
Effective Recruitment and Selection Practices, Strategies and Process and its Linkage with Growth of Manufacturing Companies

Vrushali Vasant Sable*
Dr. Dhananjay Bagul**

Abstract

The human resource is increasingly viewed as being the most important resource in contributing to an organization's overall success in achieving corporate goals. Therefore human resource management is a vital component of the strategic decision making. The first process is recruitment, to employ suitably qualified employees to contribute to the achievement of the corporate goals, in an efficient and cost-effective manner. The primary purpose of this research is to investigate the linkage of recruitment and selection Practices with company growth. This paper lays out a conceptual framework for studying the linkage of Recruitment and Selection Practices with Growth of Manufacturing Companies with suggesting some effective strategies of Recruitment and Selection. Recruitment and Selection, as a human resource management function, is one of the activities that impact most critically on the performance of an organization. While it is understood and accepted that poor recruitment decisions continue to affect organizational performance and growth and limit goal achievement, to identify and implement new, effective hiring strategies. This paper discusses some of the strategies and process of recruitment and selection with their advantages and disadvantages that manufacturing organizations can and do employ to ensure the existence of the best possible pool of qualified applicants from, which they can fill vacancies as and when required, which will be helpful in achieving manufacturing company's overall growth.

Keywords: *Recruitment and Selection Practices, Manufacturing Company Growth, Strategies, Recruitment and Selection Processes.*

Introduction: The Company recognizes its employees as being fundamental to its success and future growth. A professional approach to recruitment and selection helps and enable the Company to attract, appoint and retain staff with the necessary skills and attributes to fulfill its strategic aims, and support the Company Values. The Company is committed to ensuring that the recruitment and selection of staff is conducted in manner that is systematic, efficient and effective, while promoting good practice, adopting a proactive approach to equality and diversity issues and supporting fully the Company's core business ultimately achieving its growth. The recruitment and selection of staff is important for any organizations for achievement of its stated aims and growth. The specific aim which relates to recruitment and selection is to employ staff from the whole community and enable them to help the organizations for its growth. The recruitment and selection procedures which follow aim to ensure that the company recruits and select the best candidates by a fair and appropriate selection process and techniques to be used. The important factor after recruitment is ensuring the right employees are trained and retained. This has both external and internal forces which can affect the retention rate of an organization. There is a direct link between corporate strategy and

people management, and the policy of strategic recruitment and retention. The survival and success of any organization depends on human resource. A successful organization is identified by their highly competent workforce. Making sure those employees' abilities are optimally nurtured and developed so that the company can receive an optimal return on the investment made in these employees. Better recruitment and selection strategies result in improved organizational outcomes. The more effectively organizations recruit and select candidates, the more likely they are to hire and retain satisfied employees. The present study addresses a central Research Question: How do Recruitment and Selection Practices link with growth of company? But implementing effective strategies and process of recruitment and selection organization can achieve its overall growth.

Scope of Study: This study concentrates on the manufacturing sector only. The justifications are based on the significant contribution made by this sector to the nation's economy in terms of gross domestic products (GDP) and employment as compared to other sectors. Recruitment and selection activities are aimed at attracting the right persons in sufficient numbers into the organization in a cost effective and timely manner. It

*Assistant Professor, Amrutvahini College of Engineering, Sangamner

**Research Guide, Institute of Management & Research, Panchavati

ensures that the organization has the required skills and the supporting procedures to enable it to meet its need for sufficient and suitable staff to face the competitive market through its business strategy. In this millennium, the most appropriate recruitment and selection practices are those which balance the requirements of organizations with those of the employees. Recruitment and selection policies to be compatible with corporate goals and other human resources initiative, effective. Recruitment and Selection practices can ensure that the right people with the desirable characteristics and knowledge are in the right place so that they fit in the culture and the climate of the organization, moreover pinpointing the right employees would decrease the cost of employee's education and developments. Effective Recruitment and Selection practices can be linked to organizational growth and success.

Problem Statement: This study arises from the need to manage the human resources of the firms more effectively. The rapid growth of Manufacturing firms, increase in environmental variability and degree of competition, acute shortage of employees and the corresponding increase in employee turnover and costs of employee replacement have forced firms to aggressively compete for employees. These companies' issues and problems demand that firms continually assess its internal processes and capabilities if it is to remain Competitive. There will be a positive relationship between recruitment and selection practices and Organization growth and performance. This study will examine linkage of recruitment and selection practices with growth of company. Recruitment and selection is like a marketing tool which may have a positive or negative effect on the achievement of business. The manner in which a potential candidate is treated in an organization can more or enhances the image and profitability of the firm.

The present study will address a central research question: How do Recruitment and Selection Practices contribute to firm growth? Problem statement of research is to identify and examine recruitment and selection practices to be linked with the growth of the organizations, and suggest some methods and strategies for effective implementation of recruitment and selection practices in any manufacturing company for achieving its overall growth.

Significance of the Study: This conceptual paper has focused on to provide insight into the various HRM practices needed to successfully perform in the manufacturing sector. In terms of theoretical significance, this study proposes to fill the gap in the body of knowledge in the practices of Recruitment and Selection in any manufacturing firms by addressing these

issues: first, the present study intends to investigate the role of Recruitment and Selection practices associated with company growth. The findings of this study will be useful to top management and HRM managers and practitioners to design their Recruitment and Selection Practices with involving suggested effective strategies and process of Recruitment and Selection.

Linkage/ Relationship between Recruitment and Selection Practices and Firms Growth Recruitment and Selection Practices:

Previous empirical research on the relationship between HRM practices and firm performance have focused on single HRM practices (Balkin, Gomez-Mejia, 1987; Bartel, 1994; Gerhart & Milkovich, 1990; Jackson, Schuler & Rivero, 1989; Russell, Terborg, & Powers, 1985; Terpstra & Rozell, 1993). Demonstrated a summary of some of the HRM practices studies that were conducted by various researchers. In a study by Arthur (1994), using an empirical taxonomy of HRM practices, he found that steel minimills with commitment HRM systems had higher productivity; lower scrap rates and lower employee turnover than steel minimills with control HRM systems. Similarly, Huselid (1995) using a national sample found that HRM practices had an economically and statistically significant effect on turnover, productivity, and corporate financial performance. Yound et al. (1996) conducted a research in ninety-seven manufacturing plants and found that the human-capital-enhancing HRM systems had a positive main effect on employee productivity and a positive and significant effect on customer alignment and equipment utilization. Hoque (1999) explored HRM practices and a range of outcome variables from a sample of 209 hotels. The outcome measures were of two types: "human resource outcomes" and "performance outcomes". He found that, amongst the quality enhancers, commitment, job satisfaction, quality of work, quality of service and financial performance, as perceived by the respondent, were all strongly related to the use of HRM practices. Khatri (2000) using a sample of 200 of the largest companies in Singapore, found that HRM practices have a stronger direct effect on profitability than sales growth and non-financial measures. In fact, the significant relationship between HRM practices and profits are encouraging and are in agreement with findings from other studies (Gerhart & Milkovich, 1990; Huselid, 1995).

Recruitment and Selection Strategies and Processes:

Recruitment may be conducted internally through the promotion and transfer of existing personnel or through referrals, by current staff members, of friends and family members. Where internal recruitment is the chosen method of filling vacancies; job openings can be

advertised by *job posting*, that is, a strategy of placing notices on manual and electronic bulletin boards, in company newsletters and through office memoranda. Referrals are usually word-of-mouth advertisements that are a low-cost-per-hire way of recruiting. Internal recruitment does not always produce the number or quality of personnel needed; in such an instance, the organization needs to recruit from external sources, either by encouraging walk-in applicants; advertising vacancies in newspapers, magazines and journals, and the visual and/or audio media; using employment agencies to “head hunt” advertising on-line via the Internet; or through job fairs and the use of college recruitment.

Posting Vacancies: As indicated earlier, *job posting* refers to the practice of publicizing an open job to employees (often by literally posting it on bulletin boards) and listing its attributes, such as criteria of knowledge, qualification, skill and experience. The purpose of posting vacancies is to bring to the attention of all interested persons (inside or out of the organization) the jobs that are to be filled.

Before posting a vacancy, management needs to decide whether:

- It intends to retain the job in its present form and with its present title, remuneration and status;
- Selected attributes of the job, for example, skill or experience, will change;
- There are sufficient qualified, potential applicants serving in other positions within the organization who may be potential candidates for that job;
- The existing organizational policy on recruitment is still applicable (for example, whether referrals, by staff members, of friends and family are still an acceptable way of filling vacancies);
- The organizations stand to benefit more, in the long-term, from recruiting applicants from external sources.

Also necessary is the availability of a functional human resource information system that supports recruitment. An effective, [ideally] computerized system would:

- Flag imminent vacancies throughout the organization to ensure that the recruitment process is timely;
- Ensure that no candidates are lost but, instead, move through the process and are informed of their status;
- Ensure that good candidates whose applications are pending are kept in touch to maintain their interest in the organization;

- Assist in analyzing hiring, transfer and exit trends and provide other data that are helpful in planning, evaluating and auditing the recruitment process;
- Identify any adverse impacts of the recruitment process on vulnerable groups (for example minorities, especially where Equal Opportunity/Affirmative Action legislation exists); in a small organization, a manual information system would provide most of the benefits that the organization needs for an effective recruitment process. However, in a medium-sized or large organization, where speed is critical for decision-making, the speedy processing that determines the effectiveness of the HR Department can only be found in a computerized system.
- For internal recruiting, control the internal job posting process, generate the notices, and then match internal applicant qualifications with job specifications;
- Where jobs are not being posted, generate a list of qualified internal candidates. An organization needs to analyze the benefits and disadvantages of recruiting its personnel through internal or external sources and, where the latter is selected, whether formal or informal systems should be used.

Recruiting from Internal Sources: There are sound reasons for recruiting from sources within the organization:

- The ability of the recruit is known so it is easy to assess potential for the next level. By contrast, assessments of external recruits are based on less reliable sources, such as references, and relatively brief encounters, such as interviews.
- “*Insiders*” know the organization, its strengths and weaknesses, its culture and, most of all, its people.
- Promotions from within build motivation and a sense of commitment to the organization. Skilled and ambitious employees are more likely to become involved in developmental activities if they believe that these activities will lead to promotion.
- Internal recruitment is cheaper and quicker than advertising in various media and interviewing “*outsiders*”. Time spent in training and socialization is also reduced.

At the same time, several disadvantages exist:

- Sometimes it is difficult to find the “right” candidate within and the organization may settle for an employee who possesses a less than ideal mix of competencies.
- If the vacancies are being caused by rapid expansion

of the organization there may be an insufficient supply of qualified individuals above the entry level. This may result in people being promoted before they are ready, or not being allowed to stay in a position long enough to learn how to do the job well.

- Infighting, inbreeding, and a shortage of varied perspectives and interests' may reduce organizational flexibility and growth, and resistance to change by those who have an interest in maintaining the *status quo* may present long term problems.
- In times of rapid growth and during transitions, the organization may promote from within into managerial positions, regardless of the qualifications of incumbents. Transition activities and rapid organizational growth often mask managerial deficiencies; it is not until the growth rate slows that the deficiencies become apparent and, then, the organization finds it difficult, if not impossible, to undo the damage. The resulting cost of remedial training can prove prohibitive.

Recruiting from External Sources: External recruiting methods can be grouped into two classes: informal and formal. *Informal recruiting methods* tap a smaller market than formal methods. These methods may include rehiring former employees and choosing from among those “walk-in” applicants whose unsolicited résumés had been retained on file. The use of referrals also constitutes an informal hiring method. Because they are relatively inexpensive to use and can be implemented quickly, informal recruiting methods are commonly used for hiring clerical and other base-level recruits who are more likely than other groups to have submitted unsolicited applications. Former students who participated in internship programmes may also be easily and cheaply accessed. *Formal methods* of external recruiting entail searching the labor market more widely for candidates with no previous connection to the organization. These methods have traditionally included newspaper/magazine/journal advertising, the use of employment agencies and executive search firms, and college recruitment. More often, now, job/career fairs and e-Recruiting are reaching the job seeker market. Posting vacancies externally through the various arms of the media⁵ or via employment agencies reaches a wider audience and may turn up a greater number of potential candidates from which the organization can choose. At the same time, this method is relatively expensive and time-consuming as the organization works through initial Running advertisements in newspapers, periodicals and journals will continue to be an important way to reach potential candidates. Less popular is the use of the audio

and visual media advertisements, short-listing, interviewing and the other processes that precede selection. Even then, there is no guarantee that the results will be satisfactory to the organization, since the cost of advertising often limits the frequency and duration of the job posting, as well as the amount of information made available, thus making it difficult for a job seeker to accurately judge the worth of the position being offered. In addition, the organization may hire a candidate who fails to live up to the high potential displayed during the selection process. Recruiting firms/employment agencies are gaining in popularity, especially in the search for management level/executive talent. Recruiting via this medium is expensive, whether the organization uses a contingency firm or has one on retainer. Executive search firms tend to match candidates to jobs faster than most organizations can, on their own, primarily because the recruiting firms/employment agencies possess larger databases of, and wider access to, persons (whom they may themselves have placed) and have a greater awareness of the location of competencies needed by the client agencies. Of course, it is possible to for an organization to reduce the risks and high costs of recruitment by maintaining a small cadre of full-time, permanent employees and meeting an unexpected and temporary need for staff through the use of *ad hoc* and short-term contract workers who come to the position already trained. It is frequently said that the best jobs are not advertised; their availability is communicated by word of mouth. Networking, therefore, continues to be a viable mechanism for recruiting, especially at the senior management level in certain industries. In many instances, networking is a strategy used by the recruitment firms/employment agencies.

On-Line Application/Recruiting on the Internet: Using the Internet is faster and cheaper than many traditional methods of recruiting. Jobs can be posted on Internet sites for a modest amount (less than in the print media), remain there for periods of thirty or sixty days or more - at no additional cost - and are available twenty-four hours a day. Candidates can view detailed information about the job and the organization and then respond electronically. Most homes and workplaces are now using computerized equipment for communication; the Internet is rapidly becoming the method of choice for accessing and sharing information. First-time job seekers are now more likely to search websites for job postings than to peruse newspapers, magazines and journals. The prevalence of e advertising has made it easier.

The Internet speeds up the hiring process in three basic stages:

- Faster posting of jobs

The wait for a suitable date and a prominent place in the

print media is eliminated. The time lag that exists between the submission of information to the media house and its appearance in print disappears. On the internet, the advertisement appears immediately and can be kept alive for as long as the recruiter requires it.

- Faster applicant response

Jobs posted on the Internet and requiring responses via the same medium receive responses on the same day.

- Faster processing of résumés

An applicant sending a résumé electronically can immediately have the application processed, receive an acknowledgement, be screened electronically, and have details of the application and résumé dispatched to several managers at the same time.

On-line recruiting also provides access to *passive* job seekers, that is, individuals who already have a job but would apply for what appears a better one that is advertised on the Internet. These job seekers may be of a better quality since they are not desperate for a job change as are the active job seekers who may be frustrated, disgruntled workers looking for a new position.

Companies that are likely to advertise on-line usually have a website that allows potential candidates to learn about the company before deciding whether to apply, thus lowering the incidence time-wasting through the submission of unsuitable applications. The website can be used as a tool to encourage potential job seekers to build an interest in joining the organization. Job websites offer unlimited space which can be used, by management, to sell the organization. The site can then be used, not only to post vacancies, but also to publish the organization. That will allow candidates to become more familiar with the company, know what skills the company is looking for and get to know about its culture. Most importantly, the system will provide a proper path to securing quick responses to job openings. On-line recruiting facilitates the decentralization of the hiring function by making it possible for other groups in the organisation to take responsibility for part of the function.

Internet recruiting is not all positive, though; there are drawbacks for unwary users:

- Some applicants still place great value on face-to-face interactions in the hiring process. Such applicants are likely to ignore jobs posted, impersonally, on-line.
- Companies are overwhelmed by the volume of résumés posted on the Internet. This can, in fact, lengthen the short-listing process. If the screening process is not well done, the quantity of applications/résumés logged-on may be more of a

hindrance to the process than an aid to selection.

- Job seekers who demand confidentiality in the recruitment process may be reluctant to use the Internet as a job search mechanism.

For effectiveness in the use of the strategy of e-Recruiting, companies are advised to:

- Use specialized Job Sites that cater to specific industries;
- Thoroughly assess the service level provided by Job Sites to ensure that they maintain the level they claim to provide;
- Enhance the Corporate Web Site as a tool to encourage potential job seekers to become interested in joining the company;
- Take advantage of the fact that Internet job advertisements have no space limitations so recruiters can use longer job descriptions to fully describe the company, job requirements and working conditions offered;
- Use valid Search Engines that will sort candidates effectively, but will not discriminate against any persons or groups;
- Create attention-grabbing newspaper advertisements that prompt people to visit the company's website. They will then see all vacancies that are advertised;
- Encourage employees to e-mail job advertisements to friends;
- Design and implement a successful e-Recruitment strategy.

College Recruitment: College recruiting sending an employer's representatives to college campuses to prescreen applicants and create an applicant pool from that college's graduating class is an important source of management trainees, promotable [entry-level] candidates, and professional and technical employees. To get the best out of this hiring strategy, the organization and its career opportunities must be made to stand out. Human resource professionals are aware that few college students and potential graduates know where their careers will take them over the next fifteen to twenty years. Therefore many of the criteria used by students to select the first job may be quite arbitrary. The organization that will succeed, then, is one can show how the work it offers meets students' needs for skill enhancement, rewarding opportunities, personal satisfaction, flexibility and compensation.

College recruitment offers an opportunity for recruiters to select the potential employees with the personal,

technical and professional competencies they require in their organisation. The personal competencies identified may include, *inter alia*, a positive work ethic, strong interpersonal skills, leadership capacity and an ability to function well in a work team. The opportunity to discuss a student's current strengths and potential future value to an organisation cannot be replicated in any other setting.

Two major advantages of this strategy are the cost (which is higher than word-of-mouth recruiting but lower than advertising in the media or using an employment agency), and the convenience (since many candidates can be interviewed in a short time in the same location with space and administrative support provided by the college itself).

Unfortunately, suitable candidates become available only at certain times of the year, which may not always suit the needs of the hiring organization. Another major disadvantage of college recruiting is the lack of experience and the inflated expectations of new graduates and the cost of hiring graduates for entry-level positions that may not require a college degree.

Job Fairs: The concept of a job fair is to bring those interested in finding a job into those companies who are searching for applicants. Job fairs are open for a at which employers can exhibit the best their companies have to offer so that job seekers can make informed choices. They are considered one of the most effective ways for job seekers to land jobs. At the job fair, employers have a large pool of candidates on which to draw, while jobseekers have the opportunity to shop around for dozens sometimes hundreds of employers, all in one place.

Notwithstanding the fact that the atmosphere at the fair is more relaxed than at an interview, employers are still on the lookout for qualified, potential employees who have interest, dedication and initiative.

Maintaining Fairness/Equity in the Recruitment Process: It is often difficult to ensure and maintain fairness/equity in the recruitment process though, in every jurisdiction; there are laws that protect individuals and vulnerable groups from the negative impact of discriminatory practices. Where necessary, systems, detailed procedures and processes exist or must be established to minimize discrimination.

Each country designates/identifies a group or groups for special notice; women, visible minorities and the disabled are usual targets. The Government of Canada, in articulating its “*Employment Equity Act and Regulations*”, identified four designated groups as employment equity targets: *women, Aboriginal people, members of visible minority groups, and persons with disabilities*. In the legislation, managers' responsibilities

for employment equity are stated as:

- Ensuring effective overall performance and continuous progress of the employment equity goals within the operation;
- Achieving, fostering and maintaining a representative workforce;
- Showing leadership in employment equity and demonstrating commitment to it by ensuring that discrimination and stereotyping are not tolerated; and
- Informing and educating employees in the organization about employment equity and diversity.

The Australian Public Service Commission, in ensuring that there were no infringements against individual's rights, issued general guidelines on workplace diversity, some of which related to recruitment:

- Integrate workplace diversity with the agency's goals and business.
- Reflect agency workplace diversity objectives in workplace agreements and certified
- Ensure information about employment opportunities is available in accessible formats.
- Review recruitment and selection processes to ensure that current and potential employees are not discriminated against.
- Gather information on demographics. It is the goal of every jurisdiction to minimize or eliminate any instance of obvious discrimination against individuals or groups.

Conclusion:

This research paper focused on Recruitment and Selection Practices and its linkage with growth of manufacturing organizations, and coming with some suggested strategies and process of Recruitment and Selection. Successfully implementation of suggested strategies and methods of recruitment, organizational can improve its effectiveness in all areas, which will be linked to overall growth of the organization. More effectively organizations recruit and select the candidates, more likely they are to hire and retain satisfied employees. Hence investing in the development of a comprehensive and valid selection system is money well spent. External recruitment makes it possible to draw upon a wider range of talent, and provide the opportunity to bring new experience and ideas into the business.

References:

1. Huselid M (1995). "The Impact of human resource management practices on turnover, productivity and corporate financial performance". *Academy of Management Journal* 38: 3 635-670
2. Singh K (2004) "Impact of HR practices on perceived firm performance in India". *Asia Pacific Journal of Human Resources*.
3. Ichniowski C, Shaw K, Prennushi G (1995). "The effects of Human Resource Management Practices on Productivity", National Bureau of Economic Research Working Paper no 5333.
4. Singh, K., 2005. "The effect of human resource practices on firm performance in India" ,*Human Resource Development International*, 6 (1): 101-116.
5. Jayaram, J., Droge, C., Vickery, S. K., 1999. "The impact of human resource management practices on manufacturing performance", *Journal of Operations Management*, 18(1): 1-20.
6. Paul, A. K., Anantharaman, R. N., 2003. "Impact of people management practices on Organizational performance: analysis of a causal model", *International Journal of Human Resource Management*, 14(7): 1246-1266.
7. Arthur, J.B. (1994), 'Effects of Human Resource Systems on Manufacturing Performance and Turnover, 'Academy of Management Journal, 37, 3, 670687.
8. Kothari, C.R., "Research Methodology, Methods & Techniques", 2nded, New Delhi, New Age International Publishers, 2008
9. K. Aswathappa, "Human Resource Management", Text and Cases, Fifth Edition.