because employees refer to those potential candidates who meet the company requirements known to them from their own experience.
4. **Previous Applicants:** This is considered as internal source in the sense that applications from the potential candidates are already lying with the organisation. Sometimes, the organisations contact through mail or messenger these applicants to fill up the vacancies particularly for unskilled or semiskilled jobs.

#### 1.4.3.2 External Sources

External sources of recruitment lie outside the organisation. These outnumber internal sources. The main ones are listed as follows:

1. **Employment Exchanges:** The National Commission on Labour (1969) observed in its report that in the pre-Independence era, the main source of labour was rural areas surrounding the industries. Immediately after Independence, National Employment Service was established to bring employers and job seekers together. In response to it, the compulsory Notification of Vacancies Act of 1959 (commonly called Employment Exchange Act) was instituted which became operative in 1960. Under section 4 of Act, it is obligatory for all industrial establishments having workers or to notify nearest employment exchange of vacancies (with certain exceptions) in, before they are filled. Main functions of these employment exchanges with their branches in most cities are registration of job seekers and their placement in the notified vacancies. It is obligatory for the employer to inform the outcome of selection within 15 days to the employment exchange.  
(Employment exchanges are particularly useful in recruiting blue-collar, white-collar and technical works.)
2. **Employment Agencies:** In addition to the government agencies, there are a number of private employment agencies who register candidates for employment and furnish a list of suitable candidates from their data bank as and when sought by the prospective employers. ABC Consultants, Datamatics, Ferguson Associates, S 13 Billimoria, etc. are the popular private employment agencies in our country. Generally, these agencies select personnel for supervisory and



higher levels. The main function of these agencies is to invite applications and short list the suitable candidates for the organization.

3. **Advertisement:** Advertisement is perhaps the most widely used method for generating many applications. This is because its reach is very high. This method of recruitment can be used for jobs like clerical, technical and managerial. The higher the position in the organisation, the more specialized the skills, or the shorter the supply of that resource in the labour market, the more widely dispersed the advertisements is likely to be.
4. **Professional Associations:** Very often, recruitment for certain professional and technical positions is made through professional associations also called 'headhunters'. Institute of Engineers, Indian Medical Association, All Indian Management Association, etc., provide placement services for their members. For this, the professional associations prepare either list of job seekers or publish or sponsor journals or magazines containing advertisements for their members. The professional associations are particularly useful for attracting highly skilled and professional personnel.
5. **Campus Recruitment:** This is another source of recruitment. Though campus recruitment is a common phenomenon particularly in the American organisations, it has made its mark rather recently. Of late, some organisations such as HLL, HCL, L &T, Citi Bank, ANZ Grindlays, Motorola, Reliance etc. , in India have started visiting educational and training institutes/campuses for recruitment purposes. Examples of such campuses are the Indian Institutes of Management, Indian Institutes of Technology and the University Departments of Business Management. For this purpose, many institutes have regular placement cells/offices to serve as liaison between the employers and the students. Tezpur Central University has, for example, one Deputy Director (Training and Placement) for the purposes of campus recruitment and placement.
6. **Deputation:** Another source of recruitment is deputation, i.e., sending an employee to another organisation for a short duration of two to three years. This method of recruitment is practiced, in a pretty manner, in the Government Departments and public sector organisations. Deputation is useful because it provide ready expertise and the organisation does not have to incur the initial cost of induction and training.
7. **Word-of-Mouth:** Some organisations in India also practice the sword-of-mouth' method of recruitment. In this method, the word is passed around the possible vacancies or openings in the organisation. Another form of word-of-mouth method of recruitment is "employee-pinching" i.e., the employees working in another organisation are offered an attractive offer by the rival organisations. This method is economic, both in terms of time and money.

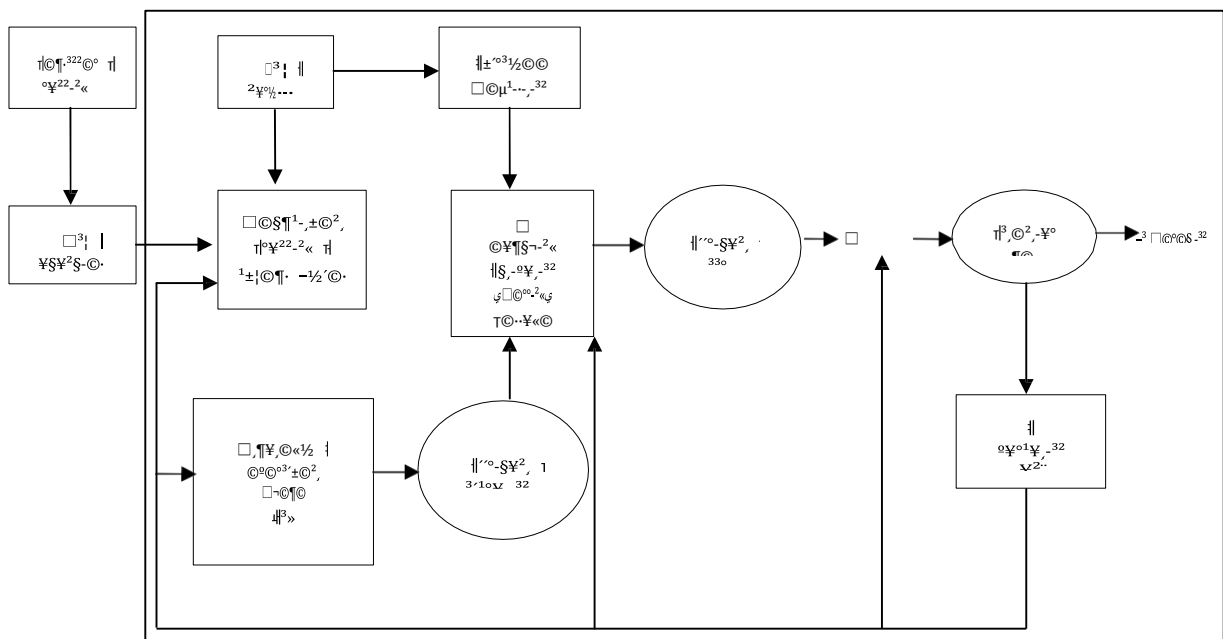
8. Raiding or Poaching: Raiding or poaching is another method of recruitment whereby the rival firms by offering better terms and conditions, try to attract qualified employees to join them. This raiding is a common feature in the Indian organization.

1.4.4 RECRUITMENT PROCESS

As was stated in the beginning of the chapter, recruitment is the process of locating, identifying, and attracting capable applications for jobs available in an organisation. Accordingly, the recruitment process comprises the following five steps.

- (i) Recruitment Planning
- (ii) Strategy Development
- (iii) Searching
- (iv) Screening
- (v) Evaluation and Control

These are depicted in Figure 1.4.2



1.4.2 Recruitment Process

Source: Herbert G. Herman III et. al. Personnel/Human Resource Management, Homewood, 1986, p. 226.

1. Recruitment Planning

The first step involved in the recruitment process is planning. Here, planning involves to draft a comprehensive job specification for the vacant position, outlining its major and minor responsibilities; the skills, experience and qualifications needed; grade and

level of pay; starting date; whether temporary or permanent; and mention of special conditions, if any, attached to the job to be filled.

## 2. Strategy Development

Once it is known how many with what qualifications of candidates are required, the next step involved in this regard is to devise a suitable strategy for recruiting the candidates in the organisation. The strategic considerations to be considered may include issues like whether to prepare the required candidates themselves or hire it from outside, what type of recruitment method to be used, what geographical area be considered for searching the candidates, which source of recruitment to be practiced, and what sequence of activities to be followed in recruiting candidates in the organization.

## 3. Searching

This step involves attracting job seekers to the organisation. There are broadly two sources used to attract candidates. These are:

1. Internal Sources, and
2. External Sources

These have been just discussed, in detail. Under 1.4.3 Sources of Recruitment.

## 4. Screening

Though some view screening as the starting point of selection, we have considered it as an integral part of recruitment. The reason being the selection process starts only after the applications have been screened and short listed. Let it be exemplified with an example.

In the Universities, applications are invited for filling the post of Professors. Applications received in response to invitation, i.e., advertisement are screened and short listed on the basis of eligibility and suitability. Then, only the screened applicants are invited for seminar presentation and personal interview. The selection process starts from here, i.e., seminar presentation or interview.

## 5. Evaluation and Control

Given the considerable cost involved in the recruitment process, its evaluation and controls, therefore, imperative. The costs generally incurred in a recruitment process include (i) salary of recruiters; (ii) cost of time spent for preparing job analysis, advertisement, etc.; (iii) administrative expenses; (iv) cost of outsourcing or overtime while vacancies remain unfilled; and (v) cost incurred in recruiting unsuitable candidates.

In view of above, it is necessary for a prudent employer to try to answer certain questions like:

Whether the recruitment methods are appropriate and valid? and whether the recruitment process followed in the organisation is effective at all or not? In case the answers to these questions are in negative, the appropriate control measures need to be evolved and exercised to tide over the situation. However, such an exercise seems to be only rarely carried out in practice by the organisations employers.

Having discussed recruitment process, it will be now relevant to have an idea about recruitment practices in India. The following section delineates the same.

#### 1.4.5 METHODS OF RECRUITMENT

1. Direct Method
2. Indirect Method
3. Third Party Method. A

brief description of these follows in seriatim.

**Direct Method:** In this method, the representatives of the organisation are sent to the portential candidates in the educational and training institutes. They establish contacts with the candidates seeking jobs. These representatives work in cooperation with placement cells in the institutions. Persoursuing management, engineering, medical etc. programmes are mostly picked up in this manner.

**Indirect Methods:** Indirect methods include advertisements in news papers, on the radio and television, in professional journals, technical magazines etc. This method is useful when (i) organisation does not find suitable candidates to be promoted to fill up the higher posts<sup>2s</sup> (ii) when the organisation wants to reach out to a vast territory, and (iii) when organisation wants to fill up scientific, professional and technical posts.

**Third Party Methods:** These include the use of private employment agencies, management consultants, professional bodies/associations, employee referral/recommendations, voluntary organizations, trade unions, data banks, labour contractors etc., to establish contact with the job seekers.

Now, a question arises: which particular method is to be used to recruit employees in the organization? The answer to it is that it will depend on the policy of the particular firm, the position of the labour supply, the Government regulations in this regard and agreements with labour organizations. Notwithstanding, the best recruitment method is to look first within the organisation.

#### 1.4.6 Summary

1. Recruitment is the process of searching for and attracting applicants for the various job positions which arise from time to time in the organisation. Both internal and external factors affect recruiting employees in the organisation.

2. There are two sources of recruitment internal (consisting of promotion and transfer of existing employees) and external (consisting of recruitment form outside the organisation).
3. Recruitment process involves five steps recruitment planning, strategy development, searching, screening, and evaluation and control.
4. The recruitment practices the Indian organisations follow include existing employees, employment exchanges, advertisement, casual callers, friends and relatives of the existing employees, badli or temporary workers, labour contractors, displaced employees, etc.
5. There are three methods of recruitment by which organisations establish contact with the potential candidates — direct method, indirect method and third party mehod.
6. A well-defined recruitment policy, proper organisational structure, continuous assessment of recruitment programme, etc., are the attributes of an effective recruitment programme.

#### 1.4.7 Key Terms

Advertising	Promotion
External Sources	Raiding
Headhunters	Screening
Internal Sources	Transfer

#### 1.4.8 Short Questions

1. What are the factors affecting recruitment process?
2. What are methods of recruitment?
3. Explain briefly recruitment process.

#### 1.4.9 REVIEW AND DISCUSSION QUESTIONS

1. Define recruitment. Bring out the factors that influence recruitment.
2. What are the various sources of recruitment? Discuss their relative merits and demerits.
3. What are the key attributes that make a recruitment programme effective?

#### 1.4.10 Answers to self check questions

Ans. 1. Exercise 1.4.1 & 1.4.2

Ans. 2. Exercise 1.4.3

Ans. 3. Exercise 1.4.4

## SELECTION

### Contents

#### 1.5.0 Objectives

1.5.1 Definition and Meaning of Selection

1.5.2 Process of selection

1.5.3 Selection Tests and Interview

1.5.3.1 Characteristics of good test

1.5.3.2 Types of tests

1.5.3.3 Interviews

1.5.3.4 Recent trends in Selection

1.5.4 Barriers to effective selection Assignment

1.5.5 Introduction and Orientation: Concept

1.5.5.1 Objectives of Induction

1.5.5.2 Contents of Induction Programme

1.5.5.3 Advantages of Induction

1.5.5.4 Induction Procedure

1.5.5.5 Problems in induction

1.5.5.6 Introduction Practices

1.5.6 Summary

- 1.5.7 Key terms
- 1.5.8 Short Questions
- 1.5.9 Exercise
- 1.5.10 Important References

1.5.0 Learning Object: In human resource planning we identified our personnel needs. Once these needs are established a job analysis was conducted, which clarified the characteristics of jobs being done and the individual qualities necessary to do these jobs successfully. This information was then used to recruit a pool of qualified applicants. We must now begin the process of thinning this set, by assessing our applicants against the criteria established in job analysis in order to predict which job applicants will be successful if hired. In this chapter, we will survey the selection process, evaluate major selection devices and understand the socialisation process.

### 1.5.1 DEFINITION AND MEANING

Definition: According to Dale Yoder, "Selection is the process in which candidates for employment are divided into two classes – those who are to be offered employment and those who are not"

According to Thomas Stone, "Selection is the process of differentiating between applicants in order to identify (and hire) those with a greater likelihood of success in a job"

Thus, the selection process is a tool in the hands of management to differentiate between the qualified and unqualified applicants by applying various techniques such as interviews, tests etc.

### 1.5.2 PROCESS OF SELECTION

The selection process consists of series of successive hurdles or barriers which an applicant must cross. These steps are as follows:

- (1) Reception: The receipt and scrutiny of applications is the first step in the process of selection. A receptionist in the personnel department gives information about new openings to the visitors and receives their applications. The scrutiny is essential to take out those applications which do not fulfil the requirements of posts.
- (2) Preliminary interview: It is a sorting process in which the prospective candidates are given the necessary information about the nature of the job and organisation. At the same time, necessary information is obtained from the candidates about their education, skills, experience, expected salary etc. If the candidate is found suitable, he is selected for further screening. It is brief and generally carried out by a junior executive across the counter or at the reception office. It helps the department screen out obvious misfits. Hence rejection rate is high. Therefore the interviewer should be kind, courteous, receptive and informal.
- (3) Blank application form: It is the way of getting written information about candidate's particulars in his own handwriting. It enables the personnel department to draw tentative inferences about the applicant's suitability for employment. The information collected in the blank application form relates to the following particulars:

- a. Bio data: containing name, father's name, date of birth, place of birth, permanent address, height, weight, identification mark, marital status, physical disability etc.
- b. Educational qualification: it relates to education acquired, institutions attended, percentage of marks, distinction achieved, technical education acquired, subjects studied, areas of specialisation.
- c. Work experience: it enquires about previous experience, jobs previously held jobs, nature of duties, salaries received, names of previous employers, reasons for leaving the present job.
- d. Curricular activities: extra curricular activities like NSS, NCC, debates and declamations, sports, etc.
- e. References: these are normally persons with whom the applicant has worked with or are related to him from whom an enquiry may be made about his nature and work.
- f. Salary demanded: the salary demanded by the applicant is also given in the application blank.

Application blank tries to elicit as much information as possible. However, the information asked should be relevant and specific instead of essay-type answers.

Application forms may be evaluated in the following ways:

- a. Clinical methods: Under this method application forms are made from a psychological angle and then analysed in such a way that all possible inferences are drawn about candidates from the information supplied. The inferences may relate to leadership ability, emotional stability, writing ability, assertiveness, attitude towards superiors and other people.
  - b. Weighted method: In this method, different points/traits are assigned weights and applicants are analysed on the weighted average method.
- (4) Selection Tests: Applicants who pass the screening and the preliminary interview are called for tests. Different types of tests are administered depending on the job and the company. They are useful when the number of applicants is large. It helps in reducing bias in selection as a supplementary screening device. It provides a systematic basis for comparing two or more persons. However, test is not a fool proof method. At best, it reveals that the candidates who have scored above the predetermined cut off points are likely to be more successful than those scoring below the cut off points.



- (5) Selection interview: It is a formal, in-depth conversation in the form of oral examination conducted for the purposes of employment. It is an excellent selection device. It is a very flexible device which can be adopted to select unskilled, skilled managerial and professional employees. Interview gives the interviewer an opportunity:
- a. To query the candidate personally
  - b. To ask questions that are not covered in tests
  - c. To judge candidates enthusiasm and intelligence
  - d. To assess subjective aspects of the candidate like facial expressions, appearance, nervousness and so forth
  - e. To explain about the company, its policies, programmes etc, and promote goodwill towards the company.
- (6) Checking references: The references may provide significant information relating to experience, skill, and ability about the candidate from employers with whom the applicant might have worked with. However, there is likelihood of hearing only good things about the candidate from the referees.
- (7) Final selection: Up to this stage selection is handled by personnel department or staff executives. Thereafter line manager takes the task of assessing the on the job performance of the candidates on various jobs. After which he/she may be kept as apprentice or is rejected.
- (8) Physical Examination: The candidate is required to undergo physical fitness test before the job offer is made, either to the company's physician or to a medical officer approved for the purpose. Such physical examination is necessary to know whether the candidate suffers from any health problems and whether his physical condition is fit for the job. The results of fitness test are preserved as such records will protect the employer from worker's compensation claims that are not valid because the injury was present when the worker was hired.
- (9) Job Offer: The next step in the selection process is the job offer to the successful candidate also known as appointment letter. Such a letter, generally, contains a date by which the candidate must report for the duty. It contains all the terms and conditions of job offer.
- (10) Contract of Employment: After the job offer has been made and the candidate accepts the offer, a contract for employment is executed by the employer and the candidate. The basic information that is included in a written contract

varies according to the level of the job. Generally, the following details are included in the contract.

- a. Job title
- b. Details of duties
- c. Date when the continuous employment starts
- d. Remuneration and method of payments
- e. Hours of work including lunch break, overtime and shift arrangements
- f. Holiday arrangements and details of holidays
- g. Sickness leave rules
- h. Length of notice due to and from employee
- i. Grievance procedure
- j. Disciplinary procedure
- k. Work rules
- l. Terms of termination of employment
- m. Terms for union membership
- n. Employers right to vary terms of the contract subject to proper notification being given

Great care is taken in drafting the contracts generally from legal angle.

- (11) Contract of Employment: The selection process, if properly performed, will ensure availability of competent and committed personnel. A period audit, conducted by people who work independently of the human resource department, will evaluate the effectiveness of the selection process. The auditors will do a thorough the intensive analysis and evaluate the employment programme.

### 1.5.3 SELECTION TESTS AND INTERVIEW

Over the years, employment tests have gained immense importance. They are used for the purpose of selection of candidates for an organisation, for placing or assigning a person to the job for which he is most suitable, for selecting candidates for promotion and transfer within an organisation, and for selecting candidate for assignment to a company training programme.

### 1.5.3.1 Characteristics of a good test:

- (1) Assumption: the tests assume that persons differ in intelligence, skills, aptitudes and personality which is brought out by the tests
- (2) Validity: validity means the ability of a test to actually measure the quality. Validity is of three types:
  - a. Criterion validity: a test should justify relationship between test scores and measures of job performance. Thus, the test is valid to the extent that the people with high test scores perform better on the job.
  - b. Content validity: the content validity of a test is shown if the test constitutes a fair sample of the content of the job.
  - c. Construct validity: it implies identifying the psychological trait such as intelligence, which underlies successful job performance and then devising a selection procedure to measure the presence and degree of the trait.
- (3) Reliability: it refers to consistency. That is, the scores obtained by the same person when retested with identical tests or with an equivalent form of a test should be consistent.
  - a. Test-Retest reliability: where the technique gives the same results when administered repeatedly to the same person.
  - b. Inter-Rater reliability: where the instrument gives the same results when used by two or more different raters
  - c. Intra-Rater reliability: when the technique gives the same results when used by the same rater to rate the same behaviours or attitudes at different times.
  - d. Alternative Form Method: in this method two similar forms of test are given and the degree to which the two sets of score coincide indicates test reliability
  - e. Split Halves method: split halves method divides the whole test into two similar and equal parts and a high association between the scores on the parts is used as an indicator of reliability.
- (4) Standardisation: a test must be standardized so that test scores become comparable.
- (5) Objectivity: to be reliable, a test must be constructed in such a way that two or more persons can score the responses to questions in the same way.

- (6) Qualified people: tests must be constructed by qualified persons with skill and expertise in each field
- (7) Tailor made: every organisation is different and therefore the tests should be in accordance with the requirements of the organisation.
- (8) Preparation: a test should be easy to understand and simple to administer.
- (9) Usefulness: a series of tests are always better than exclusive reliance on any single tests
- (10) Imprecise: it should be kept in mind that tests should not be relied upon completely for selecting candidates as they may not measure a candidate accurately.

1.5.3.2 Types of Tests: some of the commonly used tests are as follows:

- (1) Intelligence Tests: this test measures the intellectual abilities or mental capabilities along factors such as memory, vocabulary, verbal fluency, numerical ability, perception. IQ test such as Standard-Binet Test or the Wechsler Test is administered to groups of people.
- (2) Aptitude Tests: these tests intend to measure applicant's aptitudes and specific mental abilities such as reasoning, verbal comprehension, memory and numerical abilities. These tests indicate whether or not an individual has the ability to learn a given job quickly and efficiently; aptitude tests may be of:
  - i. Mechanical Aptitude Test: it measures a person's capacity to learn a particular type of mechanical work. Capacity for Spatial Visualisation, perceptual speed, manual dexterity, visual insights, technical vocabulary etc. is judged in these tests. These tests are used for selecting lower level operating personnel like apprentices, mechanics, maintenance workers etc.
  - ii. Psycho-Motor or Skill Test: Psycho-motor tests measure a person's ability to perform a specific job such as packing, testing, inspection, assembly work etc.
- (3) Personality Tests: personality tests are among the most difficult to evaluate. They discover clues to an individual's personality, value system, and his emotional intelligence etc. personality tests can measure basic aspects of an applicant's personality such as introversion, stability and motivation. Many of these tests are projective. Here an ambiguous stimulus like a clouded picture is presented to the person taking the test and he/she is asked to interpret it. Since the pictures are ambiguous. The person's interpretation is influenced by his own emotional attitude towards life.

- i. Thematic Appreciation Test, the testee is shown a picture and is asked to make up a story based on the picture. The responses are analysed and a profile of personality is developed.
  - ii. Guilford-Zimmerman survey measures personality traits like emotional stability versus moodiness and friendliness versus criticalness.
  - iii. Minnesota Multiphasic Personality Inventory taps traits like hypochondria and paranoia
- (4) Interest Tests: these tests discover a person's areas of interest and identify the kind of work that will satisfy him. It is based on the idea that people are most likely to be successful in jobs they like. Interest tests compare one's interest with those of people in various occupations. For example, the Strong-Campbell Test would receive a report comparing his interests to those of people already in occupations such as accounting, engineering, management or medical technology. However, this test cannot be always precise as the responses may not be sincere.
- (5) Achievement Tests: an achievement test is basically a measure of what a person has learnt. For example, a typing test notes the time taken and the errors made to determine proficiency in typing. Trade tests which measure the applicant's trade knowledge and skill are a type of achievement test. However, achievement tests are not applicable to all levels of the organisation.

#### 1.5.3.3 Interviews

According to Scott, "An interview is a purposeful exchange of ideas, the answering of questions and communication between two or more persons".

An interview is an attempt to secure maximum amount of information from the candidate concerning his suitability for the job. It is a method by which an idea about an applicant's personality can be obtained by a face to face contact. Thus, it is probably the most widely used selection tool.

#### Types of Interviews:

- A. Classification according to Structure: Unstructured or Non Directive Interview, Structured or Direct Interview.
  - a. The unstructured interview is not directed by set questions or comments as to what the candidate should be asked. The candidate is given the freedom to tell about himself by revealing his knowledge on various items/areas, his background, expectation, interest etc. Similarly, the interviewer also provides information on various items required by the candidate.

- b. In formal or structured interview, all the formalities, procedures like fixing the value, time, panel of interviewers, opening and closing, intimating the candidates officially etc., are strictly followed. The question items are structured in advance leaving little room for the interviewers to deviate from the set pattern.
- B. Classification according to the purpose of the interview:
- i. Stress Interview: this interview aims at testing the candidate's job behaviour and level of withstanding during the period of stress and strain. Interview tests
  - ii. Appraisal interview: an appraisal interview is a discussion following a performance appraisal in which supervisor and employer discuss the employee's rating and possible remedial actions.
  - iii. Exit interview: when an employee leaves the company an exit interview is conducted to elicit information about the job or related matters to know what exactly went wrong.
- C. Classification according to the Interview's content:
- i. Situational Interview: In this interview, the questions focus on the individual's ability to project what his behaviour will be in a given situation.
  - ii. Job related interview: In this interview, the interviewer tries to deduce what the applicant's on-the-job would be. Job related questions are asked in order to draw conclusions about the candidate's ability to handle the job to be filled.
  - iii. Behavioural Interview: in this interview, a situation is described and interviewees are asked how they have behaved in the past in such a situation.
  - iv. Psychological Interview: these interviews are conducted by a psychologist in which questions are intended to assess personal traits such as reliability or dependability.
- D. Classification according to Administering the Interview:
- i. One on One interview: Only one person conducts the interview
  - ii. Sequential Interview: the applicant is interviewed by several persons in sequence.

- iii. **Group Interview:** generally a discussion topic is given to the candidates who assemble in one room and they are asked to discuss the topic in detail. This type of interview helps the interviewer in appraising certain skills of the candidates like initiative, inter-personal skills, dynamism, presentation, leadership ability, comprehension, collaboration etc.
- iv. **Panel Interview:** interviewing of candidates by one person may not be effective as he cannot judge the candidates in different areas owing to lack of knowledge and competence in multiple disciplines and areas. A panel of experts specialised in different areas interviews each candidate, judges his performance individually and prepares a consolidated judgement based on each expert's judgement and weightage of each factor.

#### 1.5.3.4 Recent Trends in Selection:

- a. **Selection by Invitation:** Management observes the performance of key executives of competitors. If the performance of the key executives is excellent then the management invites such executives to join the organisation by offering attractive salary and benefits. This forms the basis for selecting them by invitation.
- b. **Leasing:** The changes in technology demand highly skilled employees. It would be very difficult for small organisations to employ the skilled employees as they demand high pay. These factors enabled the consultancy organisations to employ experts and depute these employees to the needy companies on lease at an agreed fee to the consultancy firms.
- c. **360 ° Selection Programme:** normally superiors administer the selection tests and interviews. They judge the fit between the job and the candidate. But the employee skills, knowledge and performance affect not only superiors but also subordinates and the employees of the same level. Hence, the organisations started involving the subordinates and the employees of the same level in administering the employment tests and interviews. This type of selection programme is known as 360 degree selection programme.

#### 1.5.4 BARRIERS TO EFFECTIVE SELECTION

These include the following:

1. **Pressure to hire:** there is a pressure upon selectors from friends, politicians, family, peers, etc. to hire particular applicants

2. **Fairness:** this demands no discrimination on the basis of religion, caste, gender or race. But in practice, women are discriminated against male members in certain jobs. People from urban areas have upper hand against rural area applicants.
3. **Perception:** it refers to our ability to understand others. All persons perceive the world differently. Selection demands an individual or group of people to assess and compare the respective competencies of others, with the aim of choosing the right persons for the jobs. But limited perceptual ability of persons posts as a hurdle in the objective and rational selection of people.
4. **Reliability:** it refers to the degree of consistency. Sometimes, even a reliable selection test fails to accurately predict job performance.

**Validity:** it refers to the extent to which a selection test measures what it intends to measure. It just raises the possibility of success but sometimes it does not predict success accurately.

**Assignment:** 1. Discuss various steps involved in selection and explain various types of tests used in selection process.

#### 1.5.5 ORIENTATION AND INDUCTION

According to Edwin B Flippo, "Induction is the welcoming process to make the new employee feel at home and generate in him a feeling of belongingness to the organisation"

According to Michael Armstrong, "Orientation or induction is the process of receiving and welcoming an employee when he first joins a company and giving him the basic information he needs to settle down quickly and happily and start work".

When one candidate reports for duty, the employee should successfully "learn the ropes" on the new job. Planned induction helps the new employee, creates a good attitude, reduces labour turnover and the employee feels at home right from the very beginning. This is known as socialising into their job environments.

**Orientation/Induction:** Socialising is a process of adaptation to the new environment. And initial orientation is a small part of the overall socialisation of a new organisational member. Orientation covers the activities involved in introducing a new employee to the organisation and to his or her work unit. It expands upon the information received during the recruitment and selection stages and helps to reduce the initial anxiety we all feel when we first begin a new job. For example, an orientation program should familiarize the new member with the organisation's objectives, history, philosophy, procedures and rules; communicate relevant personnel policies such as hours of work, pay procedures, overtime requirements and fringe benefits; review the specific duties and responsibilities of the new member's job; provide a tour of the organisation



facilities; and introduce the employee to his or her superior and co workers. The orientation can be done either by the new employee's supervisor, by the people in personnel, or some combination thereof. It may be formal or informal.

#### 1.5.5.1 Objectives of Induction:

- a. To promote a feeling of belonging and loyalty to the organisation among newcomers so that they may not form false impression regarding the company because first impression is the last impression
- b. To build up the new employee's confidence in the organisation and himself so that he may become an efficient employee
- c. To bring an agreement between the organisation goals and the personal goals of the organisation
- d. To give the new employee information regarding company products, structure, policies, rules and regulations etc
- e. To introduce the new worker to the supervisor and the fellow worker with whom he has to work
- f. To create a sense of security for the worker in his job by impressing upon the idea that fairness to the worker is the inherent policy of the organisation
- g. To lessen or reduce the cost of replacing the worker in the early period

#### 1.5.5.2 Contents of Induction programme:

- a) Company's history, philosophy and operations
- b) Products and services of the company
- c) Company's organisation structure
- d) Location of departments and employee services
- e) Personnel policies and practices
- f) Employee's activities
- g) Rules and regulations
- h) Grievance procedure
- i) Safety measures
- j) Standing orders
- k) Terms and conditions of service
- l) Benefits and services for employees

m) Opportunities for training, promotions, transfers etc

#### 1.5.5.3 Advantages of induction:

- (a) First impression matters a good deal and results in fewer turnovers.
- (b) Newcomer adjusts himself to the work quickly, and it saves the time of the supervisor
- (c) Reduces employee dissatisfaction and grievances
- (d) Develops a sense of belongingness and commitment

#### 1.5.5.4 Induction Procedure:

- (a) Reporting for duty at a certain place to the head of the department concerned
- (b) The head of the department welcomes the new employee
- (c) Introduction to the organisational/branch head by the head of the department
- (d) Organisational/branch head introduces to important employees and describes about the organisation
- (e) Departmental head introduces to all the employees of the department, describes the department, total work of the department etc.
- (f) Supervisor concerned introduces to his co-workers in that section/unit to the work/job, material, machine.
- (g) Providing information about the duties, responsibilities, rights, facilities, provisions, welfare measures etc
- (h) Supervisor clarifies the doubts of new employee about the work

#### 1.5.5.5 Problems in Induction:

- (a) The supervisor who has to induct the employee may not be trained or may be too bossy
- (b) Employee is overwhelmed with too much information in a short time
- (c) Employee is confused with a wide variety of forms to be filled
- (d) In the initial stages, employee is given only manual jobs that discourage job interest and company loyalty
- (e) Employee is asked to perform challenging jobs where there are high chances of failure that could needlessly discourage the employee

- (f) Employee is given only a sketchy induction under the mistaken belief that “trial and error” method is the best induction
- (g) Employee is forced to balance between a broad orientation by the department and a narrow orientation at the departmental level
- (h) Employee is thrown into action too soon. His mistakes can damage the company
- (i) Employee may be asked to work on a number of jobs and he may develop wrong perceptions because of sort periods spent on each job

**1.5.5.6 Induction Practices: Different Induction Practices which are generally used in an industry are:**

- a. **Induction Guide:** Such guide books are prepared by the personnel department with information on what induction steps have been taken and what are still to be covered. They may also contain the information regarding the company and its various personnel policies to be distributed among the new comers.
- b. **Counselling:** The supervisor may induct the new employees working under him by introducing and counselling them by reassuring and reinforcing the confidence and guarding against false impression
- c. **Follow up Interview:** On the basis of this interview, personnel department can take action to know the employees feeling and to remove the difficulties faced by him.

**1.5.6 SUMMARY**

- Selection devices provide managers with information that will help them predict whether an applicant will prove to be a successful job performer
- The application blank is effective for acquiring hard biographical data
- Traditional tests that assess intelligence, abilities, and personality traits can predict job proficiency but may suffer from being non job related
- Interviews are direct personal assessment method but are less reliable and valid
- Background investigations are valuable when they verify hard data from the application, they offer little practical values as a predictive selection device
- Physical examinations are valid when certain physical characteristics are required to be able to perform a job effectively

- Socialisation is a process of adaption. Organisation entry socialisation refers to refers to the adaption that takes place when an individual passes from outside the organisation to the role of an inside member.
- Orientation covers the activities involved introducing a new employee to the organisation's culture by conveying to the employee how things are done and what matters.

#### 1.5.7 KEY TERMS

Selection is the process in which candidates for employment are divided into two classes – those who are to be offered employment and those who are not.

An interview is a purposeful exchange of ideas, the answering of questions and communication between two or more persons

Induction is the welcoming process to make the new employee feel at home and generate in him a feeling of belongingness to the organisation

#### 1.5.8 Short Questions

1. Define the meaning of selection
2. Define orientation

#### 1.5.9 EXERCISE

1. What is an interview? Discuss its purpose and the different types of interview in detail.
2. What is the purpose of induction or orientation? Briefly state the contents of orientation programme.

#### 1.5.10 IMPORTANT REFERENCES

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DEPARTMENT OF DISTANCE AND ONLINE  
EDUCATION PUNJABI UNIVERSITY, PATIALA

STUDENT'S RESPONSE-SHEET

Roll No.....

Paper : BBA-301

Principles of Human  
Resource Management

Class : BBA Part-II (Semester-III)

Lesson No. 1-5

Date of receipt of lesson.....

Response Sheet No. 1

Marks obtained.....

Date of submission of Response-  
Sheet by the student....

Date & Signature of the Examiner

.....

No. of pages attached.....

Name & address of the student

Date of receipt in the Department

below in BLOCK LETTERS:

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Max Marks = 40

Attempt any four questions

10 x 4 = 40 marks

1. What do you understand by Human Resource Management ?
2. What are the factors which affect Human Resource Planning ?
3. What are the methods of Job Analysis ?
4. What are the essentials of a sound promotion policy ?
5. Discuss the steps of recruitment process ?

Please send this Response-Sheet along with your answers to : The Deputy Registrar,  
Department of Distance Education, Punjabi University, Patiala-147002.

## Mandatory Student Feedback Form

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