

Chapter 4 The recruitment and selection process

-This process includes

- Formulating plans for future openings
- Analysis of the positions to be open soon
- Determining whether interviewing internal or external candidates

- Its an integral part of a firm's strategic plans
- Firms must know in advance how to find right people for future advancement

-The process includes

- Employment planning and forecasting
- Build a pool of candidates
- Call for applications to be filled out by applicants
- Test to screen out most applicants

-Factors of forecasting personnel needs

- Demand for the product or services are good indicator

- Other factors may include
 - Projected turnover
 - Quality and nature of employees
 - Some of the employee's skills may become obsolete
 - In those positions they may have to hire new people
 - Technological or administrative change
 - The financial resources available to the firm

-Specific techniques for personnel forecasting

- Trend analysis
 - Study of a firms' past employment needs to predict future needs

- Past may not hold always true for future prediction
- Environmental conditions may change

-Ratio analysis

- Forecasting technique for future staff need by using ratios of sales volume and number of employees needed

-E.g. if 200,000 dollar sales were generated by 100 sales people than the ratio is \$2000 sales: 1 sales man. From here we can calculate how many people we need for 8 million dollar sales

-Shortfall

- Like trend analysis ratio analysis also assumes that productivity remains static and salespeople cannot be motivated to increase sales when actually they can be motivated

-Scatter diagram

- Graphical method used to identify relationship between two variables

-Computerized forecast

- There software packages available to determine the firm's future personnel needs using the forecast number on sales and personnel

-Required data

- This method is very helpful to find the staff need for clerical positions, assembly line workers etc.

- Managerial judgment
 - Judgment may include
 - Decisions to enter into new market or venture new opportunity
 - Technological and administrative changes
- Forecasting supply of inside candidates
 - Managers usually try to hire from inside first
- Qualification inventory
 - This info helps HR to promote employees
- Manual system and record keeping charts
 - A form called “personnel inventory and development record” is set up
 - Employee’s education and company-sponsored training are listed
- Computerized information system
 - Many software packages are available for this
 - Even Access can be used to do query
 - Data in the computerized information system includes
- The matter of privacy
 - Employee’s data bank stores a great deal of information that can be very personal
 - Federal law protects an employee’s privacy
 - These data banks are only accessible to those who are privileged
- Internal sources of candidates
 - Advantages of hiring from within
 - Raises the spirit of competition
 - Inside candidates require less training and orientation

- Problems:
 - Many managers may know well in advance who they will hire internally
 - Those who don't get the promotions may become disloyal

- Personnel record
 - This record may uncover employees who already have education and skills beyond but are underutilized

- Skill banks
 - Computerized stored database on employees' skills can be very useful for inter department transfer where a dept. may require additional skills for a task that their depts.. may not have.

- Succession planning
 - Big companies usually have plans for suitable replacement if the CEO gets sick
 - Some qualified senior managers are selected for this contingency plans and they are given advance training
 - Sometimes they are even kidnapped

- Forecasting the supply of outside candidates
 - Involves searching outside for employees
 - Requires knowledge of
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- General economic condition
 - Know the unemployment rate first
 - Several govt. agencies publish these rates periodically including dept, of labor and many universities

- Occupational market condition
- Recruiting job candidates
 - Once the HR dept. is instructed they start to get the applicants pool
 - How the recruiters conduct interviews is very important
 - HR must make sure that the job description or other requirement have not been changed in due course of time
- Advertising for candidates
 - Two decisions have to be made
 - Media type and the ad itself
- Principals of help wanted ads
 - AIDA model is usually followed
 - A for Attentions
 - Ad must be able to attract attention
 - I for Interest
 - D for Desire
 - A for Action
 - Ad should be able to prompt action
- Legal challenge
 - Many believe that ads that are gender specific should be made illegal
 - Employers should not be age specific
- Employment agencies
 - Privates agencies for personnel is a new concept in BD
 - They conduct the initial interviews and then they send them to the client's company to be further interviewed
 - Firms may use these agencies if in the past they had difficulties to pool candidates
 - For every hire using the help of the agency, they agency will charge a commission

- Advantages of using agency
 - As per Wall street Journal
 - Using agency help in cutting cost for interviews
 - Helps in interviewing the potentials only
 - Helps you to select the most qualified candidates
- Disadvantages of using agency
 - Unqualified may by-pass initial interviews nab end directly to the client co.

- How to overcome the problems of the agencies

- Contingent workers and temp agencies
 - Students, part timers, seasonal workers, etc
 - They work part time, full time but on contractual basis

 - Who are temp agencies?
 - Usually they are expert in supplying blue-collar workers and minor clerical workers

- Headhunters
 - Also known as executive recruiters
 - Usually they deal with higher paid jobs
 - HCEs and NHCEs

 - Qualification of a headhunter
 - Make sure the firm is capable to search extensively
 - Choose a recruiter you can trust
 - Talk to some of their clients