Unit 4
Human Resource Management

Introduction

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. The job-seekers too, on the other hand, are in search of organisations offering them employment. Recruitment is a linkage activity bringing together those with jobs and those seeking jobs. In simple words, the term recruitment refers to discovering the source from where potential employees may be selected. The scientific recruitment process leads to higher productivity, better wages, high morale, reduction in labour turnover and enhanced reputation. It stimulates people to apply for jobs; hence it is a positive process.

Recruitment is concerned with reaching out, attracting, and ensuring a supply of qualified personnel and making out selection of requisite manpower both in their quantitative and qualitative aspect. It is the development and maintenance of adequate man- power resources. This is the first stage of the process of selection and is completed with placement.

Definition:

➢ **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.

➢ He says, "It is often termed positive in that it stimulates people to apply for jobs, to increase the hiring ratio, i.e. the number of applicants for a job. Selection, on the other hand, tends to be negative because it rejects a good number of those who apply, leaving only the best to be hired. "

➢ **In the words of Dale Yoder,** Recruitment is the process to "discover the sources of manpower to meet the requirements of the staffing schedule and to employ effective measures for attracting that manpower in adequate numbers to facilitate effective selection of an efficient working force."

➢ **Kempner writes,** "Recruitment forms the first stage in the process which continues with selection and ceases with the placement of the candidates."

➢ In personnel recruitment, management tries to do far more than merely fill job openings. As a routine the formula for personnel recruitment would be simple i.e., just fill the job with any applicant who comes along.

➢ **Joseph J. Famularo** has said, "However, the act of hiring a man carries with it the presumption that he will stay with the company-that sooner or later his ability to perform his work, his capacity for job growth, and his ability to get along in the group in which he works will become matters of first importance." Because of this, a critical examination of recruitment methods in use should be made, and that is the purpose of this chapter.

Steps of recruitment

Step 1 – Before you start looking

Put together information about the nature of the job, especially it it is a position being created for the first time. Think about:

- The content (such as the tasks) making up the job
- The output required by the job holder (work hours, number of clients etc.)
- How it fits into the structure of the practice/organisation
- The skills and personal attributes needed to perform the role effectively.

This analysis forms the basis of a job description and person specification.

Step 2 – Preparing a job description

A job description states the necessary and desirable criteria for selection.

Increasingly such specifications are based on a set of competencies identified as necessary for the performance of the job. Include:

- Skills, aptitude, knowledge and experience
- Qualifications (which should be only those necessary to do the job – unless candidates are recruited on the basis of future potential, for example graduates)
- Personal qualities relevant to the job, such as ability to work as part of a team.

Step 3 – Finding candidates

Internal methods:

- Staff referrals
- Succession planning
- Secondments

It is important not to forget the internal talent pool, especially in a larger practice. Providing opportunities for development and career progression is an important factor for employee retention and motivation

External methods

There are many options available for generating interest from individuals outside the organisation.

- Online recruitment
- Press advertising
- Networking
- Open days for the larger organisation

Advertising remains the most common means of attracting and recruiting. Advertisements should be clear and indicate the:

- requirements of the job
- necessary and the desirable criteria for job applicants (to limit the number of inappropriate applications received)
- job location
- reward package
- job tenure (for example, contract length)
- details of how to apply.

Advertisements should be genuine and relate to a job that actually exists. They should appeal to all sections of the community using positive visual images and wording.

Step 4 – Managing the application process

There are two main formats in which applications are likely to be received: the curriculum vitae (CV)/résumé or application. These can be submitted either on paper or electronically.

Application forms

Application forms allow information to be presented in a consistent format, and therefore make it easier to collect information from job applicants in a systematic way and assess objectively the candidate's suitability for the job.

CVs/résumés

CVs give candidates the opportunity to sell themselves in their own way and don't have the restrictions of fitting information into a form. However, some candidates include irrelevant material that makes them harder to assess consistently.

Step 5 – Selecting candidates

Selecting candidates involves two main processes: short listing and assessing applicants to decide who should be made a job offer.

Shortlisting

Shortlisting depends on the number of candidates.

When deciding who to shortlist, it is helpful to draw up a list of criteria using the job specification and person profile. Each application can then be rated according to these standards, or a simple scoring system can be used.

Assessment

A range of different methods can be used to assess candidates. These vary in their reliability as a predictor of performance in the job and in their ease and expense to administer. Typical methods include:

- General interview
- Competency based interview
- Role play/demonstration
- Sample presentation (for jobs needing presenting skills)

Step 6 – Making the appointment

Contract

Offers of employment should always be made in writing. But it is important to be aware that an oral offer of employment made in an interview is as legally binding as a letter to the candidate.

References

A recruitment policy should state clearly how references will be used, when in the recruitment process they will be taken up and what kind of references will be necessary (for example, from former employers). These rules should be applied consistently.

Other checks

Checks such as working with children or vulnerable adults, police checks, fit to work checks are necessary according to the job.

Step 7 – Induction

Induction is a critical part of the recruitment process, for both employer and new employee. An induction plan should include:

- A clear outline of the job/role requirements
- Orientation (physical) – describing where the facilities are

- Orientation (organisational) – showing how the employee fits into the team, along with details of the organisation's history, culture and values
- Fair Work Information Statement

Process of Recruitment

Recruitment Process Passes through the Following Stages:

(i) Searching out the sources from where required persons will be available for recruitment. If young managers are to be recruited then institutions imparting instructions in business administration will be the best source.

(ii) Developing the techniques to attract the suitable candidates. The goodwill and reputation of an organisation in the market may be one method. The publicity about the company being a professional employer may also assist in stimulating candidates to apply.

(iii) Using of good techniques to attract prospective candidates. There may be offers of attractive salaries, proper facilities for development, etc.

(iv) The next stage in this process is to stimulate as many candidates as possible to apply for jobs. In order to select a best person, there is a need to attract more candidates.

Factors Influencing Recruitment:

1. Size of the Enterprise:

The number of persons to be recruited will depend upon the size of an enterprise. A big enterprise requires more persons at regular intervals while a small undertaking employs only a few employees. A big business house will always be in touch with sources of supply and shall try to attract more and more persons for making a proper selection. It can afford to spend more amounts in locating prospective candidates. So the size of an enterprise will affect the process of recruitment.

2. Employment Conditions:

The employment conditions in an economy greatly affect recruitment process. In under-developed economies, employment opportunities are limited and there is no dearth of prospective candidates. At the same time suitable candidates may not be available because of lack of educational and technical facilities. If the availability of persons is more, then selection from large number becomes easy. On the other hand, if there is a shortage of qualified technical persons, then it will be difficult to locate suitable persons.

3. Salary Structure and Working Conditions:

The wages offered and working conditions prevailing in an enterprise greatly influence the availability of personnel. If higher wages are paid as compared to similar concerns, the

enterprise will not face any difficulty in making recruitments. An organisation offering low wages can face the problem of labour turnover.
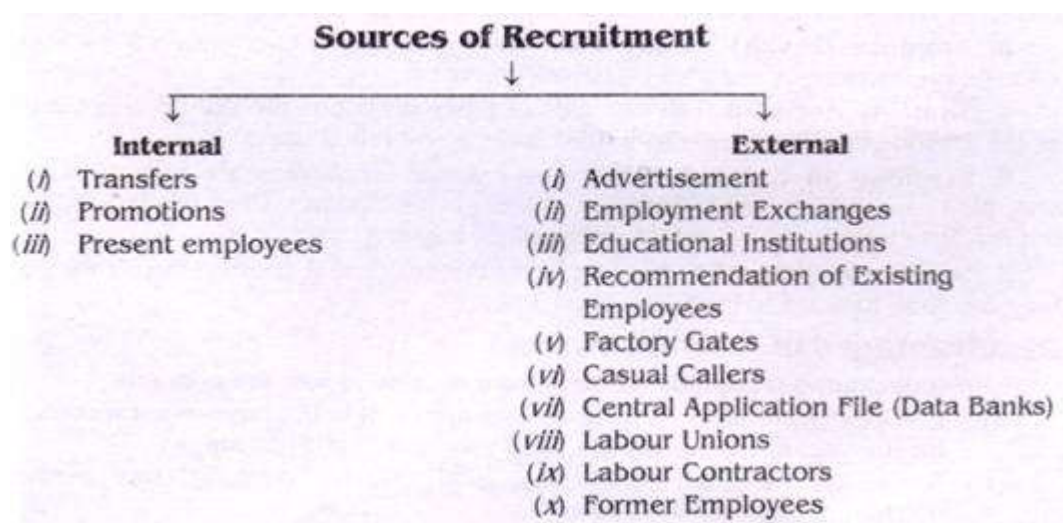
The working conditions in an enterprise will determine job satisfaction of employees. An enterprise offering good working conditions like proper sanitation, lighting, ventilation, etc. would give more job satisfaction to employees and they may not leave their present job. On the other hand, if employees leave the jobs due to unsatisfactory working conditions, it will lead to fresh recruitment of new persons.

4. Rate of Growth:

The growth rate of an enterprise also affects recruitment process. An expanding concern will require regular employment of new employees. There will also be promotions of existing employees necessitating the filling up of those vacancies. A stagnant enterprise can recruit persons only when present incumbent vacates his position on retirement, etc.

Sources of Recruitment

The candidates may be available inside or outside the organisation. Basically, there are two sources of recruitment i.e., internal and external sources.

Sources of Recruitment

Internal	External
(i) Transfers	(i) Advertisement
(ii) Promotions	(ii) Employment Exchanges
(iii) Present employees	(iii) Educational Institutions
	(iv) Recommendation of Existing Employees
	(v) Factory Gates
	(vi) Casual Callers
	(vii) Central Application File (Data Banks)
	(viii) Labour Unions
	(ix) Labour Contractors
	(x) Former Employees

(A) Internal Sources:

Best employees can be found within the organisation… When a vacancy arises in the organisation, it may be given to an employee who is already on the pay-roll. Internal sources include promotion, transfer and in certain cases demotion. When a higher post is given to a deserving employee, it motivates all other employees of the organisation to work hard. The employees can be informed of such a vacancy by internal advertisement.

Methods of Internal Sources:

The Internal Sources Are Given Below:

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.

Advantages of Internal Sources:

The Following are The Advantages of Internal Sources:

1.Improves morale:

When an employee from inside the organisation is given the higher post, it helps in increasing the morale of all employees. Generally every employee expects promotion to a higher post carrying more status and pay (if he fulfills the other requirements).

2. No Error in Selection:

When an employee is selected from inside, there is a least possibility of errors in selection since every company maintains complete record of its employees and can judge them in a better manner.

3. Promotes Loyalty:

It promotes loyalty among the employees as they feel secured on account of chances of advancement.

4. No Hasty Decision:

The chances of hasty decisions are completely eliminated as the existing employees are well tried and can be relied upon.

5. Economy in Training Costs:

The existing employees are fully aware of the operating procedures and policies of the organisation. The existing employees require little training and it brings economy in training costs.

6. Self-Development:

It encourages self-development among the employees as they can look forward to occupy higher posts.

Disadvantages of Internal Sources:

(i) It discourages capable persons from outside to join the concern.

(ii) It is possible that the requisite number of persons possessing qualifications for the vacant posts may not be available in the organisation.

(iii) For posts requiring innovations and creative thinking, this method of recruitment cannot be followed.

(iv) If only seniority is the criterion for promotion, then the person filling the vacant post may not be really capable.

Inspite of the disadvantages, it is frequently used as a source of recruitment for lower positions. It may lead to nepotism and favouritism. The employees may be employed on the basis of their recommendation and not suitability.

(B) External Sources:

All organisations have to use external sources for recruitment to higher positions when existing employees are not suitable. More persons are needed when expansions are undertaken.

The external sources are discussed below:

Methods of External Sources:

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 specialised 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 klin 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).

11. Other Sources:

Apart from these major sources of external recruitment, there are certain other sources which are exploited by companies from time to time. These include special lectures delivered by recruiter in different institutions, though apparently these lectures do not pertain to recruitment directly.

Then there are video films which are sent to various concerns and institutions so as to show the history and development of the company. These films present the story of company to various audiences, thus creating interest in them.

Various firms organise trade shows which attract many prospective employees. Many a time advertisements may be made for a special class of work force (say married ladies) who worked prior to their marriage.

These ladies can also prove to be very good source of work force. Similarly there is the labour market consisting of physically handicapped. Visits to other companies also help in finding new sources 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. Demoralisation:

When new persons from outside join the organisation then present employees feel demoralised because these positions should 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.

Selection

Meaning

Finding the interested candidates who have submitted their profiles for a particular job is the process of recruitment, and choosing the best and most suitable candidates among them is the process of selection. It results in elimination of unsuitable candidates. It follows scientific techniques for the appropriate choice of a person for the job.

The recruitment process has a wide coverage as it collects the applications of interested candidates, whereas the selection process narrows down the scope and becomes specific when it selects the suitable candidates.

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

Steps Involved in Selection Procedure:

A scientific and logical selection procedure leads to scientific selection of candidates. The criterion finalized for selecting a candidate for a particular job varies from company to company.

Therefore, the selection procedure followed by different organizations, many times, becomes lengthy as it is a question of getting the most suitable candidates for which various tests are to be done and interviews to be taken. The procedure for selection should be systematic so that it does not leave any scope for confusions and doubts about the choice of the selected candidate (Figure 5.6).
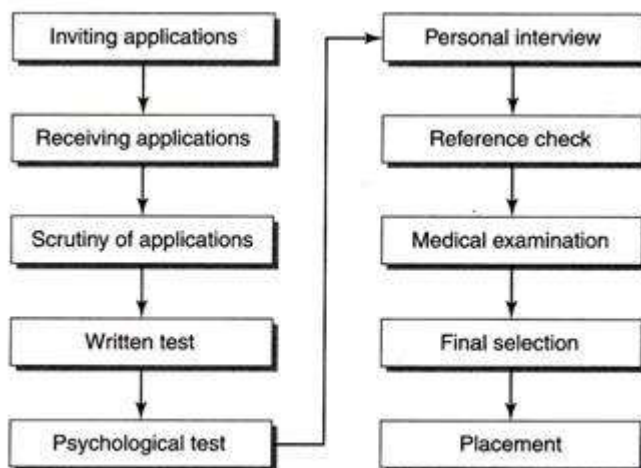

Fig. 5.6 Steps Involved in Selection Procedure

Brief details of the various steps in selection procedure are given as follows:

1. Inviting applications:

The prospective candidates from within the organization or outside the organization are called for applying for the post. Detailed job description and job specification are provided in the advertisement for the job. It attracts a large number of candidates from various areas.

2. Receiving applications:

Detailed applications are collected from the candidates which provide the necessary information about personal and professional details of a person. These applications facilitate analysis and comparison of the candidates.

3. Scrutiny of applications:

As the limit of the period within which the company is supposed to receive applications ends, the applications are sorted out. Incomplete applications get rejected; applicants with un-matching job specifications are also rejected.

4. Written tests:

As the final list of candidates becomes ready after the scrutiny of applications, the written test is conducted. This test is conducted for understanding the technical knowledge, attitude and interest of the candidates. This process is useful when the number of applicants is large.

Many times, a second chance is given to candidates to prove themselves by conducting another written test.

5. Psychological tests:

These tests are conducted individually and they help for finding out the individual quality and skill of a person. The types of psychological tests are aptitude test, intelligence test, synthetic test and personality test

6. Personal interview:

Candidates proving themselves successful through tests are interviewed personally. The interviewers may be individual or a panel. It generally involves officers from the top management.

The candidates are asked several questions about their experience on another job, their family background, their interests, etc. They are supposed to describe their expectations from the said job. Their strengths and weaknesses are identified and noted by the interviewers which help them to take the final decision of selection.

7. Reference check:

Generally, at least two references are asked for by the company from the candidate. Reference check is a type of crosscheck for the information provided by the candidate through their application form and during the interviews.

8. Medical examination:

Physical strength and fitness of a candidate is must before they takes up the job. In-spite of good performance in tests and interviews, candidates can be rejected on the basis of their ill health.

9. Final selection:

At this step, the candidate is given the appointment letter to join the organization on a particular date. The appointment letter specifies the post, title, salary and terms of employment. Generally, initial appointment is on probation and after specific time period it becomes permanent.

10. Placement:

This is a final step. A suitable job is allocated to the appointed candidate so that they can get the whole idea about the nature of the job. They can get adjusted to the job and perform well in future with all capacities and strengths.

Methods of selection

1. Preliminary Screening

Once an employer has received what it considers sufficient interest in the position, the recruiter starts screening the applications or resumes to determine which applicants to contact for the preliminary screening interview. Employers determine sufficient interest based on the number of applications or the amount of time the job is posted. Many times, employers take down the job posting when they receive a manageable number of applications, such as 100, to review for a handful of qualified candidates. Small businesses that don't have a lot of time to devote to screening applicants should screen based on discrete criteria, such as minimum number of years' experience or verifiable credentials. Preliminary screening is an effective method for narrowing the selection to candidates who meet the basic requirements for the job.

2. Telephone Interviewing

Used as a first-round interview, telephone interviews give recruiters an opportunity to find out whether an applicant is still interested in the job. It also saves small businesses the money and time of conducting face-to-face interviews immediately after the preliminary screening step. A telephone interview also confirms whether the applicant has the requisite qualifications. Following the telephone interview, the recruiter typically selects the candidates who were able to articulate their skills and qualifications in a manner that meets the company's staffing needs.

3. In-Person Interviews

Face-to-face interviews take time, which is one of the reasons the applicant pool should be narrowed by conducting preliminary screening and telephone interviewing. The recruiter is a conduit for providing the hiring manager with the best-suited candidates, a process that

streamlines the selection process. For example, out of 10 applicants interviewed by phone, the recruiter should select three to four candidates. The hiring manager further narrows the selection to two finalists. In a small business, although the hiring manager may be doing the work of a recruiter, best practices for HR selection methods dictate that at least one face-to-face interview be conducted before making a decision.

4. Cultural Fit Selection

In the third-round interview, often the decision round, the hiring manager asks questions that will help him determine which candidate fits the organisational culture. Qualifications aside, an important factor in the hiring decision is cultural fit. Cultural fit means the candidate's values align with the organisation's values. It's a subjective analysis, and one that hiring managers can only attribute to being a gut feeling, not objective criteria.

5. Vetting Candidates

Once the hiring manager tells the recruiter who has been selected as the most suitable candidate, the recruiter dispatches a conditional job offer. As part of the selection techniques, a conditional offer goes out to the No. 1 candidate, while keeping the runner-up in mind should the first candidate not pass the final stage. The final stage in what's now become the vetting process consists of pre-employment matters, such as background checks and drug testing. Even small businesses should invest in the time and expense of background checks — doing so can reduce the likelihood of hiring mistakes. Background checks verify information provided by the candidate and are an exercise in due diligence, according to management consultants Kim Kerr and Barry Nixon, in their May 2008 article on HR.BLR.com titled "Benefits and Components of a Background Screening Policy." Once the candidate passes the background check and the drug test, the company extends a final offer. The company then sends a rejection letter to the No. 2 candidate now that it knows the No. 1 candidate can move forward with the on-boarding process.

Induction

Meaning

It 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. It is a welcoming process to make him feel at home and generate in him a feeling of belongingness to the organization. In the process of induction the new comer is explained his

duties and responsibilities, company rules, policies and regulations so as to make him familiar to the organization.

The prime aim of an induction session is to guarantee a successful integration of the employees and the management.

Research has also shown that a well-planned induction programme increases staff retention. It is important for the new employees to get a proper idea of the organization's values and objectives, and the job they are required to do.

Induction is the biggest event of the organizational life of a new employee. It is beneficial to both, employee as well as organization.

But many organizations treat it as a formality and, therefore, take it lightly and not in its true perspective. Such organizations cannot create favourable image in the minds of new recruits and to that extent, their effectiveness is affected adversely.

Characteristics of Induction

The important characteristics of induction are:

(i) Encouraging employees to ask questions.

(ii) Including information on both technical and social aspects of the job.

iii) Making the new employee's manager responsible for the orientation.

(iv) Avoiding embarrassment to the new members.

(v) Arranging formal and informal interaction with managers and peers.

(vi) Providing relocation assistance such as house hunting, information about the local society, and etc.

(vii) Giving information about the company's products, services and customers.

(viii) Familiarizing adequately with the culture of the organization such as how work is done, what matters in the organization, which work- related behaviours are acceptable or unacceptable and etc.

Objectives of Induction

(i) To help the new employee to develop a close and cordial relation with the existing employees.

(ii) To give the new employee necessary information such as – location of the different building, company rules, leave rules, rest periods etc.

(iii) To help the new employee overcome his natural shyness and nervousness in meeting the new people in the organization.

(iv) To develop a sense of belongingness and loyalty among new employees.

(v) To help the employees know the different facilities and opportunities available in the organization.

(vi) To help the new employees to minimize the "reality shock" that they may undergo after reporting to duty.

Reasons/Need of Induction

Employees have the right to a proper orientation to any new job position. Fowler (1983) stated that, new employees need to have realistic expectations of their jobs.

ii. They need to be helped to fit rapidly into the organization and into the working group.

iii. They need to know clearly what is expected of them- the standards and style of the work they are to perform.

iv. They need to understand their organization's rules and regulations.

v. They must know who's who at work, and who can make decisions about which issues.

vi. They should be helped to develop their aptitudes and talents.

vii. They need to feel that their employer has a respect for them as individuals, as potentially resourceful humans rather than as a mechanistic human resource.

Once the objectives of induction are clear, it is wise to plan the content and duration of sessions carried out during the induction programme in order to get the best from the employees.

Induction in HRM – HRM's and CEO's Role in Induction

1. HRM's Role in Induction:

(i) Induction function can be performed by HRM, line management or a combination of the two.

(ii) In spite of preference for a combination strategy, HRM plays a major role in new-employee induction.

(iii) HRM ensures that appropriate components are in place.

(iv) Moreover, HRM also serves as a participant in the program.

(v) As it is appropriate that offer letters should come from HRM, orientation must be coordinated by HRM.

(vi) When job offers are accepted, HRM should instruct the new employee when to report.

(vii) Before the new employee formally reports himself/herself for duty, HRM must be prepared to handle some of the routine needs, particularly well-prepared answers to the long list of questions about the benefits the company offers.

(viii) Some organizations are proactive and prepare a package focusing on important decisions the new employee is expected to take such as choice of health insurance, banks for direct deposit of pay packs, tax deduction information etc.

(ix) HRM must spend some time addressing what assistance it can offer to the new employee in future.

(x) In addition to providing an array of services such as career guidance, employee training etc., the HRM should let the new employees know what else HRM can do suppose many HRM services are outsourced.

2. CEO's Role in Induction:

In the earlier days, CEOs never bothered to take part in the induction programmes. Consequent to the advice given by the management consultants many top managers started making themselves visible in their organizations, meeting and greeting employees and listening to employee concerns.

(i) Having the CEO present from day one, and addressing new employees, helps allay the fears about the new job/organization.

(ii) The CEO's first responsibility is to welcome new employees and talk to them about the good job choice they made. It is similar to cheerleading pep rally.

(iii) The CEO is in a position to inspire new employees by talking about what it is like to work for the organization.

(iv) The CEO can discuss what really matters in the company i.e. an indoctrination to the organization's culture.

(v) When a CEO is present in the induction programme, the organization shows that it truly cares for its employees.

Promotion

Promotion is vertical movement of an employee within the organisation. In other words, promotion refers to the upward movement of an employee from one job to another higher one, with increase in salary, status and responsibilities. Promotion may be temporary or permanent, depending upon the needs of the organisation.

There can be 'dry promotion' also where an employee is assigned to a higher level job without increase in pay. An example of 'dry promotion' is a University Professor made Head of the Department with no increase in salary.

Promotion has an in-built motivational value as it elevates the authority, power and status of an employee within an organisation. It is considered good personnel policy to fill vacancies

in a higher job through promotions from within because such promotions provide an inducement and motivation to the employees and also remove feelings of stagnation-and frustration.

Types of Promotion:

Promotion given to employees in an organisation can be classified into three types:

1. Horizontal promotion:

When an employee is shifted in the same category, it is called 'horizontal promotion'. A junior clerk promoted to senior clerk is such an example. It is important to note that such promotion may take place when an employee shifts within the same department, from one department to other or from one plant to another plant.

2. Vertical Promotion:

This is the kind of promotion when an employee is promoted from a lower category to lower category involving increase in salary, status, authority and responsibility. Generally, promotion means 'vertical promotion'.

3. Dry Promotion:

When promotion is made without increase in salary, it is called 'dry promotion'. For example, a lower level manager is promoted to senior level manager without increase in salary or pay. Such promotion is made either there is resource/fund crunch in the organisation or some employees hanker more for status or authority than money.

Purposes:

The following are the purposes or objectives of promotion:

1. To recognize an employee's skill and knowledge and utilize it to improve the organisational effectiveness.

2. To reward and motivate employees to higher productivity.

To develop competitive spirit and inculcate the zeal in the employees to acquire skill, knowledge etc.

4. To promote employees satisfaction and boost their morale.

5. To build loyalty among the employees toward organisation.

6. To promote good human relations.

ADVERTISEMENTS:

. To increase sense of belongingness.

8. To retain skilled and talented people.

9. To attract trained, competent and hard working people.

10. To impress the other employees that opportunities are available to them too if they also perform well.

Policy:

The following characteristics make a promotion policy as sound and good policy:

1. It must provide equal opportunities for promotion across the jobs, departments, and regions.

2. It must be applied uniformly to all employees irrespective of their background.

3. It must be fair and impartial.

4. The basis of promotion must be clearly specified and made known to the employees.

5. It must be correlated with career planning. Both quick (bunching) and delayed promotions must be avoided as these ultimately adversely affect the organisational effectiveness.

6. Appropriate authority must be entrusted with the task of making final decision.

7. Promotion must be made on trial basis. The progress of the employee must be monitored. In case, the promoted employee does not make the required progress, provision must be there in the promotion policy to revert him/her to the former post.

8. The policy must be good blending of promotions made from both inside and outside the organisation.

Promotion can be made on various bases. Following are the major ones:

1. Seniority i.e., length of service

2. Merit, i .e., performance

3. Educational and technical qualification

4. Potential for better performance

5. Career and succession plan

6. Vacancies based on organisational chart

7. Motivational strategies like job enlargement.

8. Training

As a matter of fact, no single basis of promotion is acceptable and applicable to all organisations. Every basis has its strengths and weaknesses. For example, while promotion on the basis of seniority gives satisfaction to the senior employees, it causes frustration to the talented ones.

Similarly, promotion based on merit motivates competent employees to work hard while trade unions oppose it on the justification of its subjectivity. In India, promotion in the government departments is made on the basis of seniority of the employees. In case of private

organisations, merit is generally used as a basis for promoting employees. Here, the promotion policy is to promote the best one available.

Transfer

Transfer is a process of placing employees in positions where they are likely to be more effective or where they are to get more job satisfaction.

In transfers, there is no change in the responsibility, designation, status or salary. It is a process of employee's adjustment with the work, time and place. Transfer may also be made as a disciplinary action.

According to Edwin Flippo, a transfer, "is a change in job where the new job is substantially equal to the old in terms of pay, status and responsibilities".

ransfer is a movement of the employee from one job to another job or some other place without change in status, responsibilities and salary.

Transfer means a change in job assignment. It refers to a horizontal or lateral movement of an employee from one job to another in the same organization without much change in his status or pay package.

Transfer causes a shift of individual from one job to another without there being any marked change in his responsibilities, skills and other benefits.

Transfers must be ordered based on certain company-specific principles or dogma. Transferring an employee without adhering to policies or norms may lead to deteriorated industrial relations. The management might think of issuing transfer orders, treating each case on its own merit.

Objectives of transfer

Transfer may be made to achieve the following objectives:

1. To meet or fulfill organizational needs – To fulfill organisational needs arising out of change in technology, volume of production, production schedule, quality of product etc., an employee may have to be transferred.

2. To satisfy employee needs – Sometimes employees themselves demand transfer due to their personal problems like ill health, family problem native attractiveness or non-co-operation from boss or fellow workers. To satisfy their needs employees may have to be transferred.

To adjust the workforce – Employees for excess or surplus in one department may have to be transferred to other department or section where there is shortage of workforce.

4. To reduce monotony and to make the employees versatile – If the employees have stayed on a job continuously for a longer duration, to reduce their monotony and to widen their knowledge and skill, employees are transferred.

5. For effective use of employees – If the management feels that the service of the able employee is to be used in different branches of the same organisation, then such employees will have to be transferred.

6. To punish Employees – If employees are found indulged in undesirable activities like fraud, bribery, duping etc., such employees are transferred to remote places as a disciplinary action.

7. To give the relief to the employees – Employees who are overburdened and doing complicated or risky work for long period are relieved from such work by transferring such employees to a place of their choice.

8. To improve employees background by placing them in different jobs of various departments and units.

Objectives of Transfer of Employees in a Company:

The following are some of the objectives of transfer of employees in a company:

1. To meet the exigencies of the company's business.

2. To meet the request of an employee.

3. To correct incompatibilities of employee relations.

4. To suit the age and health of an employee.

5. To provide creative opportunities to deserving employees.

6. To train the employee for later advancement and promotion. This involves actually job rotation.

7. To deal with fluctuations in work requirements or exigencies at work, such as situations when there is slackness in the work in one department and an overload of work in another, an employee from the first department may be temporarily transferred to the other department as found necessary.

8. To correct erroneous placement.

9. To place the employee in another department where he/she would be more suitable.

Purpose of Transfer

Transfers are generally made to acquire some purposes that are as follows:

1. To Increase Productivity of Employees:

Transfer may be made for the proper utilsation of the services of an employee when he is not performing satisfactorily and ample and when the management feels that he may be more beneficial or suitable elsewhere, where his capacities would be better utilised.

2. To Fulfil Employee's Request:

Sometimes transfers is made to meet an employee's own request, when he feels uncomfortable on the job because of his dislike of his boss or his fellow workers or because better opportunities for his future advancement do not exist there or because of family circumstances which may compel him to change the place of his residence.

3. To Meet Organisational Requirements:

Sometimes transfers are made to satisfy such needs of an organisation as may arise out of a change in the quantity of production, fluctuations in work requirements and changes in the organisational structure; the introduction of new lines of production, etc.

4. Maintenance of a Tenure System:

Transfer may be made for the maintenance of a tenure system. In senior administrative services of the government and also in industries or where there is a system of annual intake of management trainees such transfers are generally exist.

5. For Adjusting the Work Force:

Transfer may be made to adjust the workforce of one plant with that of another, particularly when one is closed down for reasons beyond the control of the employer.

6. For Penalising Employees:

Transfer may be made to penalise employee under which either a difficult trade union activist or sea lawyer may be transferred to a remote branch or office where he cannot continue his further activities.

7. For Adjusting the Employee's Timing:

Transfer may be made at the requests of the employees to help work according to their convenience so far as timings are concerned, e.g., an employee is transferred from night shift to morning shift or from the first to the second shift (as in the case of women workers who may like to look after their children and do the necessary household work in the morning hours).

8. To Make Employee's more Versatile:

Transfer may be made to increase the versatility of the employee, by shifting him from one job to another so that he may have sufficient chances for gaining a varied and broader experience of work.

Personal transfer and organization initiated transfer

There is a well-structured transfer policy in organistions. Employee may be transferred either because of the needs of the organisation or at their own request. Quite often the management makes remedial transfer in case an individual is not performing satisfactorily on his/her present assignment and management feels that he/she will be more suitable on a different job considering his/her qualifications.

The transfers are generally affected for the following reasons:

A. Personal Transfer:

Personal Transfers are those which occur by desire of the employee and are primarily in his interest.

The reasons for such requests could be:

(1) To correct erroneous placement.

(2) To relieve the monotony of a job, acquire better working conditions and join friends/spouse.

(3) To avoid interpersonal conflicts.

(4) In consideration of the interests of age/health, education of children, housing difficulties or to join immobile dependents.

(5) The feeling that opportunity for advancement is better in another department.

(6) A search for creative opportunities.

B. Organisation Initiated Transfer:

The organisation may initiate transfers for the following reasons:

(1) The need for temporary adjustment for the convenience or benefit of the organisation or the employee, such as leave replacement or very short assignments.

(2) To meet emergencies or charges in operations or to deal with fluctuations in works requirements, necessitate either by volume of output or separation.

(3) To make use of the increasing versatility and competence of key employees.

Principles of transfer

Transfers must be ordered based on certain company-specific principles or dogma. Transferring an employee without adhering to policies or norms may lead to deteriorated industrial relations. The management might think of issuing transfer orders, treating each case on its own merit. Even if management takes the right decisions, some employees may take exception to them. Thus, management must frame a transfer policy and follow the same.

Some principles of a transfer are as follows:

a. In a usual phenomenon, a transfer causes some disturbance to the transferee. Hence, a minimum period between transfers and the frequency of transfer must be decided upon by the

HR department and made known to all the employees. A company should develop its administrative manual to endorse the policies and objectives relating to administration.

b. Authorities of the manager who will handle transfer must be earmarked and responsibilities must be defined. In an organization, the authority to handle transfers should be centralized to ensure uniformity in practices.

c. Transfers on individual employees' requests should be based on documented transfer system.

d. Transfer orders must clearly specify whether the transfer is of permanent or temporary nature.

e. Prior to transfer, the performance of an employee needs to be assessed. The assessment helps management to assign new tasks to the employee as per the job description.

f. While developing the transfer policy, the interest of the organization must always be remembered.