



# **SRI MEENAKSHI VIDYAL ARTS AND SCIENCE COLLEGE**

*(Affiliated to Bharathidasan University, Trichy)*

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**Department of Commerce**

**I B.com- B section**

**BUSINESS ECONOMICS**

**MINIMUM LEARNING MATERIAL**

**UNIT-III - RECRUITMENT**

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## **2MARK QUESTIONS**

### **1.Meaning of Recruitment.**

Recruitment is a positive process of searching for prospective employees and stimulating them to apply for the jobs in the organisation. When more persons apply for jobs then there will be a scope for recruiting better persons.

### **2.Define Recruitment.**

According to Edwin B. Flippo, “It is a process of searching for prospective employees and stimulating and encouraging them to apply for jobs in an organisation.” He further elaborates it, terming it both negative and positive.

### **3.Write any 2 objectives of Recruitment.**

To induct outsiders with a new perspective to lead the company,

To infuse fresh blood at all levels of the organization

### **4.What are the internal sources of Recruitment?**

Transfers, . Promotions, Present Employees

### **5.Write the reasons suitable for external resources of Recruitment.**

(i)The required qualities such as will, skill, talent, knowledge etc., are available from external sources.

(ii) It can help in bringing new ideas, better techniques and improved methods to the organization

### **6.Meaning of selection.**

Selection is a process of measurement, decision making and evaluation. The goal of a selection system is to bring in to the organisation individuals who will perform well on the job.

### **7.Explanation the term GRE,SAT**

Graduate Record Examination (GRE) and Scholastic Aptitude Test (SAT).

## **8. Define Interview.**

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

## **9. Meaning of induction.**

Induction of Employee is the first step towards gaining an employees' commitment, Induction is aimed at introducing the job and organization to the recruit and him or her to the organization. Induction involves orientation and training of the employee in the organizational culture, and showing how he or she is interconnected to (and interdependent on) everyone else in the organization.

## **10. What is layoff?**

Lay off is generally done to reduce the financial burden of the organization by temporary removing the surplus employees. This is done due to inability of the employee to recruit them due to shortage of sufficient resources. Lay off results in a great loss to the organization as they had to suffer all the expenses of selection, placement and training.

## **5 MARK QUESTIONS**

### **1. What are the Objectives of Recruitment?**

The objectives of recruitment are:

- i. To attract people with multi-dimensional skills and experiences that suit the present and future organizational strategies,
- ii. To induct outsiders with a new perspective to lead the company,
- iii. To infuse fresh blood at all levels of the organization,
- iv. To develop an organizational culture that attracts competent people to the company,
- v. To search or head hunt/head pouch people whose skills fit the company's values,
- vi. To devise methodologies for assessing psychological traits,
- vii. To seek out non-conventional development grounds of talent,
- viii. To search for talent globally and not just within the company,
- ix. To design entry pay that competes on quality but not on quantum,  
To anticipate and find people for positions that does not exist yet.

### **2. Write the internal sources of Recruitment.**

1. Transfers: Transfer involves shifting of persons from present jobs to other similar jobs. These do not involve any change in rank, responsibility or prestige. The numbers of persons do not increase with transfers.

2. Promotions: Promotions refer to shifting of persons to positions carrying better prestige, higher responsibilities and more pay. The higher positions falling vacant may be filled up from within the organisation. A promotion does not increase the number of persons in the

organisation. A person going to get a higher position will vacate his present position. Promotion will motivate employees to improve their performance so that they can also get promotion.

3. Present Employees: The present employees of a concern are informed about likely vacant positions. The employees recommend their relations or persons intimately known to them. Management is relieved of looking out prospective candidates. The persons recommended by the employees may be generally suitable for the jobs because they know the requirements of various positions. The existing employees take full responsibility of those recommended by them and also ensure of their proper behaviour and performance.

### **3.What are the merits and demerits of Recruitment?**

#### **Merits of External Sources:**

1. Availability of Suitable Persons: Internal sources, sometimes, may not be able to supply suitable persons from within. External sources do give a wide choice to the management. A large number of applicants may be willing to join the organisation. They will also be suitable as per the requirements of skill, training and education.

2. Brings New Ideas: The selection of persons from outside sources will have the benefit of new ideas. The persons having experience in other concerns will be able to suggest new things and methods. This will keep the organisation in a competitive position.

3. Economical: This method of recruitment can prove to be economical because new employees are already trained and experienced and do not require much training for the jobs.

#### **Demerits of External Sources:**

1. Demoralization: When new person from outside joins the organization, present employees may feel demoralized because these positions might have gone to them. There can be a heart burning among old employees. Some employees may even leave the enterprise and go for better avenues in other concerns.

2. Lack of Co-Operation: The old staff may not co-operate with the new employees because they feel that their right has been snatched away by them. This problem will be acute especially when persons for higher positions are recruited from outside.

3. Expensive: The process of recruiting from outside is very expensive. It starts with inserting costly advertisements in the media and then arranging written tests and conducting interviews. In spite of all this if suitable persons are not available, then the whole process will have to be repeated.

4. Problem of Maladjustment: There may be a possibility that the new entrants have not been able to adjust in the new environment. They may not temperamentally adjust with the new

persons. In such cases either the persons may leave themselves or management may have to replace them. These things have adverse effect on the working of the organisation.

#### **4.What are the limitations of Interview?**

Personal bias:- Interview like other people have personal biases. Their likes & dislikes about hairstyle, dress, fluency of speech, etc. affect their judgment.

Halo effect:- Under this type of error, a single prominent characteristic of the candidate affects the judgment of interviewer on all other traits. For example, an interviewer may conclude that a poorly groomed candidate is stupid or alternatively, he may overrate the candidate's qualifications just because of his pleasing personality.

Constant error:- Such error arises because the interview of previous candidate unduly influences the interviewer in favor or against the candidate. For example, a qualified candidate may be underrated just because the previous candidate was very brilliant.

Projection:- Error of projection arises when an interviewer expects his own knowledge, skills and values in a candidate. Therefore, he is likely to select candidates who resemble him in terms of manners, background, voice, etc.

Leniency:- It implies the tendency to assign high scores. It's normally associated with lack of confidence and interest in rating. The opposite of leniency is toughness, i.e., the tendency to constantly give low scores. This may arise due to exaggerated expectation, lack of contact with people.

Conclusion: The interview is probably the most widely used selection tool. It is most complex selection technique because its scope includes measuring all the relevant characteristics and integrating and classifying all other information about the applicant. In practically all organization interviewing is used for a variety of purposes, including selection, appraisal, discipline action and problem solving.

#### **5.Explain the types of transfer.**

Production Transfer: Such transfers are resorted to when there is a need of manpower in one department and surplus manpower in other department. Such transfers are made to meet the company requirements. The surplus employees in one department/section might be observed in other place where there is a requirement.

Replacement Transfers: This takes place to replace a new employee who has been in the organization for a long time and thereby giving some relief to an old employee from the heavy pressure of work. Remedial Transfers: As the name suggest, these transfers are made to rectify the situation caused by faulty selection and placement procedures. Such transfers are made to

rectify mistakes in placement and recruitments. If the initial placement of an individual is faulty or has not adjusted to work/job, his transfer to a more appropriate job is desirable.

**Versatility Transfer:** Such transfers are made to increase versatility of the employees from one job to another and one department to another department. Transfer (Job Rotation) is the tool to train the employees. Each employee should provide a varied and broader job experiences by moving from one department to another. This is for preparing the employee for promotion; this will definitely help the employee to have job enrichment.

**Demotion:** Demotion is just the opposite of promotion. It is a downward movement of an employee in the organizational hierarchy with lower status and lower salary. It is a downgrading process and is insulting to an employee. Demotion is a punishment for incompetence or mistakes of serious nature on the part of an employee. It is a serious type of penalty or punishment and should be given rarely and only under exceptional circumstances and also tactfully.

## **6.What are the different types of separation?**

i) **Resignation:** when the employee himself initiates the separation then it is termed as separation. There are some resignation which are avoidable and others which are unavoidable. It is the responsibility of the management to look out the real reason of the resignation. In such a cases the exit interview is better to conduct to find out the reason of resignation.

ii) **Lay off:** lay off is generally done to reduce the financial burden of the organization by temporary removing the surplus employees. This is done due to inability of the employee to recruit them due to shortage of sufficient resources. Lay off results in a great loss to the organization as they had to suffer all the expenses of selection, placement and training.

iii) **Dismissal:** dismissal or discharge means separating the employee from the payroll due to unsatisfactory performance where the employee fails to perform his duties well and he is not properly skilled to perform his job or due to violation of organizational rules it means indiscipline, dishonesty. Whatever is the cause of dismissal but it should be done at the last stage.

iv) **Retirement:** number of separation in the organization happen due to retirement. There must be clear rules of retirement there may be compulsory retirement where an employee has to retire after attaining a particular age. Forced retirement means when a person is found guilty in the court of law or breaks any service agreement then has to retire forcibly irrespective of his age. Premature retirement means that the employee becomes disable to perform the job in that case he may be given the option to take retirement before his retirement age.

## **10MARK QUESTIONS**

### **1.What are the external sources of Recruitment?**

The external sources are discussed below: The different methods are

1. Advertisement: It is a method of recruitment frequently used for skilled workers, clerical and higher staff. Advertisement can be given in newspapers and professional journals. These advertisements attract applicants in large number of highly variable quality. Preparing good advertisement is a specialized task. If a company wants to conceal its name, a 'blind advertisement' may be given asking the applicants to apply to Post Bag or Box Number or to some advertising agency.
2. Employment Exchanges: Employment exchanges in India are run by the Government. For unskilled, semi-skilled, skilled, clerical posts etc., it is often used as a source of recruitment. In certain cases it has been made obligatory for the business concerns to notify their vacancies to the employment exchange. In the past, employers used to turn to these agencies only as a last resort. The job-seekers and job-givers are brought into contact by the employment exchanges.
3. Schools, Colleges and Universities: Direct recruitment from educational institutions for certain jobs (i.e. placement) which require technical or professional qualification has become a common practice. A close liaison between the company and educational institutions helps in getting suitable candidates. The students are spotted during the course of their studies. Junior level executives or managerial trainees may be recruited in this way.
4. Recommendation of Existing Employees: The present employees know both the company and the candidate being recommended. Hence some companies encourage their existing employees to assist them in getting applications from persons who are known to them. In certain cases rewards may also be given if candidates recommended by them are actually selected by the company. If recommendation leads to favouritism, it will impair the morale of employees.
5. Factory Gates: Certain workers present themselves at the factory gate every day for employment. This method of recruitment is very popular in India for unskilled or semi-skilled labour. The desirable candidates are selected by the first line supervisors. The major disadvantage of this system is that the person selected may not be suitable for the vacancy.
6. Casual Callers: Those personnel who casually come to the company for employment may also be considered for the vacant post. It is most economical method of recruitment. In the advanced countries, this method of recruitment is very popular.
7. Central Application File: A file of past applicants who were not selected earlier may be maintained. In order to keep the file alive, applications in the files must be checked at periodical intervals.
8. Labour Unions: In certain occupations like construction, hotels, maritime industry etc., (i.e., industries where there is instability of employment) all recruits usually come from unions. It is advantageous from the management point of view because it saves expenses of recruitment. However, in other industries, unions may be asked to recommend candidates either as a goodwill gesture or as a courtesy towards the union.

9. Labour Contractors: This method of recruitment is still prevalent in India for hiring unskilled and semi-skilled workers in brick kiln industry. The contractors keep themselves in touch with the labour and bring the workers at the places where they are required. They get commission for the number of persons supplied by them.

10. Former Employees: In case employees have been laid off or have left the factory at their own, they may be taken back if they are interested in joining the concern (provided their record is good).

## **2.What are the steps in selection process?**

Steps in Scientific Selection Process (i) Job Analysis, (ii) Recruitment. (iii) Application Form, (iv) Written Examination, (v) Preliminary Interview (iv) Business Games (vii) Tests. (viii) Final Interview. (ix) Medical Examination (x) Reference Checks. (xi) Line Manager's Decision. (xii) Job offer (xiii) Employment.

**Job Analysis:** Job analysis is the basis of selecting the right candidate. Every organization should finalize the job analysis, job description, job specification and employee specifications before proceeding to the next stop of selection. Human Resource Plan: Every company plans for the required number of and kind of employees for a future date. This is the basis for recruitment function.

**Recruitment:** Recruitment refers to the process of searching for prospective employees and stimulating them to apply for jobs in an organization. It is the basis for the remaining techniques of the selection and the latter varies depending upon the former. It develops the applicants' pool. Development of Bases for Selection: The Company has to select the appropriate candidates from the applicants' pool. The company develops or borrows the appropriate bases/techniques for screening the candidates in order to select the appropriate candidates for the jobs.

**Application Form:** Application Form is also known as application blank. The technique of application blank is traditional and widely accepted for securing information from the prospective candidates. It can also be used as a device to screen the candidates at the preliminary level. Many companies formulate their own style of application forms depending upon the requirement of information based on the size of the company, nature of business activities, type and level of the job etc. Information is generally required on the following items in the application forms: Personal background information, Educational attainments, Work experiences, Salary, Personal details and References.

**Written Examination:** The organizations have to conduct written examination for the qualified candidates after they are screened on the basis of the application blanks so as to measure the candidate's ability in arithmetical calculations, to know the candidates' attitude towards the job, to measure the candidates' aptitude, reasoning, knowledge in various disciplines, general knowledge and English language.

**Preliminary Interview:** The preliminary interview is to solicit necessary information from the prospective applicants and to assess the applicant's suitability to the job. This may be conducted

by an assistant in the personnel department. The information thus provided by the candidate may be related to the job or personal specifications regarding education, experience, salary expected, aptitude towards the job, age, physical appearance and other physical requirements etc. Thus, preliminary interview is useful as a process of eliminating the undesirable and unsuitable candidates. If a candidate satisfied the job requirements regarding most of the areas, he may be selected for further process. Preliminary interviews are short and known as stand-up interviews or sizing-up of the applicants or screening interviews. However, certain required amount of care is to be taken to ensure that the desirable workers are not eliminated. This interview is also useful to provide the basic information about the company to the candidate.

**Business Games:** Business games are widely used as a selection technique for selecting management trainees, executive trainees and managerial personnel at junior, middle and top management positions. Business games help to evaluate the applicants in the areas of decision-making identifying the potentialities, handling the situations, problem-solving skills, human relations skills etc. Participants are placed in a hypothetical work situation and are required to play the role situations in the game. The hypothesis is that the most successful candidate in the game will be the most successful one on the job. **Group Discussion:** The technique of group discussion is used in order to secure further information regarding the suitability of the candidate for the job. Group discussion is a method where groups of the successful applicants are brought around a conference table and are asked to discuss either a case study or a subject-matter. The candidates in the group are required to analyses, discuss, find alternative solutions and select the sound solution. A selection panel then observes the candidates in the areas of initiating the discussion, explaining the problem, soliciting unrevealing information based on the given information and using common sense, keenly observing the discussion of others, clarifying controversial issues, influencing others, speaking effectively, concealing and mediating arguments among the participants and summarizing or concluding apply. The selection panel, based on its observation, judges the candidates' skill and ability and ranks them according to their merit. In some cases, the selection panel may also ask the candidates to write the summary of the group discussion in order to know the candidates' writing ability as well .

**Test:** Psychological tests play a vital role in employee selection. A psychological test is essentially an objective and standardized measure of sample of behavior from which inferences about future behavior and performance of the candidate can be drawn. Objectivity of tests refers to the validity and reliability of the instruments in measuring the ability of the individuals. Objectivity provides equal opportunity to all the job seekers without any discrimination against sex, caste etc. standardization of test refers to uniformity of the total behavior of the prospective employee on the job.

**Interview :**Interview is probably the most widely used selection tool. It is a most complex selection technique because its scope includes measuring all the relevant characteristics and integrating and classifying all other information about the applicant.



### **3.Explain the types of interview.**

**Promotion interview:-** Persons due for promotion are interviewed even if there is no competition. The interview is likely to be informal and serves as induction into a new team, with new responsibilities. Clarification about nature of duties, responsibilities and expectations are made during a promotion interview.

**Informal interview:-** It is planned and is used when the staff is required urgently. A friend or relative of the employer may take a candidate to the house of employer or manager who ask few questions like name, birth place, educations and experience,etc. when candidate enquires about the vacancies after reading an advertisement, it's a example of informal interview.

**Formal interview:**This type of interview is preplanned and is held in a formal atmosphere. All the formalities and procedure, e.g.the time, the venue and the questions to be asked are decided in advance.

**Appraisal or assessment interview:-** An appraisal interview is one of the methods of periodical assessment of employees. There are other methods like completion of self assessment forms and assessment by supervisors. But annual appraisal interview is the best method for judging employees' attitudes. A face-to-face confidential talk is an opportunity for both, the employee and the supervisor to discuss several issues.

**Patterned or structured interview:** Such interview is fully planned to a high degree of accuracy and precision. It's based on the assumption that to be more effective every pertinent detail should be worked out in advance. Therefore, a list questions to be asked is prepared and the questions are asked in a particular cycle. The time to be allowed to each candidate and the information to be sought a predicated. The interviewer is carefully selected. The interviewer actively participates and the candidate is expected only to answer the questions. Thus, a standardized pattern is adopted or the structure of the interview is decided in advance. Such interview is also known as directed or guided interview. It allows for a systematic coverage of the required information.

**Stress Interview:** - This interview aims at testing the candidate's job behavior and level of withstanding during the period of stress and strain. Interviewer tests the candidate by putting him under stress and strain by interrupting the applicant from answering, criticizing his opinions, asking questions pertaining to unrelated areas, keeping silent for unduly long period after he has finished speaking etc. Stress during the middle portion of the interview gives effective results. Stress interview must be handled with at most care and skill. This type of interview is often invalid. As the interviewee's need for a job, his previous experience in such type of interviews may inhibit his actual behavior under such situations. .

**Behavioral Interview:-** In a behavioral interview, the interviewer will ask you questions based on common situations of the job you are applying for. The logic behind the behavioral interview is

that your future performance will be based on a past performance of a similar situation. You should expect questions that inquire about what you did when you were in XXX situation and how did you deal with it. In a behavioral interview, the interviewer wants to see how you deal with certain problems and what you do to solve them.

**Group Interview:-** Many times companies will conduct a group interview to quickly prescreen candidates for the job opening as well as give the candidates the chance to quickly learn about the company to see if they want to work there. Many times, a group interview will begin with a short presentation about the company. After that, they may speak to each candidate individually and ask them a few questions. One of the most important things the employer is observing during a group interview is how you interact with the other candidates. Are you emerging as a leader or are you more likely to complete tasks that are asked of you? Neither is necessarily better than the other, it just depends on what type of personality works best for the position that

**Group Discussion Interview:-** There are two methods of conducting group discussion interview, namely group interview method and discussion interview method. All candidates are brought into one room i.e. interview room and are interviewed one by one under group interview. This method helps a busy executive to save valuable time and gives a fair account of the objectivity of the interview to the candidates. Under the discussion interview method, one topic is given for discussion 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, leading comprehension, collaboration etc. Interviewers are at ease in this category of interview because of its informality and flexibility. But it may fail to cover some significant portions of the candidates' background and skills

**Depth Interview:** In this type of Interview, the candidates would be examined extensively in core areas of knowledge and skills of the job. Experts in that particular field examine the candidates by posing relevant questions as to extract critical answers from them, initiating discussions regarding critical areas of the job, and by asking the candidates to explain even minute operations of the job performance. Thus, the candidate is examined thoroughly in critical / core areas in their interviews.

**Phone interview:** A phone interview may be for a position where the candidate is not local or for an initial prescreening call to see if they want to invite you in for an in-person interview. You may be asked typical questions or behavioral questions. Most of the time will schedule an appointment for a phone interview. If the interviewer calls unexpectedly, it's ok to ask them politely to schedule an appointment. On a phone interview, make sure your call waiting is turned off, you are in a quiet room, and you are not eating, drinking or chewing gum.

**Panel or board interview:** Such interview is conducted by a group of interviewers. It seeks to pool the collective wisdom and judgment of several interviewers. Questions are asked in turn or

at random. The candidate may even be asked to meet the members of the panel individually for a fairly lengthy interview.

Guidelines for effective interviewing Interview can be made be more effective by observing the following guidelines: An interview should have a definite time schedule with ample time for conduct, i.e., it should not be hurried. Interview should have an element of privacy. The interview should be based on a checklist of what to look for in a candidate such a checklist should be prepared on the basis of job requirements. Competent, trained and experienced persons should be chosen as interview. Proper method of interview should be employed. A specific set of guidelines should be given to the interviews

There should be proper coordination between the initial and succeed interviews. The interviewer should try to minimize his personal bias or prejudiced.