



EFFECTIVENESS OF THE RECRUITMENT & SELECTION PROCESS OF PLANET AGRO LIMITED

Submitted to:

Ms. Rahma Akhter

Lecturer

BRAC Business School

Submitted By:

Name: Tanjin Naher

ID: 12104098

Program: BBA

Semester: Fall 2018

Date of Submission:

15 December 2018

Letter of Transmittal

15 December 2018

Ms. Rahma Akhter
Lecturer
BRAC Business School
BRAC University

Subject: Submission of Internship Report

Dear Madam

It is a pleasure to submit my internship report on “Effectiveness of the Recruitment & Selection Process of Planet Agro Limited” as part of my internship requirement.

Writing the report was challenging and also very interesting. The report mainly covers the existing Recruitment & Selection practices of the Planet Agro Limited and evaluates its effectiveness to find weakness in the process and propose ways for improvements.

I have tried my best to complete the report according to the requirements. If any explanation is required then I would be grateful to oblige. Please kindly accept this submission of my research and findings on the subject matter.

Yours faithfully

Tanjin Naher
ID# 12104098
BBS

Acknowledgment

I would like to express my deepest appreciation to all those who helped me to complete this report. I am thankful for their guidance, constructive criticism and friendly advice during the research work. I am sincerely grateful to them for sharing their truthful views on a number of issues related to the report.

I wish to extend my sincere gratitude to my academic advisor Ms. Rahma Akhter for giving me the opportunity to select this topic for the study and for her invaluable suggestions & comments and supervision through the course of the study.

I would also like to thank OCSAR (Office of Career Service and Alumni) for their support.

Finally, I express my warm thanks to Planet Agro Ltd for providing the platform to complete my internship. I must mention the wonderful working environment of this organization that has enabled me accustom to the working environment. Special thanks to Mr. G M Soyyeb Adnan, Executive, Commercial & HR Department, without his support it would have been very difficult to complete my internship.

EXECUTIVE SUMMARY

The purpose behind the study was to gain in-depth knowledge regarding the recruitment & selection process of Planet Agro Limited. The main research problem was to identify the effectiveness of the recruitment & selection process of the company. The main objectives of the study were to find out weakness & problems through evaluation of the existing recruitment & selection practices of the organization and also to suggest reasonable means to improve the process.

The primary data was collected through interviews with employees of HR Department and employees who have recently joined the company, through practical experience as I have went through that process for the internship and through observation as I assisted in the recruitment & selection process. The secondary data was collected through websites, past records of HR Department and other official documents.

The collected data was examined and results were presented through flow charts. At the end of the study conclusions were made, the research questions were answered and practical recommendations were made for further development. As a result of the study, weakness of the recruitment & selection process of Planet Agro Limited were identified and most efficient ways to improve the process was discovered and proposed.

Table of Contents

LETTER OF TRANSMITTAL	I
ACKNOWLEDGMENT.....	II
EXECUTIVE SUMMARY	III
CHAPTER A: ORGANIZATIONAL OVERVIEW	1
1 PLANET AGRO LIMITED.....	1
2 MISSION	1
3 VISSION	1
4 VALUES.....	1
5 GUIDING PRINCIPLES.....	2
6 DEDICATED TO QUALITY	2
6.1 <i>Quality leads to Success</i>	2
6.2 <i>Customers come first</i>	2
6.3 <i>Competitive advantage through Quality</i>	2
6.4 <i>Quality through combined efforts</i>	3
6.5 <i>Quality is way of life</i>	3
6.6 <i>Quality is in action</i>	3
7 CSR ACTIVITIES	4
8 BOARD OF DIRECTORS	4
9 DISTRIBUTION CHANNEL.....	5
10 ORGANOGRAM.....	6
11 SWOT ANALYSIS.....	7
11.1 <i>Strengths:</i>	7
11.2 <i>Weaknesses:</i>	7
11.3 <i>Opportunities:</i>	7
11.4 <i>Threats:</i>	7
12 PESTLE ANALYSIS.....	8
12.1 <i>Political Factors:</i>	8
12.2 <i>Economic Factors:</i>	8
12.3 <i>Social Factors:</i>	8
12.4 <i>Technological factors:</i>	8
12.5 <i>Legal Factors:</i>	9
12.6 <i>Environmental Factors:</i>	9
13 INTERNSHIP AT PLANET AGRO LTD	10
13.1 <i>Update Employees' attendance</i>	10
13.2 <i>Update Employees' leave database</i>	10
13.3 <i>Organize Personal File</i>	10
13.4 <i>Bill Payment Process</i>	10
13.5 <i>Assist in Recruitment & Selection</i>	11
13.6 <i>Preparation for Exhibition</i>	11
CHAPTER B: RESEARCH	12
14 INTRODUCTION TO THE REPORT	12
15 RATIONALE OF THE STUDY.....	13

16	STATEMENT OF THE PROBLEMS	14
17	SCOPE AND DELIMITATION OF THE STUDY	15
17.1	<i>Scope</i>	15
17.2	<i>Delimitation</i>	15
18	OBJECTIVES OF THE REPORT	15
19	RESEARCH QUESTIONS	15
CHAPTER C: REVIEW OF RELATED LITERATURE		16
20	INTRODUCTION TO LITERATURE REVIEW	16
21	HUMAN RESOURCE MANAGEMENT	16
22	FUNCTIONS OF HRM	16
23	RECRUITMENT	17
23.1	<i>Factors Affecting Recruitment</i>	18
23.2	<i>Recruitment process</i>	19
23.3	<i>Sources of recruitment</i>	22
23.4	<i>Techniques and methods of recruitment</i>	26
23.5	<i>Internet recruitment</i>	27
24	SELECTION	28
24.1	<i>Selection process</i>	28
25	LITERATURE CONCLUSION	31
CHAPTER D: METHODOLOGY OF THE STUDY		32
26	SOURCES AND METHODS OF DATA COLLECTION	32
26.1	<i>Primary Data</i>	32
26.2	<i>Secondary Data</i>	32
CHAPTER E: ANALYSIS AND INTERPRETATION OF DATA		33
27	HR DEPARTMENT OF PLANET AGRO LTD	33
28	RECRUITMENT & SELECTION PROCESS OF PLANET AGRO LTD	34
28.1	<i>Request & Initiation of Recruitment & Selection Process</i>	35
28.2	<i>Resume- Sourcing, Collection & Shortlisting</i>	35
28.3	<i>Interview – Schedule, Call & Complete</i>	36
28.4	<i>Final Confirmation, Offer letter & Permanent Employment</i>	37
28.5	<i>Timeline of the Recruitment & Selection Process</i>	37
CHAPTER F: FINDINGS OF STUDY		38
CHAPTER G: RECOMMENDATIONS		39
CHAPTER H: CONCLUSION		40
CHAPTER I: REFERENCE		41
	TABLE OF FIGURES	42

CHAPTER A: ORGANIZATIONAL OVERVIEW

1 PLANET AGRO LIMITED

Planet Agro Ltd. was established in 2013 with the vision to provide its customers energy and protein through healthy chicks. Planet Agro Ltd. is a dedicated poultry organization which is carrying on its business in a way that is best suited to meet the ever-growing demands today we face in the market. Their strategic goal is to achieve sustained growth through the continued provision of integrated solutions with innovative bird's health products and services that meet the evolving needs of their customers.

2 MISSION

- ❖ To produce and provide best quality Day Old Chicks to our Dealers and Customers consistently.
- ❖ To ensure the availability of a quality products by encouraging and promoting high standards and efficient practices.
- ❖ To provide an economic environment for the profitable production of standard Day Old Chicks.
- ❖ To foster confidence in the Day Old Chicks industry through effective communications and by building co-operative relationships with other stakeholders in the poultry industry value chain.

3 VISSION

To be a leading player in poultry industry, providing quality Day Old Chicks; through expansion and integration.

4 VALUES

- Respecting & Understanding customers & suppliers
- Integrity
- Practical forecasting
- Increasing growth of market value of company

5 GUIDING PRINCIPLES

- ❖ **Quality is first priority:** Customer satisfaction mainly depends on the quality of products & services thus it is number one priority for the company.
- ❖ **Customer centric business:** Planet Agro Ltd.'s business activities revolves around customer to provide better services & products than the completion.
- ❖ **Improvement is a continuous process:** Success does not come in one day, it's built upon contentious improvements thus the company works towards excellence in every aspects of the business.
- ❖ **Employee Engagement:** Planet Agro Ltd wants to create a work environment where there are mutual trust & respect among the employees.
- ❖ **Partnership with suppliers:** The Company maintains mutually beneficial relationship with its business partners & associates.
- ❖ **Integrity:** Planet Agro Ltd conducts its business with honesty and strong moral principles. The company practices its values rather than just professing them.

6 DEDICATED TO QUALITY

6.1 Quality leads to Success

Planet Agro Ltd never compromises quality and every efforts are made to make sure its products are safe for the consumers. The Managing Director, who is one of the pioneers in this industry, emphasis on quality in every aspects of the business. With this passion the company has managed to build a good image in the industry. It also ensures that all relevant laws & regulation of are being followed.

6.2 Customers come first

At Planet Agro Ltd customers are core of the business thus the company wants win and maintain long relationship by providing better quality products and great services. It tries to meet the needs & preference of the customers through providing correct information, timely delivery and desired products' standard.

6.3 Competitive advantage through Quality

Agro industry is very competitive and it is very difficult to gain competitive advantage. We always remember that customers have many choices in this industry. Planet Agro Ltd.'s goal is to create a competitive advantage through providing superior value. But it also understand

that blind pursuit towards quality through compromising cost is not the way to do sustainable business rather finding the right balance between the cost & quality is the way. But it is also necessary to keep pace with global advancement and make continuous balanced efforts for improving quality.

6.4 Quality through combined efforts

Planet Agro Ltd. does not want to provide quality products but rather it wants to ensure quality experience for customers. Maintaining consistency in product quality is a big challenge and to ensure this the company has Quality control department who whether the agreed quality is being maintained in the production process and also intervene where necessary. Though it is a significant part but still it is still a part of the bigger picture thus to provide complete quality experience company's marketing, sales, logistics and accounts & finance departments work side by side jointly to give the best experience to the customers. Along with the different departments the business partners of the company is also involved in providing the quality experience.

6.5 Quality is way of life

In poultry industry adequate equipment and machines are needed for quality produce. But the biggest contribution is made by people who are involved in the day to day activities. Proper training and guidance are provided so that employees can achieve necessary skills and knowledge to perform the tasks effectively & efficiently. Team work is another part of the equation which is necessary to achieve more than the sum of the individual efforts. Management always communicates their commitments towards quality with employees and set challenging goals for the employees and also allow them to take responsibilities & recognition for their work. In the end sustainable quality can be achieved only through people and for everyone in Planet Agro Ltd quality is way of life.

6.6 Quality is in action

Quality is the results of the cumulative actions in every step of the business process. Management of the planet agro communicates the desired quality expected from everyone and provides necessary resources to achieve the target. Actions are monitored & measured and corrections are made when necessary. Problems are anticipated and actions are taken to prevent such problems and on the other hand actions are taken capitalize opportunities. Sum of every small actions eventually will result in a great leap towards great improvements.

7 CSR ACTIVITIES

Planet Agro Ltd. provides excellent service to its customers to become the partners of choice. Through business they create value and make difference. Their corporate service responsibilities (CSR) are:

- ❖ Healthcare for employees and their families.
- ❖ Free consultation and technical services in poultry and dairy farming throughout the country.
- ❖ They always stand with their customers especially during natural disaster.
- ❖ City beautification.
- ❖ Giving Award for a great achievement in Animal Health Sector in Bangladesh.

8 BOARD OF DIRECTORS

As per Article of Association, The Board of Directors holds periodic meetings to resolve issue of policies and strategies, recording decisions for implementation by the Executive Management.

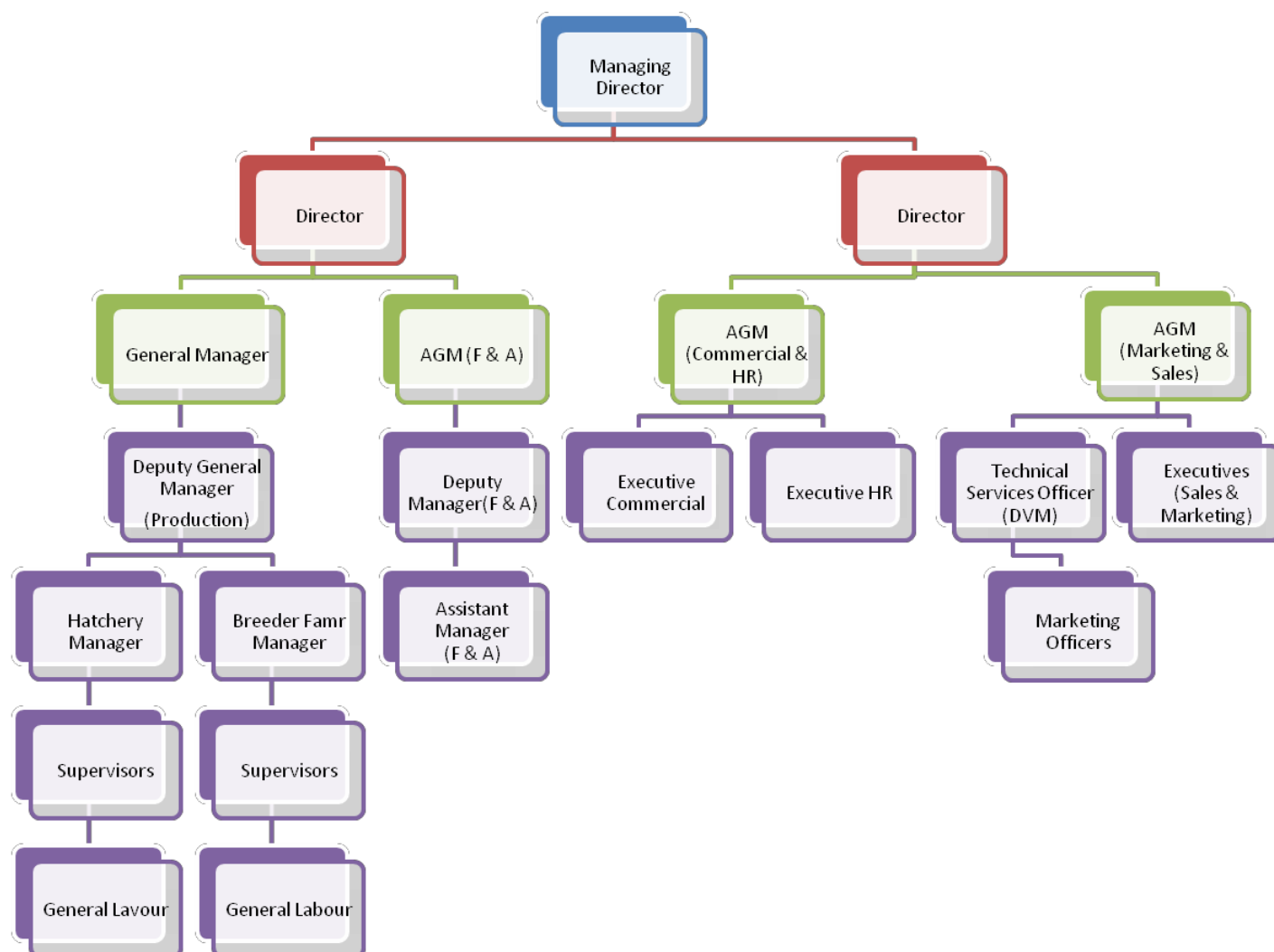
- Mr. Shah Habibul Haque, Managing Director
- Mr. Mosleh Uddin, Director
- Mr. Shah Fahad Habib, Director
- Mr. MahmudulHasan, Director
- Mr. BadrulHasan Khan, Director
- Mr. Hafizur Rahman, Director

9 DISTRIBUTION CHANNEL

They have a strong distribution network throughout the country to deliver our products (DOC) in time so that our valuable customers and farmers can operate their business without any interruption and hindrance. Our sales and marketing teams are very enthusiastic for not only selling their products but also maintain the good relation between customers and the company. They are always ready to provide all kinds of services as per the requirements of the customers.



10 ORGANOGRAM



11 SWOT ANALYSIS

11.1 Strengths:

- Planet Agro has an added advantage of having High skilled professionals, as breeding farm management is highly technical, that's why it is very important for a company to have a high skill people to run the business.
- Company already earned Good brand value due to supplying of quality chicks and feed in the market, again Company's MD is well known due to his long time serving in the market.
- The owners of the company have good Technical know-how, that's why they are very less depended on the officers which is very good strength of the company.
- To maintain breeder farm, company needs to employ lot of people to rare the birds. Availability of certain worker is there again company has the right source to select the people from there.

11.2 Weaknesses:

- Limitations in Investment due to new company in the market where there are big players already in the market with huge investment.
- Low market share compare to competitors, as there are big integrators already controlling the market, that's why price changes sharply.
- Limitation of finding available land, because to build such breeder farms company needs to have huge land to accommodate.

11.3 Opportunities:

- As breeding farm management is very difficult to manage and very risk is very high due to managing live matter that's why there are less manufactures / competitors in market.
- Planet Agro has existing forward and backward integration business, they have their own feed mill where the produce feed for their breeders again they have Pharmaceutical Company which supplies medicine and feed additives to Planet Agro.
- As people income level is increasing that's why the chicken intake is also rising which shows clear market demand in future.

11.4 Threats:

- Increased foreign investment creating threat for local investment as they are bringing funds from abroad with lower interest rate that's why their production cost is lower than normal

- Fluctuation in price is very drastic in the poultry industry, sometime price rises and sometimes it goes down like anything which creates a lot of problem for the company.
- Poultry diseases like: bird flu is a major challenge for this industry, it can sweep out the total investment in a single day that's why this business is very risky.
- Scarcity of land is a major drawback for this business as it requires a lot of land to establish the project.

12 PESTLE ANALYSIS

12.1 Political Factors:

Government has given some tax holiday for the poultry business which is a good thing about the investors as this sort of business has a lower margin; again imposing tax will directly affect the customers' purchasing power that's why government has not imposed tax for this sector. Again Government body Department of Livestock actively monitors the farms and feed mills to ensure the quality of the products, which directly relates to human body.

12.2 Economic Factors:

Economic growth directly affects this industry because if purchasing power of people increases then people will spend more for protein intake than carbohydrate which will increase the market demand of poultry. Government of Bangladesh also lowers the interest rate for this agro sector as poultry industry is a sub sector of Agro that's why investors are now enjoying lower interest rate than other industries. Exchange rate also decreases compared to last few years that is why cost of importation of equipment and machineries also goes down which helps in this sector.

12.3 Social Factors:

Social factors include the consciousness of health and different aspects of culture, as people are getting more health conscious that's why demand of poultry is getting higher day by day. Age distribution also indicates the availability of work force, as there are higher young people in our country so company can get suitable workforce easily.

12.4 Technological factors:

Technological changes, research & development activities, automation of works etc. are part of Technological factors. Thus barriers to entry, minimum level of production and outsourcing decisions are affected by these. Moreover, technological shifts will directly impact on innovation, quality and cost.

12.5 Legal Factors:

As Department of Livestock is strictly monitoring health and safety law that's why every company remains very much alert on their process of production. Every company tries to produce world class products so that they can create a good reputation the market. All though this process makes product more costly but it creates a good impression to our customers which increases the demand of this product.

12.6 Environmental Factors:

This includes climate and weather which are parts of the ecological aspects. Farming, tourism, and insurance industries may be affected by these factors. Moreover, major concerns about the possible impacts of climate change are that these factors can destroy or reduce current markets or can create new market thus affecting the operation & products of companies.

13 INTERNSHIP AT PLANET AGRO LTD

I have the opportunity to work as an Intern in Planet Agro Ltd for three months. I was assigned to Commercial & HR Department. I was under Mr. N. H. M. Azizul Haque, AGM, Head of Commercial & HR and my supervisor was Mr. G M Soyyeb Adnan, Executive, Commercial & HR Department. I was warmly welcomed in the organization and on the first day I was introduced with the MD of the company Mr. Shah Habibul Haque, he is one of the pioneer of the poultry industry of Bangladesh. All the employees were friendly and self-motivated that helped me to accustom to the work environment. During my internship I have performed the following tasks.

13.1 Update Employees' attendance

Management of Planet Agro Ltd is very sincere about time management. Every employee has to record their entry time in a log book. If any employee comes late to office for 3 consecutive days then 1 earned leave of that employee is deducted as punishment. I was assigned to input the entry times in excel from the log book for the period from July to September. After completing the entries I had to find out which employees were late and how many earned leave needs to be deducted as per the policy.

13.2 Update Employees' leave database

At Planet Agro Ltd employees entitled to take 3 kinds of leave – casual leave, sick leave & earned leave. Employees has to write an application to management each time they take a leave and the approved leave applications are kept in the file. I was assigned to go through the leave applications made in 2018 and record the types of leave taken by each employee. Then I summarized how many and what types of leaves were taken by each employee.

13.3 Organize Personal File

HR Department keeps personal file for every employee which are kept under control of the HR Dpt. Head. I was assigned to organize the files based on first name basis. I was also asked to check whether the personal files have the following documents- Academic certificate, Passport size photo & National ID copy. Though personal files of the top management were not provided due to confidentiality.

13.4 Bill Payment Process

Daily different types of invoices from the vendors are received at Planet Agro Ltd. Processing the invoices in a timely manner is very important task for the company. I was assigned to update the

excel database of the invoices for the month of October. I recorded invoice date, amount, vendor name, product / service description, quantity, rate and payment due date from the hard copy of the invoices in excel spreadsheet.

13.5 Assist in Recruitment & Selection

I was lucky that I was able to take part in recruitment & selection process of the organization. During my internship period the recruitment & selection process was conducted for the position of Marketing Officer. HR Dpt. Executive send me all soft copies of the collected CVs for printing. I assisted the HR Dpt. Executive for shortlisting the CVs based on Job Description criteria. After shortlisted I made additional copies of the CVs for the Heads of HR and Marketing department. I also helped in preparing the interview schedule and called the selected candidates for the interview. After completion of the interview I summarized the evaluation results of the candidates by the interviewer which was then presented to the Director for selecting candidates for final interview. Again I was assigned to call the candidates for final interview. After finalizing the candidate for the Marketing Officer position, I was assigned to prepare the offer letter for the new employee based on previous format.

13.6 Preparation for Exhibition

Planet Agro Ltd is scheduled to participate in a 2 days marketing event to be held at ICCB (International Convention City Bashundhara) in the first quarter of 2019. Most companies in the poultry industry participates in this event. Planet Agro Ltd booked a booth at the event. I helped in the selection of food items, promotional items (e.g. pen, pad, leaflets etc.) and summarize quantities & rates for each item in excel. I prepared the chart of activities for the 2 days program as per guidance of the Marketing Dpt. Executive. I also printed the invitation letters and prepared the envelopes for sending them.

CHAPTER B: RESEARCH

14 INTRODUCTION TO THE REPORT

Most of today's businesses understand the influence of recruitment and selection process in organization's success. Companies are giving more attention to human assets rather than physical assets. As the world's economy globalizes, it has become impossible to sustain in the competition with only good strategy and fund; well-trained & loyal human resources is the key to success. Because of the amount of change that has taken place in the last numerous decades, traditional competitive advantages such as cost and product are becoming difficult to maintain thus rather than financial or technological resources, human resource can offer a sustainable competitive advantage.

For most effective companies it is a common practice to hire the right people and put them in the right positions (Collins, 2001). Through effective recruitment and selection process it is possible to eliminate problems of managing and motivating people, as the right ones are motivated, committed to the success of the organization and believes that the organization's success is linked with their personal success.

Recruitment and Selection is a problematic function of HR planning. It is the most complex function in the HR department and also consuming, costly and most often a complex process. (Chanda, Bansal, & Chanda, 2010). Organization's success is directly affected by the performance of those who work for that business and thus it is vital that conscious efforts are put into recruitment & selection process as hiring wrong people or failing to predict fluctuations in hiring needs can be costly.

In the last 20 years employment trends have changed significantly. In the past, some people accepted a job for life and thus HR function was reactive, prescriptive and administrative; whereas today's jobseekers have career goals and are eager to change jobs, as a result HR function has become proactive, descriptive and executive. (Keller, 2009)

15 RATIONALE OF THE STUDY

Recruitment & selection process is one of the crucial activity for any company as it is essential for organizations to employ a right person for right job.

Recruiting the unsuitable people for the organization can lead to increased turnover rate and increased costs. Such employees will also decrease the morale of existing workforce by showing dissatisfaction, not giving their best and holding their performance into certain limit. As a result managers will need to give more time on further recruitment & selection process.

On the other hand, selecting the right employees will positively affect organization's performance by lowering turnover rate, maintaining better organizational culture and increasing productivity. It is important to establish right recruitment & selection strategy in order to avoid common problems experienced by businesses as they recruit and select employees.

By investing recruitment & selection process and in skilled recruiters, poor hiring decisions can be minimized. Selecting candidate based on the qualifications demonstrated in the resume, the interview, employment history and background check will most likely result in best fit for the job than selecting based on gut instincts.

Recruiting and selecting the right employee will bring positive effect in the organization. When existing employees will see that newly employed employees are performing well they will acknowledge that wise decisions have been made thus Employers will be able to earn more respects. This positive attitude will improve the services'/products' quality and eventually customers' viewpoints of company.

Cost is the one of the most important reasons behind effective recruitment and selection process. Effective recruitment practices can avoid financial losses as it is an ongoing and time consuming task, whereas before organizations only done so on an as-needs basis. Costs of new recruitments includes- advertisement, head hunting, recruiters salary, training of new employee and the productivity lost during the recruitment & selection process. So investing time and money to increase the effectiveness of the recruitment process is vital for organization as ultimately it will lead to the organization's success.

The purpose and importance of recruitment & selection process are summarized below-

- Identifying the needs for both current & future job.
- Increasing the rate of success for the selection of right people.
- Possibility of short time employment will be reduced.

- Creates sources of talent pool based on the requirements of the organization
- Obligations regarding social & legal conditions are met for the work force.
- Job applicants are identified & appropriate resources are selected
- Organization's effectiveness increases in both short & long term.
- Suitable applicants are encouraged and attracted for vacancies.
- Employers are linked with potential employees.

16 STATEMENT OF THE PROBLEMS

From distance it might seem like recruiting & selecting people for organization is easy as there are ample supply of unemployed people in our country. But a totally different scenario will come into light if anyone investigates a bit deeper. It is easy to fill up a vacant place in the organization but it is very difficult to find the right one for that position.

It is becoming an increasingly challenging & complex activity to acquire the right talent. Recruiting & selection has always been an inconvenience for company productivity, because it is expensive & time consuming. Even though many studies show the high cost of employee turnover in money, time, and lost productivity but still recruiting & selection has continued to often be rushed and superficial.

Even though recruitment & selection is a costly practice but it is mandatory for every organization in order to sustain. Some of the major costs of the recruitment & selection process are- advertisement, time cost for reviewing resumes and performing other recruitment-related tasks, time cost of the for conducting the interviews, medical and background checks and other assessment tests before employment.

Thus it is important for organization to understand the significance of recruitment & selection process and how the success of the organization can be influenced by an effective recruitment & selection process.

17 SCOPE AND DELIMITATION OF THE STUDY

17.1 Scope

The study was focused on the understanding of the recruitment & selection process of the Planet Agro Limited. This study covers two areas, first is to investigate the existing recruitment & selection policies and practices of the said organization and secondly identify weakness in the process by assessing the process against the theoretical concepts. Recommendations is be provided based on the findings of the study.

17.2 Delimitation

- ❖ **Time-** Recruitment & Selection process is a very deep part of HRM and thus 3 months of internship is not enough to cover every aspects of it.
- ❖ **Information-** Though I received co-operation from the employees but still it was not possible to collect detail information due to lack of proper records.
- ❖ **Disclosure-** As an intern of the organization it is not possible for me to access confidential information of the organization.

18 OBJECTIVES OF THE REPORT

- ❖ To understand the Recruitment & Selection Process of Planet Agro Ltd
- ❖ To identify the effective Recruitment & Selection Process
- ❖ To ascertain the problems, weakness & road blocks in the Recruitment & Selection Process of Planet Agro Ltd
- ❖ To provide recommendations for improving the Recruitment & Selection Process of the organization

19 RESEARCH QUESTIONS

- ❖ What Recruitment & Selection Process implemented by the Planet Agro Ltd?
- ❖ How effective are the Recruitment & Selection practices of Planet Agro Ltd in hiring right people for the job?
- ❖ How the Recruitment & Selection Process of Planet Agro Ltd can be improved?

CHAPTER C: REVIEW OF RELATED LITERATURE

20 INTRODUCTION TO LITERATURE REVIEW

The purpose of this chapter is to demonstrate the effective recruitment and selection process and its importance regarding achieving the organizations objectives'. The literature review defines and links the various topics in the research report. Related theories and concepts linked with recruitment & selection will be described in this section. The main ideas related to the subject are discussed and summarized in order to demonstrate the different views and opinions of a variety of literature.

21 HUMAN RESOURCE MANAGEMENT

Human Resource Management (HRM) "is managing (planning, organizing, directing and controlling) the functions of employing, developing, compensating and utilizing human resources." (Rao & Others, 2009) Thus relations between human and industrial are developed and created.

It is an approach to people management that is based on four basic principles. (Sarma, 2008) First, Managers must consideration that human resources are the main asset of a company. Second, the personnel's attitude needs to be connected with the organization's objectives and goals. Third, the organization's environment and values have a major influence on the success. Finally, it is important that employees work together with a sense of common purpose and feel the integration. (Sarma, 2008)

22 FUNCTIONS OF HRM

It is clear from the HRM definition stated earlier that that HRM consists of managerial functions; planning, organizing, controlling & directing. HRM objectives are accomplished through the four functions: Staffing, Training and Development, Motivation and Maintenance (DeCenzo & Robbins, 2009). All of them are presented in the Figure 1 below.

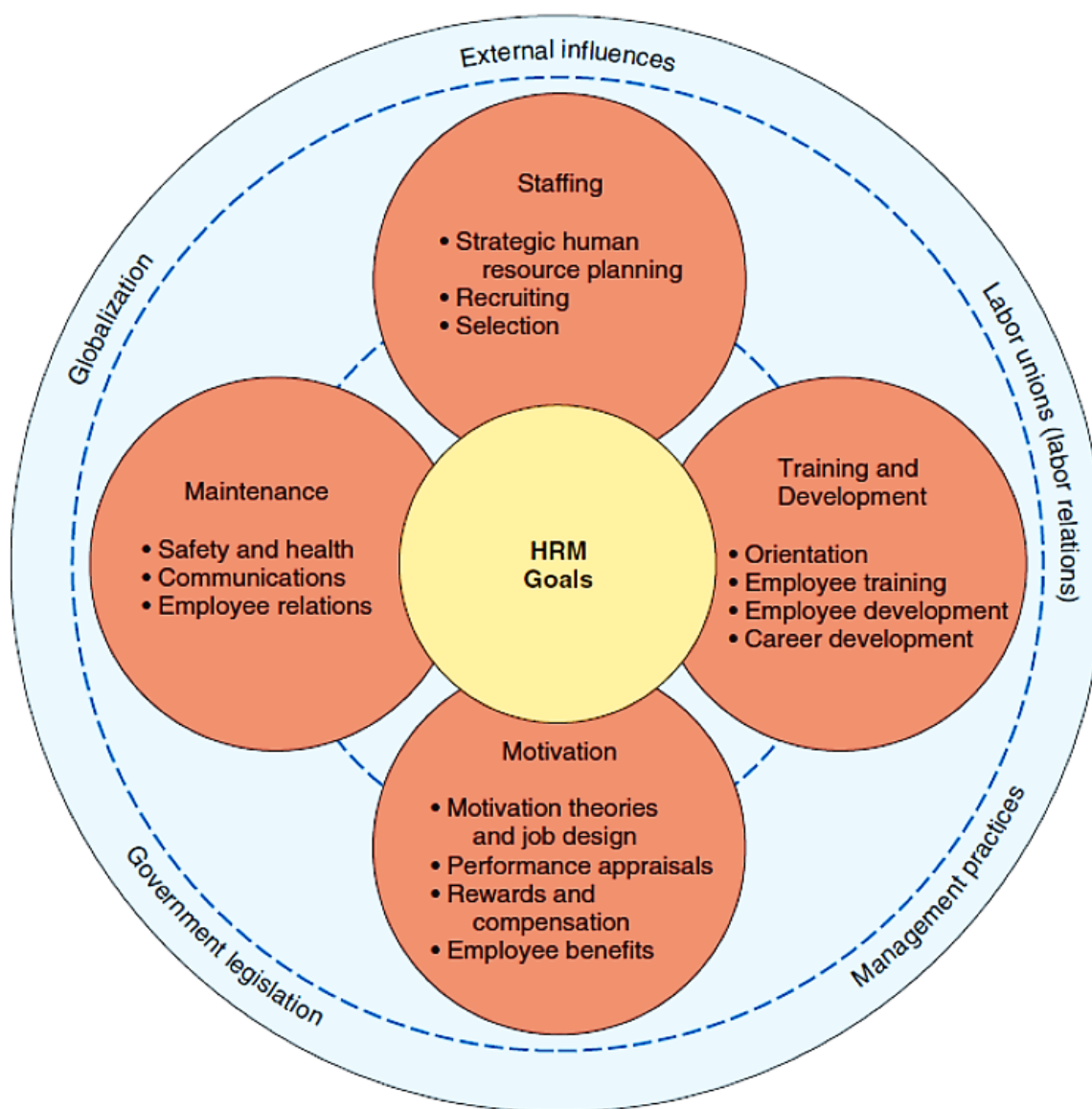


Figure 1: Human Resource Management: Primary Activities. DeCenzo & Robbins (2009)

Even a small organization without a formal HRM department must recognize importance for those functions and the line manager is responsible for its implementation. (DeCenzo & Robbins, 2009) For the strategic development each group of functions is very important and should be implemented with careful planning. For this study recruitment & selection functions are examined.

23 RECRUITMENT

Recruitment is the activity that creates a pool of applicants who want to be employed by the organization and from whom the appropriate ones can be chosen. (Lewis, 1985) In other words, it is a process to attract job vacancies in an organization for applicants with certain skills, abilities

and other personal characteristics. It is not only the activity that satisfies the needs of the organization but also an action that influences the future of the organization and its sustainable development. (Sarma, 2008)

23.1 Factors Affecting Recruitment

Recruitment is vital function of the HRM in an organization and it is influenced by a mixture of many factors. To take essential actions for the improvement of the organization proactive HR Professionals need to understand these factors effecting the recruitment. Organization also needs to lookout for these changes and identify how it affects the sources and scrutinize these functions for making recruitment an effective process. (Tutorials Point (I) Pvt. Ltd., 2016)

There are Internal Factors as well as External Factors that influence the recruitment process.

23.1.1 Internal Factors

Internal factors are those over which organizations have control. The internal factors are:

- ❖ **Size of Organization-** Among all the factors size of the organization is one of the key factors affecting the recruitment process. For large organization recruitment planning is compulsory for hiring more resources.
- ❖ **Recruiting Policy-** Another factor which affects the recruitment process is the recruitment policy of an organization which is hiring from internal or external sources of the organization. It stipulates the objectives of the recruitment process and provides a framework for the implementation of recruitment programs.
- ❖ **Image of Organization-** Competent resources can be attracted by the organization's positive image in the market. Maintaining good public relations, providing public services, etc. definitely helps in enhancing its reputation in the market and thus attract the best possible resources.
- ❖ **Image of Job-** Like the image of organization, the image of a job plays vital role in recruitment. Jobs can attract qualified candidates by having better remuneration, promotions, recognition, and good work environment with career development opportunities.

23.1.2 External Factors

Those factors that cannot be controlled by an organization are called External Factors. The external factors affecting the recruitment process are:

- ❖ **Demographic factors** – It is related to the attributes of prospective employees such as their age, gender, religion, occupation, literacy level, economic status etc.
- ❖ **Labor market** – Demand and supply of labor is controlled by labor market. Hiring will need more efforts if the source of individuals having a specific skill is less than the demand. On the other hand, hiring will be relative easier if the demand is less than the supply.
- ❖ **Unemployment rate** – If the unemployment rate is high in a specific area then number of applicants will be very high thus hiring of resources will be simple and easier. In contrast, recruiting will be very difficult if the unemployment rate is low thus less number of resources.
- ❖ **Labor laws** – Labor laws created by state governments reflect the social and political environment of a market. These laws dictate the working environment, compensation, health & safety regulations, etc. for different kinds of employments. And these laws might change with the change of the government.
- ❖ **Competitors** – When companies in the same industry compete for the best qualified resources, it is necessary to evaluate the competition and to offer the best resource packages for industry standards.

23.2 Recruitment process

After defining the term “recruitment” it becomes clear that the process of recruitment is complex in nature. The recruitment process can be separated into five stages (Figure 2). (Breaugh & Starke, 2000)



Figure 2: Five stages of recruitment process. Breaugh & Starke (2000)

The first stage is determining the recruitment objectives which consequently prepares a basis for the development of the recruitment strategy. (Breaugh & Starke, 2000)

The development strategy can be derived after the identification of the main recruitment objectives and the following questions should be answered:

- Who should be recruited?
- Where to recruit?
- When to recruit?
- What recruitment sources should be used?
- What message should be communicated?
- Who should carry out the recruitment process?

Budget limitations should also be taken into consideration at this stage as well. (Breaugh J., 2008)

The recruitment strategy begins with the planning, which analyzes and describes the vacancies which includes job specifications and their nature, skills, qualifications and experience etc. (Tutorials Point (I) Pvt. Ltd., 2016)

❖ **Identifying Vacancy-** This process begins with the request for recruitment from various departments of the organization to the Department of Human Resources, which contains:

- Quantity of posts to be filled
- Quantity of positions
- Responsibilities and duties to be performed
- Qualification and experience required

When a vacancy is identified, it is essential to decide whether or not the position is required, whether permanent or temporary, full or part-time employment is needed. These parameters should be assessed before recruitment is started. Proper identification, planning and evaluation results in the right resource being hired for the team and the organization.

❖ **Job Analysis-** Job analysis is a process that identifies, analyzes and determines the responsibilities, tasks, skills and working environment of a particular job. These factors help to identify what a job needs and what an employee needs to do in a productive manner. Job analysis helps to understand which tasks are important and how they can be carried out. Its purpose is to establish and document work-related procedures such as selection, training, compensation and evaluation of performance. For analyzing a job following steps are important:

- Recording and collecting information
- Accuracy in checking of the information
- Generating job description
- Determining the knowledge & skills which are essential for the job

- ❖ **Job Description-** The job description is an important document, descriptive in nature and contains the final work analysis statement. This description is very important for a successful process of recruiting.

It provides information about the responsibilities, scope of job roles and the positioning of the job and this information gives the employer and the organization a strong idea of what an employee needs to do in order to fulfill the requirement of his duties. To fulfill the following process job description is required:

- Jobs Classification and ranking
- Placing and orientation of new resources
- Transfers & Promotions
- Detailing the career path
- Future growth of work standards

- ❖ **Job Specification-** It focuses on the specifications of the candidate who will be hired by the HR team. The first step in the job specification is to prepare a list of all the jobs and locations in the organization. The second step is to generate each job's information. Information regarding each job in an organization is provided below:

- Physical specifications
- Physical features
- Mental specifications
- Behavioral specifications
- Emotional specifications

- ❖ **Job Evaluation-** It is a comparative process where relative value of a job is determined compared with other jobs in the organization. The main purpose is to analyze which job commands how much pay. There are many methods which are involved in job evaluation such as job grading, job classifications, job ranking etc. The basis for wage & salary negotiations is formed by the job evaluation.

Once the strategy for recruitment has been developed, a company can start specific recruitment activities which may include recruiters, recruitment sources and message to be communicated. For desired successful recruitment results i. e. pre-hire and post-hire outcomes it is necessary to have right combination of recruitment activities. The intermediate stage of the variables helps an employer to understand the relationship between recruitment and results. (Breaugh & Starke, 2000)

23.3 Sources of recruitment

Recruitment sources refer to ways to increase awareness of job openings. (Breaugh J. , 2008) To hire the most suitable employees it not enough to identify the best skills and specifications needed for the job but it is also very important to select Choose the most suitable sources for reaching candidates. It is therefore important to know the sources of recruitment and understand which of them can bring suitable people to the company

The sources of recruitment can be divided into three distinctive groups (Wanous, 1992):

- Internal recruitment sources
- External recruitment sources
- Walk-ins (e.g. direct applications)

However, other authors such as Rao, Rashmi , Sarma etc. identified only two main groups, which are – internal sources and external sources (where Walk-ins are under external recruitment). Moreover, Arthur and Rao define traditional and modern sources, and divide each of them into internal and external.

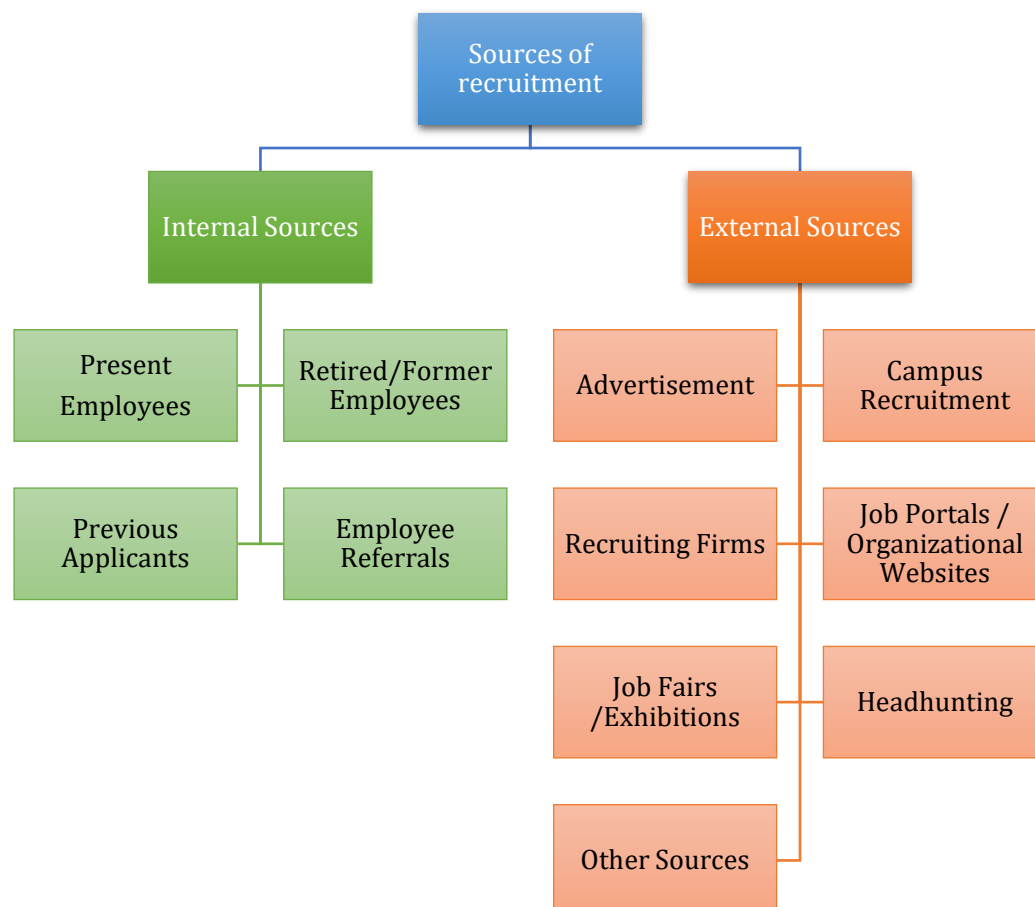


Figure 3: Recruitment Sources. P. Subba Rao (2009)

In the above Figure 3 the sources included under each category are presented. The key decision for a recruiter is whether to hire internally or externally as each type of a source has both advantages and disadvantages

23.3.1 Internal recruitment sources

The best candidates can be found within a company. Internal sources include the existing workforce of an organization, former employees, employee referrals and previous applicants. Whenever there is a new position, someone in the organization is upgraded, transferred, promoted or sometimes demoted. This type of recruitment seeks potential candidates for vacancies from among those who are already on a pay-roll of an organization. (Sarma, 2008) Existing employees can be informed of an open position through internal advertisements, e-mail or in person. One of the oldest sources of recruitment is employee referrals which can save up to 70% of the costs to the company than other sources could do. (Rashmi, 2010) Present employees make a much better candidates because they are well aware of the qualifications, skills, behavior and experience of their acquaintances as well as requirements of the job. Therefore most of the time applicants through employee referrals and are aware of the organizational culture and have a positive feel to an organization thus would likely be a great asset for the company. (Rao & Others, 2009)

The benefits of using internal resources are shown below (Patel & Rana, 2007):

- Better motivation of employees as their capabilities are considered and opportunities offered for promotion.
- Better utilization of employees as the company can often make better use of their abilities in a different job.
- It is more reliable than external recruitment because an existing employee is known more thoroughly than an external candidate.
- It promotes loyalty because a present employee is more likely to stay with the company.
- It is faster and cheaper than the external one and requires less guidance and training.

Based on the mentioned benefits, it can be said that the use of internal sources is a very good option for a company but it has some drawbacks as well. The choice of candidates are limited and it is a big issue in a small company. Furthermore, existing employees may not see possible future perspectives as they are already comfortable in the organization and an outside candidate may bring in more fresh ideas. (Rashmi, 2010) In other words, this often discourages the flow of new blood into the organization. (Rao & Others, 2009) Another important point candidate may be selected based on unfair biasness by the management's likes and dislikes, which can lead to

promoting not the most suitable applicant, resulting in insufficient efficiency and dissatisfaction across the company. (Sarma, 2008)

23.3.2 External recruitment sources

In external recruitment candidates are brought from outside thus it supplies a suitable pool of applicants. There are many external sources than internal and it is vital to identify them. External recruitment can be time-consuming and expensive; however, with the help of good planning it is possible to reduce the disadvantages to some extent. (Patel & Rana, 2007)

Main external sources and their characteristics, advantages and drawbacks are presented below-

- ❖ **Advertisement-** This is one of the oldest and most commonly used recruitment sources, but it needs good financing and creativity. It can be done through printed media (e.g. magazines & newspapers) and electronic media (e.g. radio, television, telephone & online advertising etc). The right candidates can be quickly reached by selecting the right media. Careful planning in terms of content, location and timing will probably generate a great response and often lead to recruitment. First of all, it is important to define the audience to reach and clearly state the desired skills an applicant should have. In order to increase the chances of finding best applicants via advertising the following advertisement strategies can be applied: 1) capture the job hunter's attention; 2) hold the job hunter's attention; 3) design the ad to be the last one a job hunter wants to read. In other words, it is important to carefully consider the location of the advertisement, its title, placement of the logo and graphics; provide just enough information and use the right language. (Arthur, 2005)
- ❖ **Campus Recruitment-** In educational institutions such as colleges and universities, organizations can find inexperienced applicants from different fields of study. (Rao & Others, 2009) Some organizations cooperate with such institutions in the long term, especially when the field of study is very accurate and specialists are required. Unfortunately, applicants from this source are normally only available once a year and many have similar backgrounds and knowledge. There is, however, an important advantage—applicants do not have a lot of work experience most of the time; they can therefore be trained to meet organizational needs. (Patel & Rana, 2007)
- ❖ **Recruiting Firms-** For junior level, semi-skilled, clerical positions Employment agencies are used. On the other hand Executive search firms focuses on professional openings and typically undertake the whole recruitment process. (Patel & Rana, 2007) Though external recruitment source is usually quite expensive and mostly depends on the choice of the recruiting company; however, it has access to a huge source and can bring a large number of

candidates faster than a company. It is important to select the correct agency to work with. A thorough investigation should therefore be carried out. (Arthur, 2005) The development of long - term relations with several firms would be one of the advantages for a company. For different levels of positions different firms might be used. (Rashmi, 2010)

- ❖ **Job Portals/Organizational Websites-** As the number of internet users increases, more and more companies and prospective applicants use different portals of employment. This type of source of recruitment attracts more applicants and is very efficient for mass recruitment. It is important that a company chooses the most appropriate portal to find the most talented candidates for an open position. This process could be very difficult for a recruiter; therefore, some points need to be considered when selecting the job portal: 1) number of people recruited through the portal; 2) freshness, size and relevance of the database; and 3) cost effectiveness. With regard to the organizational websites, there is a growing trend in companies to set up their own career sites to attract candidates. Many large companies encourage potential employees to apply via their own websites for the vacancies, as they create a better understanding of the organizational culture and brand building. (Rashmi, 2010)
- ❖ **Job Fairs/Exhibitions-** This is a recruitment source that enables recruiters to interview a number of candidates for a short time. Such exhibitions are often focused on a specialized group of people which includes- students, recent graduates, women, minorities etc. Job fairs can not only be effective for mass recruitment, but also for establishing new contacts with other organizations, as these events usually take place in large halls, which contribute towards cooperation and information sharing. (Arthur, 2005) (Rashmi, 2010)
- ❖ **Headhunting-** Most of the time this recruitment source is used for senior management positions. Its supporters believe that the best candidates in their current jobs are those who are successful and do not consider changing them. A headhunter receives a task from a company to find a certain candidate with certain skills who is currently successful. Suitable candidates can be found (1) in competing businesses, (2) in the membership lists of professional bodies, (3) and through confidential headhunting networks. Some advantages of headhunting are- reducing administrative costs & advertising costs, assurance in the qualifications and skills of the candidate, ability to appeal the best talented employees etc. But there are some downsides regarding headhunting, such as high fees, undependable database of candidates, leak of private information etc. (Patel & Rana, 2007)

- ❖ **Other Sources-** Several authors identified additional sources of recruitment, particularly in an era of integration and globalization. In addition to the recruitment sources described above, there are several others that organizations can use. For example, Employment exchanges, Government agencies, Professional associations, Response cards, Trade unions, Data banks etc. All sources mentioned can be used depending on which candidate is required for a specific vacancy.

To sum up the information presented on recruitment sources, it can be said that numerous recruitment sources bring excellent candidates to a company. It is easy to reach the right applicant only if the correct recruitment source is used. Four main factors should be considered before starting a recruitment campaign, these are- how much budget is available, how fast the vacancies must be filled, whether a large audience must be reached and the level of the available position. (Arthur, 2005) A great result can only be achieved with careful planning.

23.4 Techniques and methods of recruitment

After considering all the recruitment factors and identifying potential employees, an HR manager must encourage internal and external candidates to apply for vacant positions in the company. It can be done by various recruiting techniques. Recruitment techniques are the means by which the management contacts or exchanges information or ideas with potential employees to encourage them to apply for jobs. (Rao & Others, 2009) These techniques can be divided into two groups which are- traditional and modern techniques. Traditional techniques include transfers, promotions & advertising and on the other hand modern techniques encourage potential employees through scouting, perks & salary and Stock Ownership Programs for employees. (Rao & Others, 2009)

Recruitment methods refer to how contact with potential jobseekers can be established. These methods can be classified generally into three categories, which are- Direct, Indirect, and Third party. (Dunn & Stephen, 1972)

- ❖ **Direct Method-** In this method representative of the organizations visits schools, colleges, educational and training institutes to establish contacts with the potential candidates. Employer firms usually work with educational institutions' placement offices or contact teachers directly to collect information about students with excellent academic records. This is a low - cost method that attracts many applicants for a short time. Other types of direct methods are exhibition at job fairs, rural areas and shopping centers where unemployed persons may be contacted. (Sarma, 2008)

- ❖ **Indirect Methods-** Advertisements in magazines, newspapers, professional journals, on the television & radio and various notice-boards are some of the main indirect methods. The advertisement should be comprehensive, brief and catchy to stimulate interest among the potential candidates regarding the vacancies. In addition, a well prepared and well-written advertisement can help to create a good image of an organization. In two cases indirect method is very useful, when suitable candidates are not available for promotion or the company needs very specific specialist. (Sarma, 2008)
- ❖ **Third Party Methods-** This method includes management consultants, public and private employment agencies, employee referral, trade unions, various data banks and voluntary organizations. The method is used to recruit candidates for jobs that are difficult to accomplish or for candidates from a particular field of work. (Sarma, 2008)

23.5 Internet recruitment

Today, the Internet plays an important role in people's lives in an era of new technologies. It is therefore not surprising that the Internet has also changed recruitment practices. The trend of online recruitment is common for both small, medium-sized and large enterprises and helps to create a large pool of qualified applicants very quickly. Based on a recent research it has been found that the most popular recruitment sources are web sites (87%) and the internet job sites (82%) followed by other sources shown below (DeCenzo & Robbins, 2009)-

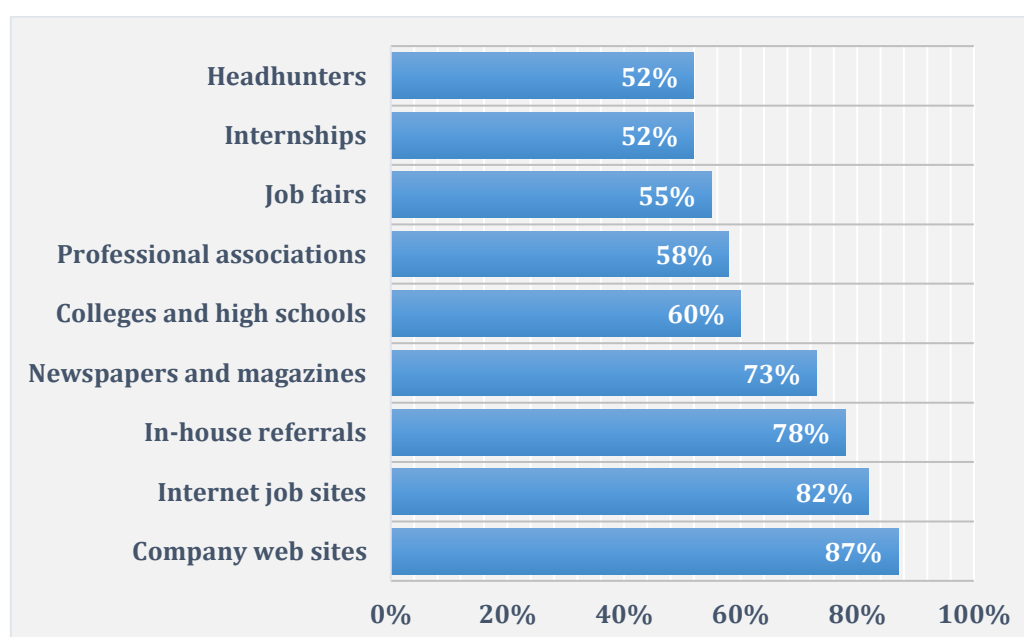


Figure 4: The most popular sources of recruitment used by employers. DeCenzo & Robbins (2009)

In the near future, online recruitment will replace most traditional recruitment sources, such as employment agencies and newspaper advertising. (DeCenzo & Robbins, 2009) Nowadays, most of the organizations have personal web site or professional profile on the LinkedIn platform and furthermore they also have “careers” section in their website where candidates can know about vacant positions & apply for those. Organizations that plan to recruit a lot from the Internet often develop dedicated websites designed exclusively for recruitment, some of which only accept online applications. As such websites usually include important information about the company, such as values, mission, vision & philosophy, thus it’s a good way of creating an employment brand. As a result, the quality of applicants increases because they understand how they are expected to act in an organization. (DeCenzo & Robbins, 2009) (Gusdorf, 2008)

The internet recruitment has a lot of advantages and one of the most important is that it is cost - effective, meaning that an organization does not need to invest enormous amounts of money in this process. Moreover, it is easy and fast to post or delete an advertisement, a large number of answers arrive very quickly and a wider pool of applicants is presented. Online recruitment can also save time for an HR manager by automatically rejecting the unsuitable candidates using selection tests. (Gusdorf, 2008)

There are also many job applicants using the Internet to find an appropriate position. A recent research on how candidates want to be recruited for small and medium - sized enterprises shows that 65 percent of candidates used social networks or online boards to find an open position. This survey shows the importance of recruiting through internet and gives a company tips on building its brand image and creating a good first impression. (Reddy, 2014)

24 SELECTION

Selection is a method of choosing the most suitable and qualified candidate from a group of candidates for a specific position. The main aim of the selection decision is to decide who can perform the job most effectively and to be a great asset for an organization. Finding and positioning a candidate is a costly process, so it is important for an HR manager to ensure that a candidate is interested in the position offered and has the required credentials and abilities. (Rao & Others, 2009) (Sarma, 2008)

24.1 Selection process

Selection process is a practice involving various steps. The selection of unskilled workers for certain jobs does not cause many problems and it does not require a complex selection procedure.

However, such a procedure is essential for supervision and higher levels of employment. The selection practices and procedures may vary from one organization to another; the complexity of the process depends on the company's needs and the level of selection.

The selection process typically consists of eight steps, which are- (i) initial screening interview, (ii) completion of the application form, (iii) employment tests, (iv) comprehensive interview, (v) conditional job offer, (vi) background investigation, (vii) medical examination, and (viii) permanent job offer (Figure 4). (DeCenzo & Robbins, 2009)

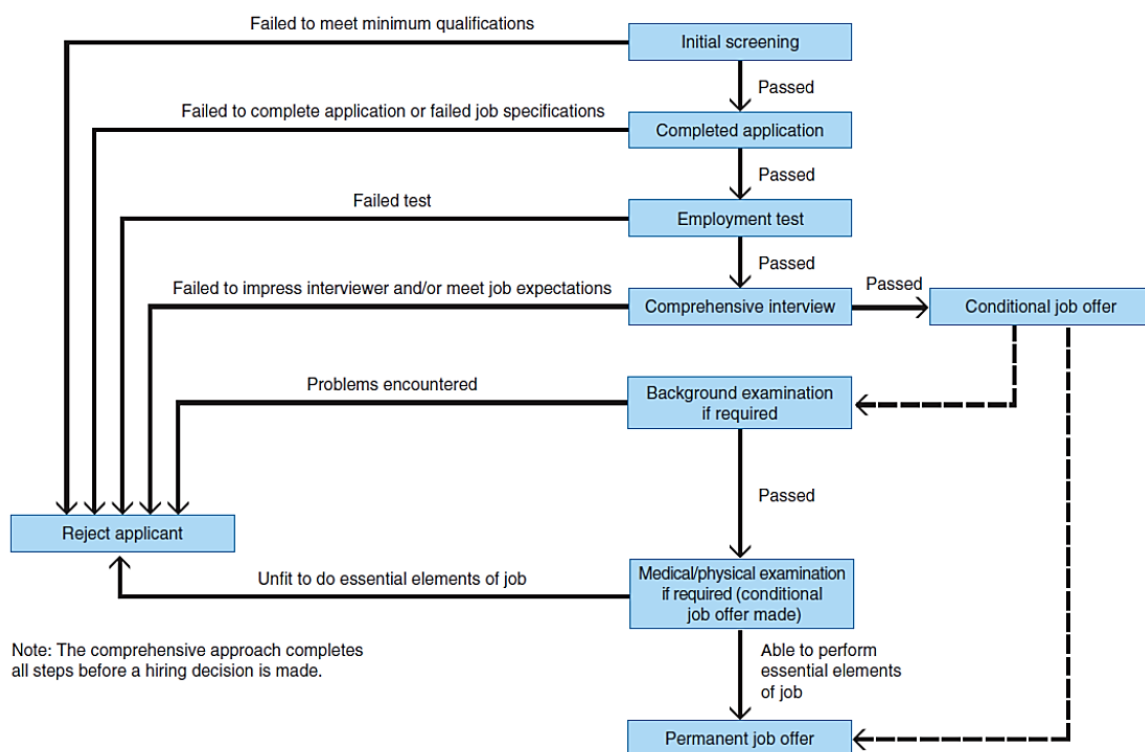


Figure 5: The Selection Process. DeCenzo & Robbins (2009)

Each step helps an employer learn more about a candidate, such as- motivation, skills, background and additional information which helps to make a decision. Not every employer, however, uses each step and omits some due to high costs or unnecessary data. (DeCenzo & Robbins, 2009) (Rao & Others, 2009)

- ❖ Ability tests are designed to test a candidate's skills and predict his or her potential to develop the skills required for a certain vacancy. It includes two types of tests: the first test is for measuring general aptitudes such as- verbal and mathematical ability, reading comprehension, reasoning ability etc., the second test is designed for measuring particular aptitudes such as- mechanical skills, selling skills, proficiency skills etc. Ability tests are extremely useful for predicting job execution and therefore help to make a selection very

often. These tests typically involve multiple choice questions and are performed on paper and pencil or on a computer. (Pulakos, 2005) (Rashmi, 2010)

- ❖ Integrity testing helps to measure attitudes and experiences that relate to a prospective employee's tendency to be honest, trustworthy and dependable. These tests are strongly linked to ethics and thus a perfect addition to personality testing. (Pulakos, 2005)
- ❖ Personality tests are the very important for any small or large organization, as skills and qualifications can always be improved in a specific area, but it is almost impossible to change a person's personality. These tests assist an employer in predicting potential employees' behavior based on the personality. And in the professions where employees deal with people, such as- selling, management, customer related jobs etc., personality traits have substantial effect on job performance. It is crucial to identify characteristics relevant to job performance, as a person with one personality can succeed in one job but fail in another. Personality tests evaluate factors such as awareness, extraversion, emotional stability, acceptability and openness. These tests usually involve true / false questions and multiple choices which measures each personality. (Pulakos, 2005) (Rashmi, 2010)
- ❖ Group situational tests are intended to demonstrate the ability of a candidate to work in a team, organizational skills, leadership, communication skills and others. A group of candidates is usually given a task or problem to solve as a team and the recruiters observe it. In these tests observers look for the ability to handle situations, interpersonal skills and behavior in time of crisis. (Rashmi, 2010)
- ❖ Work simulation tests create a real work atmosphere which includes tasks that a prospective employee will perform when he / she gets the job. This method of selection helps an employer to understand whether a candidate is able to complete the tasks and whether his / her qualifications and skills are suitable for the job. This selection method is a better predictor of the performance of the applicant than any paper - based test because the work simulation is essentially the same as the actual job content. (DeCenzo & Robbins, 2009)
- ❖ Personal interview is the most commonly used selection method which can be both unstructured & structured. Some researches believes that unstructured interviews are not particularly useful for selecting the most fitting candidate. Structured interviews, on the other hand, are very helpful in predicting execution of jobs, as they cover of an explicit set of questions designed to evaluate almost every skill group. Furthermore, a standardized rating benchmark helps HR managers assess the efficiency & quality responses. (Pulakos, 2005)

- ❖ Assessment center uses various mixtures of tests that are oversaw during the whole day or sometimes even a number of days which also includes assessment by a range of specialists like- practicing supervisors, line managers, psychologists etc., thus it has the highest predictive credibility. The exercises, completed by applicants, are intended to simulate a managerial work and are therefore very close to reality. This selection method is not very widespread because it is not cost - effective, especially if only one position needs to be fulfilled. Most companies prefer structured interviews and psychometric tests as they are less expensive methods. (DeCenzo & Robbins, 2009)
- ❖ References are rarely used because this method does not give t employer the opportunity to understand more about a potential employee. It only provides information regarding the performance of the candidates in the previous work places and also about the abilities of them from the prior employer's perspective.

One of the main difficulties for an employer is to select a method or a combination of methods. To choose the most suitable selection tests, the employer should be aware of the tests' statistics and measurement issues. A selection method must meet the requirements of reliability and validity to be effective. (Pulakos, 2005) (Rashmi, 2010)

A selection method must be reliable, meaning that the scores of the candidates are consistent and do not change over time or circumstances. (DeCenzo & Robbins, 2009) A valid method measures what needs to be measured e.g. job performance. In order to select a valid method of selection, three aspects of validity must be taken into account: i) Agree on desirable attributes, or required competences for successful job performance; ii) Adjust them to be measured and iii) Choose the methods that precisely forecast the possession of these attributes or competences. (Rashmi, 2010)

25 LITERATURE CONCLUSION

It is also evident, from a variety of different literature sources that organizations objectives' are met when there is an effective recruitment and selection process in place. In addition to this, it is evident from the literature on this topic that recruitment and selection play a vital role in large organizations. It is fundamental that there is sufficient time and money allocated to this process, as it can be a complex task. Organizations today are paying more attention to their employees as they are seen as valuable resources towards sustaining competitive advantage. Therefore, proactive planning for future jobs is a key concern in organizations today as jobs are constantly being updated and recruitment is an on-going occurrence.

CHAPTER D: METHODOLOGY OF THE STUDY

26 SOURCES AND METHODS OF DATA COLLECTION

26.1 Primary Data

Primary data was collected through following methods-

- ❖ Semi-structured interviews with employees of HR Department and those employees who have recently joined the company
- ❖ Practical experience when selected as intern in the organization
- ❖ Observation while assisting HR department in recruitment and selection

26.2 Secondary Data

The secondary data was collected by self-study from the following sources-

- ❖ Website of the company
- ❖ Past records by HR Department
- ❖ Company's SOP Manual
- ❖ Other office documents

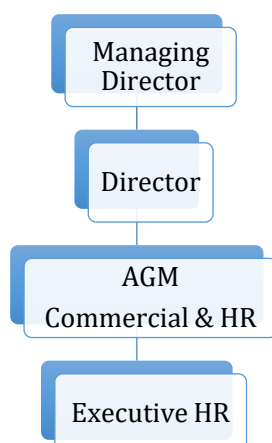
CHAPTER E: ANALYSIS AND INTERPRETATION OF DATA

27 HR DEPARTMENT OF PLANET AGRO LTD

Like all other business concerns, Planet Agro Limited has a Commercial and HR Department, which have the following functions:

- ❖ Hiring
- ❖ Position classification and grading
- ❖ Salary determination
- ❖ Performance appraisal review and processing
- ❖ Awards review and processing
- ❖ Personnel data entry and records maintenance
- ❖ Consultation and advisory services to management and employees
 - Conduct problems
 - Performance problems
- ❖ Policy development
- ❖ Technical policy interpretation
- ❖ Benefits
 - Health care insurance
 - Retirement
 - Leave Transfer Program
 - Training opportunities
 - Workers' compensation

Structure of the HR department is given below-



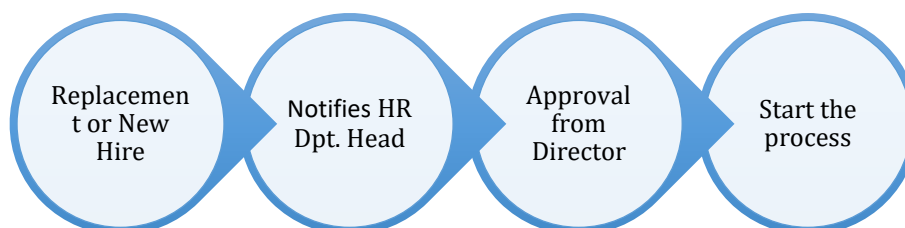
28 RECRUITMENT & SELECTION PROCESS OF PLANET AGRO LTD

The recruitment & selection process of the organisation is given below-



28.1 Request & Initiation of Recruitment & Selection Process

In Planet Agro Ltd recruitment & selection process starts when HR department is informed about the need of recruitment. Usually Departments' Heads sends email to HR Dpt. Head for recruitment requirements for his/her department. The recruitment may be replacement or additional hire for the department. HR Dpt. Head then communicates with the Director regarding the new requirement for approval. After receiving approval from the Director HR Dpt. Head directs the executive of HR Dpt. to start the recruitment & selection process.



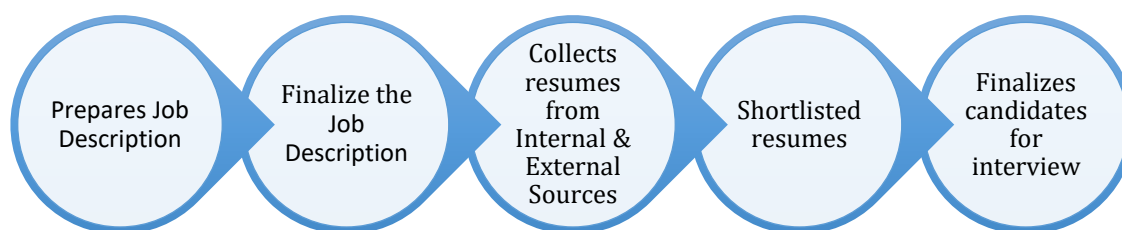
28.2 Resume- Sourcing, Collection & Shortlisting

HR Dpt. Executive prepares Job Description for the required position and emails it to the relevant Department's Head for confirmation.

The Job Description includes the following information-

- Job Title
- Job Location
- Summary of Job
- Job Duties
- Process of Supervision
- Qualification
- Experiences

After reviewing the Job Description the Department's Head sends confirmation email to the HR Dpt. Executive. Based on the confirmed Job Description the Executive then checks internal sources i. e. Employee referrals, previous applicants, former employees etc. for collecting resume. Based on the requirement the Executive also uses External sources such as BDJobs for sourcing resumes and post advertisement through communicating the representative of BDJobs. Then from internal and external sources resumes are collected by the Executive and shortlisted based on Job Description. The short listed resumes are then send to HR Dpt. Head for further evaluation who sits with the Department's Head who initially raised the requirement.



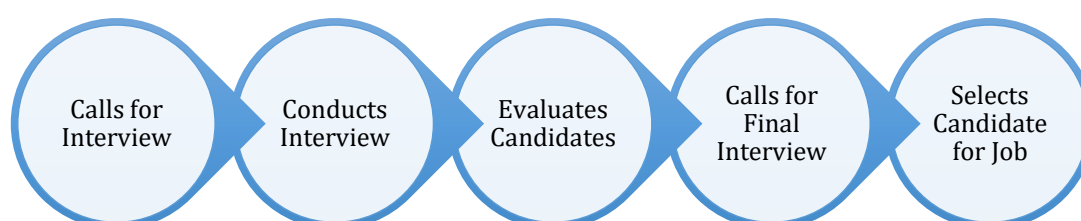
28.3 Interview – Schedule, Call & Complete

After the evaluation the final selected resumes are send to the HR Dpt. Executive for scheduling interview. The Executive then calls the selected candidates for interview meeting. The primary interview is taken by the both Heads of the HR Dpt. & other relevant Departments. After completing the interview each interviewer completes an evaluation from for each candidate.

In the evaluation from each candidate is rated based on the following criteria-

- Candidate's Understanding of the Position
- Relevant Background
- Professional Impression
- Motivation/Initiative
- Communication Skills
- Organizational Fit
- Notice Period
- Overall Evaluation

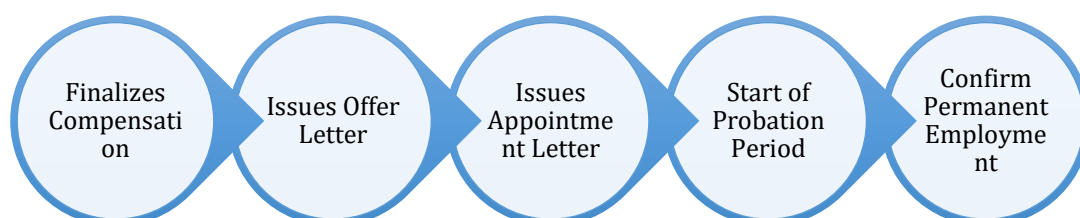
After the interview both Departmental Heads sit together to select the candidates for final interview with Directors. Again the Executive calls the selected candidates for final interview with Director. After completion of the final interview the Departmental Heads and the Director selects one candidate for the Job.



28.4 Final Confirmation, Offer letter & Permanent Employment

When a candidate is selected for the job the HR Dept. Head sits with the candidate to negotiate salary, benefits and other compensation packages. After completion of the negotiation HR Dpt. Executive prepares offer letters which is then collected by the candidate and confirms the joining date. At joining date HR Dpt. Executive prepares the Appointment letter and sends to HR Dpt. Head for signing. The candidate collects the appointment letter at joining date.

As per company policy the new joiner has to go through 3 months' probation period before becoming permanent. After 3 months the HR Dpt. Executive emails to the relevant Department Head for confirmation regarding the permanent employment. If the relevant Department Head is satisfied with the new joiner's work then he/she confirms through email. After receiving email the Executive issue new appointment letter, with approval from HR Dpt. Head, for the new joiner confirming Permanent Employment.



28.5 Timeline of the Recruitment & Selection Process

The recruitment & selection process usually takes around 25 days, timeline given below-

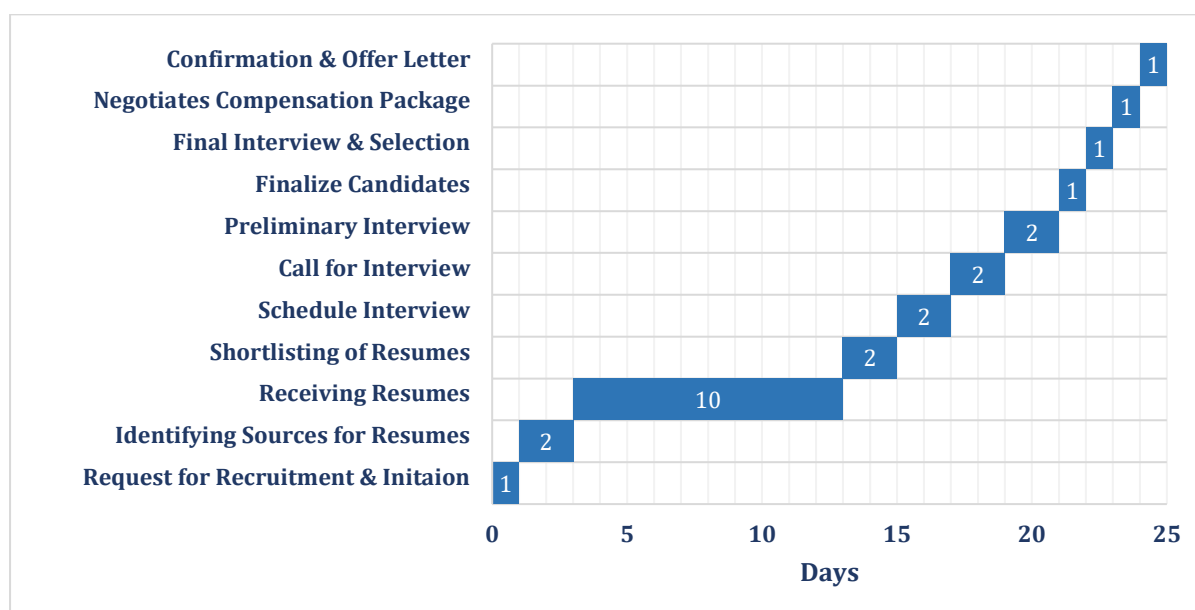


Figure 6: Timeline of the Recruitment & Selection Process - Planet Agro Ltd

CHAPTER F: FINDINGS OF STUDY

Findings of the study are briefly stated below-

- ❖ HR Department of Planet Agro Ltd does not have proper written Standard Operating Policy for recruitment & selection process. Thus it is difficult to ensure consistency of the process. New joiners in the HR department will not be able properly learn the process. In the absences of the written policy it is not possible to measure the performance of the HR Department. Finally written polices serve as foundation to improve the existing process through review and thus absence of the written policy is a great roadblock towards improvements.
- ❖ HR Department does not conduct proper Recruitment planning thus it does not able to ascertain whether the vacant position is required or not, permanent or temporary, full-time or part-time. It lacks proper Job Analysis thus it may fail to identify what an employee must have to perform the job productively. The organization also does not perform Job Evaluation thus might fail to determine which job command how much pay.
- ❖ Though HR Department executes two interviews before selection but it does not conduct any employment test in the Selection process. Employment tests are used to better the applicant and determine his/her talents, skills, abilities & qualifications. Thus the organization might fail to access candidates properly and ultimately might fail to select right people for the job.
- ❖ After probation period the HR Department only take simple confirmation regarding the performance of the new joiner from the relevant Department Head. It does not have systematic constructive process to effectively measure the performance of the new joiner before confirming permanent employment.

CHAPTER G: RECOMMENDATIONS

Based on the study some recommendations for the organization are given below-

- ❖ From the findings it is evident that Planet Agro Limited should take initiative to establish written Standard Operating Policies for HR Department, specially the Recruitment & Selection Process. This will help the organization to review its process easily and bring improvements where needed. It will help new comers in the department as top-down guidance. And finally this will make sure consistency in recruitment & selection process.
- ❖ Planet Agro Ltd should implement recruitment planning through performing Job Analysis, determining Job Specification and conducting Job Evaluation. This will extend the perspective of the organization. Rather than blindly hiring people for replacements or additional manpower, these planning techniques will help to evaluate whether the position is required or not and what employment type should be best suited e.g. permanent, temporary or outsourcing.
- ❖ HR Department of the Planet Agro Ltd should utilize employment test in their selection process. The HR Department can implement the following test methods.
 - Ability tests- predicts potentiality of developing required skills for the Job.
 - Integrity tests- tests honesty, trustworthiness and dependability.
 - Personality tests- predicts behavior based on personality.
- ❖ In Planet Agro Ltd new joiners have to perform satisfactory during the probation period to become permanent employee. But rather than depending on just email confirmation from the relevant department head, the HR Department should use Key Performance Indicators to evaluate the performance during the probation period.

CHAPTER H: CONCLUSION

Planet Agro Ltd is only 5 years old and despite being a new company it has highly experienced management. Thus it has been able to achieve success in a short period of time. Being a small company compared to the top players in the industry it has established praiseworthy HR practices. The organization has established good Recruitment & Selection process but unfortunately there are no written policy regarding this matter. As the organization is comparatively new, small and still growing thus it is hard to invest huge money and time in HR Management. From this study it is evident that there are some areas in Recruitment & Selection process which are holding back the company use best tools to select the right people for the company. The organization will get benefits if it takes initiative to establish written HR policies which can be started with the recruitment and selection process. By conducting recruitment plan and employment tests it is possible for the organization to significantly improve the chance of hiring the right people for the job. And finally using Key Performance Indicators to evaluate performance during the probation period will make more realistic and effective. These improvements will require some investment in the recruitment & selection process but the benefits will definitely be greater than the investment.

CHAPTER I: REFERENCE

- Arthur, D. (2005). *Recruiting, Interviewing, Selecting & Orienting New Employees*. AMACOM.
- Breaugh, J. (2008). Employee Recruitment: Current knowledge and important areas for future research.
- Breaugh, J., & Starke, M. (2000). Research on Employee Recruitment: So Many Studies, So Many Remaining Questions. *Journal of Management*.
- Chanda, A., Bansal, T., & Chanda, R. (2010). Strategic Integration of Recruitment Practices and Its Impact on Performance in Indian Enterprises.
- Collins, J. (2001). *Good to Great*.
- DeCenzo, D., & Robbins, S. (2009). *Fundamentals of Human Resource Management – 10th edition*.
- Dunn, E., & Stephen, H. (1972). *Job Analysis: Effective Management Too*. Washington D.C: Bureau of National Affairs.
- Gusdorf, M. (2008). Recruitment and selection: Hiring the Right Person.
- Keller, K. L. (2009). Journal of Marketing Communications. *Building strong brands in a modern marketing communications*.
- Lewis, C. (1985). *Employee Selection*. Hutchinson.
- Patel, V., & Rana, G. (2007). *Personnel Management*. Oxford Book Co.
- Pulakos, E. (2005). Selection Assessment Methods. *SHRM Foundations*.
- Rao, S. P., & Others. (2009). *Human Resource Management*.
- Rashmi, T. (2010). *Recruitment Management*. Himalaya Publishing House.
- Reddy, C. (2014). *16 Best and Effective Employee Selection Methods*. Retrieved from wisestep: <https://content.wisestep.com/employee-selection-methods/>
- Sarma, A. (2008). *Personnel and Human Resource Management*.
- Tutorials Point (I) Pvt. Ltd. (2016). Recruitment and Selection.
- Wanous, J. (1992). *Organizational Entry: Recruitment, Selection, Orientation, and Socialization of Newcomers*.

Table of Figures

FIGURE 1: HUMAN RESOURCE MANAGEMENT: PRIMARY ACTIVITIES. DeCENZO & ROBBINS (2009).....	17
FIGURE 2: FIVE STAGES OF RECRUITMENT PROCESS. BREUGH & STARKE (2000)	19
FIGURE 3: RECRUITMENT SOURCES. P. SUBBA RAO (2009)	22
FIGURE 4: THE MOST POPULAR SOURCES OF RECRUITMENT USED BY EMPLOYERS. DeCENZO & ROBBINS (2009)	27
FIGURE 5: THE SELECTION PROCESS. DeCENZO & ROBBINS (2009)	29
FIGURE 6: TIMELINE OF THE RECRUITMENT & SELECTION PROCESS - PLANET AGRO LTD.....	37