CHAPTER III

HUMAN RESOURCE PLANNING AND STAFFING
No organisation can rise above the calibre of its personnel. It is no accident, therefore, that the management’s emphasis must be laid with acquisition of right personnel. But acquisition of such personnel is not easy a task. It requires thorough human resource planning and proper attention to recruitment and selection procedure in the organisation. Thus, HRM functions such as planning, recruitment and selection when carried out scientifically, would enable an organisation to hire and retain the right people.

An attempt has been made in the present chapter to find out how the HRM functions in the above context are carried out by the management in RSP. To this end, uses of job analysis, human resource planning practices, recruitment methods, selection procedure and orientation programme undertaken in the plant have been examined in detail.

3.1 JOB ANALYSIS:

Job analysis forms the foundation for nearly all HRM functions. Procurement of right man for the right job is essentially based on job analysis as the later stipulates the minimum acceptable standards in terms of qualifications, skills, experience and qualities required for adequate job performance. Apart from defining what qualifications are needed for applicants who wish to fill a particular job, job analysis information also helps in the human resource planning process, provides input into the content of employees training programmes and determines the rate at which different jobs are compensated. In this regard, Leap and Crino have lucidly portrayed the relationship between job analysis information and HR functions.

A job analysis indicates what activities and accountabilities the job entails. There is no mystery to a job analysis, it is just an accurate recording of the activities involved. The job analysis process which is essentially one of data collection and its analysis, results in two important documents, the job description and the job specification. While job description describes the content and context of the job, job specification states the minimum personal attributes necessary to perform the job. Exhibit 3.1 summarises the
job analysis process and provides an initial look at the various uses to which the job
description and specification may be put.

Exhibit 3.1
JOB ANALYSIS


Despite the vitality of job analysis, very few public enterprises have prepared as systematic job analysis and that too only for a limited number of posts. Others have conveniently evaded the issue. It is rightly observed that "inadequate attention is paid in most public sector enterprises to the task of the job analysis and job specifications. Failures to undertake such analysis has led to unnecessary qualifications being prescribed for certain jobs and the recruitment of more qualified persons for jobs that could as well be performed by less qualified". Most organisations do not appear to put in much effort or give due importance to the preparation of job descriptions, and therefore the whole recruitment and selection process becomes infructuous when we find that the persons selected are not productive and efficient in attending to the duties of a particular job. In the above light, the views of Administrative Reforms Commission is found to be more pertinent. It suggested that the public sector units, in the first instance, should ascertain job requirements in precise terms with the help of job description, analysis and classification before recruiting personnel.

3.1.1 Practices in RSP:

In the initial years, the uses of job analysis were overlooked by the management of RSP. Even though some jobs have had their descriptions and specifications, the manning of the different positions were made through regularisation of workers engaged in projects, who were not fulfilling the job specifications. Thus, when job analysis was not used for planning, recruitment and selection aspects in RSP, the uses in other areas were not thought of by the management. However, towards the early eighties, the importance of job analysis was realised by the management. At present, it is being used mostly in areas of planning, recruitment and selection of personnel. In RSP, the job specifications lay down minimum eligibility conditions for each job/post in terms of the educational qualifications, experience, age-limit, physical/medical standards etc. But these are subject to periodical review and updation in keeping with the changing needs of the organisation. However, RSP does not use the formal job analysis to develop job description and specifications in all the cases, it being mainly resorted to for semi-skilled and skilled category of jobs. As far as direct recruitment in S3 and S6 grade is concerned, educational qualification is the only specification the job entails, of course with the requisite medical standards. But in case of direct recruitment on compassionate ground, the educational qualification is even overlooked. Therefore, RSP's job specifications stress mainly on the educational qualifications required for the jobs. The
opinion survey of the executives reveal that one out of every four respondents (N=84) do not agree that job analysis is strictly used for manning different positions even now. The reasons for such sceptical view are that in many a cases because of the pressure put on the management by unions, political parties for favouritism to certain employees and non-adherence of strict rules and regulations, the posts are filled up by violating the job specifications. Further, the general qualification level of the employees being low, the job specifications are most likely to be violated while promoting such employees to the jobs in question.

3.2 HUMAN RESOURCE PLANNING:

Ensuring of the right kind of people and their efficient utilisation is an indispensable function of each and every organisation. Since organisations are increasingly involved in latest developed complex technologies, they are becoming more dependent upon people to manage such. The more different skills there are involved in the design, manufacture and marketing and sales of a product, the more vulnerable the organisation will be to critical shortages of right kinds of human resources. Further, the efficient utilisation of resources, manpower or other does not just happen. It requires a careful planning. According to Sikula, “maximum productive use of any organisational input can only be attained through the conscious and prolonged attention to planning details”. Hence, arises the need and importance of Human Resource Planning (HRP).

HRP is essentially the process of getting the right people in order to harness their energies in the service of organisational goals. And the sin qua non of any manpower plan is a precise and detailed knowledge of what resources the organisation actually has at its disposal, the state of that resource in terms of skills, knowledge, potentials, morale and motivation, and the efficiency with which as well as conditions within which that resource is being utilised.

3.2.1 HRP in PE's:

The pulse of the importance of HRP has not yet been seriously felt in most of the organisations. The results of a recent survey of Fortune 500 companies indicates that “even amongst the largest firms, only about half have a formal human resource planning process. And only a third of those companies treat it as an integral part of strategic business planning”. This is also true of almost all public enterprises in India. The
Administrative Reforms Commission’s observation that HRP is poorly understood and vaguely interpreted and applied in such enterprises confirms the above findings. Similarly, the study conducted by B.L. Agarwal on 49 Central Public Sector Undertakings revealed that only 14 companies prepared their recruitment and training plans and of these 11 formulated a succession plan also. With regard to manpower forecasting, 6 companies did not make any estimates, 25 companies estimated future manpower requirements on a regular basis and the remaining 18 companies did so on an ad hoc basis. He laments that in many companies manpower planning is still in an embryonic phase, in some it is in a stage of sporadic development and in a few organisations it has been developed and implemented and is functioning as a vital unit.10

This state of affairs has brought in its wake serious consequences. The P.E’s have been suffering not only from excessive manpower but also from shortage of requisite personnel in critical areas. Lack of sufficient awareness of the importance of the problem, failures to undertake comprehensive assessment of the requirement of manpower over a projected time span and the like are stated to be responsible for such an affair.11 The report of the Study Team on Public Sector Undertakings,12 states that lack of manpower planning in the initial stages, emulating government pattern in staffing, failure to lay down appropriate working standard and following traditional and uneconomical practices are some of the important reasons of overstaffing. Even though some isolated attempts were made to curb the problem, political and administrative pressures have created difficulties in the way of shedding of surplus staff. Of course, there are certain peculiar factors which make the task of manpower planning more difficult in public enterprises. Such factors include growth and diversification, changing pace of technology creating either ‘career block’ or ‘resource gap’, difficulty in matching the growing aspirations of new employees with relatively stabilised organisational needs, work environment and compensation systems, difficulty in retaining well qualified and experienced people in view of environmental opportunities and pressures and uncertainty in long term career paths of highly qualified people.13 However, the things could have taken a different turn had the PE’s been manned by different personnel experts. But most of the PE’s do not have qualified personnel experts to highlight an awareness of the importance of manpower planning so also to undertake work study and related programmes to the extent and in the areas of overstaffing. Needless to emphasise here that the cost of overmanning is heavy and recurrent and to a large extent responsible for the high operating cost in public

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Apart from the financial burden, overmanning also brings many other managerial problems. Excess manpower leads to the supervisory staff and the managers in charge to get used to working with additional hands and therefore, stringent control on manpower over a period of time is watered down. The sharing of work with surplus manpower also leads to by passing of standard operating practices, thus heavily affecting the quality of output as well as productivity.

In the light of the above consequences, Voluntary Retirement (VR) or commonly known as golden handshake has been adopted as the basic component of labour adjustment strategies. In spite of its various interpretation- ‘retrenchment without tears’ by managers and ‘forced retirement’ by labour- it has delivered some positive results in the recent past, particularly in public enterprises. “The recent finalisation of the golden hand shake scheme for public sector undertakings at a cost of over Rs. 7,000 crore was an obvious attempt by the government to keep critics on both the labour and industry fronts at bay. The Scheme envisages the ‘rationalisation’ of about 4.5 lakh employees, about a fifth of 23 lakh employees in 246 central public sector undertakings declared surplus”.

Thus, it can be said that while over the years the public sector has built a massive reservoir of manpower in the country, much attention has not been given to evolve appropriate strategy to harness this manpower and exploit their full potential. Though certain measures have been taken in the recent past, the developments in this respect is yet to get its momentum. As it is rightly remarked, “Progress in this area is painfully slow and most public sector units have not crossed the stage of ‘tokenism’”.

### 3.2.2 HRP Practices in RSP:

RSP, being a unit of SAIL is also not an exception to the above situation. Although it had its own HRP system right from its inception, which was mainly in the nature of short-term manpower plan, little importance was given to such aspect. Disregarding the total manpower strength, the emphasis was placed on production at any cost. Thus, by the end of March, 1965, barely six years after inception, it was found that the plant had 6623 surplus labour. Further, regularisation of all the muster-roll workers engaged in projects, who were mostly not fit in the context of even semi-skilled level requirement of the plant resulted in improper-skill mix. Another disturbing aspect was that the work system got adjusted to the surplus manpower, thus resulting in unproductive work.
practices. With the expansion of capacity, it was expected that some adjustment of surplus manpower shall be made. But the same could not be materialised because of logistical and co-ordinational problems connected with expansion, industrial relation problems of varying severity and infrastructural problems. On the other hand, the manpower continued to rise till early eighties when the importance of scientific manpower planning was realised and a freeze on manpower was enforced by SAIL. Apart from restriction on hiring of new employees, VR scheme was adopted by the management as a strategy in the process of shedding of surplus staff. But the response to the scheme was lukewarm because of its unattractiveness. This necessitated the modification of the scheme in 1984, 1986 and subsequently in 1989. The latest scheme (which was in operation from 1st September 1989 to 31st March 1993) was intended not only to achieve optimum manpower utilisation but also to improve the age-mix and skill-mix of the employees of RSP, which was grossly an imbalance one.

The scheme was intended for employees in the age group of 40 years and above with preference for employees having poor performance appraisals, employees who could not give out their best because of health reasons, employees in non-works area and habitual and frequent absentee employees. Apart from the benefits of leave salary, provident fund, gratuity, transfer benefits and notice pay, the scheme provided for payment of an ex-gratia amount equivalent to one and half months emoluments (Pay+DA) for each completed years of service or the monthly emoluments at the time of retirement multiplied by the balance months of service left before normal date of retirement, whichever is less. Table 3.1 portrays the magnitude of response to the VR Scheme from 1986-87 to 1992-93.

### Table 3.1
**MAGNITUDE OF RESPONSE TO VR SCHEME IN RSP DURING 1986-87 TO 1992-93**

<table>
<thead>
<tr>
<th>YEAR</th>
<th>NO. OF WORKERS AVALIED VR</th>
<th>PERCENTAGE TO TOTAL SEPARATION</th>
<th>TOTAL FINANCIAL INVOLVEMENT (RS. IN LAKHS)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>1986-87</td>
<td>55(0.15)</td>
<td>5.1</td>
<td>15.02</td>
</tr>
<tr>
<td>1987-88</td>
<td>639(1.80)</td>
<td>46.3</td>
<td>373.92</td>
</tr>
<tr>
<td>1988-89</td>
<td>463(1.35)</td>
<td>38.9</td>
<td>377.49</td>
</tr>
<tr>
<td>1989-90</td>
<td>523(1.57)</td>
<td>46.6</td>
<td>631.64</td>
</tr>
<tr>
<td>1990-91</td>
<td>591(1.83)</td>
<td>47.7</td>
<td>1011.17</td>
</tr>
<tr>
<td>1991-92</td>
<td>464(1.55)</td>
<td>38.1</td>
<td>561.03</td>
</tr>
<tr>
<td>1992-93</td>
<td>527(1.91)</td>
<td>37.7</td>
<td>938.18</td>
</tr>
<tr>
<td>Total</td>
<td>3262</td>
<td>-</td>
<td>3908.45</td>
</tr>
<tr>
<td>Average</td>
<td>466(1.45)</td>
<td>37.8</td>
<td>558.35</td>
</tr>
</tbody>
</table>

Figures in parentheses indicate percentage to average number of workers during the year.

* Figures include the amount paid to executives availing the VR.
From Table 3.1 it is learnt that on an average, 466 workers were separated every year on account of VR, being 1.45 per cent of the average number of workers on roll during the year. The poor response to the scheme during 1986-87 can be attributed to the unattractiveness of the scheme to the employees. But the modification of the scheme in 1986 has resulted in quantum leap (around 10 times increase) in the response. Figure 3.2 depicts the number of workers availed VR alongwith the total separation during 1986-87 to 1992-93.

Figure - 3.2

It is a fact that the VR Scheme is criticised from many a corner including trade union leaders. The Union leaders are unanimous in their view that only two categories of employees opt for VR- those on the verge of retirement and those with considerable experience, a marketable skill and the capacity to secure another job. They also concur that most companies want to get rid of the inefficient workforce and retain only the good ones. And, ironically, it is usually the inefficient ones who are reluctant to leave. But despite strident criticism, union leaders admit that they have been unsuccessful in persuading their members from not taking up VR Schemes in many cases. They cite social and economic reasons as a major factor forcing even employees aware of the dangers of being out of work opting for VRS.\textsuperscript{19} The opinion survey in RSP establishes
the above fact. Even though the union leaders generally do not persuade their members from not taking up the VR Scheme, they are in general critical of such scheme. 86.4 percent of the respondents vehemently opposed the scheme. In their view it is a strategy adopted by the management to slash down the existing work strength by completely disregarding the interest of the working class.

3.2.3 H R P for Modernisation:

The decision for modernisation of RSP in the later half of the eighties further enhanced the need for and importance of scientific manpower planning. In view of such modernisation programme, HRP was attuned on achievement of the following objectives:

i) To achieve a minimum labour productivity of 97 tonnes per man year;

ii) To analyse short falls in manpower with respect to skill-mix, age-mix, qualification-mix, of the existing manpower in the plant vis-a-vis the requirement for the modernised plant and achieve the required level;

iii) To analyse existing managerial practices, work practices/methods and identify and decide upon better work methods/practices that would be necessary to be introduced to ensure full utilisation of manpower;

iv) To prepare succession plan for key/critical skills and operations;

v) To introduce systematic training;

vi) To identify individuals for deployment; and

vii) To identify population of employees who can not be utilised after modernisation and plan ways and means to solve this problem.

In realisation of the above objectives, the approach to the planning process started with the assessment of manpower for the post modernised plant. M/S M.N. Dastur and Co, the consultant in the modernisation programme had revealed the effect of modernisation on manpower in the Detailed Project Report (Appendix S) and recommended that the post modernisation manpower including mines shall be 29809 out of which the works manpower shall be 19500. The manpower was subsequently revised to 26017 (excluding mines) out of which the works technical manpower assessed at 17574. Secondly, a comprehensive analysis of the manpower profile vis-a-vis requirements age-wise, skill-wise, qualification-wise was made to arrive at surplus or deficit in each department and category. It may be mentioned here that while over a period of time due to liberal promotions a large number of employees are placed in the
skilled, highly-skilled and supervisory categories, the qualification standards of such employees do not match with modernised plant's desirable skill and supervision levels.

The analysis revealed that skill-wise while there was a surplus of 3178 (707 in unskilled, 1407 in skilled, 720 in highly skilled and 344 in supervisory category), the deficit was to an extent of 13972 when the requirement was seen on the basis of qualification standards, the availability being a mere 3602. Since a large number of employees will remain unabsorbed in the modernised plant as per the qualification standards and surplus of this magnitude is not manageable, the qualification standards were relaxed in two stages. Even after such relaxation, the availability did not improve much because the manpower profile in terms of qualification was grossly poor in RSP (Table 3.2.)

Table - 3.2

<table>
<thead>
<tr>
<th>Category</th>
<th>Requirement after modernisation</th>
<th>Manpower in position as on 1.4.90</th>
<th>Deficit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unskilled</td>
<td>3945</td>
<td>2880</td>
<td>1065</td>
</tr>
<tr>
<td>Skilled</td>
<td>9309</td>
<td>4545</td>
<td>4764</td>
</tr>
<tr>
<td>Highly Skilled</td>
<td>2595</td>
<td>2205</td>
<td>390</td>
</tr>
<tr>
<td>Supervisory</td>
<td>1725</td>
<td>1371</td>
<td>354</td>
</tr>
<tr>
<td>Total</td>
<td>17574</td>
<td>11001</td>
<td>6573</td>
</tr>
</tbody>
</table>


Table 3.2 reveals that there would be a gap of 6573 in the requirement and availability of works technical manpower. The deficit in skilled category alone is more than 72 per cent of the total deficit. In this context, the easiest option would have been for further recruitment of the deficit numbers. But as there was overall surplus in different categories, large scale redeployment was not ruled out.

It was also necessary to form new teams in view of the objectives of establishing productive work practices in the new units and improving work practices in the existing units. This necessitated movement of employees from one unit to another (redeployment).

In fulfilment of the above purposes, different redeployment models were considered, such as Theoretical Model, Humane Model and Ratio-Based Model. While
theoretical model is based on the philosophy of total disturbance of employees from one unit to another the humane model is built on least disturbance. On the other hand, the ratio-based model is founded on the philosophy that in all the units after modernisation, not more than 50% of the employees shall come from the same or similar unit and the rest coming from different units or through recruitment. The qualification standard and age parameters being same for both the theoretical model and humane model, it was ascertained that with the relaxed qualification criteria, there can be deployment of only 8218 employees out of the requirement of 17574 (Table 3.2). This necessitated further analysis with the objective to utilise maximum number of existing employees. Since, in unskilled category there were large number of employees with no schooling but long experience, many of them can be prepared for new jobs in the same category. The same was also true of skilled and highly skilled category of employees. Even though their educational level was less than the desired level, still their possible deployment after upgradation of skill can be contemplated. Therefore, with the objective of utilising maximum number of employees, a ‘workable model’ was developed in which the qualification standards were further relaxed for all category of employees. After such relaxation, it was ascertained that the workable model fulfils 87.49% of the modernisation manpower requirement (Table 3.3).

Table - 3.3
RESULTS OF APPLICATION OF WORKABLE MODEL TO WORKS

<table>
<thead>
<tr>
<th>(TECHNICAL) MANPOWER</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total manpower in position (1.4.90)</td>
</tr>
<tr>
<td>Total manpower requirement</td>
</tr>
<tr>
<td>Requirements met by using Workable Model :</td>
</tr>
<tr>
<td>From Works (Technical)</td>
</tr>
<tr>
<td>From Works (Non-technical)</td>
</tr>
<tr>
<td>Total</td>
</tr>
<tr>
<td>Deficit</td>
</tr>
<tr>
<td>Manpower to be unutilised :</td>
</tr>
<tr>
<td>Less than 50 years of age</td>
</tr>
<tr>
<td>Above 50 years of age</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

As revealed by Table 3.3, the service of 5439 number of employees shall remain unutilised in the modernised plant in spite of all possible relaxation in qualification standards. Even though most of these employees were above 50 years of age, they might not have retired by the time the modernisation is completed. Therefore, a further screening on the basis of their experience and skills was necessitated so as to judge the suitability for deployment.

In view of large scale redeployment, preparation of employees for higher responsibilities, development of team work, management of new units as per standard operating parameters, etc. a new approach to training was considered imperative. Accordingly, the Training and Development Centre was involved and recommendations of the British Steel Consultants taken into consideration in developing a model approach for modernisation training. Such model approach envisaged the analysis of the training needs and formulation of action plans for the units undergoing technological change so also those units left from such change as well as project personnel. No doubt, for realisation of the objectives of modernisation, the capabilities to operate a new equipment or unit needs to be developed and maintained. At the same time, there is need for the development of necessary skills of the project personnel so as to work in project management team. The existing units (units not undergoing any technological change) must also perform to standards envisaged after modernisation for which proper training is needed. Apart from the training need analysis, basic literacy plan and a plan to improve the understanding capacity to grasp the technology was needed for employees having no schooling in view of the redeployment planned. The training need analysis was followed by action plans indicating the facilities or resources required, contents of the training package, training methodology, training schedule and the role of the implementing agency.

Besides the above, establishment of productive work practices and elimination of all restrictive practices was essential for the success of the modernisation programme in RSP. It may be mentioned here that non-adherence to standard operating parameters, liberal spell relief hours, rigid compartmentalisation of jobs, insistence on minimum shift strength, shift changeover delays, insistence for fixed quota system of output were some of the unproductive work practices being developed in the system of working of the plant over the years. Therefore, the HRP approach in the context of modernisation started with compilation of department wise detailed inventory of unproductive practices and action plan for their removal.
In tune with the requirements and needs of the post modernised plant, it was also felt necessary to evolve a matching organisation structure. Even though the organisation structure in RSP is being reviewed from time to time, it suffers from lack of delegation and accountability, inflexibility in working, line staff conflict and lack of quality supervision despite multi-supervision levels. Therefore, proper emphasis was laid in HRP to do away with the above weaknesses.

The above discussion on manpower planning exercise focuses the attention mostly on achievement of RSP’s objective i.e. to rationalise and steadily bring down the manpower to an optimal level in order to improve the productivity. However, the very objective has been defeated to a considerable extent with the regularisation of more than 3000 contract labourers as per the decision of the Hon’ble Supreme Court. This will not only add to the total manpower of the plant but will also inflate the already surplus manpower in unskilled/semi-skilled category.

Since HRP is an area where people other than the management representatives are hardly involved, the questionnaire was designed to elicit certain information from the managers. Regarding the importance assigned to different aspects of HRM in the plant, it is revealed that in recent years the management has been giving much importance to planning and staffing followed by training and employees relations. No doubt, the current HR policies especially in the public sectors have changed because of the emphasis on efficiency and openness of our economy. 45.2 per cent of the respondents are of the opinion that the employees welcomed the changed policies, while an equal percentage did not agree with such a view. They rather viewed that the changed policies have been adversely affecting the employees. On the question on support of the policies by the union leaders, about 64 per cent lend a partial support while 31.8 per cent do not. The reasons are obvious. While the manpower strength has been steadily decreasing thereby increasing the workload, the payment hike does not match the expectation level of the workers.

3.4 RECRUITMENT:

Needless to say that recruitment is a costly process and if it miscarries, it can be disastrous to the organisation. Simply speaking, recruiting is selling. It is selling the idea that your organisation is a ‘good place to work’- a better place than the other competing organisations. It is the process of searching for prospective employees and
stimulating them to apply for jobs in an organisation. Therefore, recruitment consists of whatever activity is necessary to bring in enough applicants so that there is opportunity for real selection.

'Recruitment' and 'selection', often misunderstood as synonymous, are two different terms in their precise connotation. While recruitment deals with inducing the candidates to apply, selection involves screening for giving yes or no decision about the application. Thus, in a sense, recruitment tends to be positive in that it seeks to persuade proper persons to apply for work at the company, whereas selection tends to be somewhat negative because it rejects a good portion of those who apply.

With unemployment being so high in every part of the world, finding people to staff organisations may seem to be an easy assignment. In countries like India, where unemployment is very high, and the pool of technically qualified persons is the third highest in the world (after USA and erstwhile USSR) there would seem to be no problem at all. And yet, the same refrain is heard in every organisation- 'It is difficult to find good people', personnel managers and other senior executives have difficulty in finding satisfactory candidates even for jobs as salesmen, purchase assistants, personnel assistants and so on.

3.4.1 Recruitment Practices in RSP:

The recruitment process in RSP starts with the requisitions or proposals tendered by the concerned departmental heads to the Divisional Personnel Head who in turn sends a consolidated demand to the Manpower Planning section of the personnel department. For posts requiring action at the corporate office of SAIL, the requisitions are sent to the manpower planning division in the Personnel Directorate of the corporate office. The manpower planning section scrutinises the proposals keeping in view the approved HR plan, recruitment plan, separations planned during the year, redeployment possibilities, job specifications prescribed etc. Subsequently, the proposals are forwarded to the recruitment section to initiate necessary action after obtaining approval from the Managing Director.
In the process, reservation of posts for different category are provided as per rules. Other than the reservation, priorities are given to the locally displaced persons in recruitment, the list of such persons being provided by the local employment exchange. Also recruitment on compassionate ground is done in cases of death and accidents on duty, the accidents being serious in nature rendering the employee completely medically unfit. Recruitment from external sources in RSP is normally resorted to in the following grades:

i) Semi-skilled Personnel in S 1 grade.
ii) Skilled Personnel in S 3 grade.
iii) Highly-skilled Personnel in S 6 grade.
iv) Ministerial Personnel in SL 1/S 3 grade.

But direct recruitment in grades other than the above mentioned grades shall be made if suitable candidates from internal sources are not available. No doubt, promotion as an internal source of recruitment is a long established policy in RSP. But vacancies arising at S 3 and S 6 grades are not entirely met from the internal source by promotion. Generally, 50 per cent of such vacancies are filled up through direct recruitment from external sources. As far as recruitment of executives are concerned, Medical Officers in E1/ME1 grade and Senior Specialists (Medical) in E 3/ME 3 grade are recruited in the plant level whereas the recruitment of Management Trainees both Technical and Administration, Junior Managers (Finance and Accounts) as well as Administration and all executive posts in the grade of E 6 and above are centralised and done on all-India basis at the corporate office of SAIL.

Recruitment to non-executive posts is normally done through employment exchanges. After due approval from the Managing Director, all the approved posts are notified to the local employment exchange. Upon non-availability of suitable number of candidates from the local employment exchange, notices are communicated to other employment exchanges of the state. However, if suitable candidates are not available with the employment exchanges, the plant obtains the ‘non-availability certificate’ from the employment exchanges and the posts are filled up through open advertisement in the press. On the other hand, recruitment of executives from external sources is done through open advertisement. However, at times, campus recruitment from premier institutes of repute and direct negotiation with individuals and organisations is resorted to. For the posts advertised in the press, an employee fulfilling the eligibility conditions can also apply as a departmental candidate.
Regarding the external sources of recruitment of non-executives in RSP, the survey findings (Table 3.4) reveal that more than three fourth of the respondents (75.2 per cent) have entered RSP through employment exchanges. This establishes the fact that RSP's requirement of manpower in non-executive posts is mostly met through the employment exchanges. As advertisement as a source is being resorted to only in exceptional cases, less than 9 per cent of the respondents have joined RSP through the same source. Since friends and relatives, muster-roll, All India recruitment of 1962 were the sources from which some workers had joined the organisation during the initial years and now-a-days few workers are recruited on compassionate ground, 15.9 per cent of the respondents ascribe to such sources of their recruitment in RSP. Figure 3.3 represents the different sources through which respondents have entered the organisation.

Table 3.4
EXTERNAL SOURCES OF RECRUITMENT
(OPINION SURVEY)

<table>
<thead>
<tr>
<th>Sources</th>
<th>No. of Respondents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employment Exchange</td>
<td>456</td>
<td>75.2</td>
</tr>
<tr>
<td>Advertisement</td>
<td>54</td>
<td>8.9</td>
</tr>
<tr>
<td>Friends &amp; Relatives</td>
<td>30</td>
<td>5.0</td>
</tr>
<tr>
<td>Any other *</td>
<td>66</td>
<td>10.9</td>
</tr>
<tr>
<td>Total</td>
<td>606</td>
<td>100.0</td>
</tr>
</tbody>
</table>

* (Muster-roll, All India Recruitment, Compassionate Ground etc.)

Figure - 3.3
In the light of the external sources of recruitment adopted by RSP, the opinion of the executives was sought regarding the appropriateness of such sources in attracting right manpower. It is revealed that while 67.8 per cent of the respondents think that the sources are appropriate in attracting the right people, 27.4 per cent put forth a negative opinion and 4.8 per cent refrained from answering the same. As regards to the sources which should be tapped by RSP to get the right manpower, the opinion was for outside agency and recruitment on all India basis. But adoption of such sources if at all is resorted to, shall defeat the provisions of priorities of recruitment in public sector undertakings as it will not give the rightful share to the 'Sons of the Soil'.

3.5 SELECTION:

Once it is determined how to recruit the needed persons, attention must be given for selection of the right persons. Selecting the right person for each job slont in the organisation is a key element in the ultimate success of business. As bad quality of raw materials adversely affect the quality of the finished products, similarly the wrong selection goes a long way in creating complication in achieving the desired goals. Therefore, incorrect hiring decisions are costly exercises and it must be avoided by all means. As rightly pointed out, “If a systematic selection procedure (test, patterned interview and so forth) prevented one or two selection errors a year, it would represent a substantial return on investment”.

The purpose of any selection process is to discriminate (albeit fairly) among applicants. A firm must be able to differentiate applicants who will perform well as employees from applicants who cannot. The selection practices and procedures to predict the likely job performance of applicants vary from one organisation to another depending on the situation and needs of the organisation, as well as the level on which the selection is made. However, the most common approach to the selection problem is to choose individuals who possess the necessary skill, ability and personality to successfully fill a specific job in the organisation.
The selection of internal applicants for positions within an organisation may operate somewhat differently than the selection of external applicants. Current employees may or may not be required to provide additional data to the organisation. It may be felt that sufficient information exists in the form of pre-employment data and the employees’ performance history. The common forms of gathering additional information on internal candidates are the interview, supervisors recommendations, and assessment centres. Basing internal selection decisions totally on past performance may result in employees lacking the skills for the new position and, hence, failing in that role. This has become known as the “Peter Principle”, which states that a person will rise to his or her level of incompetence.28

The number of steps in the selection process and their sequence varies not only with the enterprise but also with the type and level of job to be filled in, the cost of administering the particular functions at each step, and the effectiveness of a step in eliminating unqualified candidates. The selection of candidates for some jobs may be accomplished successfully with only an interview, whereas a combination of interviews, successive tests and a physical examination may be needed for other jobs. While there is no one best or standard pattern for processing applicants, the ‘ten steps’ of selection process suggested by Uhrbrock29 have been widely practised (Exhibit 3.4). The majority of selection process are based on the “successive-hurdle technique” as Beach calls it.30 Each of the steps demonstrated in the exhibit, functions as a hurdle or a screening device. This implies that to be hired, applicants must successfully pass each hurdle.

Unlike the above selection steps, now-a-days, the newest method to grab a job is simply walk over to the employer. ‘Walk-in-interviews’ are becoming so popular that many a companies have done away with the traditional procedure of written applications, long waits for an interview call or goof ups at the post office. The venue is just checked out from the advertisement and if one becomes successful in the interview, he nets a plum job and pay packet within two and a half hours. More and more companies recruiting for entry-level and front-line jobs are opting for the walk-in method.31
Exhibit-3.4
FLOW CHART OF SELECTION PROCESS

Notes:

a. Physically unfit, personally objectionable, or unfavourable general impression.
b. Unfavourable personal data
c. Unfavourable Test Scores
d. Unfavourable Second impression
e. Unfavourable previous history
f. Negative decision
g. Physically unfit.

3.5.1 Selection Procedure in RSP:

RSP, being a continuous process unit with complex technology is committed to a system of selection that ensures induction of the best and the most competent personnel. Of course, in the initial stages the selection process was haphazard. However, over the years, the procedure has been stabilised. Though all activities relating to selection are centrally coordinated and managed by the recruitment section of RSP, representatives of other departments are also associated at various stages of selection. In order to assess the suitability of the candidates, a selection committee is constituted by the Managing Director. The committee, other than the personnel officer of the recruitment section, usually consists of officer of the indenting department and its allied department, a personnel officer belonging to SC/ST, a representative of the State Government and a technical person, if required. While the member belonging to SC/ST is taken to see that proper representation of SC/ST candidates is done in final selection, the State Government representative (ADM, Rourkela or his representative) is to safeguard the interest of the people of the State. RSP adopts the following procedure in selection of candidates:

i) Application Blank and Screening:

In response to the vacancies notified, applications containing the complete bio-data of the candidates are collected. Application blank, being an instrument to elicit information from the candidates, is used in RSP as an effective screening mechanism. The screening is done by the competent authority keeping in view the job specifications prescribed for the jobs in question. The indenting departments are also consulted for screening and short-listing of candidates, when and where found necessary. While screening the applications, normally no relaxation is allowed in the prescribed job specifications. But if suitable candidates with the required job specifications are not available and there is an urgent need to fill up the posts in the interest of production and productivity, the Managing Director may relax the prescribed specifications as a one time measure.

ii) Selection Tests:

The evaluation of candidates through the use of written tests, interviews, questionnaire or even psychiatric referrals has been adopted by many recruiters as the hall mark of true professionalism in recruiting. Likewise, the selection of candidates in RSP is made on the basis of their merit and suitability as assessed through the selection tests which comprises of written test/trade test and interview. While written test/trade test is conducted for skilled jobs, interview is the only basis of selection for semi-
skilled jobs. The written test is conducted for ministerial personnel but trade test is administered in selection for skilled and technical jobs. The written test/trade test is followed by interview or group exercise. In such process, normally equal weightage is assigned for both the written/trade test and interview and candidates normally securing 50 per cent marks in each selection segment are qualified for final selection.

iii) **Final Selection**:

The Selection Committee assesses the comparative merits of each candidate in terms of the qualifications, experience and the performance in the selection test(s) and come to a conclusion as to whether or not the candidate would measure up to the requirements of the job he/she is expected to perform. When marks are assigned, the marks are given on the basis of the criteria laid down depending upon the relative performance of each candidate in the test/interview and keeping in view the suitably for the job in question. The candidates found suitable are empanelled in order of merit (aggregate marks secured by the candidate/merit as recommended by the selection committee) and the merit list so prepared is approved by the Managing Director. Normally, the merit list remains valid for a period of six months from the date of approval.

iv) **Appointment Offers and Medical Examination**:

After the final selection of the candidates, the recruitment section issues the appointment offers to the required number of candidates from the merit list as per seniority with the approval of the Managing Director. However, all the appointments are subject to the selected candidates being found medically fit by the medical officer/board of RSP. The standards of medical test are laid down separately for each category of posts keeping in view the job requirements.

The selected candidates are required to join within a specified time after the receipt of their appointment letter. Along with the certificate of medical fitness, the candidates are required to furnish the name of a referee who should either be an employee of the plant or a member of the trade union. The selected candidates on joining RSP are kept under probation for a period of 12 months.

The recruitment in RSP of executives and non-executives (including other types of joining such as transfer/deputation etc.) for the period 1984-85 to 1993-94 is portrayed in Table 3.5. It is revealed that on an average 752 employees join the organisation out of
which 608 are non-executives and 144 are executives. As far as percentage change in the total intake in different years is concerned, excepting the period 1987-88 to 1989-90, there is a positive change during the period under consideration.

Table - 3.5

<table>
<thead>
<tr>
<th>YEAR</th>
<th>NON-EXECUTIVES</th>
<th>EXECUTIVES</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1984-85</td>
<td>378</td>
<td>105</td>
<td>483</td>
</tr>
<tr>
<td>1985-86</td>
<td>469 (24.07)</td>
<td>93 (11.43)</td>
<td>562 (16.36)</td>
</tr>
<tr>
<td>1986-87</td>
<td>533 (13.65)</td>
<td>162 (74.19)</td>
<td>695 (23.67)</td>
</tr>
<tr>
<td>1987-88</td>
<td>447 (16.14)</td>
<td>125 (22.84)</td>
<td>572 (17.70)</td>
</tr>
<tr>
<td>1988-89</td>
<td>293 (34.45)</td>
<td>168 (34.40)</td>
<td>461 (19.41)</td>
</tr>
<tr>
<td>1989-90</td>
<td>270 (7.85)</td>
<td>115 (31.55)</td>
<td>385 (16.49)</td>
</tr>
<tr>
<td>1990-91</td>
<td>751 (178.15)</td>
<td>113 (1.74)</td>
<td>864 (124.42)</td>
</tr>
<tr>
<td>1991-92</td>
<td>790 (5.19)</td>
<td>149 (31.86)</td>
<td>939 (0.68)</td>
</tr>
<tr>
<td>1992-93</td>
<td>903 (14.30)</td>
<td>178 (19.46)</td>
<td>1081 (15.12)</td>
</tr>
<tr>
<td>1993-94</td>
<td>1246 (37.98)</td>
<td>228 (28.09)</td>
<td>1474 (36.36)</td>
</tr>
<tr>
<td>Average</td>
<td>608 (23.88)</td>
<td>143.6 (13.38)</td>
<td>751.6 (19.00)</td>
</tr>
</tbody>
</table>

Figures in parentheses indicate percentage change.

*Source: Records of Personnel Department of RSP.*

Looking at the relationship of joining to separation over the years, it is ascertained that around 58% of the total separations in a year results in fresh joining in the plant. (Table 3.6). However, the year 1993-94 reflects on all together different picture in the context of total joining to total separation. This is attributable to the reduction in total separation because of the withdrawal of the VR Scheme with effect from 31.3.93. It is also revealed that while on an average a little more than 55 per cent of the non-executives separated are replenished through fresh joining, more than 70 per cent of the vacant posts of executives are filled-up through injection of new blood in the plant.
Table 3.6

PERCENTAGE OF JOINING TO SEPARATION OF EMPLOYEES IN RSP DURING 1984-1994.

<table>
<thead>
<tr>
<th>Year</th>
<th>Non Executives</th>
<th>Executives</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1984-85</td>
<td>(661) 57.19</td>
<td>(104) 100.96</td>
<td>(765) 63.14</td>
</tr>
<tr>
<td>1985-86</td>
<td>(654) 71.71</td>
<td>(96) 96.86</td>
<td>(750) 74.93</td>
</tr>
<tr>
<td>1986-87</td>
<td>(1084) 49.17</td>
<td>(126) 128.57</td>
<td>(1210) 57.44</td>
</tr>
<tr>
<td>1987-88</td>
<td>(1380) 32.39</td>
<td>(151) 82.78</td>
<td>(1531) 37.36</td>
</tr>
<tr>
<td>1988-89</td>
<td>(1191) 24.60</td>
<td>(196) 85.71</td>
<td>(1387) 33.24</td>
</tr>
<tr>
<td>1989-90</td>
<td>(1122) 24.06</td>
<td>(259) 44.40</td>
<td>(1381) 27.88</td>
</tr>
<tr>
<td>1990-91</td>
<td>(1240) 60.56</td>
<td>(268) 42.16</td>
<td>(1508) 57.29</td>
</tr>
<tr>
<td>1991-92</td>
<td>(1217) 64.91</td>
<td>(311) 47.91</td>
<td>(1528) 61.45</td>
</tr>
<tr>
<td>1992-93</td>
<td>(1398) 64.59</td>
<td>(265) 67.17</td>
<td>(1663) 65.00</td>
</tr>
<tr>
<td>1993-94</td>
<td>(1055) 118.10</td>
<td>(235) 97.02</td>
<td>(1290) 114.26</td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td>(1100.2) 55.26</td>
<td>(201.1) 71.40</td>
<td>(1301.3) 57.76</td>
</tr>
</tbody>
</table>

Figures in parentheses indicate total separations.

*Source: Records of Personnel Department RSP.*

Fairness of the selection not only speaks of the credibility of the organisation but also indicates the effectiveness of HRM practices. Therefore, to gain an insight into the issue, the opinions of the workers, trade-union leaders and management representatives were sought as to the fairness of the selection of employees in RSP. While the opinion of the non-executives and management representatives are almost divided among yes, no, don’t know, the opinion of the union leaders was entirely different (Table 3.7). More than 68 per cent of them consider the selection as unfair one.

Table 3.7

OPINION REGARDING FAIRNESS OF SELECTION OF EMPLOYEES IN RSP

<table>
<thead>
<tr>
<th></th>
<th>NON-EXECUTIVES</th>
<th>EXECUTIVES</th>
<th>UNION LEADERS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>YES</strong></td>
<td>234 (38.6)</td>
<td>27 (32.1)</td>
<td>6 (9.1)</td>
</tr>
<tr>
<td><strong>NO</strong></td>
<td>204 (33.7)</td>
<td>27 (32.1)</td>
<td>45 (68.2)</td>
</tr>
<tr>
<td><strong>DON'T KNOW</strong></td>
<td>162 (26.7)</td>
<td>30 (35.8)</td>
<td>15 (22.7)</td>
</tr>
<tr>
<td><strong>NO OPINION</strong></td>
<td>6 (1.0)</td>
<td>- (-)</td>
<td>- (-)</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>606 (100.0)</td>
<td>84 (100.0)</td>
<td>66 (100.0)</td>
</tr>
</tbody>
</table>

Figures in parentheses indicate percentages.
3.6 INDUCTION:

The newly appointed employees undergo suitable induction/orientation programme before being placed in the job or training. Induction is concerned with the problem of introducing or orienting a new employee to the organisation.\textsuperscript{33} It also introduces the new employee to the philosophy, major policies, existing status and future plans of the organisation. The induction programme should clearly spell out the mutual expectations with emphasis on organisations' expectations from the new employees. The purpose is to 'sell' the organisation to the new employee so that he may feel proud of his association with the company. As rightly observed, "a systematic, planned induction is no new fanged idea or pampering of workers, but a scientific approach to the problems of the new worker and his integration into the factory community".\textsuperscript{34} Any negligence of the importance of induction/orientation may lead to high labour turnover, confusion, wasted time and expenditure.

Induction is equally important to employees promoted to higher posts, especially for those promoted to the rank of supervisors. In the absence of proper guidance and orientation, the turned supervisor or a worker who resumes new assignment will feel himself at the bay of tide. This supervisory induction is called "supinduction".\textsuperscript{35}

Induction programme needs more attention as this is the best way to break in a new employee, socialise him to the mores of an organisation and helps the people around adjust to the new addition—which by itself is a traumatic experience. Many long term plans, dependent on this new additional manpower unit, particularly at the junior levels, go haywire, because the induction programme is either not carefully designed or is non-existent.\textsuperscript{36}

3.6.1 Induction in RSP:

The newly appointed employees in RSP undergo suitable induction or orientation programme before being placed on the job. RSP’s induction programme is based on the following objectives:

1. To familiarise the new employees with the conditions of work, work methods, learning to handle different types of equipments, opportunity for training and advancement.
2. To inform the new employees about the policies, procedures and practices of the company- the rights and obligations including grievance and negotiations, disciplinary rules etc.

3. To familiarise the new entrants with the organisational structure of the company, working of its departments, its products etc.

4. To inform the employees about the health and safety regulations, welfare, canteen, leisure and recreational facilities, rewards and incentives provided by the company.

5. To build up self confidence of the employees.

6. To generate a feeling of belongingness and loyalty to the job, department and company as a whole.

7. To create a good ground for reduction of labour turnover, minimisation of absenteeism, and ultimately to increase productivity of the plant.

RSP's induction programme varies from one week to two weeks and covers subject matters such as the production process, nature of the job, the supervisor, functioning of personnel, training, safety and accounts departments, preliminaries of labour laws, grievances, promotions, joint committees, organisation of training, procedure of getting safety appliances, method of wage payment and its procedures. The induction programme for technical posts are extensively administered unlike that for non-technical posts.

Even though all category of employees undergo orientation at present, this was not the practice at the initial stages of the commissioning of the plant. 64.4 per cent of the respondents' negative reply to their participation in induction training justifies the above contention. On the content of the present-day induction training, the workers are mostly satisfied (72%).
To sum up, RSP's human resource planning and staffing aspect has undergone a dramatic change in the recent past. This can be attributed to mostly the change in the philosophy of public enterprises in general and the objectives of the massive modernisation programme under way in RSP in particular.

Even though the management has realised the importance of job analysis of late and uses it to develop job description and job specifications, mainly the skilled and semi-skilled category of jobs are covered in the process. The management also does away with the job specifications in certain cases of direct recruitment and vertical mobility of employees.

To achieve the objectives of modernisation, the thrust on HRP necessitated a comprehensive analysis of the manpower profile vis-a-vis requirements age-wise, skill-wise and qualification-wise to arrive at surplus or deficit in each department and category. Voluntary Retirement has been tried to reduce the excessive manpower and improve the age and skill-mix of the employees. The management has also drafted the action plan to eliminate the restrictive work practices. In view of the modernised plants’ requirements, redeployment after retraining has been planned. However, the planning exercise got the setback due to regularisation of more than 3000 contract labourers as per the directives of the Hon’ble Supreme Court.

The recruitment and selection procedure in RSP is mostly standardised. Employment exchange serves as the most important source of external recruitment of non-executives. In order to reduce the total manpower, only 58 per cent of the vacancies arising out of separations have been filled up. All the newly appointed employees undergo suitable orientation before their placement.
REFERENCES


35. The term “Supinduction” was coined by Sri R.P.Billimoria, the then Manager (Personnel) of HSL(erstwhile). Supinduction programme was first implemented in TISCO for the benefit of employees moving to supervisory positions.