CHAPTER – II
REVIEW OF LITERATURE

This chapter describes about the research design, signification of study, objectives of the study, hypothesis of the study and research methodology with collection of data and presentation of the study. This chapter also explains the review of literature pertinent to the research study. An attempt has been made to take review of prior studies on the topic.

The recruitment and selection process is a complex and interdependent system that begins with determining the need and establishing the purpose of the position. This process should include a careful position analysis, a step often assumed but not taken that leads to hiring someone, but maybe not the right person, which is, of course, a key to successful staffing practices (Raetz, 2001). Based on a carefully conducted position analysis, the positional description takes into account such as position responsibilities, necessary qualifications of candidates, and any unusual or unique aspects of the position or the institution.¹

Evaluated the DIC programme in Kerala he concluded that ambitious DIC programme of Government did not yield the expected result in Kerela state. (But at the same time he says that the growth of SSI cannot be clearly stated to positive, negative or absolutely zero) to support his statement he given growth rate of SSI in Kerala. That’s why working and effectiveness of DIC’s should be evaluated.²

Bhattacharya (2002) is of opinion that human resource is a primary resource without which other resources, physical or financial cannot be put into use. Even a fully automatic unit requires human resource to run it and also to plan for further improvement. He further says that to achieve
any goal, manpower requirement needs to be assessed, located and harnessed. HRP is not mere assessment of the number of men required. An organization has to categorize men as per their knowledge and skills and also ensure their balanced allocation. Improper human resource planning may lead to over-staffing increasing direct cost (viz., salary), cast of training, amenities, apart from the cost of production. Under staffing also affects production, morale and productivity.³

The Journal has given that the need for more transparent and supportive policy for SSI sector, they suggest that SSI’s should restructure themselves with respect to technology up gradation, quality consciousness, cost and price competiveness and professionalism in their routine matters.⁴

John Brahman (1995) says that success for organizations will still be measured in financial and economic terms but that the way people are managed will for many organizations make all the difference. The organization must find new ways of what people want and think. Opinion surveys are seen as having a contribution, if backed up by an approach such as the two-way team briefing to ensure that employees are kept informed. The difference from manpower planning to human resource planning is rejected without change in either content or context. The organizations personnel function must move to embrace these ideas. Human Resource is an approach to the management of people at work. It goes beyond what has gone before in that, intertwined and together with customers and quality, it leads to the three pillars of the modern organization.⁵

One of the research studies concluded that the functioning of DIC in Ahemadnagar district is satisfactory. As per the survey undertaken by
the researcher there are mix reactions by the beneficiaries regarding the working of DIC and supportive role for SSI development.\textsuperscript{6}

In the context of globalization and corporate planning in the banks of Bangladesh Mahboob Ali (2001) argues that corporate planning can motivate bank personnel to give proper service to the institution and work as a major breakthrough for smooth functioning of the economy. He points out that for proper management of bank, operational level should be standardized and continuous efforts for customer satisfaction is necessary condition.\textsuperscript{7}

One of the research studies concluded that the contribution of DIC in the regional development of SSI at taluka level. Industrial development process has taken place after 1980’s in the region means we do not neglect the role of District Industries Center in the development of SSI in Marathwada region. Lastly suggest that, promoting regional attractiveness and competiveness and development advanced some support services.\textsuperscript{8}

According to Ghosh and Kumar (1991) the process of business planning can be considered in four parts viz. the analysis of factors affecting the future, forecasting the future environment, preparing the plan and installing the plan.\textsuperscript{9}

One of the research studies concluded that the speed of setting up industries in Jalna district is so slow, because of infrastructural deviancies. Research is based on primary and secondary data collected that the DIC, Jalna had shown better performance in implementation of the scheme.\textsuperscript{10}

Taylor (1982) opines that in an organization the top management is responsible to select the most appropriate strategy from the various
alternatives prepared by the senior managers with the assistance of corporate planner.  

One of the research studies concluded that 50 per cent populations are female students. Because of the tradition and culture in India, females do not come forward in the industrial field, but it is not good sign. Since the Government and society contributed for their education, they must contribute to the national income by producing goods and services. Small Scale Enterprises can offer them an opportunity to come forward and show that they are also equally competent and can contribute to national income by producing goods and services through small scale enterprises.  

Long range planning is certainly one of the most creative aspects of management. Burenettetal (1991) describes that many executives are so excited about it that they are referring to long range planning as their profit insurance as it gives management a tremendous advantage in competition.  

Walker (1990) describes how companies are using human resource planning to address impact of change: simpler, shorter-range planning, a focus on issues; focused data analysis; and emphasis on action planning. He also argues that Human Resource Planning is necessary to support implementation of business strategy particular in the changing context of business strategy to support implementation of business strategy particularly in the changing context of the recent years. He arrives at the conclusions using examples from companies such as automobile, computer, office equipment companies, banks and food business etc.  

Under the changing economic scenario, SSI has both the challenges and opportunities before them. The business can compete on cost, quality
and product at domestic and international level only if ideal investment in technology production process, research & development and marketing are made. Infrastructure bottlenecks are not completely solved. The promotional activities for SSI in India need to concentrate on improved credit flows, Human Resource Development, appropriate technology and funds for modernization.\textsuperscript{15}

Oladeji (1992) reviews the development planning in Nigeria for a number of years and highlights the role of manpower planning in the century. He enumerates a few salient features of Nigeria’s manpower plans. He opines that perspective planning also known as long-term planning is a blueprint of developments to be under-taken over a period of fifteen, twenty or more years. He also defines the general aspirations and the broad strategy to be implemented over an extended period. The perspective framework is only meaningful when it is broken down or translated into short-term plans. The author concludes that the country has had over two decades of planning experience, which characteristicsically has been medium term. At the policy making level the long-term planning seems to be gaining some recognition in recent times. A number of factors can used to rationalize the perspective planning namely the pursuit of a balanced growth of the agricultural industrial sectors, the development of technology, capital goods sector and manpower development. On the basis of his study he feels the necessity of adapting to a National Manpower Board, which may collaborate with the National Planning Commission in the country for effective Manpower Planning.\textsuperscript{16}

The contribution of SSI sector for employment is next only to agriculture. At the end of March 1999, there were 27.24 lakh SSI units in the country. They contribute 4 per cent of the total industrial output;
employ 1.54 corers persons and account for 35 per cent of the total experts from India. Since independence, Government has been giving impetus on the development of this sector. The Industrial Policy Resolution of 1948 to till date has stressed the importance of SSIs. New Industrial Policy Statement 1990 has taken lot a of measures to develop SSI in India.\(^{17}\)

Coming to the small-scale sector, while one could argue that the increase the investment ceiling is desirable in view of the inflation. During the past few years, it should not be overlooked that 90 per cent of the existing small scale units belong to the category whereas the investment in plant and machinery is less than Rs. 9 lakh. The emphasis so on a small group of industries is the small-scale which are elite and which influence the industries policy of the government. The less than 10 per cent SSI units reap all the benefits at the cost of the majority of course, the raising of the investment limit in plant and machinery to Rs.75 lakh in respect of export oriented small scale units is a step in the right direction since this would enable them to go in for modernization and technology up gradation. Similarly, the raising of the ceiling in respect of tiny units from the present Rs. 2 lakh to Rs. 5 Lakh is also welcome.\(^{18}\)

Michael, Bruer and Maki opine that succession planning needs to be modified if it is to remain a relevant means of regenerating a company’s leadership. There are several cause of the gap between the promises of traditional succession planning and what is delivered. The most important goal is developing strong leadership teams for strategic tasks. The means of doing this lies in succession management, which offers a more flexible and dynamic approach for developing strong leadership teams.\(^{19}\)
The role of small scale industries and its role for decentralization of industries in regional development Government of India has planned some important programme for employment generation, entrepreneurship development and rural industrialization like Integrated Rural Development Programme [IRDP], skill development programme etc. and established executing agencies for his development of small scale and medium units up to grass root level.

The rural industrialization in India B.K.Sharma in his article suggested that programmes for rural industries and the DIV programme are supporting agencies. He says that at the district level, DIC function as an umbrella organization for the rural development as well as SSI development programme. But it should be multidisciplinary programme calling for close for co-ordination amongst various institutions and agencies.20

Sivaprakasam (2000) says that planning for retirement is an effective human resource solution for making organizations forward thinking. According to him planning for retirement seem to be left to the individual rather than the organization, which actually could leverage the maximum from the human resource capital through planned retirement policy. He has suggested that a retirement chart may be very useful which may indicate the year wise, category wise, age wise number of employees serving at present and would retire at different points of time.21

Smith and Ferris (1990) opine that in the present environment of decline and retrenchment, the role of human resources in the labor-intensive enterprise of higher education is becoming more and more important. Although many academics still react negatively to the concept of planning and management in education, the importance of strategic
management of human resource in higher education institutions cannot be overruled.  

Among recommendations by Winston and Creamer (1997), three stand out. First, student affairs divisions should formalize hiring practices and should promulgate policies and procedures of the division that complement those of the institution. Winston and Creamer note that “Too many searches for new staff are based either on ad hoc procedures or on policies of the institution that may only remotely reflect the values and needs of student affairs” (p. 156). Second, Winston and Creamer (1997) caution against confusing experience with qualifications. “The best candidate,” they say, “is the best-qualified professional, not necessarily the most experienced one” (p. 157). Generally, the most successful staff members over the long haul are those who possess the basic knowledge and skills necessary to fulfill the position’s current responsibilities, but who can also grow professionally to take the functional area to the “next level.” Employment decisions should be based on both demonstrated competencies and assessed potential for continued professional development.  

Recruitment and selection literature in student affairs often addresses standards of admission to the profession (Stamatakos, 1981) and entry-level competencies and skills (Hyman, 1988; Ostroth, 1981). Hiring particular types of staff members, such as paraprofessionals (Winston & Ender, 1988), mid-level managers (Gordon, Borders Strode, & Mann, 1993; Saunders & Cooper, 1999), minorities (Sagaria & Johnsrud, 1991), and executive-level managers (Haro, 1991) also are common in recruitment and selection literature. Sims and Foxley (1980) contribute significantly to this literature by pointing to the role of institutional systems in the process and by suggesting that the precepts of
the processes should be based on development (the historic foundation of the field).\textsuperscript{24}

(B.T.Nirwal, 2013) Another researcher studied that the agriculture sector cannot develop until and unless agricultural human resources will not be changed. It means whenever agricultural labour are not considered or treated as agricultural human resource (HR) the agricultural sector will not develop and rural development is purely dependent on the agricultural development. So, agricultural human resources must facilitate by motivation, training, education, safety, security about their field. Because agriculture is the backbone of rural development while labour are jack of that backbone.\textsuperscript{25}

(Chaugule, 2015) The small and medium scale industry constitute an important segment of the economy and it provides maximum employment next only to the agricultural sector and in terms of value-added, it contributes about fifty per cent of that of the manufacturing sector and accounts for more than one-third of the total exports of the country. The development of small village industrial sector has been important in India because of the reasons that the small village units require less capital outlay and at the same time, they provide more employment than the large scale sector.\textsuperscript{26}

(P.Y.Harkal, 2015) Small and medium enterprises have contributed significantly to economic growth. SME’s is like blood veins in the human body. National development depends upon the growth of small and medium business enterprises. They provide the largest share of employment after agriculture. They are the nurseries for entrepreneurship and innovation. They are widely dispersed across the country and produce a diverse range of products to meet the needs of the local
markets, the global market and the national and international value chains. SME’s sector has emerged as a highly vibrant and dynamic sector of the Indian economy. SME’s not only play crucial role in providing large employment opportunities at comparatively lower capital cost than large industries but also help in industrialization of rural & backward areas, thereby, reducing regional imbalances, assuring more equitable distribution of national income and wealth. SME’s are complementary to large industries as ancillary units and this sector contributes enormously to the socioeconomic development of the country.27

(Chaudhari, 2013) Strategic human resource management is a popular concept in the recent days. The present paper has conclude that the human resource is the most important and valuable asset of the organization. Various strategies have been used in recruitment policy for recruiting the right candidate for the right job and the right candidate help to achieve the organizational goal and objective. Using the strategic human resource management in recruitment is apply to every organization but need to be customized according to their industry and size, it is the key responsibility to the top management that they choose the best recruitment team which can use the right strategy to recruit the right candidate for the organization which are helpfully to make the asset of organization.28

(S.M.Sarsare, 2015)The performance of small and medium scale industries in Marathwada region is continuously growing upwards. The small scale industries are generating good employment for the people in Marathwada region which is needed. Further it is the great opportunity for new as well as young entrepreneurs to start their small industrial units
in Marathwada region which solve the problems of employment at great level.29

A research concluded that without employee organisation does not exist, they are real assets of the organisation. So that to manage and control this asset is very much necessary for each organization, for that purpose every organization is investing money and time to get better result. Every investment within an organization seeks for a set of goal to justify the cost and time spent on the one hand and on the other hand to make the organisation better off which could be through a reduction in cost being more efficient, better service quality, increasing market share etc. E-HRM is one of the investments which after being recognized as a useful tool to reduce the cost which is require to done the day to day human resource activities in organization. E-HRM consists of the use of E-recruitment, E-employee Profile, E-selection, E-training, E-performance management system etc. by using this concepts the term E-HRM helps to reduce the cost and also gives better effects to organisation.30

(M.P.Pagare, 2013) The small and medium scale industries are playing a very importance role in the growth of the country. Thus, they play a critical role in the development of region. The government announced some policies and programs to support entrepreneurs of small and medium scale sector to sustain employment in rural areas and to improve the quality of life for them. Various steps were taken to improve credit flow to small and medium scale industries, the government has also introduced various schemes and incentives for the promotion of small and medium scale industries and provides institutional infrastructure for small and medium scale industries through Small Industry Development Organisation (SIDO) and National Small Industries Corporation Ltd.
NSIC). Technology Resource Center (TRC) provide latest and right technology for attaining global reach by small scale industrial units. The study found that the total industries and their employment generation, investment production of different parameters of small and medium scale industries. The productivity per employee and employment in small and medium scale industries has declined. There were an absence of any lead-lag causal relationship between exports and production in small and medium scale industries and Gross Domestic Product (GDP) of Indian Economy. The cause and effect relationship has been statistically neglected. The emergence of the new sectors like information technology, service are expected to bring a lot of changes in the small and medium scale industries.\(^\text{31}\)

(Rathod A.U, 2013). The researcher found that the small and medium scale industries are playing a vital role in industrial development of Marathwada region in Maharashtra state. Small and medium scale industries satisfy the local demand and also play an important role in employment generation. The study shows that there were 15292 small and medium scale industries registered in the various district of a marathwada region. In manufacturing sector there were 11864 enterprises registered. The highest small and medium scale industries in Aurangabad district i.e. 3800 and lowest in Hingoli district i.e. 297. In service sector there are 3429 enterprises in Marathwada region out of eight districts highest in Beed district and lowest in Hingoli district. In the employment Aurangabad district generated 32.41 per cent which is highest in Marathwada region and Hingoli district 1.87 per cent which is lowest in the region.\(^\text{32}\)

(A.S.Deshpande, 2015) Micro small and medium enterprises are a critical economic factor in India. They make up a majority of the
domestic business transactions and at the same time play an important role in international trade, they have emerged as a vibrant and dynamic component of the economy by virtue of their significant contribution to GDP, industrial production and exports. However, the most important contribution of this sector is towards employment generation which is second only to agriculture. The experience of recent years shows that while employment in agriculture sector has been declining, large industries are also experiencing jobless growth. The study has also shown in the past record of MSME development that, those countries have succeeded in achieving higher growth of SMSE, who have given much more emphases on entrepreneurship development program. Consistently, they are trying to accumulate optimum utilization of their resources in this field. Through the EDP, they have earned a very significant achievement to reach in to their development goal.33

(Rathod, 2015) The researcher observed that WTO provides various assistance and agreement to develop the Indian micro, small and medium industries for trade. For development WTO was setup the special cell in the office of Development Commission in 1999. MSME organized 93 workshops and seminars, 8 awareness programmes on WTO agreements and implications. There are 416 benefiting entrepreneurs during 2011-12 and there are various export promotion schemes for MSME’s in the year 2011-12 as well as 32 training programmes was conducted and benefiting to 1118 entrepreneurs. It concluded that the Indian MSME is in increasing trends from the year 2001-02 to 2011-12 continuously.34

(Dhotre, 2014) In the era of global trends of the human resource powers, resources are becoming more and more importance. The educational qualification, degrees, knowledge, skill, techniques are highly impacted on the work of employees. The global business trends are
emerging due to accepting the challenge enhancing human resources. The talented and brilliant employees are being recruited and selected in an organization. Priority is to be given to smart experienced and skilled employees. In a cut throat competition an organization has to struggle for its own existence and have a good policy, planning, to face the global challenges, human resource department has to research and adopt the new skills and techniques. Human resource department has to make a plan on basis of study and intellectual observation of resources.35

(Shrirame, 2015)Managerial skills are inevitably essential building blocks for success of any organization. So, small business enterprises need to understand the importance of skills in managing the business. The ultra-competitive world of business failure to develop and train the managers in the organization could prevent one from getting the competitive advantages and put one in a competitive disadvantage. It also contributes to the existing body of literature concerning managerial skills. The research findings also revealed the additional skill required to meet the complex and dynamic nature of business enterprises. Few of them which are very important are design skills, communication skill, leadership skill, digital skill to equip the impact of technology on business.36

(M.B.Biradar, 2015)The early practice of jobs forecasting succession planning has broadened into a concern with establishing a more explicit linkage between human resource planning and the larger organization strategy and business planning of the organization. Moreover, the idea of selection, training, performance appraisal and compensation decisions being heavenly centered on the role of individual employee, with their details of job description, has guided that effective team working and participative decisions are playing important role to
achieve the effective performance in business organization. In conclusion, still there is a strong contention and race of struggle rival scenarios will offer more accurate description of the reality in future. The new technology change, downsizing, right sizing and privatization management can also play role for future development and accepts the challenges of the future.\(^{37}\)

(Vidhate S.G, 2013) The study examines the differences and similarities between small and medium enterprises and entrepreneurship development. It particularly distinguishes between small and medium enterprises and entrepreneurship development. Both small and medium enterprises and entrepreneurship have been acknowledged to be important tools for economics transformation and economic growth of a country. They are believed to aim at the same objective. On this note, it is clearly pointed out in the study that small and medium enterprises are firms that engaged in one form of business or the other. In terms of size, they are classified into small and medium and their definition vary according to countries, industries, number of employees and asset value. On the other hand, entrepreneurship is a process of creating small and medium enterprises or business ventures which are later seen as small and medium sizes of firms or business. Thus the study reveals that entrepreneurship is a process and not small and medium enterprise. On the other hand, small and medium enterprises are firm and not entrepreneurship. Based on study draws conclusion that small and medium enterprises is different from entrepreneurship although both may tend to achieve the same objective, however they differ according to definition, functions and purpose.\(^{38}\)

(ManojkumarLohiya, 2013) The small sector has recorded continuously good growth in terms of production, creation of employment over the
years. The small scale industries have been undergoing rapid transaction in India. The speed of transaction of small scale sector has increased due to economic reforms by both central and state governments and the World Trade Organization but now a days it is affected in the liberalized era and facing lot of problems. The main reasons of these problems are financial limitations, lack of infrastructural and operational facilities. Small units are unable to use latest machinery to manufacture quality product. There of absence of clear policies relating to marketing and human resource management. It is also important that Government of India must focus on policies for up-gradation for the growth and survival of small scale sector. The small entrepreneurs have to be more innovative and aggressive in identify their competitive advantages. The usage of latest technology and modern management techniques would help them to compete in the market and also to face the impact of new challenges in future.39

(M.B. Hande, 2014) Economists have long known that people are an important part of the wealth of nations. Measured by what labour contributes to output, the productive capacity of human beings is now vastly larger than all other forms of wealth taken together. However, in the business context, it is only during the last three decades that managers started considering people as key in a company’s Endeavour to realize and develop its business ideas.

Today’s competitive global market environment is focused on management of capital assets maximizing utilization and minimizing downtime with a minimum of upkeep and maintenance. In order to value people, companies must move beyond the concept of human resources and toward notion of human capital. The term ‘resource’ implies an available supply that can be drawn upon when needed, the term ‘capital’
however, refers to something that gains or losses value depending on how much is invested in it and how that investment is made, this takes a predictable toll on the company’s health and inevitably the bottom line. Hence it is suggested that employers take a rational view of managing their human capital more effectively by competitive compensation offering with flexing compensation fixation for higher than entry level employees.\textsuperscript{40}

(D.S.Wadje, 2015) The researcher concluded that human resource practice is becoming more and more challenging day by day, they have to face lot of problems like retention, attraction of employee, dealing with different cultural people, managing work force diversity, technological and informational changes to overcome with these challenges training (cross cultural training and technological and informational training) is necessary of human resource. To reduce mobility of professionals human resources have to motivate them from monetary and non-monetary techniques. Proper performance evaluation system and proper career development plans should be used in the organization to reduce professional mobility.\textsuperscript{41}

This chapter concludes the study of research methodology and review of literature of recruitment and selection. In the view of literature some authors have their own view for recruitment and selection. As per some authors human resource is considered as one of the important source of the enterprise. As we know that for the production of any product or service we need factors like money, material, machinery and for handling these resources we need effective and efficient manpower. Organization works in various departments like finance, production, sales and marketing, Purchases and human resource.
RESEARCH METHODOLOGY:

Human resource is considered as the backbone of any economic enterprise in recent years. ‘Human Resource’ besides land capital and technology as the key factor for building and developing the nation. The optional utilization of natural resources and the factor inputs of capital technology depend on the extent of use of human resource. The organization whether they are meant to carry out any business activity or any other activities i.e. social, cultural, political etc. is made of people and function through people. Despite the fact that an organizational working is facilitated only when all factors of production, i.e. money, material, machineries and proportionately assimilated and optimized, the role and importance of manpower or human resource in the organization is undoubtedly crucial and unique.

People are the most important and valuable resource of every organization or institution has in form of its employees, Dynamic people can build dynamic organization. Effective employees can contribute to the effectiveness of the organization. Competent and motivated people can make things happen and enable organization or institution to achieve its goal. Therefore, organization should continuously ensure that the dynamism, competency, motivation and effectiveness of the employees remain at high levels.

“Happy employees give happy result”, Employees are the most important and valuable resource of every organization in the form of its employees. Dynamic people can build dynamic organization. Effective employees can contribute to the effectiveness of the organization. Competent and motivated people can make things happen and enable the organization to achieve its goals. Therefore organization should
continuously ensure that the dynamism, competency, motivation and effectiveness of the employees remain at high levels.

**RECRUITMENT AND SELECTION:**

The recruitment policy is most important for any organization because of good employees are the asset of organization and recruitment policy helps to recruit good candidates that will contribute to achieve the goals and objectives of the organization.

An organisation may have all of the latest technology and the best physical resources, but if it does not have the right people, it will struggle to maintain success. Any organization is as good as its people. A person is the only one to make difference to the organization and hence selection of right people is very essential for the growth of the organization, therefore recruitment and selection is crucial. Many organizations use the psychometric or aptitude test, group discussion and personal interview for the selection of the employees. Various sources are available for the selection of the employee like Recommendation, Open recruitment, Advertisement, Campus recruitment, Recruitment agencies, Re-appointment etc.

**PROBLEM STATEMENT:**

The research problem is selected by the researcher is of the vital significant in the present context when human resources are assuming augmented value in the organizational perspective. Human resource was not as much as important in the past. But now, it is the most powerful of all the functional areas of organisation. The success of organizations in this modern business environment depends on the manpower. Recruitment and selection are the most critical and significant human resource function, unless the organization has the best available
employees, it will not be able to grow and flourish in the market. When organizations choose the right people for the job, they train them well and treat them appropriately. These people not only produce good results but also tend to stay with the organization longer. Therefore the research is an attempt to emphasize on valuable asset of human resource. A study has been undertaken on the research topic- A Study of Recruitment and Selection Process of Small and Medium Scale Industries in Marathwada Region.

**Research Methodology:**

For the purpose of the present study data has been collected from primary and secondary sources.

**Primary Data:** For the purpose of the study Primary data were collected with the help of well-structured questionnaire, interview with the worker’s, discussion with the company’s officials for getting accurate information.

**Secondary Data:** Secondary data were collected from the following resources viz. Governmental and Other Publications, Journals, Published data, Books, Magazines, Newspapers, Websites, Research studies and other relevant documents.

**Sample Design:** The focus of this research was on recruitment and selection process in selected industries. The sampling process adopted for the study was convenience sampling for selection of Small and Medium Scale Industries. For the purpose of the study primary data were collected from 250 organisations and 500 workers i.e. two workers from each organization, which were selected as a sample for the study from various district of Marathwada region viz. Aurangabad, Jalna, Beed, Osmanabad, Nanded, Parbhani, Latur and Hingoli.
Table No.2.1
Table showing the sample units and sample respondents

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Name of District</th>
<th>Total MSME in Region</th>
<th>% to Total</th>
<th>No. of MSME Selected</th>
<th>No. of workers selected</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Aurangabad</td>
<td>4424</td>
<td>27.8</td>
<td>70</td>
<td>140</td>
</tr>
<tr>
<td>2</td>
<td>Jalna</td>
<td>2270</td>
<td>14.2</td>
<td>35</td>
<td>70</td>
</tr>
<tr>
<td>3</td>
<td>Beed</td>
<td>2143</td>
<td>13.4</td>
<td>34</td>
<td>68</td>
</tr>
<tr>
<td>4</td>
<td>Osmanabad</td>
<td>0814</td>
<td>05.1</td>
<td>13</td>
<td>26</td>
</tr>
<tr>
<td>5</td>
<td>Nanded</td>
<td>2060</td>
<td>13.0</td>
<td>32</td>
<td>64</td>
</tr>
<tr>
<td>6</td>
<td>Parbhani</td>
<td>1809</td>
<td>11.3</td>
<td>28</td>
<td>56</td>
</tr>
<tr>
<td>7</td>
<td>Latur</td>
<td>2051</td>
<td>12.6</td>
<td>31</td>
<td>62</td>
</tr>
<tr>
<td>8</td>
<td>Hingoli</td>
<td>0328</td>
<td>02.6</td>
<td>07</td>
<td>14</td>
</tr>
</tbody>
</table>

| Total   | 15899            | 100                  | 250        | 500                  |

Source: Directorate of Industries, GOM (Economic Survey of Maharashtra)

OBJECTIVES OF STUDY:

The basic objectives of study are as follows:

1. To study the scope and importance of recruitment and selection process followed by small and medium scale industries.
2. To know the overall review of recruitment and selection procedure followed by small and medium scale industries.
3. To study the capital structure, production and distribution channel of sample units.
4. To study the prospects of recruitment and selection procedure of small and medium scale industries.
5. To find out the obstacles in recruitment and selection process.
6. To study the labour turnover ratio of study period.
7. To attempt conclusion, suggestions and recommendations related to recruitment and selection process.

HYPOTHESIS OF STUDY:

The present study aims to testing the following hypotheses:

1. Direct recruitment method is mostly used in small and medium scale industry.

2. Recruitment and selection activity helps to achieve the goals and objectives of organization.

SCOPE OF THE STUDY:

The scope of the research study is as follows:

Temporal Scope: For the purpose of data collection and study, during the year 2009 to 2014 are considered.

Geographical Scope: The proposed study is confined to selected small and medium scale industries of Marathwada region only. However attempt was made to generate findings wherever situation permits.

Functional Scope: The purpose of the study is to go into the depth of strategies followed by leading organizations to the recruitment and selection process in Marathwada region.
LIMITATIONS OF STUDY:

The limitations of the study are as follows:

1. This study is limited from the period of 2009 to 2014.
2. The reliability of the study depends on the authenticity of the information supplied by the respondents.
3. As the study requires huge data from selected area, cost and time constraints may have affected the effectiveness of the study through every attempt made to keep the spirit of the objective and research methodology.
4. This study is limited to only selected Small and Medium Scale Industries of Marathwada region.

Chapter Scheme:

The entire study is summarized in following seven chapters.

1. Introduction:
   This chapter provides the basic premise for the research study. The chapter begins with a prologue about the Human Resource, Human Resource Management (HRM), Importance of HRM, Functions of HRM, Recruitment, Source of recruitment, Principles of recruitment, Selection, Recruitment and Selection process, Placement, Induction, Staffing, Small Scale Industries, Meaning and Concept of Small Scale Industries (SSI), Characteristics of SSI, Objectives of SSI, and Problems of SSI.

2. Research Methodology & Review of literature:
   This chapter describes about the research design, significations of study, objectives of the study, hypothesis of the study, research methodology with collection of data and
presentation of the study. This chapter also explains the review of literature pertinent to the research study.

3. Industrial profile of Marathwada region:

This chapter deals with a brief profile of Marathwada region and its various districts i.e. Jalna, Aurangabad, Beed, Osmanabad, Nanded, Parbhani, Latur and Hingoli.

4. A study of Recruitment and Selection:

This chapter introduces the Recruitment and Selection Process and gives information about the induction, interview, placement and other things related to the recruitment and selection process.

5. Capital structure, Production and Distribution channel of SME’s:

This chapter discusses the meaning of capital structure, difference between capital structure and financial structure, optimum capital structure and various capital structure theories also gives the information on production produced by the small and medium scale enterprises, Meaning of Product, list of reserve item for MSME as well as lighting on various distribution channels, meaning of distribution channels and its functions of distribution channels.

6. Data interpretation and analysis:

This chapter deals with the analysis of the data collected with the help of structured questionnaire and partly interviews with the respondents. The details regarding opinions and experience of
the respondents about recruitment and selection process are discussed with the help of following table and their analysis.

7. Summary, findings and suggestions:

This chapter mainly summarizes findings, conclusions, and suggestions, mainly drawn from the analysis done by closely exploring the data compiled and constructed in various chapters.
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