2.0. REVIEW OF LITERATURE

In this chapter a comprehensive review of related and available literature is done extensively in order to delve on the existing state of research, encompassing banks, The Banking Sector, Manpower Planning, recruitment and selection, personal assessment or performance appraisal, career planning and training and development.

2.1. BANKS

According to (Ibid., 2000; Budhwar, 2003) India and Pakistan have witnessed enormous makeovers in terms of deregulation of the country’s economies since 1990’s; this transformation has had massive repercussions on human resource management functions and practices. (Lall, 1999) indicates that the realization that capable, competent and skilled manpower is the foundation of progress in the future has firmly put the focus back on Manpower Planning specifically in developing countries.

(Rondo, 1962) states that The Banking Sector is an important component of the economy. Economists have a variety of views about the usefulness of The Banking Sector in the growth and development of the economy. As a monetary establishment, banks are certainly and absolutely associated with the performance of the economy rather than their non–financial counterparts. (Sharma, 1974) examines that banks are deemed as the hub of the economy and finance of the country, and an indicator of its economic prospect. (Bhabha, 1956) indicates that “Banking is the kingpin of the chariot of economic progress. As such its role in expanding the economy of a country like India cannot be overlooked”. (Zaidi, 2005) notes that A modern banking system is vital to handle the needs of a developing country. (Narasimham, 1984) claims that The Banking Sector
in conjunction with entrepreneurship is the significant driving force in the economic development of India.

(Bátiz-Lazo and Wood, 2003; Power, 2004; Larson et al., 2011) stated that banking has undergone tremendous changes in the past thirty years, globalization, deregulation, financial crisis are a few of the many changes that have touched banking and its business. (Goddard et al., 2007 and Wilson et al., 2010) stress that the effects of the external environment have driven banks to be bigger, global, more diversified and competitive. (Burns and Stalker, 1961) reveal that banks need to break the image of being just providers of money transactions and are now concentrate on selling a variety financial products and services. This transformation can be achieved only with the help, support and commitment from manpower of the organization. According to (Sayers, 1958) originally the role of banks was that of financial intermediaries, of gathering ‘deposits’ and offering ‘loans’. However, now not only do banks source money but are also the creators and suppliers of capital in the financial system. (Kumbhar, 2009) claims that banking has gone through several changes in the last forty years, going through various phases. In the course of these phases banks have accepted advance technology, new and innovative products and customer centric services. (Paul, 2007) examines Banking to be a major part of the economy. The sector has been at the centre of focus after the introduction of Banking Sector Reforms and the opening up of the economy to private banks. Banking forms the basis of the development policy of the government. With the help of mobilization of resources and better allocation of resources to this sector, banks are slated to play a major role in the development process of the country. As per (Dendrawijaya, 2000) the growth and development of the economy rests on various types of financial institutions, one of which is a bank. A bank as a financial institution provides a place to corporates,
government institutions, private firms and citizens to place their funds. According to (Wilkinson, 1990) banking landscape has transformed over the years, the consequence of which can be seen in the way organizations view their employees which are regarded now as resource rather than cost especially in matters of recruitment, training and remuneration. Banks also act as intermediaries between entities that need funding and parties that can provide those funds. (Shaikh, 1978) examines that in order to get good manpower in banks, all posts required to be filled must be advertized, the selection of candidates must be performed by experts, the interview process should be held in a formal manner, the induction of new employees must be held properly. The human resource department must carry out training programs that are pre designed, must have transparency about promotion standards, and should exercise a methodical performance appraisal system.

A study conducted by (Mckinsey and Company Inc., 2010) reveals that The Indian Banking Sector is at the threshold of enormous progress. Even the most conservative estimates predict the growth of the Indian banking sector to be six times by 2020. The most important feature of this growth will be the ability of banks to plan, manage and develop human resources.

2.2. MANPOWER PLANNING

There are several reasons for renewed interest towards Manpower Planning, however forces of globalization, economic situations, technological advancements and altering workforce dynamics are the most compelling of them all (Dumaine, 1989; Dyer and Heyer, 1984; Greenhalgh, McKersie, and Gilkey, 1986). (Thompson, 1967) states that these factors lead to complications and doubtfulness for organizations which in turn hinder with operations. Therefore, organizations try to decrease the bearing of these factors. Planning is one of the major
strategies employed by firms to cushion themselves from the impacts of these uncertainties. Strong (2008) states that Manpower Planning is undertaken in an organization “the extent to which it is used, and the approach adapted, will be contingent on the extent to which management reorganizes that success depends on forecasting future people requirements and implementing plans to satisfy those requirements”.

(Screwvalla, 1988) states that if organizations wish to survive and grow, then manpower needs to occupy the highest concern in terms endeavor and spending. The competencies of employees can be developed by the effective planning of training programs and execution of scientific performance appraisal systems. (Lado and Wilson, 1994) note that organizations that wish to endure the onslaught of the global economy in the new millennium need to utilize all resources available at its disposal to attain competitive edge. (Mello, 2005) suggests that the overall performance of an organization is largely based on the performance of its manpower. High performing organizations recognize the various factors that contribute to the success of an organization but human resource is by far the most decisive. (Imhabekhai, 2000) claims that "The quantity and quality of available personnel influence the level of productivity of the organization".

According to (Hunt, 1984) contrary to conventional marginal function of most of the personnel managers, the contemporary approach of human resource management tries to: “relate personnel practices to beliefs, to relate each and every process of the recruitment, training, induction, appraisal rewarding of individuals to an overall set of articulated beliefs of organization”. (Keep, 1989) indicates that human resource management aims at getting the essential ingredient in terms of manpower that has the proper skills, knowledge and inclination for training. The human resource plan which has motivation, growth and
development of employees at its heart invariably has a firm recruitment and selection process which leads to the achievement of organizational goals.

(Pareek and Rao, 1992) examine that the wave of humanism across countries has significantly increased the span of human resource practices, especially in The Banking Sector. The focus on people, their development in terms of skills and competencies and the development of the organization on the whole are at the centre of human resource management.

As per (Davis, 1961) “an organization should identify its short-run and long-run employee needs examining their corporate strategies”. (Mullins, 1999) suggests that best organizations that have the distinction of being top performing organizations are able to do so with the support from the management in placing the right person in the right job. The human resource management system comprises of recruitment, selection, placement, evaluation, training and development, compensation and retention of employees. According to (Gupta and Singhal, 1993) four human resource management strategies promote ‘innovation and creativity’ the first among them is Manpower Planning, innovative organizations build novel product projects by creating a team of employees with the precise mix of skills, the second strategy is a performance appraisal system that persuades and supports employees to take chances and risks, be innovative by designing and following new ventures with the aim of producing profits and be ready to embrace fresh and latest ideas from beyond the organization. The third is a system of rewards that encourages creativity and credits go-getters and achievers by conferring monetary rewards, promotions and other means of recognition. The final process is career management through which organizations help employees to feel empowered by giving them prospects of handling new
problems, acquire different experiences and setting them up for superior experiences. (Patrick, 2005) indicates that companies till recently had been differentiated on the basis of product and market segmentation. However, in today’s competitive environment, the major success indicator of an organization is its workforce. The hallmark of good companies now is the opportunities that they offer to employees in terms of new skills learned. Therefore, the key to successful companies is the long term Manpower Planning in terms of recruitment, performance reward and compensation for individuals in conjunction with business goals.

(Athali, 1987; Singh, 1989; Nair and Rao, 1990 and Silvera, 1990) believe that the past decade saw a different scenario in many Indian organizations, as companies stress to take a second look at the traditional personnel functions and intertwining it with the objectives of the organization. Many steps were undertaken in this direction like viewing employees as resources, enhanced role of personnel management in strategy formation, greater clarity given to managers in managing human resource function and synthesizing different aspects of personnel functions. According to (Kamoche, 1996; Lado and Wilson, 1994; Mueller, 1996; Wright, McMahman and McWilliams, 1994) the increasing focus on human resource is backed by the notion that manpower of the organization and the way it is managed is central to the success of an organization. (Katou and Budhwar, 2007) state that human resource is a factor that plays a part in adding value to an organization. (Pickels et al., 1999) claim that the existence of organizations in the global economy rests firmly on their ability to utilize the entire range of human resource available to it to garner competitive edge. Human capital with their skills, competencies, abilities and motivation levels need to be in sync with the requirements of the organization for better performance.
According to (Miller, Burack and Albrecht, 1980) Human Resource Planning includes planning for future requirements of manpower, their necessary skills, recruitment of personnel, and development of workforce. Studies by many authors reveal Workforce Planning (Matthis and Jackson, 2004), job analysis (Cascio, 2006 and Dessler, 2003), training and development (Kundo, 2003), recruitment and selection (Kulik, 2004), compensation and reward (Milkovich and Newmen, 1999) performance appraisal; career management; human resource information system; quality of work life; personnel diversity and employee attitude surveys (Armstrong, 2005) as critical factors that affect the performance of the organization. (Armstrong, 2008) concludes that Manpower Planning is not a linear process beginning with business objectives and cascading to recruitment and resourcing to flexibility and retention plans. (Hendry, 1995) states that Manpower Planning is circular in nature as the process can be initiated from any point.

The current era is the golden age of workforce planning, although some firm have been doing workforce planning since early 1960’s, it has take centre stage and has become the hottest topic on the planet (Sullivan, 2002a). “What’s hot in talent management changes quite often? Right now, there’s no hotter topic within the talent management community than workforce planning” indicates (Sullivan, 2009). Since the early 1960’s Manpower Planning has proved to be an important management instrument to arrange an organize the skills of workforce (Gill, 1996).

However, the recent buzz around workforce planning is marred by the difficulty in implementing the workforce planning plan as described by HR practioners and as such continues to be one of today’s greatest business challenges as per (Laabs, 1996). (Chartered Institute of Personnel and Development, 2010) observed that Manpower Planning ‘one of the hottest disciplines in town’ (Syedain, 2010).
(Rennie, 2003) examines that an organization’s manpower is one of the most powerful and useful resources. According to (Grinold, 1977) the basic constituents of a manpower system are people, jobs, time and money. (Wang, 2005) explains that the aim of Manpower Planning is “to provide the right (required) number of the right (qualified) personnel at the right (specified) time at the minimum cost”.

(Bounds, 1995) notes that Manpower Planning is a system that helps in synchronizing the organizational strategy and the personnel that will eventually help in implementing the strategy. (Rothwell and Sredl, 2000) stress that Manpower Planning helps in converting organizational plans at different levels into human resource plans that steer the acquirement, utilization and development of human capital and assets.

Manpower Planning acts as a guide for the best possible use of the human resource of an organization as per (Krishna Swami, 1987). According to (Srivastva, 1985) says that Manpower Planning is the process that deals with the question and subsequent assessment of the present scenario and future needs of the manpower in the organization at all the levels. (Walker, 1980) states that Manpower Planning deals with evaluating the manpower requirements of an organization under altering circumstances and then making plans to suit these requirements. (Lall, 1999) explains that the acknowledgement of the requirement of skilled manpower as a foundation of development especially in developing countries has bought Manpower Planning to the forefront. (Tharkur and Burton, 1997) reveal that Manpower Planning is a complicated endeavor of recognizing manpower needs and the resultant steps taken to fulfill those needs. The aim of Manpower Planning is to have the right people at the right time at the right place to perform tasks that the organization needs. According to (Ibekwe, 1984) the personnel working in an organization are jointly known as manpower of that organization. They could be skilled,
unskilled, of various grades and planning to make sure that right person for the right job is available at the right time is known as Manpower Planning.

(Quinn Mills, 1983) observes that Manpower Planning is essentially a decision–making process that involves three activities: recognizing and obtaining the right people possessing the right skills, keeping them inspired to accomplish high levels of performance and building a communicable link between organizational goals and Manpower Planning activities. (Guest, Conway, Briner and Dickman ,1996) state that relationship between the individual and the organization is vital to the full use of human resources of the organization. A “psychological contract” is constituted between the individual and the organization. Employees contribute to the organization and in return get rewards for their contribution. Therefore, this relationship between the individual and the organization makes Manpower Planning, job analysis, career development, leadership, motivation and performance appraisal system critical themes to the organization.

(Oza and Dinesh, 1990) explain how Manpower Planning is the process of chalking the Human Resource System in such a way that the growth, change and finally achievement of organizational objectives take place. (Stainer, 1971) believes that Manpower planning is a strategic plan that seeks to identify, acquire, improve, develop and train the human resource of an organization. It is required to focus on job specification specifically the qualitative needs of a job, the number of personnel needed for those jobs and a plan to supply the required personnel. The aim of Manpower Planning is to develop a Manpower Planning Strategy in such a way that it can accomplish the objectives of the organization by highlighting the role of human resource consistently in the process.
(Walker, 1980) discusses how an organization can achieve its goals with more accuracy when the organization purposefully and practically decides the constitution of its manpower. According to (Noe and et al, 1994) when Manpower Planning is executed properly it is capable of providing a window to protect against trouble that is ordinarily likely to affect the organizations competitive place. (Rothwell, 1995) explains how contemporary organizations face tremendous pressure to execute their policies, plans and strategies in a dynamic and changing business environment. There is also a growing need to support human resource department in their attempt to accomplish business and organizational objectives. Manpower Planning is a key component of an ideal Human Resource Management model; even though it may not be given the importance and priority in practice (Storey, 1995) observes that the dynamic business environment puts pressure on organizations to plan their human resource effectively; however the rapid changes in environment seldom make it possible for organizations to plan manpower with accuracy and efficiency. (Taylor, 1998) argues that Manpower planning is a futuristic and systematic approach that helps an organization to meet its personnel needs in the future.

(Jackson and Schular, 1990) researched that the traditional approach of Manpower Planning implemented by organizations focused on the right person for the right job at the right time. This approach was very helpful as business conditions were stable and less likely to change. Manpower Planning was therefore short-term and based on the needs of line management. However, dynamic business environment, shifts in demographics, cut-throat competition both domestically and internationally, focus on technology are ushering in a change in the way Manpower Planning is done. The nature of planning is now dependent on the team work of line management and planners. There is a growing
acceptance in organizations that the success of Manpower Planning rests on both long-term and short-term plans. (Verde, 1972) reveals that Manpower Planning in commercial banks of India needs to focus on all the facets like, fundamental constitution of Manpower Planning Plan, linking Manpower Planning Plan to other plans, connection of different Manpower activities, objectives of Manpower Planning in Indian banks, framework of Manpower Plans and techniques of Manpower Planning. (Wild and Schneewei, 1993) have encapsulated Manpower Planning in three distinct and hierarchal stages: the first step is to hunt for employees in the organization, employees that are multi-skilled and multi-departmental as well as open to all shifts. Second stage is decide work time of the chosen candidates at departments every month and the third level is to calculate cost of every alternative. (Walker and Dyer, 1980) Manpower Planning model consists of five stages: deciding future manpower requirement, establishing the availability of manpower, a thorough scan of internal and external environment, resolution of future manpower requirement and availability of manpower and finally chalking out an actionable plan. (Raj, 2009) believes that the Manpower Planning Plan needs to features these steps: the rationale behind the manpower plan needs to be evidently outlined, all possible data with respect to need of manpower in the future should be collected, a strategy needs to be chalked out as to how the human resource mismatch will be overcome in the future i.e. recruiting internally or externally, putting into action of the plan selected and persistent monitoring of the plan to get the desires results. (Harvey and Bowin, 1996) states that Manpower Planning has two basic objectives; the best and optimum use of current manpower and making provisions for the availability of manpower that possesses the right skills and in the right numbers for the future.
(Texan State Workforce Planning Guide, 2006) says that Manpower Planning has various advantages for an organization: it helps build a skilled and competent workforce, it helps in filling vacant positions, it offers practical forecasts of the manpower needed within the budgetary constraints, it assists in planning expenses for recruitment and selection, training and development programs, career planning and development and finally it facilitates in continuing or developing, increasing or decreasing manpower for restructuring and expansions.

(Bramham, 1987) offered six main objectives of Manpower Planning, which are alike (Mullins, 1996) purpose of Manpower Planning: The first and major purpose of Manpower Planning is to provide the organization with an extensive and futuristic view of the number of people required and more importantly the kind, type, skills, competencies, abilities and attitudes that the manpower needs to possess. Manpower Planning provides a foundation for recruitment managers to assess the gaps that exist between the manpower required and manpower available in terms of skill-sets needed (Bramham, 1987; Storey, 1995; Mullins, 1996). The second purpose of Manpower Planning is to uncover the training and development activities that are required to be carried out in order to ensure that the new employees and existing ones possess the necessary skills. When more focus is given to training, there are more chances that Manpower Planning would be more precise and effective (Bramham, 1987). The third objective of Manpower Planning is its ability to reduce cost of operations by helping to plan in advance the staff, workforce and skill sets needed for performing various tasks in the organization. This is crucial especially in cases of new projects and ventures as Manpower Planning offers essential knowledge and information to take important decisions (Bramham, 1987). The fourth aim of Manpower Planning is to deal is an effective and efficient manner with redundancies (Bramham,
Manpower Planning is a decisive instrument to foresee redundancies in the future and thereby helping take corrective steps like breaks on recruitment activities, retaining and if needed early exits and retirements so that the quantity in satisfactory. The fifth aim of Manpower Planning is collective bargaining. In firms where trade unions play a major role, Manpower Planning provides vital information about the factors like pay hike or decrease, increase or decrease in number of hours of work that could help in improving organizational performance (Bramham, 1987). The six and final objective of Manpower Planning aims to offer benefits like accommodations, office space, car parking slots and other facilities. These activities are imperative if organizations are looking at rapid expansions or reducing major operations (Bramham, 1987).

(Gregory, 1983) brought out the concept of Manpower Planning based on a model of career development and job assignment as per the skills achieved.

It is not just new and innovative technology, brilliant ideas, perfect strategy or tools used but most importantly how well are organizations able to deal with the needs of their own people, people who are motivated to do a better job than others (Waterman, 1994). Manpower planning is the process of identifying and analyzing the need for the availability of human resource for an organization so that it can meet its desired objectives (Mathis and Jackson, 2004). In the latter half of the last century manpower planning became an important part of the HR agenda. In contemporary times Manpower Planning is high on the priority list for many and almost all organizations as planning is given greater emphasis (Sullivan, 2002b).

(Delaney and Lewin, 1989) and (Mills, 1985) the older and traditional Manpower Planning approaches that were developed did not consider
business plans while formulating and implementing manpower plans. However, the contemporary strategic human resource approach focuses on a Manpower Planning policy that is aligned to organizational objectives.

As the conditions under which business was carried out, changed, the traditional approach of Manpower Planning which was completely mechanistic and hinged on head-count paved way for a new more flexible approach of concentrating on head-content (Castley, 1996). (Krishnamurthy, 2004) says “Manpower Planning and recruitment policies should be reviewed and institutionalized”. The entire gamut of public sector rules like reservations in recruitments, promotions and unionization have left us with lots of "Humans" but not adequate “Resources”.

Human Resource Planning is the most crucial part of Strategic Human Resource Management as it serves as a link between Human Resource Management and organizations strategic plans (Wagner, 1998). (Edwards et al., 1983) gave importance to Human Resource Planning as a strategy that influences corporate objectives rather than being a subordinate to it as evident in the approaches to Manpower Planning in 1960’s. (Bramham, 1988) it is not enough to link Human Resource Planning to corporate objectives but there is an urgent need for Human resource practices like staffing, training and development, systems of performance management, feedback and remuneration policies to come to the forefront and influence corporate objectives and its planning. Human Resource Planning is constantly stuck at the concept of demand and supply of labor whereas it ought to focus on the strengths, weaknesses, opportunities and threats (SWOT analysis) of human capital so that it is aligned to corporate objectives (Jackson, 1990). (Walker, 1990) stresses to make Human Resource Planning more flexible to environment. As the
human resource of an organization provides a competitive edge to an organization, Human Resource Planning is even more crucial as it helps in selecting, choosing and inspiring the human asset to ultimately work towards the achievement of the organizational goals and objectives (Butler et al., 1991).

(Workinfo.com, 2010) even though the Manpower Planning rests on the definite requirements of an organization, the goal of the this process remains the same, to bring into line the manpower decisions with budgets allocated, business and organizational objectives, human resource and their competencies available along with the broad strategic plan of the organization.

The grave dependence on human resource as means of achieving competitive advantage and productivity denotes a vital challenge for managers in fields like acquisition, training and termination (Dietrich and Harrison, 2005).

According to (Tutor2u, n.d.) some issues need focus before Manpower Planning is implemented; the Manpower Planning Plan needs to be backed by solid financial support, as choices have cost implications and effect on shareholders. The success of the Manpower plan can only be assured by effective and sufficient training.

(Rao and Rao, 1996) states that the aims of Manpower Planning include: recruitment and retaining of manpower of requisite quantity and quality; to forecast employee exits, identifying the reasons for these exists and making provisions for vacancies that have arisen due to exits; to make arrangements in cases of expansion, diversification, mergers and acquisitions etc; to assess the effect on technology on work, employees and planning for future manpower needs in the face of these effects; to enrich employees in terms of their skills, abilities, knowledge, competencies and motivational levels; to identify excess or deficient
manpower and accordingly make plans; to reduce chances of shortage of manpower in the right number at the right place at the right time and make optimum use of current manpower and determining the cost of human resource. 

(Folayan ,1998) indicates that Manpower management is a focused field in management that deals with the development and proper use of manpower to accomplish organizational objectives. 

(French, 1987) notes that Manpower management deals with recruitment, selection, growth, development, use and maintenance of manpower by organizations. (Mullins, 1996) explained that a successful and effective Manpower Planning Plan facilitates the organization in predicting the likely challenges that it can face and devising a course of action to counter these challenges. Manpower Planning is a strategy for the future and is forward looking helping organizations to prepare useful manpower plans and strategies in fields like recruitment and selection, training and development, career management, transfers, redeployments, early retirements and expected redundancies. 

(Armstrong, 1980) indicates that Manpower Administration deals with acquiring, managing and motivating manpower needed by the organization, building a climate and management approach of conviction, valuable endeavor and teamwork among all employees, facilitating the organization to be accountable to its employees by offering them good conditions of work and quality of life. According to (State of Georgia Human Resource Service, 2012) Manpower Planning is a methodical, practical process which brings in line strategic planning, human capital and budgeting to accomplish organizational objectives. 

According to (CIPD, 2010) Manpower Planning is at the heart of human resource management grounded by organizational strategy, which ascertains the right number of people at the right time for the right place
is present to accomplish short–term and long–term objectives of the organization. 

(Robinson and Hirsh, 2008) reveal that Manpower Planning would be rendered inconsequential if it is not based on the kind of business the firm is involved in, the category of customers it caters to, any future growth, development or expansion plans, the rapport it shares with its associate organizations, its financial health etc.

(Heneman et.al., 1989) indicate that Manpower Planning is connected to hiring decisions as an assessment of recruitment and selection practices acts as a guide to review polices and decisions that are not rendered favorable to the organization. (Chandan, 2005) found that Manpower Planning is the purposeful and organized evaluation of the current manpower needs of the organization, assessing if the quantity and quality of present manpower can fulfill the present needs, projecting the future demand and supply of labor, devising a manpower plan keeping in mind both short-term and long-term objectives of the organization along with persistent scrutinizing, calculation, reassessing and revising the necessity and source of supply.

(Schular, 1998) suggests that Manpower Planning is likely to be more uncertain and short-term to grapple with uncertain, dynamic and quick changing financial and business environment. (Boxall and Purcell, 2003) stress that there is no debate that change is certain and preparing a contingency plan for the future is necessary. On one hand short-term Manpower Planning is essential for a company’s continued existence but long-term Manpower Planning is also important if it does not interfere with the flexibility of the organization. (Cole, 2002) explains that Short-term Manpower Planning is for duration of 18 months to 24 months and emphasis is on particular skill up gradation and filing of posts and vacancies within the framework of the present plan. (Oladipo, 2011)
indicates that the mission statements and corporate annual reports of many organizations frequently reiterate the importance of human resource. To have the right people at the right time at the right place is the most important element for the existence and success of an organization.

2.3. RECRUITMENT AND SELECTION

The way management science has evolved over the past 21st century, it is hard to believe that any organization can afford to not give emphasis on a firm business plan. The success of which relies crucially on Manpower Planning and development. After all, as is universally accepted the success and failure of any organization rests on the performance of people that that work in it.

On one hand, underachievement results in failure at workplace and, on the other hand, hiring the wrong people and being unable to predict hiring fluctuations results in huge costs. It is therefore, important that the right efforts are put into Manpower Planning practices (Biles et al, 1980). (Kaplan and Norton, 2004) indicate that a general drawback of the recruitment and selection process of major organizations is weak Manpower Planning. Meticulous Manpower Planning transforms into definite human resource policies, plans and practices. The key task of Manpower Planning is to get the right number of people possessing the right skills, abilities, competencies at the right time at the right place at the correct costs. A thorough, vigorous and dynamic recruitment and selection plan controlled and monitored by competent and experienced HR experts and managers and a devoted HR team helps in the effectiveness and efficiency of this plan by attracting the right applicants. (Jacobs, 2007) states that “Human capital is a key resource for most companies”, it is crucial to recruit and select the right individuals. It is the interest of business to have recruitment as continuing ‘process’ rather
than an ‘event’. According to (Armstrong, 2001) found that recruitment and selection has three distinct phases; identifying requirement, inviting suitable candidates and choosing candidates. (Macky and Johnson, 2003) state that recruitment relies heavily on job analysis and is connected closely with the strategy of the organization through Manpower Planning. (Walker, 2009) suggests how organizations seeking long-term success require to recruit and motivate people who can bravely confront the challenges that the future throws. These employees will be able to provide a competitive edge to the organization while dealing with the new dynamics of changing financial and business environment, and the ability to make long-term and productive associations with customers, colleagues and suppliers. Recruitment of fresh employees displays an organizations goal in terms of the skills, abilities, competencies that it regards as essential for entry. It also provides a platform to exhibit the principles, ideals, values and morals of the organization and presenting a case in favor of the organizations willingness to provide a chance for growth and development of a candidate’s career.

Modern technological progress, globalization, transformation in the organization have thrown new set of challenges in terms of recruitment and selection (Hax, 2001). (Soomro et al, 2011) have recently concluded that selection, training, employee participation, job definition, career planning, compensation, performance appraisal had a positive effect on employee performance.

Main costs of companies like salaries and administrative costs can be managed through improved planning of how many employees are needed for the organization, their contribution to the organization, are the employees more or less then needed. Contemporary Manpower Planning centers on selecting a candidate not only for that particular job but also the overall culture of the organization (Bowen et al., 1991). (Ulrich and
Lake, 1991) explain that the organization’s ability to use manpower as a source of competitive advantage rests on, recruiting and retaining skilled employees, building their competencies through efficient human resource systems.

(Dess and Jason, 2001) indicate how line managers are critical to the success of the recruitment and selection plan, as they decide the job descriptions and the criteria for selection of candidates. Line managers ultimately make the crucial decisions of recruitment and selection that translate into business needs. Therefore the human resource plays the role of a catalyst and the line managers are the real show runners.

As per (Odiorne, 1984) the recruitment process is responsible for the quality of recruits in the same way as a successful selection process rests on competency of applicants drawn. (Randall, 1987) says that recruitment as a part of human resource management practice, is responsible for being the most significant factor that affects the performance of the organization as is widely accepted that wrong recruitment choices have an effect on the performance of the organization and minimize the achievements of objectives.

(Kulik, 2004) believes that recruitment is the process of drawing a collection of worthy aspirants and then picking the best out of them. (Walker, 2009) emphasizes that recruitment and selection is a method of appealing to candidates in a well timed manner in adequate numbers possessing suitable qualifications.

As per (Ballantyne, 2009) recruitment and selection play a major part in the performance of employee’s favorable results for an organization. Selection is not merely a tool to increase the existing workforce or fill vacancies that have arisen due to transfers, promotions, exists etc but also an attempt to employ people who can show high levels of commitment at top places.
Recruitment is the process of generating a pool of capable people to apply for employment to an organization. Selection is the process by which managers and others use specific instruments to choose from a pool of applicants a person or persons more likely to succeed in the job(s), given management goals and legal requirements. (Bratton and Gold, 2007).

According to (Foot and Hook, 2005) ‘Although the two functions are closely connected, each requires a separate range of skills and expertise, and may in practice be fulfilled by different staff members. The recruitment activity, but not normally the selection decision, may be outsourced to an agency. It makes sense, therefore, to treat each activity separately.’ (Pilbeam and Corbridge, 2006) state ‘The recruitment and selection of employees is fundamental to the functioning of an organization, and there are compelling reasons for getting it right. Inappropriate selection decisions reduce organizational effectiveness, invalidate reward and development strategies, are frequently unfair on the individual recruit and can be distressing for managers who have to deal with unsuitable employees.’ (Milkovich and Boudreau, 1988) conclude that proper and consistent assessment of recruitment and selection exercise leads to the withdrawal of those practices that have not born good outcomes in the past. (Costello, 2006) indicates that recruitment is a means through which organizations acquire adequate number of candidates that meet the criteria that the organization is looking for and then eventually choose, keeping in mind the goals and objectives of the organization in both the long and short-term. A successful recruitment plan starts by employing a Manpower Planning and forecasting strategy.

(Montgomery, 1996) says that the concentration of recruitment and selection is on complementing the potential and penchant of the probable
applicant to the needs and requirements of a particular job. According to (Jovanovic, 2004) recruitment and selection is a central process to human resource management as it has a bearing on the success of the organization. Therefore, successful and well performing organizations dedicate substantial amount of time, money and resources in the creation of a high quality and effective selection process. (Chambers et al., 1998) indicate that well performing and best companies are way ahead of their competitors in the areas of recruiting and holding on to their best talent. (Dessler, 2000) explains that recruitment and selection play a major part in delivering consistent performance by employees and therefore leading to positive outcomes for the organization. The selection process used by organization not only helps in filling vacant job positions but also facilitates in the placement of candidates at higher positions and display dedication. As per (Smith et al., 1989) the more efficient the recruitment phase is, the less crucial the selection phase becomes. (Smith and Robertson, 1993) conclude that accuracy in recruitment and selection procedures is the call of the hour; otherwise companies could be burdened with a pool of unproductive manpower as a result of unsuccessful recruitment and selection processes. (Whitmell Associates, 2004) believe for long the spotlight in terms of recruitment and selection and in general for hiring has been on skills instead of abilities like learning, strategic thinking, flexibility, adaptability and leadership capabilities. (Thite, 2004) says selection of staff is becoming the building block of all other human resource issues. (Hafeez & Aldelmeguid, 2003; Thomas et al., 2002; Wang, 2005) indicate that currently many researchers, academicians and practitioners have emphasized the need of competence in increasing organizational productivity. The key is to train and then place the right people at the right time at the right place for the purpose of meeting organizational and
customer needs. According to (Setlhare, 2007) the recruitment system is responsible for the maintenance of grades, ranks, promotions, demotions, transfers and other means of exit along with plans of expansions. The recruitment process is based on the company’s plan of whether it intends to fill vacancies on need basis, or whether the company delays recruitment till enough or ample vacancies are accumulated to be filled with the view of minimizing cost.

According to (Delany and Huselid, 1996) recruitment is the process of locating the reserve of manpower required to meet the needs of the organization in terms of staffing and human resource, putting in place the system to draw the manpower in sufficient numbers so that valuable employees are selected in order to build a competent and professional workforce. Recruitment is a ‘linking function’ as it draws prospective job seekers and employers together. Following a recruitment and selection system based on modern and requirement-based assessment is paramount for a successful selection system which in turns leads to better organization performance. As per (Myloni et al, 2004) recruitment and selection systems are means to invite as many worthy applicants as possible so that the best among them can be selected to attain a competitive advantage by the organization. (Byars and Rue, 1991) explain that recruitment is the process of looking for and appealing to candidates so that eligible candidates can be selected to fill positions that are vacant in the organization. (Harvey and Browin, 1996) believe that “Selection is the process of choosing from a pool of applicants the individual or individuals who best fit the selecting criteria for a position”. (Shen and Edwards, 2004) say that selection is an important component of human resource management, because the candidates that are eventually selected to work for the organization in turn have a strong correlation with the development of the organization. (Pfeffer, 1994)
concludes that acquiring and retaining high performing and motivated employees is one of the major challenges, organizations face in contemporary times. The selection process is an instrument in the hands of management that translates into the best and worst hiring decisions. It also aids in spotting the best candidate who has the capability, ability and motivation to perform, and sets benchmarks about the expected performance and in general drives the message within the organization about the importance of people.

2.4. PERFORMANCE APPRAISAL

According to (Carson; Cardy and Dobbins; 1992) performance appraisal is the wheel that steers many decisions in an organization. (Lawrie, 1990) concluded that performance appraisal is “…the most crucial aspect of organizational life”.

(Maund , 2001) says “Appraisal is the analysis of the successes and failures of an employee and the assessment of their suitability for training and promotion in the future and performance appraisal was introduced in the early 1970s in an attempt to put formal and systematic framework on what was formerly a casual issue”.

(Yong, 1996) explains “an evaluation and grading exercise undertaken by an organization on all its employees either periodically or annually, on the outcomes of performance based on the job content, job requirement and personal behavior in the position”. According to (Pareek and Rao, 1992) performance appraisal system with employee development and growth at its heart has the following objectives; to offer feedback and advice, to detect areas where training is needed and to offer valuable information and data to the personnel department and the management for compensation and promotion purposes. An effective performance appraisal system has the following steps; finding key areas of
performance and setting annual goals, recognizing the important characteristics to accomplish those goals and enhance performance, timely assessment of performance, a discussion of performance with the members of staff and recognizing areas for potential training and development needs. (Armstrong, 2009; Chatterjee, 2009; Dransfield, 2000; Stone, 2010) state that performance appraisal is a methodical assessment of the performance of an individual while performing a particular function or job or task on the basis of approved pointers or measures and also helping in the growth and development of an employee. (Taylor et al., 1994) explain how performance appraisal is the process of recognizing, gauging and increasing human performance in an organization.

As per (Allen, 2003) performance appraisal is one of the most important tool that a manager has in possession, as no other human resource management exercise can affect employee’s professional life and career. (Sang, 2005) indicates that a just and complete performance appraisal system with customers as the center of attention leads to leads to better performance. (Rahman, 2006) explains how an absolute performance appraisal system improves an employee’s commitment which in turn improves their performance. According to (Lee and Lee, 2007) efficient and effective performance management systems enhance quality and productivity. (Stivers and Joyce, 2000) believe that performance appraisal is an instrument in the hands of management that could improve communication, motivation and feedback. (Baron and Armstrong, 1998) explain that performance management is a planned method of improving organizational effectiveness by enhancing the employee performance and by increasing the potential of individuals and teams. (Riggio, 2003) states that performance appraisal data and knowledge provides a substantial base for other human resource management
functions like promotion, layoffs and firing. It offers valuable basis for training and development needs of employees. In addition to these, it presents significant contributions to justify selection policies and practices as well as Manpower Planning. (Cleveland, Murphy and Williams, 1989) explain that the conclusions of performance appraisal are helpful and constructive to employees as they open them towards the possibility of better performance in the future.

According to (Casio, 1998) performance appraisal process is at best an approximation and is a widely employed practice in all organization cutting across industries. He further defines performance appraisal systems to be a practice which requires observation and critical judgment; it is a response from the organization that helps an employee to perform his job and duties, and making work related assessments to best of his abilities while keeping in mind the organizations objectives. (Beach, 1980) states that performance appraisal is a methodical assessment or valuation of an employee’s contribution or performance on the job and possibility of his or her development in the future. As per (Beach, 1980 and Tereza, 1999) there are eight set of guidelines for administrators and managers of public and private organizations to effectively carry out performance appraisals: to acquire all the information, knowledge and data regarding an employee’s performance for the given time period and expectations from the employee in terms of job; study performance measurement standards so that an employee’s performance can be evaluated on the basis of this standard; to oversee the contribution of each job in the achievement of organizational objectives; performance standards should be established with the knowledge and agreement of the employee; establish a process in the organization that permits the growth and development of the individual along with organizational productivity; appraise needs to be supportive, positive, ,constructive, encouraging and
motivating; make sure that all the appraises have a sound understanding of the appraisal processes, tools and techniques; there needs to be a definite connection between performance and compensation. (Cole, 1997) states that performance interviews are personal meetings and conversations between the appraiser and appraise in which information in the appraisal form is discussed in detail and at great lengths to the satisfaction of both, followed by important decisions of salary, promotion and training. (Muczky, 1987) concludes that the manifestation of performance appraisal in an organization is for promotions, terminations and enhancing performance, therefore a sound performance appraisal system should be the main concern of all firms.

According to (Rao and Rao 1996, Cole 1997, Folayan 1997) the purpose of performance appraisal is to give feedback to the employee based on the performance at the job; to aid employees to perform in accordance with the requirements of the job i.e. supporting them to continue the current performance or suggesting any changes in the future; to propose training needs and requirements of employees thereby providing them growth and development opportunities within the organization; to enhance manager-subordinate interactions through improved communication; to recognize prospects of promotion and transfer of employees based on their performances.

As per (Lillevik, 2007) modern organizations are forced to develop human resource systems that do not differentiate between employees in terms of diverse human resource management functions, specifically selection and appraisal. (Khandelwal, 2005) observes that the need of the hour is to upgrade the performance appraisal system. The performance appraisal system needs to rest on scientific and objective parameters. Performance of employees needs to be allied to the business goals of the organization which will aid in evaluating the performance of employees.
on vital parameters. (Cascio, 2006) states that performance management necessitates three important elements: identify, aid and support performance at both individual level and team level. Performance appraisal is essential but not always adequate as a part of the assessment system of an organization. (Webb, 2004) explains that successful managers need to include performance evaluation and feedback on a day-to-day basis as a part of the communication process. (Walters, 1995) says performance appraisal and management are increasing turning out to be medium for the persistent and ongoing enhancement in terms of performance of employees by way of synchronized people management programs. (Cherrington, 1995) explains that performance appraisals are aimed at directing the human resource department to hire, fire, promote employees; providing employees bonuses as forms of rewards; detecting areas of improvements by providing feedback; recognizing training and developmental needs of employees to enhance performance at a job or task and presenting data and statistics needed for Manpower Planning. As per (Smith, 2000) appraisals are systematic, customary, objective and standard procedures that organizations employ to assess their employees. The main aims of appraisals are to judge, evaluate and review the accomplishment of objectives, efficiency, effectiveness and impact of an employee’s performance to the overall achievement of the organizational or corporate goals. (Bdemardin and Russel, 1993) explain how performance appraisal policies, practices and measures need to be conveyed clearly to the employees in the organization, so that employees have an accurate understanding of the expectations that the organization has for that specific job role or profile leading to contributions to business and organizational objectives. According to (Murphy and Cleveland, 1995) performance appraisal is helpful to organizations in four ways: it
can improve the decisions taken by the organization in terms of promotions, layoffs, transfers and compensation and reward; can help individual employees take better decisions for themselves in terms of time and effort that needs to put into a particular task or work and career alternatives; offers an apparatus for the organization to judge and analyze itself for its growth and development; and finally performance appraisal can affect the attachment that he or she feels towards the organization. (Torrington and Hall, 1998) state that performance appraisals are a pragmatic approach to handle the manpower of an organization effectively. They can be utilized to enhance present performance, boost morale, spot training requirements, isolate prospective candidates, help employees gain significant knowledge about what is required from them in terms of performance, as aids to career advancements, give salary increments and resolve job related troubles. Performance appraisals create awareness about the achievements of employees, where they have faltered, what are their weaknesses, where do they stand in the entire scheme of business, evaluate the performance, efficiency and effectiveness of one employee to another, lay down achievable goals and recognizing means to increase and grow business. Performance appraisals let the employees feel appreciated, get a clear knowledge of the business, recognize their strengths and weaknesses, find areas that require training and give valuable suggestions to enhance the business.

2.5. CAREER PLANNING
According to (Beardwell; Holden and Claydon, 2004) successful management provides proper attention to career planning, promotion and progression. (Greenhaus, 1987) argues that career management involves not only organizational initiative but also individual endeavor aimed at drawing career goals, devising and applying strategies and examining
results. (Gutteridge, 1986) explains why organizations have important basis to put in place a career planning and development plan and system as it is a valuable and successful mode of coping with turnovers, exits and low productivity among employees. (Storey, 1995) explains how career planning as a part of Manpower Planning is concentrated towards the individual. Career planning is largely construed as recognizing and matching an individual’s skills and competencies along with his or her inclinations with the values and culture, business strategy and goals, structure and change, training and development, rewards, performance appraisal and promotion systems. (Taylor, 1998) indicates how career planning is focused on individuals and their responsibilities towards their own career development. For these purposes ‘mentoring’ and ‘coaching’ could be formally or informally initiated or provided. (Beach, 1975) believes that the presence of skill inventory increases the chances of employees to fulfill their career ambitions with the help of development and promotion. (Setlhare, 2007) indicates that lower ranked opening are generally filled by recruitment, however higher grade positions are fulfilled through promotions. The main objective of promotions is to avoid chances of losing a valuable asset or employee. Further, promotions could be based on the following conditions:

- the most senior employee in that particular grade is promoted: the single decisive factor for this is the length of service and therefore the management has control over this,
- random promotions: here the management has the liberty to promote an employee of their choice,
- performance based promotion: an employee who has completed minimum criteria is eligible on the basis of his performance.
(Beach, 1980) observes that if promotions are to serve as incentives for outstanding performance on the current job, then some kind of financial incentive must be attached to worthy candidates. (Willoughby, 1927) opines that an effective promotion system of a firm has the following prerequisites: put into place definite requirements i.e. tasks, duties, responsibilities that are needed for a promotion. A positions job analysis must be clearly defined and not left to the discretion of the management; the positions must be properly described in terms of grades, ratings and classes; all positions need to be incorporated; on most occasions internal recruitment should be considered for filing vacancies in higher positions; merit should be regarded for decisions regarding promotions (Willoughby 1927 and Tyagi, 1975); sufficient resources should be used to establish the merit of candidates up for promotion and adoption of fair, just and equitable practices for the effectiveness of the promotion process.

(White, 1963) says career planning is when an employee is given a different assignment within the organization without any alteration to his duties, responsibilities or compensation. (Beach, 1980) believes transfer differs from promotion as it is not a vertical advancement from the past rank or duties, rather it could be a minor alteration of responsibilities and rank.

According to (Swain, 2004) for the success of firms, employees that are major contributors need to be acknowledged, encouragement thru job enrichment and incentive in the form of promotion need to be provided. Promotions need to be in light of merit and should be performance based. However, in banks there is no connection of promotion to performance and the lack of flexibility in system prevents a performance based promotion mechanism.
2.6. TRAINING AND DEVELOPMENT

As per (Hilb, 1992) the exercise of training is one of the most vital features of human resource management that help in keeping an organization in the lead from its competitors. (Stoner & Freeman, 1992) state "Training programmes are directed towards maintaining and improving current job performance, while development programmes seek to develop skills for future jobs" (Pitkanen, 2007) indicates that the contemporary challenges thrown by the pressures of globalization direct organizations to relook at their employee training and development practices. (Zeithmal and Bitner, 2004) conclude that training needs to be looked at as an asset and therefore any investment in training will ensure success in the future. (Kundu, 2000) indicates that the need to build a customer-oriented pool of employees that deliver high quantity service is crucial for any organization’s survival, this can only be matched by training.

According to (Cunningham, 2007) it is not possible for an organization to have an employee that is completely competent and skilled, however, organization with the help of training can provide the opportunities to employee to be fully competent and skilled. (Barak et al., 1999) researched that has indicated on many occasions training leads to better outcomes for the organization. (Byars and Rue, 1991) claim that training is the process of learning skills, knowledge and concepts that help an employee to perform better at his or her job. (Bartel, 1994) concluded that proper training programs for employees has a positive effect on productivity. As per (Mwenebirinda, 1998) performance of employees can be improved with the help of training that focuses on detected weaknesses. (Nwachukwu, 1988) defines training as “as organizational effort aimed at helping an employee to acquire basic skills required for the efficient
execution of the functions for which he was hired”. These basic skills as per (Baldwin et al., 2001): "create competitive advantage in the form of quality, speed, efficiency, flexibility, incremental improvements and innovation and thus organizational assets”.

(Crawford, 1984) states that training offers definite skills and knowledge which are required to carry out a job. Development refers to a corresponding course of action, in which candidates attain a broad spectrum of abilities that are not necessarily linked to the performance of a particular task. (Benjako, 1998) believes that training is a specific process through which people attain skills and knowledge for a well-defined objective. Development is broader in its approach and is not as specific as training. It provides assistance to managerial employees performing non-routine jobs in terms of managerial and administrative decision making abilities. (McFarland, 1968) indicates that training helps build employees skills, abilities and competence. Development assists in improving the managerial, administrative and decision making abilities as well as the future tasks of greater difficulty. As per (Cole, 1998) training is an activity in pursuit of gaining special skills, knowledge and abilities to execute a task or group of tasks. Development is future-orientated, concerned with future requirements rather than immediate tasks at hand. Development focuses on the future requirements of the organization and on individual’s personal progress in the organization. (Leamer, 1986) training is aimed at enhancing the performance of an employee for a particular job or task, where a trainee improves his or her skills, knowledge and abilities with the help of an expert or trainer. Training is mostly aimed at and assessed against the current job or task. Development however is a broad and continuing and multi-dimensional activity designed to take someone to another level in terms of performance.
(Nadler and Wiggs, 1986) “Training focuses on learning the skills, knowledge and attitudes required to initially perform a task or to improve upon the performance of a current job or task, while development activities are not job related, but concentrate on broadening the employee’s horizons” as all these have an effect on performance. (Mwenebirinda, 1998) explains how once an employee’s limitations are recognized they can be tackled by training which leads to improved performance.

According to (The Tanzania Institute of bankers, 2003) training is work based and helps in altering behavior by decreasing discontent, frustration, absenteeism and unnecessary exits and provides knowledge. Training with the aim of helping employees in their careers especially promotions gives a lift to the confidence and morale of employees. (Kalanzi, 1998) believes that training brings individual and organizational goals on the same page. (Mullins, 2005) indicates that training helps to offer more prospects in relation to ‘career progression’ as it provides enhancement in terms of competence of an employee and also the organization. Training therefore, serves as a platform for providing an uninterrupted growth and development of an employee’s career.

(Gilad and Richard, 2007) suggest that the challenges of the twentieth century make it essential for employees and their careers to be incessantly developed in terms of skills, competencies and behaviors which can only be achieved through training. (Holland and Cieri, 2006) opine that the objective of training and development is to identify the skill gaps, the disparity that exists between the skills that the employee’s posses and the skills that the organization would want them to enhance or learn.