

# “A study of the Linkage of Effective Recruitment and Selection Practices, Strategies and Processes with the Growth of Manufacturing Companies.”

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## **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 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. survival and success of any organization depends on human resource. A successful organization is identified by their highly competent workforce. 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.

### **Literature Review:**

Armstrong (1995) defined HRM as “a strategic and coherent approach to the management of organization’s most valued assets-the employees who individually and collectively contribute to the achievement of the objectives of the business.” The link between human resource and companies’ growth is well documented in classical economic theory. Overwhelming evidence suggests growth is driven by specialization and division of labour in the process of generation and attraction/development of technological opportunity. Firm’s growth is often seen as an indication of market acceptance and firm success (fesser and Willard, 1990). A growing body of empirical research has examined the effect of certain HRM practices on firm performance. Although there is a long list of best HR practices that can affect either independently or collectively on the organizational performance, results are hard to interpret. In order to determine an effects of HR practices on firm growth, HR practices initially proposed by Pfeffer (1998) which according to the literature, can be expected to influence the firm performance. In his seminal work, Pfeffer (1998) proposed the following seven HRM practices: (1) employment security (2) selective hiring, (3) self-managed teams and decentralization of decision making (4) comparatively high compensation contingent on organizational performance, (5) extensive training, (6) reduced status distinctions and barriers, including dress, language, office arrangements, and wage differences across levels, and (7) extensive sharing of financial and performance information throughout the organization. This practice can ensure that the right people, with the desirable le characteristics and knowledge are in the right place, so that they fit in the culture and the climate of the organization. Moreover, pinpointing the rights employees would decrease the cost of employees’ education and Development. Schuster (1986) argued that selective hiring is a key practice that creates profits. Huselid (1995) examined HR practices of high-performance companies and found that attracting and selecting the right employees increase the employee productivity, boost organizational performance, and contribute in reducing turnover. Cohen and Pfeffer (1986) argued that hiring standards reflect not only organizations’ skill requirements but also the preferences of various groups for such standards and their ability to enforce these preferences. Michie and Quinn (2001) proposed that a possible indirect link between selective hiring and organizational performance can be the forging of internal bonds between managers and employees that creates the write culture for productivity growth. Colli ns and Clark (2003) argued that hr practice of selective hiring results at sales growth. Paul and Anantharaman (2003) pointed out that an effective hiring process ensures the presence of employees with the right qualifications, leading to production of quality products and consequently in increase of economic performance. Choetal (2005) examined pre-employment tests as a key component of selective hiring and found that when employed, these tests can select employees that stay with a company longer. Passing pre-employment tests may give an applicant a stronger sense of belonging to the company, resulting in higher degrees of commitment if employed. Cardon and Stevens (2004) pointed out that for small companies

recruiting is often problematic. These can be due to several reasons such as limited financial and material resources and jobs with unclear boundaries.

### **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 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. Therapid 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.

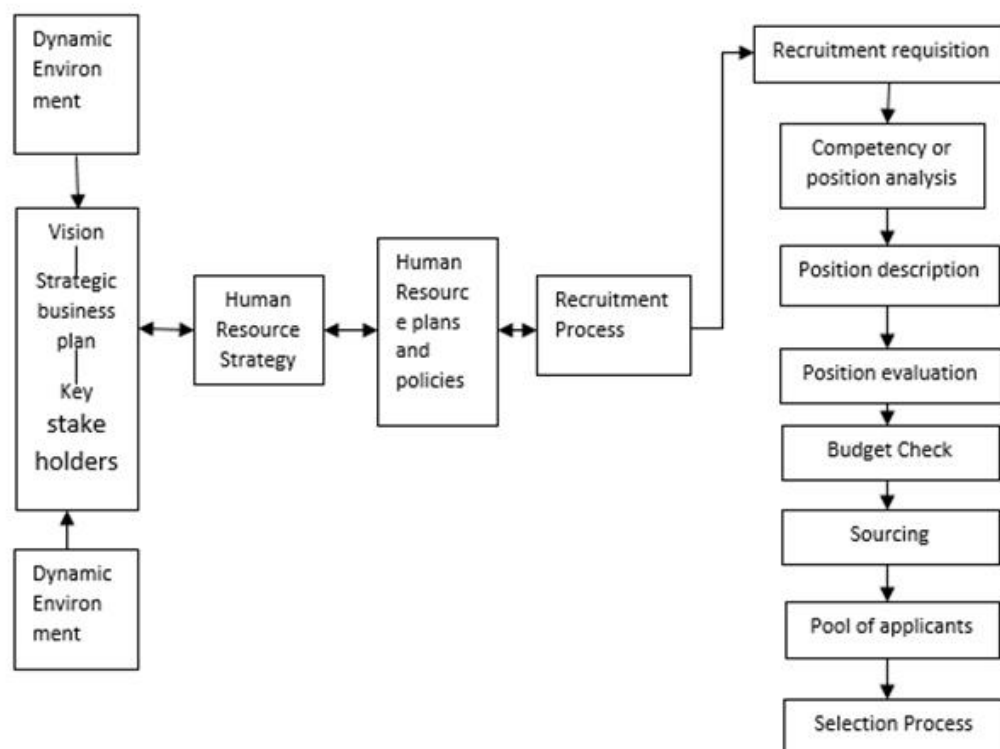
### **Significance of the Study:**

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.

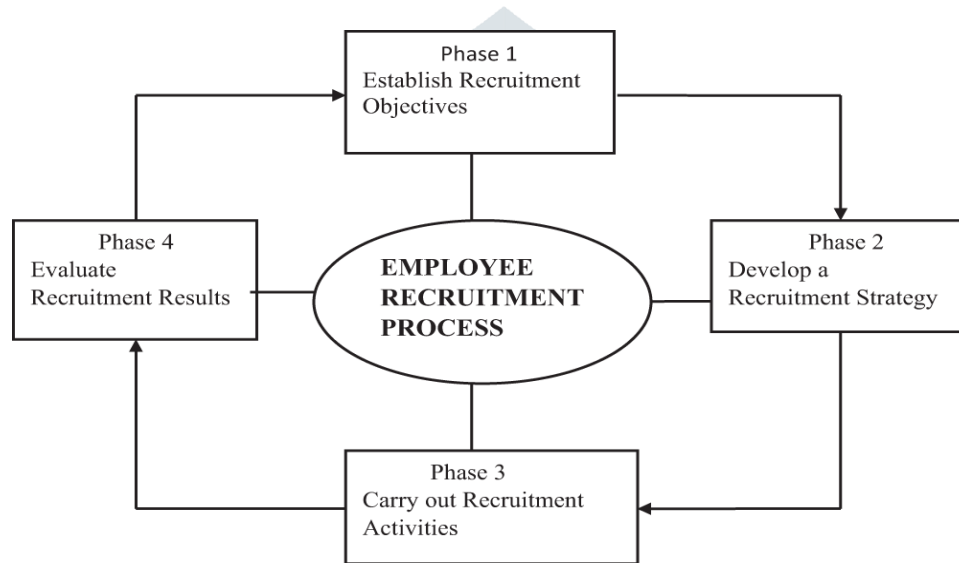
### Recruitment and Selection Practices:

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 mini mills with commitment HRM systems had higher productivity; lower scrap rates and lower employee turnover than steel mini mills 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 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.



## 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.



**Source:** Breugh (2009). Recruiting and attracting talent: A guide to understanding and managing the recruitment process

### 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.

### Recruiting from internal sources:

There are sound reasons for recruiting from sources within the organisation:

- 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 organisation, 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.

### **On-Line Application/Recruiting On the Internet**

Using the Internet is faster and cheaper than many traditional methods of recruiting. Candidates can view detailed information about the job and the organisation 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
- Faster applicant response
- Faster processing of résumés

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;

### **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.

### **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 time at which employers can exhibit the best their companies have to offer so that

job seekers can make informed choices.

### **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.

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 organisation 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. Successful 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.

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