

**“A Comparative Study of Manpower Planning, Recruitment and Selection Processes In Public Sector Undertaking Companies in India”**

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**Abstract**

This research paper deals with the comparative study of Manpower Planning, Recruitment and selection processes in several of INDIAN Public Sector Undertaking Companies. This research paper highlights the differences and similarities of the policies being followed in various PSUs. This paper is to highlight the comparative analysis of selected policies.

My research basically depends upon primary and secondary data collected from company employees, internet and online journals, research papers and HR manuals of various PSUs in India. Public Sector Undertaking Companies follow different HR practices as per their business and Service Rules set by the State and Central Government policies.

Human resources are now considered as an ASSET instead of LIABILITY. Department of HUMAN RESOURCE in all the companies is now in lime light instead of back seat and it is learnt that “HR cannot function in cabins”.

Good human resource strategies and practices are the backbone of all the companies may be operating nationally or multi-nationally and good human resource management is the life blood of those companies.

**Keywords:** Recruitment, Manpower Planning, Sourcing, PSUs, Indian PSUs, Sourcing, Selection

**I. Introduction**

**Manpower Planning**

Based on the requirement of the additional manpower of the individual department, the detailed manpower planning is made by the Human Resource Department, giving specific details of each new post other than the casual posts with justification thereof and its manpower plan will form a part of the overall Human Resource Budget of the Company. While drawing up the Human Resource Budget, each department will indicate the cost of additional manpower required.

On approval by the Board, the Human Resource Plan will constitute sanction for creation for posts including post of trainees and form the general basis of manpower recruitment

**Recruitment & Selection**

The recruitment and selection is the major function of the human resource department and recruitment process is the first step towards creating the competitive strength and the strategic advantage for the organizations. (Rashtriya Chemicals & Fertilizers Ltd HR manual)

Recruitments are based on requirements for maintaining different operations of the company (BEML HR Handbook). The requirements are also fine tuned based on expansion/diversification of programmers of the company.

Requirements are normally made through employment exchange, advertisements in news papers. Due reservation concessions as per statute are provided to candidates belonging to

SC/ST/OBC/Physically challenged/ex service men/Sports persons/Compassionate ground etc.

Recruitment process involves a systematic procedure from sourcing the candidates to arranging and conducting the interviews and requires many resources and time.

Probation after selection is followed in all PSUs in general and in some cases probation period gets extended when the candidate does not meet the required level of understanding the operations of the organization.

## **II. Identifying Vacancies**

Screening of vacancies in an organization is the primary requirement to understand the needs based on the business requirements. Identifying

A company is known by the people it employs. In order to attract people with talents, skills and experience a company has to create a favourable impression on the applicants" right from the stage of reception. Whoever meets the applicant initially should be tactful and able to extend help in a friendly and courteous way. Employment possibilities must be presented honestly and clearly. If no jobs are available at that point of time, the applicant may be asked to call back the personnel department after some time.

## **III. Data Collection**

### **Primary Data:**

Primary data was collected through survey method by Discussion / Interview with the employees of PSUs. The questions were carefully designed by taking into account the parameters of my study.

### **Secondary Data:**

Data was collected from HR manuals of Public Sector Undertaking Companies, journals, and web sites of the PSUs. It is the data collected for this particular research study. The analysis is done based on the data collected to know the current common and different HR practices of Indian PSUs. The analysis required comprehensive research about the policies and procedures prevalent in the companies.

Completely based on the secondary data collected from their HR Manuals and Service Rules Manual and the interview conducted with the employees of various PSU organizations.

The analysis is done of the data collected to know the current common and different HR practices of Indian PSUs. The analysis required comprehensive research about the policies and procedures prevalent in the companies.

**Firstly**, the data of about different HR policies and practices for Manpower Planning, Recruitment & Selection collected from the findings of the Questionnaires and research papers, then the innovative HR practices were sorted out.

**Secondly**, HR practices of different PSUs were compared and then similar and different practices were extracted out (Analysis). *"A comparative study of Manpower Planning, Recruitment & Selection policies in Indian Public Sector Undertaking Companies"*.

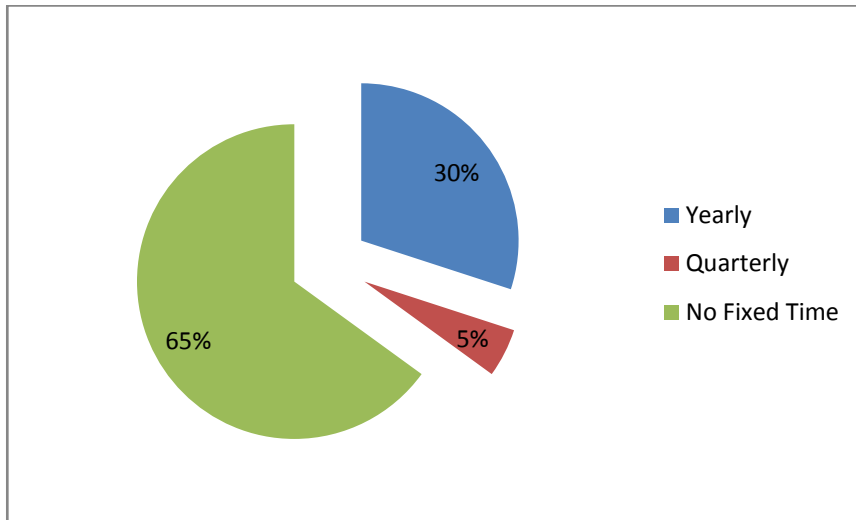
### **Research Analysis**

Total number of Public Sector Undertaking companies considered for this research is 26. Different processes were listed down from each of the companies and tabulated in Annexure A- Manpower Planning and in Annexure B – Recruitment& Selection.

#### IV. Data Analysis

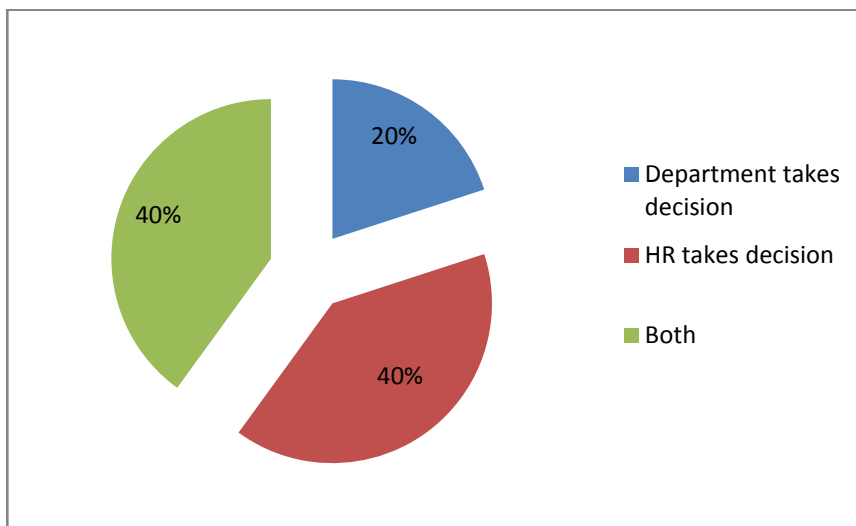
##### Manpower Planning

Q No. 1: How often the organizations to check the vacancies and plan the manpower?



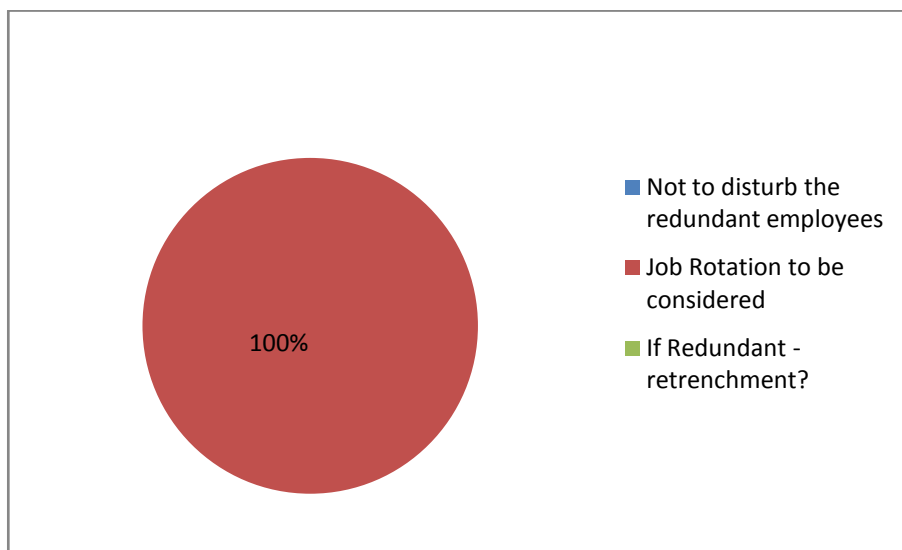
About 65% of the employees feel that manpower planning to be done immediately when a vacancy arises either due to the employee's retirement or resignation or death. Otherwise the existing employees are over loaded with the work of the employees who have already left. About 30% of the employees feel that atleast the manpower planning to be done once a year as the filling of vacancies depend based on State Government policies and approval in some cases. And about 5% of the employees feel that due to the increase in the workload and the business, the vacancy identification and manpower planning to be done once in a quarter.

Q No. 2: Who takes the decision on filling the vacancies?



About 40% of the employees say that the decision on filling the vacancies to be a combined decision of the Department Head and the HR, whereas 40% of the employees say that HR department decides on the filling of vacancies as they have the budget planned for each year and 20% say that the Department has to take decision

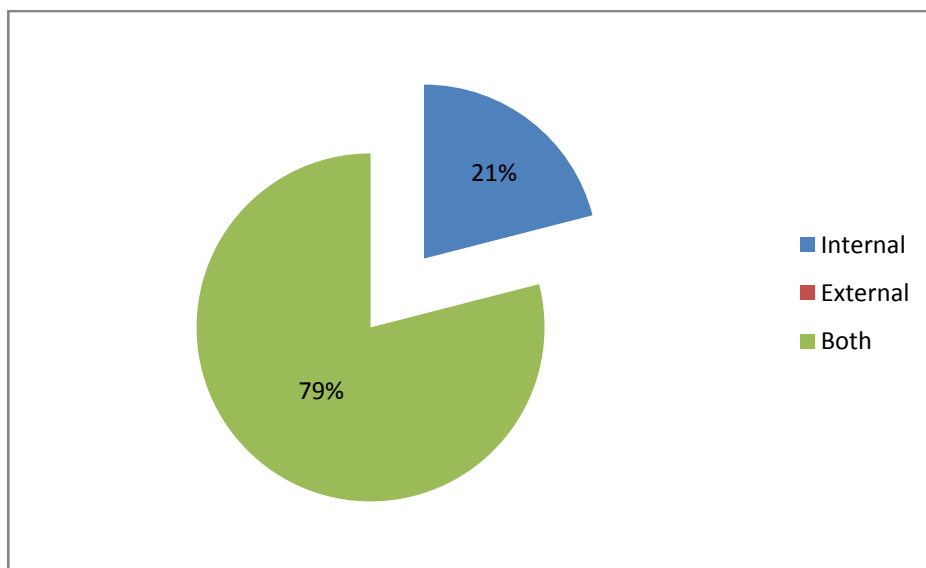
Q No. 3: What do we do with the redundant employees?



All the employees prefer Job rotation if employees are in excess and none preferred just retaining them in their same position or retrenching the excess employees. In the PSUs there are also options to lend employees to other Government organizations

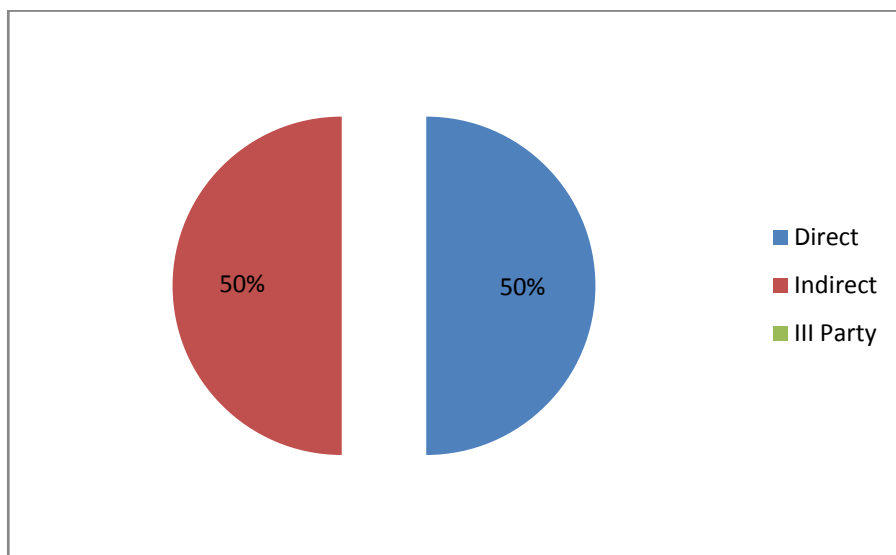
### Recruitment & Selection

Q No. 4: What are the sources for recruitment and selection?



About 79% of the employees prefer both internal as well as external source for recruitment and selection where as only 21% go for internal source and none for external sources.

Q No. 5: Which method do you mostly prefer for recruitment and selection?



About 50% of the employees go for direct recruitment and selection and 50% go for indirect to opt for third party recruitment.

## V. Findings

After thorough analysis it is identified that there are various stages in the manpower planning, Recruitment and Selection of candidates for employment. Each of these stages has a set of processes and sub processes which help the organizations carryout their tasks with ease. Basic principles followed are Proper documentation of the HR processes called HR manual. Some of the PSUs have a documentation called as 'Service Rules' which details on the HR rules for vacancy creation, recruitment, and selection.

Some of the PSUs have a committee formed for vacancy identification and are approving authority for selection of candidates for filling such vacancies. Though this process is not mentioned explicitly in all the HR manuals considered, all of them in principle follow the same. In some cases approval from the State Government is taken for filling of posts at higher level. HR Budgeting and HR planning are also followed by all of the PSUs considered for this research but not explicitly mentioned in all their manuals.

Stages	Process	Sub Process
General Principles	HR manual Documentation	Org chart defined?
		HR Audit
	Recruitment Initiation	Committee formed?
		Budgeting
		HR Planning

## Vacancy Identification – Creation of Posts

Most of the PSU organizations have their procedure for creation of posts clearly defined in their manual. When they want to create a position, they also follow a pre verification of the positions identified for filling. The identified vacancies are approved for calling for applications by a deciding authority. The deciding authority for each of the levels is well defined already in many of the PSUs. Every position/role already has their well defined eligibility. Each of the

positions also has an appointing authority. For specific higher levels, Government is the appointing authority. Recruitment Rules, reporting structure are also defined. Though all the organizations have an understanding on the Key Result Areas for each of the roles/positions, it is not well documented and performance appraisals are not linked to them.

<b>Stages</b>	<b>Process</b>	<b>Sub Process</b>
Vacancy Identification and Call for applications	Creation of Posts	Procedure defined
		Pre verification Process of the positions created
		Deciding authority defined?
		Eligibility defined?
		Appointing authority defined?
		Recruitment rules
		KRAs defined
		Reporting Structure
		Recruitment Flow chart

#### **Vacancy Identification – Recruitment Type**

There are various recruitment types which are filled in different modes of recruitment. The types include Regular/ Full time, Part time, Consulting, Contract, Trainees / Internships, Out sourcing& On Deputation and some also prefer Outsourcing to external parties.

<b>Stages</b>	<b>Process</b>	<b>Sub Process</b>
Vacancy Identification and Call for applications	Recruitment Type	Regular / Full time
		Part time
		Consulting
		Contract
		Trainees / Internships
		On Deputation
		Outsourcing

#### **Vacancy Identification – Employee Classification**

In general all the PSU organizations have similar types of classifications. They are Unskilled, Skilled, Semi Skilled, Officers, and Advisors. Educational Institutions prefer Academic and Non Academic as major classification and some of the other classifications under Non-academic. Though this is not majorly documented in their manuals, these are the classifications the PSUs follow.

<b>Stages</b>	<b>Process</b>	<b>Sub Process</b>
Vacancy Identification and Call for applications	Employees Classification	Unskilled
		Skilled
		Semi Skilled
		Officers
		Advisors
		Academic
		Non Academic

### **Shortlisting of Applications – Recruitment sources**

Call for applications through Advertisements and Employment sources are the primary sources of recruitment. Every PSU has a defined list of employment sources which are a validated and approved. Technological advancements have also resulted in many of the PSUs opting for online sources too. Other sources include Web posting, Word of mouth, Job portals, Outsourcing of complete recruitment and internal referrals.

<b>Stages</b>	<b>Process</b>	<b>Sub Process</b>
Receiving and Short listing of applications	Recruitment - Direct	Direct
	Employment sources	Do they have defined list of employment sources
		Employment exchange
		Online
		Advertisement
		Approved Agencies
		Validation of employment sources
		Web Posting , Word of mouth
		Job Portals
		Outsourcing
		Internal Referrals

### **Selection Process – Method of Recruitment**

Vacancies are classified as Fresh, Deputation and Promotion. Whereas selection is based on either one or many of the following processes: Written tests, selection through Employment exchanges, Interview, Campus recruitment, Selection by communal rotation basis. They also strictly consider Sports persons, Ex-Service men and recruitment on Compassionate grounds.

Stages	Process	Sub Process
Selection Process	Method of recruitment	Fresh
		Deputation
		Promotion
Selection Process	Selection Process	Exchange
		Written tests
		Interview
		Campus recruitment
		Selection by communal rotation basis
		Selection and approval of interview panel
		Compassionate grounds
		Sports persons
		Ex-service men

### **Offer Letter**

When the organizations have selected a candidate for employment, the offer letter is issued. The employee on boarding has specific set of processes followed. Background check is a mandatory requirement for most of the positions. Reference check is also carried out as part of the background check for specific posts. Some PSUs opt for pre employment medical test and some prefer post employment medical test. If the medical test proves to be negative, the offer letter is rejected and the candidate is disqualified. Every organization has a pre-defined leading time for joining and the candidate is expected to agree on a particular date for initiating the joining formalities. On special grounds extension of joining time is also given to the candidates.

Stages	Process	Sub Process
Offer Letter	Offer Letter	Background check (Certificate verification)
		Medical tests(Pre Appointment)
		Medical tests(Post Appointment)
		Reference check
		Bonds
		Rejection of offer letter / Disqualification
		Extension of joining time
		Offer



## **VI. Conclusion**

This presents the summary of the study and survey done in relation to the Manpower Planning, Recruitment & Selection and in Indian Public Sector Undertaking Companies. The conclusion is drawn from the study and survey of the company regarding the Manpower Planning, Recruitment & Selection carried out there.

- Though there is a process to identify the vacancies followed by recruitment is documented in HR Manual/Service Rule, the recruitment process initiation is not usually done immediately. The work is assigned additionally to the existing employees resulting in low morale.
- HR manual / Service Rule clearly detail the skills, years of service, Educational Qualification, but promotion initiation is not done automatically resulting in a friction in the environment.
- When a vacancy arises, considerations to internal candidates to be given first and if in case there is no match identifiable for the open position, external candidate recruitment can be done. But in most of the cases, the internal candidates are not considered even if they are eligible.
- The recruitment process to some extent is not done objectively and therefore lot of bias hampers the future of the employees.
- Service Rules are not updated based on the current trend and organizations still use the rules built about two or three decades back.
- Selection of candidates through Employment exchanges is good as the basic qualification required for the job is taken care else there is a problem. But candidates do not possess enough knowledge to carry out the tasks as they do not possess any knowledge on the working of the organization. Training time required to bring them on par is too heavy.
- Telephonic interview is cost effective for both employer and the candidate. But none of the Indian PSUs prefer telephonic interview as they still believe in face to face meeting and evaluation.
- On time promotion to be followed as per the existing rules which will help in Employee motivation.
- Job Rotation is most welcome by the employees as it will help provides an opportunity to learn different functions resulting in employee development.

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